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

Utrecht, 23 August 2019, 07.00 am CET

Strong H1 results due to solid operating performance and disciplined execution

a.s.r. announces acquisition of Veherex

Strong financial results

- Operating result increased by 21.0% to € 459 million (H1 2018: € 380 million[1]). The increase is mainly driven by a strongly improved result in the Non-life segment.
- Operating return on equity amounts to 16.8%, well above the target of '12-14%'.
- Combined ratio amounts to 93.5%[2], outperforming the '94-96%' target.
- Operating result of the Non-life segment increased substantially to € 122 million (H1 2018: € 66 million), due to a lower impact from calamities (claims due to storm € 20 million lower compared to last year) and a strong performance in the product line disability insurance.
- Operating result of the Life segment increased by 8.3% to € 368 million, mainly due to a higher investment margin.
- Net IFRS result increased by 46.5% to € 540 million (H1 2018: € 368 million) due to a higher operating result, an incidental result from an acquisition and higher indirect investment income.
- Interim dividend of € 98 million or € 0.70 per share, equal to 40% of the dividends distributed over 2018.

Robust solvency

- Solvency II (standard formula) was after the interim dividend 191%[3] as at 30 June 2019 (31 December 2018: 197%).
- The quality of the balance sheet remains high with a € 126 million increase of the Unrestricted Tier 1 capital to € 5.5 billion. The level of financial flexibility remains high with a total headroom for hybrid capital of € 1.3 billion.
- Organic capital creation amounts to € 189 million (H1 2018: € 179 million), 5.1% of the required capital.
- The acquisition of Loyalis was financed by issuing a benchmark € 500 million Tier 2 instrument in April 2019.
- The financial leverage ratio at 30.4%.

Solid commercial results

- Gross written premiums in the Non-life segment increased by € 74 million to € 1,791 million. The organic growth of disability insurance and P&C together was 3.3% (including the impact of restructuring the Generali Nederland portfolio) and meets the target of 3-5% growth in premiums.
- Gross written premiums in the Life segment amounts to € 849 million (H1 2018: € 885 million). The decrease reflects the decline in Individual life and Pension DB. This is partially offset by the 55% increase in the gross written premiums in Pensioen DC (Werknemers Pensioen) and the contribution from Loyalis.
- Assets under Management ("AuM") for third parties increased by € 3.3 billion to € 19.3 billion (€ 16.0 billion as at 31 December 2018). This growth reflects inflows of € 800 million for the ASR Hypotheekfonds (mortgage fund), the inflow of € 430 million in the ESG funds as well as revaluations.

Disciplined execution of the strategy

- Today, a.s.r. announces the acquisition of Veherex[4]; an income insurer for personnel of railway affiliated companies. Gross written premiums of 2018 amounted to € 15 million.
- The acquisition of Loyalis was completed on 1 May 2019.
- a.s.r. has strengthened its position as an income insurer and service provider in the field of sustainable employability, with the acquisitions of Loyalis and Veherex, an expansion of the interest in HumanTotalCare (a service provider in the field of re-integration) at the beginning of this year and a strategic collaboration with Discovery for the Vitality programme.

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[1] Comparative figures have been adjusted, mainly related to the discontinued classification of a.s.r. bank.
[2] P&C and Disability.
[3] Excluding a.s.r. bank and a.s.r. asset management.
[4] Subject to declaration of no objective (DNO).

Publication of the financial results on 23 August 2019 at 7.00 am CET. Conference call for financial market parties (in English) at 10.30 am CET. For more information, visit www.asrnl.com.

- On 19 July 2019, a.s.r. announced the acquisition of VvAA levensverzekeringen N.V. ("VvAA"). The acquisition comprises an annual premium of € 28 million and technical provisions of € 430 million.
- The establishment of Dutch Science Park Fund as a fourth sector fund, with which a.s.r. real estate expands its fund offering and contributes to the knowledge sector in the Netherlands through selected investments.
- On 21 March 2019, a.s.r. announced the sale of the savings portfolio of a.s.r. bank to Achmea Bank N.V.
- The integration of Generali Nederland has largely been completed. Its contribution to the operating result and the return of this acquisition is higher than initially expected.

Jos Baeten, CEO: 'I am proud of the results we have achieved in the first six months of this year. The disciplined execution of our strategy, the commitment of our employees and the focus on operational effectiveness has led to a strong increase in the operating result. The operating return on equity of almost 17% per annum, is well above our target and our Solvency II ratio on standard formula is robust at 191%.

In the first half of this year, a.s.r. strategically improved its position as an income insurer and service provider in the field of sustainable employability, with the acquisition of Loyalis, the expansion of our interest in Human Total Care and the collaboration with Discovery. I am looking forward to the introduction of the Vitality programme, which is part of sustainable employability proposition, in the second half of this year.

In addition, the today announced acquisition of Veherex further strengthens a.s.r.'s position in this domain and fits well within our acquisition strategy. We welcome the customers of Veherex and it is our ambition to establish a longstanding relationship with them. We intend to integrate Veherex within Loyalis thereby leveraging their unique experience in servicing semi-public organisations and offering customer tailored propositions.

I am also proud with the acquisition of the Life insurance activities of VvAA which we announced in July. With the sale of the savings portfolio of a.s.r. bank we underline our focus on value-generating activities.

We take great pride in our profile as a sustainable insurer. The recognition we have received for our initiatives in this area underline the success of our efforts. VBDO recently designated a.s.r. as the insurer with the best developed responsible investment policy in the Netherlands. We also see that a.s.r. receives better ratings in various benchmarks, such as the FTSE4Good and the assessment report of UNPRI. We actively include sustainability in our product development. An example of this is a mortgage specifically to finance energy-saving measures in and around the house.

The Non-life segment almost doubled its operating result. We have seen improvements in the performance of all businesses. In the first half year, we achieved a combined ratio of 93.5% while the organic growth of the gross written premiums was 3.3% including the impact of the restructuring of the Generali Nederland portfolio.

In the Life segment, the higher investment margin, including the contribution of Generali Nederland, led to an increase in operating result. The gross written premiums of the DC product Werknemers Pensioen increased by 55%. Together with the premiums of Loyalis, this partially offsets the decrease in premiums coming from Individual life and Pension DB.

Asset Management showed growth in fee income due to new customers and an increase in the investment funds. The success of our mortgage fund, aimed at institutional customers, continues. The milestone of € 3 billion in AuM for the mortgage fund is now in sight. I am also enthusiastic about the establishment of the Dutch Science Park Fund. With this new product a.s.r. real estate is delivering an active contribution to the development of the Dutch knowledge sector through its investments.

In the first half of 2019, we almost completed the integration of Generali Nederland. The last part of the integration of Pensions remains to be completed. We expect to complete the integration early next year. By doing so, the acquisition of Generali Nederland will exceed our initial expectations. The integration of Loyalis is in progress and is proceeding according to plan.

Looking ahead, we are positive about the commercial and operational outlook for the second half of this year. We are keeping an eye on developments in the financial markets and in particular on the exceptionally low interest rates. We continue to have an interest in growth through small and medium-sized acquisitions. Our strong capital position provides sufficient scope for this. We will continue to allocate our capital rationally and we will review our capital policy in the second half of this year.'

Key figures			
(in € millions, unless stated otherwise)	**H1 2019**	**H1 2018**	**Delta**
Operating result[1]	459	380	21.0%
Operating return on equity[2]	16.8%	15.0%	1.9%-p
Net result (on IFRS basis)	540	368	46.5%
Return on equity	22.2%	15.5%	6.7%-p
Gross written premiums	2,576	2,502	3.0%
Operating expenses	-304	-293	3.7%
Combined ratio (P&C and Disability)	93.5%	96.7%	-3.2%-p
New production (Life segment (APE))	40	36	12.5%
	H1 2019	**FY 2018**	**Delta**
Total equity	5,810	5,479	6.0%
Total equity attributable to shareholders	4,809	4,478	7.4%
Solvency II ratio (standard formula) after dividend[3]	191%	197%	-6%-p
Financial leverage	30.4%	26.7%	3.6%-p
Cash position holding	354	394	-10.0%
Number of FTEs (internal)	3,848	3,683	4.5%
	H1 2019	**H1 2018**	**Delta**
Operating result per share[4]	2.27	1.86	22.0%
Dividend per share	0.70	0.65	7.7%
Number of shares issued and outstanding at year-end (million)	141	141	-
Weighted average of shares issued and outstanding (million)	141	141	-

Notes to the table

1. The operating result is the result before tax, adjusted for (i) incidental investment income (including realised capital gains, impairments and realised or unrealised changes in value) and (ii) incidental income and expenses that are not related to normal business operations but are, for example, the result of changes in accounting policies, consultancy costs for acquisitions, 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 property development (business activities in run-off) and a.s.r. bank.
3. After interim dividend, excluding a.s.r. bank and a.s.r. asset management.
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

Publications		Interim dividend	
19 February 2020	2019 annual figures	23 August 2019	Announcement interim dividend
20 May 2020	Annual General Meeting	2 September 2019	Ex-interim dividend
26 August 2020	H1 2020 results	3 September 2019	Interim dividend record date
		6 September 2019	Interim dividend payment H1 2019

The figures included 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 insurances, pensions 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 group and business performance H1 2019

a.s.r. key figures			
(in € millions, unless stated otherwise)	**H1 2019**	**H1 2018[5]**	**Delta**
Operating result	**459**	**380**	**21.0%**
- Non-life	122	66	84.8%
- Life	368	340	8.3%
- Banking and Asset Management	11	9	30.2%
- Distribution and Services	11	12	-13.9%
- Holding and Other / Eliminations	-53	-47	11.2%
Incidental items (not included in operating result)	**221**	**102**	**115.9%**
- Investment income	170	113	50.3%
- Underwriting incidentals	-12	3	n.m.
- Other incidentals	63	-14	n.m.
Profit/(loss) before tax	**680**	**482**	**41.2%**
- Non-life	173	77	124.0%
- Life	465	440	5.6%
- Banking and Asset Management	11	8	29.9%
- Distribution and Services	11	13	-20.3%
- Holding and Other / Eliminations	21	-57	-136.3%
Income tax expense	-126	-113	12.3%
Profit/(loss) for the period from continuing operations	554	369	50.0%
Profit/(loss) for the period from discontinued operations	-15	-1	n.m.
Non-controlling interest	-	-1	-
Profit/(loss) for the period attributable to holders of equity instruments	**540**	**368**	**46.5%**
Organic capital creation (OCC)	**189**	**179**	**5.6%**
Operating return on equity	**16.8%**	**15.0%**	**1.9%-p**
Return on equity	22.2%	15.5%	6.7%-p
Earnings per share			
Operating result per share (€)	2.27	1.86	22.0%
Dividend per share (€)	0.70	0.65	7.7%
Basic earnings per share on IFRS basis (€)	3.79	2.58	46.9%
Gross written premiums	**2,576**	**2,502**	**3.0%**
- Non-life	1,791	1,717	4.3%
- Life	849	885	-4.0%
- Eliminations	-64	-100	-35.6%
Operating expenses	**-304**	**-293**	**3.7%**
- Non-life	-112	-111	1.0%
- Life	-92	-93	-1.1%
- Banking and Asset Management	-41	-40	3.4%
- Distribution and Services	-27	-25	6.5%
- Holding and Other / Eliminations	-32	-24	32.4%
Operating expenses associated with ordinary activities	-284	-280	1.3%
Provision for restructuring expenses	-7	-19	-64.0%
	30 June 2019	**31 Dec. 2018**	**Delta**
Number of internal FTEs	3,848	3,683	4.5%
Capital management			
Solvency II ratio (standard formula, post proposed interim dividend)[6]	191%	197%	-6%-p
Financial leverage	30.4%	26.7%	3.6%-p
Double leverage	109.2%	99.7%	9.5%-p
Total equity attributable to holders of equity instruments (IFRS-based)	5,810	5,479	6.0%

The **operating result** improved with € 80 million to € 459 million (H1 2018: € 380 million) driven by an improved combined ratio in the Non-life segment and a higher investment margin in the Life segment.

The Non-life segment achieved an operating result of € 122 million, an increase of € 56 million compared to H1 2018. In Disability, the result of sickness leave improved considerably due to premium measures. P&C achieved a higher result due to € 20 million lower impact from calamities (H1 2018: € -35 million; H1 2019: € -15 million). The combined ratio of Non-life P&C and Disability improved to 93.5% (H1 2018: 96.7%).

The Life segment operating result improved with € 28 million to € 368 million. The increase reflects a higher investment margin (€ +25 million) and a higher technical result (€ +3 million), mainly driven by better than expected mortality results. The increase in investment margin is primarily the result of a combination of lower required interest at Individual life (€ +11 million) and a slightly improved direct investment return, which was supported by re-risking the asset mix and acquisitions.

The Banking and Asset Management segment operating result rose € 3 million to € 11 million. The increase in fee income is mainly the result of inflows into the ASR Hypotheekfonds (mortgage fund) and revaluations. Growth in the business of the Distribution and Services segment was offset by a decrease in the fee income of mandated brokers at Dutch ID as a result of which operating result decreased (€ -2 million).

Gross written premiums increased by € 74 million to € 2,576 million (H1 2018: € 2,502 million), including the addition of Loyalis (€ 32 million). Gross written premiums in the Non-life segment increased (€ 74 million), which was attributable to organic growth in all Non-life business lines and the addition of Loyalis (€ 18 million). Gross written premiums in the Life segment, including the addition of Loyalis (€ 14 million), amounted to € 849 million (H1 2018: € 885 million).

Operating expenses associated with ordinary activities increased € 4 million to € 284 million primarily as a result of the additional operating expenses of Loyalis (€ 9 million). Excluding the Loyalis cost base, the regular operating expenses decreased by € 6 million. This decline is the result of cost savings related to the reduction of FTEs and systems as a result of the integration of Generali Nederland and the ongoing migration of Individual life portfolios to a SaaS platform.

The incidental costs, which are included in the segment Holding and Other, increased € 7 million to € 21 million. This increase is mainly driven by project costs for IFRS 17/9 legislation, Generali Nederland integration costs, preparation costs for the Vitality programme, as well as advisory costs related to M&A activities.

The number of **internal FTEs**, including redundant workers, increased 165 FTE to 3,848 FTE (2018: 3,683 FTE). This increase is mainly due to the addition of Loyalis employees (198 FTE at the time of acquisition). Growth in activities at Real Estate Asset Management led also to an increase in the number of FTEs.

Profit before tax rose € 198 million to € 680 million (H1 2018: € 482 million). This increase, in addition to a higher operating result (€ +80 million), is driven by higher indirect investment income (€ +57 million) and a positive contribution from incidentals (€ +62 million). The increase in indirect investment income is mainly due to the realised capital gains on equities and an increase in the unrealised revaluation on real estate investments. The contribution of 'underwriting and other incidentals' increased this period mainly due to the preliminary purchase gain on the acquisition of Loyalis. Several other items, including a lower incidental result from the own pension scheme, regulatory costs for the implementation of IFRS17/9 legislation and the harmonisation of a technical provision in the Non-life segment, led to incidental charges.

The initial accounting for Loyalis, as at 1 May 2019 is ongoing, including the reassessment of the gain on the purchase, and as such all values are provisional and adjustments are possible within the one year window period.

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[5] Comparative figures have been restated, mainly relate to the discontinued classification of a.s.r. bank. The impact on profit before tax amounts to € +1 million, on operating expenses € +6 million and on operating result € -2 million. The Real Estate Development business is no longer a separate segment but is reported within the segment Holding and Other.

[6] Excluding a.s.r. bank and a.s.r. asset management.

Operating return on equity amounted to 16.8% (H1 2018: 15.0%) and was well above the medium-term target range of 12-14%. The higher operating return on equity reflects the increase in (annualised) operating result which surpassed the growth of the average shareholders' equity (+8.8%). IFRS return on equity stood at 22.2% (H1 2018: 15.5%).

The **Solvency II-ratio** per 30 June 2019 was 191% (2018: 197%) after the interim dividend. Main factors impacting the Solvency II ratio include the reduction of 15 bps in the volatility adjustment (VA) from 24 to 9, the UFR reduction to 3.9% (-19%-p), the issuance of a Tier 2 instrument, the acquisition of Loyalis, organic capital creation and the proposed interim dividend (+9%-p). Remaining changes mainly relate to market and business developments.

Medium-term targets

The table below shows the targets and the performance of a.s.r.

Medium-term targets (2019–2021)		
Group	**H1 2019**	**Medium-term target**
Solvency II ratio (standard formula)	191%	> 160%
Operating return on equity (annualised)	16.8%	12%-14%
Organic capital creation	€ 189 million	FY 2021: > € 430 million
Financial leverage	30.4%	< 35%
S&P rating (insurance entities)	Single A	Single A
Business	**H1 2019**	**Medium-term target**
Non-life combined ratio (P&C and Disability)	93.5%	94%-96%
Non-life gross written premiums (P&C and Disability), annual growth	3.3%	3%-5%
Life operating result	€ 368 million	≥ € 633 million
Life operating expenses (of basic Life provision)	52 bps	45-55 bps
Operating result fee based business (Asset Management, Distribution and Services)	€ 22 million	FY 2021: € 40 million
Non-financial targets		
Net promoter score	41	FY 2021: > 44
Carbon footprint measured of the total investment portfolio	74%	FY 2021: 95%
Impact sustainable investments (for own account)	€ 0.7 billion	FY 2021: € 1.2 billion
Employee contribution to local society (hours), annual growth	H1: +22%	FY: +5%

The half-year performance shows that a.s.r. is well on track to meet the Financial and Non-financial medium-term targets for 2019-2021.

Non-life segment

Key figures, Non-life segment			
(in € millions, unless stated otherwise)	H1 2019	H1 2018	Delta
Gross written premiums	1,791	1,717	4.3%
Operating expenses	-112	-111	1.0%
Provision for restructuring expenses	-3	-2	49.1%
Operating result	**122**	**66**	**84.8%**
Incidental items (not included in operating result)	**51**	**11**	**351.0%**
- Investment income	67	13	402.7%
- Underwriting incidentals	-13	-	-
- Other incidentals	-3	-2	49.1%
Profit/(loss) before tax	173	77	124.0%
Profit/(loss) for the period attributable to holders of equity instruments	**139**	**61**	**127.8%**

	H1 2019	H1 2018	Delta
Combined ratio P&C and Disability	**93.5%**	**96.7%**	**-3.2%-p**
- Commission ratio	19.1%	20.8%	-1.7%-p
- Cost ratio	8.2%	8.5%	-0.3%-p
- Claims ratio	66.2%	67.5%	-1.3%-p
Combined ratio			
- P&C	97.4%	100.0%	-2.6%-p
- Disability	87.8%	91.2%	-3.4%-p
- Health	98.0%	98.4%	-0.4%-p

The **operating result** rose by € 56 million to € 122 million in H1 2019. The increase was mainly due to improvements in the underwriting result of P&C and Disability. P&C result increased due to € 20 million lower impact from calamities (H1 2019: € -15 million; H1 2018 € -35 million including the January storm). In Disability, the premium increases for sickness leave resulted in an improvement of the results from this product line. In addition, the result also improved due to a non-recurring favorable settlement of reinsurance commissions (€ +8 million).

The **combined ratio** of P&C and Disability improved to a strong 93.5% (H1 2018: 96.7%) and ahead of the medium-term target range for P&C and Disability (94-96%). The combined ratio includes the impact of two non-recurring items being the settlement of the reinsurance commission and the alignment of the provision under IFRS and SII (€ 13 million). The combined ratio of Disability improved by 3.4%-points to 87.8% and was positively influenced by the underlying regular performance of the portfolio and the non-recurring benefit of the reinsurance settlement. P&C combined ratio improved 2.6%-point to 97.4% due to lower impact from calamities and an improvement in the bulk claims ratio. The combined ratio of Health improved by 0.4%-points to 98.0% due to an increase in the premiums, mainly at supplementary health insurance.

The **gross written premiums** amounted to € 1,791 million, up € 74 million (H1 2018: € 1,717 million). Besides the addition of Loyalis (€ +18 million) all product lines (P&C, Disability and Health) showed organic growth (€ +56 million in total).

In the P&C business (€ +13 million) the number of '*Vernieuwd Voordeel Pakket*' (a product that combines several insurance coverages) sold continued to increase (up 8%) compared to H1 2018 with an average of 240 packages sold per day. The growth of Disability (€ +31 million) was mainly related to organic growth through the distribution channel mandated brokers as well as premium increases. The growth in Health (€ +12 million) reflects higher premiums per insured.

The **operating expenses** increased by € 1 million to € 112 million. This increase is due to the addition of Loyalis (€ 5 million) which is largely compensated by cost synergies from the integration of Generali Nederland. As a result, the cost ratio improved 0.3%-points from 8.5% to 8.2% in 2019.

The **profit before tax** for Non-life amounted € 173 million (H1 2018: € 77 million). Besides the improved operating result, the profit growth reflect a higher level of indirect investment income (€ +54 million), primarily consisting of realised capital gains.

Life segment

Key figures, Life segment			
(in € millions, unless stated otherwise)	**H1 2019**	**H1 2018**	**Delta**
Recurring premiums	747	737	1.4%
Single premiums	103	148	-30.7%
Gross written premiums	849	885	-4.0%
Operating expenses	-92	-93	-1.1%
Provision for restructuring expenses	-3	-1	167.2%
Operating result	**368**	**340**	**8.3%**
Incidental items (not included in operating result)	**97**	**100**	**-3.0%**
- Investment income	101	97	4.9%
- Underwriting incidentals	1	3	-61.3%
- Other incidentals	-5	-	-
Profit/(loss) before tax	465	440	5.6%
Profit/(loss) for the period attributable to holders of equity instruments	**349**	**333**	**4.9%**
Cost/premium ratio (APE)	9.4%	9.8%	-0.4%-p
Life operating expenses on basic life provision (bps) (2018: as at 31 December)	52	56	-4
New business (APE)	40	36	12.5%

The **operating result** increased by € 28 million to € 368 million (an increase of 8.3%). The improvement is primarily driven by a higher investment margin (€ +25 million) as a result of lower required interest in the Individual life portfolio. Direct investment income remained stable mainly due to the re-risking of the asset mix and acquisitions.

The **technical result** showed an improvement (€ +3 million). This reflects a better result on mortality, mainly at Individual life, and growth of the 'Werknemers Pensioen' (WnP) portfolio. The result on costs was stable, whereby a lower cost coverage was compensated by cost reductions (system rationalisation), growth of WnP and the contribution of acquisitions.

After the former Generali funeral portfolio was integrated last year, the Individual life portfolio of Generali was integrated to the a.s.r. platform in first half of 2019. The last part of the Generali pension portfolio is planned to be finalised at the beginning of 2020. The integration of the Loyalis life books has been started and is expected to be completed in 2020.

The **gross written premiums** amounted to € 849 million (H1 2018: € 885 million). Recurring premiums increased (€ +10 million) while single premiums came in lower (€ -46 million). The continued growth of WnP and the contribution from Loyalis exceeded the decrease of recurring premiums in Individual life and the decline of the existing DB portfolio with Pensions. For WnP, the AuM exceeded € 1 billion and the number of active participants is now over 75,000 (H1 2018: 50,000). The level of surrenders of nominal policies at Individual life was stable at 0.85%. This is mainly related to savings mortgages that were surrendered or transferred because of the low interest rates. Gross written premiums from Funeral remained stable (€ +2 million).

Operating expenses decreased € 1 million to € 92 million (H1 2018: € 93 million). Excluding Loyalis (€ 4 million) the operating expenses decreased by € 5 million. The contribution from ongoing cost reductions were able to absorb the additional costs for investments in growth markets and integration costs for acquisitions. This reduction is the result of, amongst others, the continuing focus on execution of migration programs, product rationalisation and the variabilisation of costs at Individual life.

The operating expenses in relation to the premiums (measured in APE) declined, which is reflected in a slightly improved **cost-premium ratio** of 9.4% (H1 2018: 9.8%). Life operating expenses expressed in basis points of the basic life provision improved to 52 bps on an annualised basis (31 December 2018: 56 bps), in line with the target of 45-55 bps for 2019-2021.

The **profit before tax** increased € 25 million to € 465 million (H1 2018: € 440 million). This increase mainly relates to the operating result (€ +28 million) while indirect investment income was stable (€ +4 million). The contribution from insurance related and other incidental items decreased (€ -7 million) and relates to several smaller items including restructuring costs.

Banking and Asset Management segment

Key figures, Banking and Asset Management segment[7]			
(in € millions, unless stated otherwise)	**H1 2019**	**H1 2018 restated**	**Delta**
Assets under Management for third parties (€ bn) (2018 as at 31 December 2018)	19.3	16.0	20.6%
Operating expenses	-41	-40	3.4%
Provision for restructuring expenses	-1	-1	32.2%
Operating result	**11**	**9**	**30.2%**
Incidental items (not included in operating result)	**-1**	**-1**	**34.9%**
- Investment income	-	-	-
- Underwriting incidentals	-	-	-
- Other incidentals	-1	-1	32.2%
Profit/(loss) before tax	11	8	29.9%
Tax	-3	-2	23.6%
Profit/(loss) for the period from continuing operations	8	6	32.4%
Profit/(loss) for the period from discontinued operations	-15	-	-
Profit/(loss) for the period attributable to holders of equity instruments	**-7**	**5**	**-225.6%**

The **operating result** of segment Banking and Asset Management, consisting of a.s.r. asset management and a.s.r. real estate, increased by € 3 million to € 11 million (H1 2018: € 9 million).

The operating result of a.s.r. asset management increased by € 2 million to € 6 million due to the growth of external AuM, mainly as a result of inflows and revaluations. The operating result of a.s.r. real estate increased by € 1 million to € 6 million, mainly due to growth in AuM (€ +0.3 billion) reflecting inflows and revaluations.

On 21 March 2019 it was announced that the savings portfolio of a.s.r. bank will be sold to Achmea Bank, subject to approval of the regulatory authorities. The financial result from a.s.r.'s banking activities is therefore no longer included in a.s.r.'s operating result. The net loss for the period of these discontinued operations amounting to € -15 million (H1 2018: nil) primarily concerns a loss on the revaluation of derivatives.

The **AuM** for third parties increased to € 19.3 billion (2018: € 16.0 billion). The increase of € 3.3 billion relates for € 3.1 billon to a.s.r. asset management and for € 0.2 billion to a.s.r. real estate. The increase of a.s.r. asset management (€ 3.1 billion) is primarily driven by positive revaluations of the funds (€ 2.0 billion), inflows in ASR Hypotheekfonds (€ 0.8 billion) and the ESG-Funds (€ 0.4 billion).

Institutional investors already participate for € 2.8 billion in the ASR Hypotheekfonds (2018: € 1.9 billion), which invests in Dutch residential mortgages. The ESG-Funds, with strict sustainability criteria, were introduced in 2018.

[7] The Banking and Asset Management segment involves all banking activities and the activities related to asset management including investment property management. The related entities are ASR Bank N.V., ASR Hypotheken B.V., ASR Vastgoed Vermogensbeheer B.V., ASR Vermogensbeheer N.V. and ASR Financieringen B.V. As of October 2018, all activities of ASR Bank N.V. are classified as discontinued.

Payment arrears of more than 90 days on the mortgage portfolio amount to 0.09% (2018: 0.10%), the lowest level in recent years. Credit losses reduced substantially and amount to 0.07 basis points (2018: 0.80 basis points). The arrears and credit losses remain well below our limits due to preventive management, favorable economic conditions and strict monitoring.

Distribution and Services segment

Key figures, Distribution and Services segment[8]			
(in € millions)	H1 2019	H1 2018	Delta
Total income	41	39	5.1%
Operating expenses	-27	-25	6.5%
Provision for restructuring expenses	-	-	-
Operating result	**11**	**12**	**-13.9%**
Incidental items (not included in operating result)	**-**	**1**	**n.m.**
- Investment income	-	-	-
- Underwriting incidentals	-	-	-
- Other incidentals	-	1	n.m.
Profit/(loss) before tax	11	13	-20.3%
Tax	-2	-3	-46.7%
Profit/(loss) for the period attributable to holders of equity instruments	**9**	**10**	**-11.5%**

The **operating result** of the Distribution and Services segment decreased by € 2 million to € 11 million (H1 2018: € 12 million). The decrease is primarily the result of (expected) downward pressure on fee-income of Dutch ID as a result of adjusted tariffs for mandated brokers. This decline is partly compensated by additional growth in the number of mandated brokers. Furthermore, the outsourcing of back-office activities to Dutch ID increased. The operating result of Corins and SuperGarant showed an increase due to the integration of co-insurance activities of Generali Beurs within Corins and the acquisition of ZZP Nederland in July 2018 by SuperGarant. The operating result of the other distribution entities (VKG, ANAC and Poliservice) is in line with previous year.

Operating expenses increased € 2 million to € 27 million (H1 2018: € 25 million) mainly due to the addition of acquired activities of ZZP Nederland by Supergarant (as of July 2018) and Loyalis Kennis & Consult (as of May 2018).

Loyalis Kennis & Consult provides support and advice in the areas of aging and work, vitality, social security, sickness leave and advice in the public and construction sector. This entity had no material contribution to the result.

[8] The Distribution and Services segment includes the activities related to distribution of insurance contracts and includes the financial intermediary business of PoliService B.V., Van Kampen Groep Holding B.V. (and Van Kampen Geld B.V.), Dutch ID B.V., SuperGarant Verzekeringen B.V. and SuperGarant Assuradeuren B.V. (including subsidiary VSP Risk B.V.), Corins B.V., ANAC, All-Finance Nederland Advies-Combinatie B.V. and Loyalis Kennis & Consult.

Holding and Other segment (including Eliminations)

Key figures, Holding and Other segment / Eliminations[9]			
(in € millions)	H1 2019	H1 2018	Delta
Operating expenses	-32	-24	32.4%
Provision for restructuring expenses	-	-15	-
Operating result	**-53**	**-47**	**-11.2%**
Incidental items (not included in operating result)	**73**	**-10**	**829.8%**
- Investment income	2	3	-47.6%
- Underwriting incidentals	-	-	-
- Other incidentals	72	-13	643.4%
Profit/(loss) before tax	21	-57	-136.3%
Tax	28	17	67.8%
Non-controlling interest	-1	-	-280.4%
Profit/(loss) for the period attributable to holders of equity instruments	**50**	**-41**	**-221.3%**

The **operating result** decreased by € -5 million to € -53 million (H1 2018: € -47 million). The decrease is mainly due to an increase in the interest expenses (€ -3 million) on the newly issued € 500 million Tier 2 subordinated loan. The proceeds were primarily used to fund the acquisition of Loyalis.

Operating expenses increased € -8 million to € -32 million (H1 2018: € -24 million) primarily as a result of incidental costs, while regular operating expenses remained stable. The incidental cost items in H1 2019, classified as other incidentals, amounted to € -21 million compared to € -13 million last year. Incidental items this year mainly relate to regulatory costs for the preparation of the implementation of IFRS 17/9, Generali Nederland integration costs, preparation costs for the Vitality-program as well as advisory costs related to M&A activities.

Incidental items amounted to € 73 million (H1 2018: € -10 million). The increase of € +83 million is mainly due to a provisional gain as a result of the Loyalis acquisition. The opening balance sheet of Loyalis is based on fair value, the gain is tax-exempt, attributable to the acquirer ASR Nederland N.V. and not allocated to the Non-life and Life segments. The initial accounting for Loyalis as at 1 May 2019 is ongoing, including the reassessment of the gain on the purchase, and as such all values (mainly the insurance liabilities) are provisional. In accordance with IFRS 3 business combinations, the final opening balance sheet will be determined within twelve months of the closing date.

The higher contribution from incidental items is also reflected in the development of the **profit before tax**, which increased to € 21 million (H1 2018: € -57 million).

[9] The segment 'Holding and Other' consists primarily of the holding activities of ASR Nederland N.V. (including the group related activities), other holding and intermediate holding companies (including Loyalis Holding N.V.), the real estate development business (Vastgoed projecten B.V.), and the activities of ASR Deelnemingen N.V.

Capital management

- The Solvency II ratio (standard formula) continues to be robust at 191% (2018: 197%) after interim dividend and meets our target of above 160%. Solvency II-ratio before interim dividend amounts to 193%.
- Organic capital creation amounted to € 189 million, which is 5.1% of the required capital.
- Financial leverage of 30.4% (2018: 26.7%), which is well below our maximum threshold of 35%.
- Double leverage was 109.2% (2018: 99.7%). The increase reflect the acquisition of Loyalis. The double leverage is expected to reduce by ~6%-points if the legal merger of the Loyalis acquisition has been completed.
- Equity attributable to holders of equity instruments (IFRS-based Equity) increased by € 331 million to € 5,810 million.

Solvency II

Solvency II			
(in € millions)	**30 June 2019**	**31 Dec. 2018**	**Delta**
Eligible Own Funds	7,547	6,924	9.0%
Required capital	3,952	3,523	12.2%
Solvency II ratio (post dividend)	**191%**	**197%**	**-6%-p**

The **Solvency II ratio** was 191% (2018: 197%). Before the interim dividend of € 98 million the Solvency II ratio amounts to 193%. The Solvency II ratio was mainly positively influenced by organic capital creation (+5%-points) and the issuance of a Tier 2 loan (+13%-points). This increase was more than fully offset by the impact from the acquisition of Loyalis (-7%-points), the reduction of the UFR (-3%-points), tightening of the VA (-16%-points), the interim dividend, the decline of interest rates and other movements.

The eligible own funds increased to € 7,547 million at 30 June 2019 (31 December 2018: € 6,924 million). As a result of organic growth, the issuance of a Tier 2 loan, the acquisition of Loyalis, the increase in equity markets, lower interest rates and spread tightening on credits the eligible own funds increased. These effects were partially offset by a lower UFR, tightening of the VA and the interim dividend.

The required capital stood at € 3,952 million at 30 June 2019 (31 December 2018: € 3,523 million). This increase is mainly due to the acquisition of Loyalis, lower interest rates, and an increase in equity market risk.

Equity

Breakdown of total equity			
(in € millions)	**30 June 2019**	**31 Dec. 2018**	**Delta**
Share capital	23	23	-
Share premium reserve	976	976	-
Unrealised gains and losses	873	586	49.0%
Actuarial gains and losses (IAS19)	-970	-635	52.9%
Retained earnings	3,907	3,528	10.7%
Equity attributable to shareholders	**4,809**	**4,478**	**7.4%**
Other equity instruments	1,001	1,001	0.1%
Equity attributable to holders of equity instruments	**5,810**	**5,479**	**6.0%**
Non-controlling interest	-	-	-
Total equity	**5,810**	**5,479**	**6.0%**

Statement of changes in total equity		
(in € millions)	**30 June 2019**	**31 Dec. 2018**
Beginning of reporting period - total equity	**5,479**	**5,432**
Profit/(loss) for the period	540	655
Unrealised gains and losses	287	-284
Actuarial gains and losses (IAS19)	-335	40
Non-controlling interest	-	2
Dividend	-154	-321
Other changes (e.g. coupon hybrids)	-7	-44
End of reporting period - total equity	**5,810**	**5,479**

Total **equity attributable to holders of equity instruments** (IFRS-based) increased € 331 million from € 5,479 million at the end of last year to € 5,810 million. This is mainly due to the addition of the H1 2019 net result (€ +540 million) and lower fixed interest rates resulting in unrealised revaluations of fixed income investments (€ +287 million). This increase is partly offset by a change in actuarial gains and losses (IAS 19) on the a.s.r. pension scheme (€ -335 million) due to a lower discount rate (1.85% at the end of 2018 versus 1.15% per 30 June 2019) and dividend payments for the 2018 financial year of € -154 million (€ -245 million annual dividend minus € -92 million interim dividend).

Financial leverage

Financial leverage			
(in € millions)	**30 June 2019**	**31 Dec. 2018**	**Delta**
Basis for financial leverage (equity attributable to shareholders)	4,809	4,478	7.4%
Financial liabilities	2,096	1,633	28.4%
of which hybrids	1,001	1,001	-
of which subordinated liabilities	990	497	99.2%
of which senior debt	105	135	-22.2%
Financial leverage (%)	**30.4%**	**26.7%**	**3.6%-p**
Interest coverage ratio (IFRS) (2018: as at 30 June)	**15.5x**	**11.7x**	**3.8x**

The **financial leverage** of a.s.r. increased to 30.4% per H1 2019 (2018: 26.7%), which is still below the maximum of 35%. The increase in financial liabilities as a result of the newly issued Tier 2 subordinated loan of € 500 million, was partly offset by repayments of senior debt and the increase of equity attributable to shareholders.

The **interest coverage ratio**, based on the IFRS result before tax, increased 3.8x to 15.5x (H1 2018: 11.7x). This increase is due to a strong increase in the IFRS result compared to the interest expenses. The interest expense of the issued Tier 2 loan in May 2019 has a limited impact (two months) on the total interest expense of a.s.r.

Double leverage

Double leverage			
(in € millions)	**30 June 2019**	**31 Dec. 2018**	**Delta**
Total value of associates	7,424	5,959	24.6%
Equity attributable to shareholders	4,809	4,478	7.4%
Hybrids and subordinated liabilities	1,991	1,498	32.9%
Equity attributable to holders of equity instruments	**6,800**	**5,976**	**13.8%**
Double leverage (%)	**109.2%**	**99.7%**	**9.5%-p**

The **double leverage** increased 9.5%-point to 109.2% (2018: 99.7%). The increase in double leverage is temporary because Loyalis holding has not yet merged with the holding of a.s.r. Including the effect of this legal merger, which will take place in the third quarter of this year, the double leverage would have been 103%.

The increase of the double leverage to 109.2% is caused by the fact that shareholders' equity of the participating interests (associates) has increased more than the equity of the holding company (€ +1,465 million versus € +824 million). This is primarily due to the acquisition of Loyalis and the transfer as a capital contribution of the Loyalis Leven N.V. (Loyalis Life) and Loyalis Schade N.V. (Loyalis Non-life) to ASR Levensverzekering N.V. and ASR Schadeverzekering N.V. respectively. This is a temporary effect because Loyalis holding has been merged with the holding of a.s.r. as per the 1st of August. The dividend paid (€ -154 million) and the actuarial gains related to the a.s.r. pension plan (€ -335 million) led to a further increase in double leverage. The increase is reduced by the issuance of the Tier 2 subordinated loan (€ 500 million) and the result after tax of a.s.r. holding (€ 230 million).

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 and the Real Estate Development business is no longer a separate segment but is reported within the segment Holding and Other.

1. Financial statements

1.1. Consolidated Balance Sheet

Consolidated Balance Sheet (before profit appropriation)

(in € millions)	30 June 2019	31 December 2018
Intangible assets	474	366
Property and equipment	187	172
Investment property	1,948	1,889
Associates and joint ventures at equity method	93	67
Investments	35,196	27,660
Investments on behalf of policyholders	9,177	7,771
Loans and receivables	11,398	11,083
Derivatives assets	5,549	2,867
Deferred tax assets	293	275
Reinsurance contracts	640	589
Other assets	696	636
Cash and cash equivalents	2,924	3,782
Assets held for sale	1,809	1,852
Total assets	**70,384**	**59,009**
Share capital	23	23
Share premium reserve	976	976
Unrealised gains and losses	873	586
Actuarial gains and losses	-970	-635
Retained earnings	3,907	3,528
Treasury shares	-	-
Equity attributable to shareholders	**4,809**	**4,478**
Other equity instruments	1,001	1,001
Equity attributable to holders of equity instruments	**5,810**	**5,479**
Non-controlling interests	-	-
Total equity	**5,810**	**5,479**
Subordinated liabilities	989	497
Liabilities arising from insurance contracts	38,813	33,244
Liabilities arising from insurance contracts on behalf of policyholders	12,046	10,222
Employee benefits	3,790	3,327
Provisions	25	22
Borrowings	49	39
Derivatives liabilities	981	435
Due to customers	598	625
Due to banks	4,882	2,686
Other liabilities	626	630
Liabilities relating to assets held for sale	1,775	1,803
Total liabilities	**64,574**	**53,530**
Total equity and liabilities	**70,384**	**59,009**

1.2. Consolidated Income Statement

Consolidated Income Statement (in € millions)	H1 2019	H1 2018*
Continuing operations		
Gross written premiums	2,576	2,502
Change in provision for unearned premiums	-220	-215
Gross insurance premiums	**2,356**	**2,287**
Reinsurance premiums	-56	-50
Net insurance premiums	**2,300**	**2,237**
Investment income	724	658
Realised gains and losses	189	135
Fair value gains and losses	184	45
Result on investments on behalf of policyholders	971	133
Fee and commission income	66	59
Other income	125	61
Share of profit/(loss) of associates and joint ventures	-	4
Total income	**2,259**	**1,095**
Insurance claims and benefits	-3,160	-2,171
Insurance claims and benefits recovered from reinsurers	30	3
Net insurance claims and benefits	**-3,130**	**-2,168**
Operating expenses	-304	-293
Restructuring provision expenses	-7	-19
Commission expenses	-229	-238
Impairments	-11	17
Interest expense	-170	-92
Other expenses	-28	-57
Total expenses	**-749**	**-682**
Profit before tax	**680**	**482**
Income tax (expense) / gain	-126	-113
Profit from the continuing operations	**554**	**369**
Discontinued operations		
Profit (loss) from discontinued operations net of tax	-15	-
Profit for the period	**539**	**369**
Attributable to:		
- Non-controlling interests	-	1
- Shareholders of the parent	535	363
- Holders of other equity instruments	5	5
Profit attributable to holders of equity instruments	**540**	**368**

*) Comparative figures have been adjusted, mainly related to the discontinued classification of a.s.r. bank.

1.3. Consolidated Statement of Changes in equity

Consolidated Statement of Changes in equity

(in € millions)	Share capital	Share premium reserve	Unrealised gains and losses	Actuarial gains and losses (pension obligations)	Retained earnings	Treasury shares	Equity attributable to shareholders	Other equity instruments	Non-controlling interest	**Total equity**
At 1 January 2019	**23**	**976**	**586**	**-635**	**3,528**	**-**	**4,478**	**1,001**	**-**	**5,479**
Profit for the period	-	-	-	-	540	-	540	-	-	539
Total other comprehensive income	-	-	287	-335	-	-	-48	-	-	-48
Total comprehensive income	**-**	**-**	**287**	**-335**	**540**	**-**	**492**	**-**	**-**	**491**
Dividend paid	-	-	-	-	-154	-	-154	-	-	-154
Discretionary interest on other equity instruments	-	-	-	-	-5	-	-5	-	-	-5
Other	-	-	-	-	-2	-	-2	-	-	-2
At 30 June 2019	**23**	**976**	**873**	**-970**	**3,907**	**-**	**4,809**	**1,001**	**-**	**5,810**
At 1 January 2018	**24**	**1,018**	**869**	**-674**	**3,383**	**-188**	**4,432**	**1,001**	**-1**	**5,432**
Profit for the period	-	-	-	-	368	-	**368**	-	1	**369**
Total other comprehensive income	-	-	-64	-10	-	-	**-74**	-	-	**-74**
Total comprehensive income	**-**	**-**	**-64**	**-10**	**368**	**-**	**294**	**-**	**1**	**295**
	-	-	-	-	-	-	**-**	-	-	-
Dividend paid	-	-	-	-	-230	-	**-230**	-	-	**-230**
Discretionary interest on other equity instruments	-	-	-	-	-5	-	**-5**	-	-	**-5**
Other	-	-	-	-	2	-	2	-	-1	**1**
At 30 June 2018	**24**	**1,018**	**805**	**-684**	**3,518**	**-188**	**4,493**	**1,001**	**-1**	**5,493**

1.4. Segmented Balance Sheet

Segmented Balance Sheet

As at 30 June 2019 (in € millions)	Non-life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	133	160	8	174	-	-1	474
Property and equipment	-	145	-	12	237	-207	187
Investment property	272	1,677	-	-	-	-1	1,948
Associates and joint ventures at equity method	-	24	-	-	68	1	93
Investments	6,975	28,129	1	-	3,241	-3,150	35,196
Investments on behalf of policyholders	-	9,177	-	-	-	-	9,177
Loans and receivables	461	11,090	26	37	58	-274	11,398
Derivatives	111	5,438	-	-	-	-	5,549
Deferred tax assets	15	92	-	-2	194	-6	293
Reinsurance contracts	470	170	-	-	-	-	640
Other assets	210	553	-13	-1	-54	1	696
Cash and cash equivalents	284	2,103	90	64	384	-1	2,924
Assets held for sale	-	-	1,810	-	-	-1	1,809
Total assets	**8,931**	**58,758**	**1,922**	**284**	**4,128**	**-3,639**	**70,384**
Equity attributable to holders of equity instruments	1,901	5,081	118	183	-1,412	-61	5,810
Non-controlling interests	-	1	-	-	-	-1	-
Total equity	**1,901**	**5,082**	**118**	**183**	**-1,412**	**-62**	**5,810**
Subordinated liabilities	10	-	-	-	989	-10	989
Liabilities arising from insurance contracts	6,590	34,941	-	-	-	-2,718	38,813
Liabilities arising from insurance contracts on behalf of policyholders	-	12,046	-	-	-	-	12,046
Employee benefits	-	-	-	-	3,790	-	3,790
Provisions	-	4	-	-	21	-	25
Borrowings	-	30	7	8	443	-439	49
Derivatives	30	951	-	-	-	-	981
Deferred tax liabilities	97	-211	2	4	131	-23	-
Due to customers	106	834	-	34	-	-376	598
Due to banks	93	4,684	-	-	105	-	4,882
Other liabilities	104	397	20	55	61	-11	626
Liabilities related to assets held for sale	-	-	1,775	-	-	-	1,775
Total liabilities	**7,030**	**53,676**	**1,804**	**101**	**5,540**	**-3,577**	**64,574**
Total equity and liabilities	**8,931**	**58,758**	**1,922**	**284**	**4,128**	**-3,639**	**70,384**

1.4 Segmented Balance Sheet (continued)

As at 31 December 2018 (in € millions)	Non-life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	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	39	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	63	-283	11,083
Derivatives	18	2,850	-	-	-	-1	2,867
Deferred tax assets	-	4	-	-2	272	1	275
Reinsurance contracts	415	174	-	-	-	-	589
Other assets	127	524	-	-	-15	-	636
Cash and cash equivalents	352	2,892	70	46	422	-	3,782
Assets held for sale	-	-	1,853	-	-	-1	1,852
Total assets	**6,633**	**49,553**	**1,955**	**254**	**3,853**	**-3,239**	**59,009**
Equity attributable to holders of equity instruments	1,374	4,528	125	184	-684	-48	5,479
Non-controlling interests	-	11	-	-	-	-11	-
Total equity	**1,374**	**4,539**	**125**	**184**	**-684**	**-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	-	-	17	1	22
Borrowings	-	31	7	4	229	-232	39
Derivatives	6	429	-	-	-	-	435
Deferred tax liabilities	60	-257	2	4	205	-14	-
Due to customers	66	861	-	10	-	-312	625
Due to banks	13	2,538	-	-	135	-	2,686
Other liabilities	71	372	19	51	127	-10	630
Liabilities related to assets held for sale	-	-	1,803	-	-	-	1,803
Total liabilities	**5,258**	**45,014**	**1,830**	**70**	**4,538**	**-3,180**	**53,530**
Total equity and liabilities	**6,633**	**49,553**	**1,955**	**254**	**3,853**	**-3,239**	**59,009**

1.5 Segmented Income Statement

Segmented Income Statement

H1 2019 (in € millions)	Non-life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Continuing operations							
Gross written premiums	1,791	849	-	-	-	-64	2,576
Change in provision for unearned premiums	-220	-	-	-	-	-	-220
Gross insurance premiums	**1,571**	**849**	**-**	**-**	**-**	**-64**	**2,356**
Reinsurance premiums	-52	-3	-	-	-	-1	-56
Net insurance premiums	**1,518**	**846**	**-**	**-**	**-**	**-64**	**2,300**
Investment income	65	651	4	-	5	-1	724
Realised gains and losses	59	130	-	-	1	-1	189
Fair value gains and losses	15	157	-	-	-	12	184
Result on investments on behalf of policyholders	-	971	-	-	-	-	971
Fee and commission income	18	2	62	34	-	-50	66
Other income	-	31	-	8	96	-10	125
Share of profit/(loss) of associates and joint ventures	-	-1	-	-	1	-	-
Total income	**157**	**1,940**	**65**	**41**	**102**	**-46**	**2,259**
Insurance claims and benefits	-1,157	-2,087	-	-	-	84	-3,160
Insurance claims and benefits recovered from reinsurers	24	5	-	-	-	1	30
Net insurance claims and benefits	**-1,133**	**-2,082**	**-**	**-**	**-**	**85**	**-3,130**
Operating expenses	-112	-92	-41	-27	-58	26	-304
Restructuring provision expenses	-3	-3	-1	-	-	-	-7
Commission expenses	-243	-7	-	-	-	21	-229
Impairments	-4	-7	-	-	-	-	-11
Interest expense	-4	-120	-	-	-24	-22	-170
Other expenses	-3	-9	-13	-3	-9	9	-28
Total expenses	**-369**	**-239**	**-55**	**-31**	**-91**	**36**	**-749**
Profit before tax	**173**	**465**	**11**	**11**	**11**	**9**	**680**
Income tax (expense) / gain	-34	-115	-3	-2	31	-3	-126
Profit after tax from continuing operations	**139**	**350**	**8**	**9**	**42**	**6**	**554**
Discontinued operations							
Profit (loss) from discontinued operations net of tax	**-**	**-**	**-15**	**-**	**-**	**-**	**-15**
Profit for the period	**139**	**350**	**-7**	**9**	**42**	**6**	**539**
Atributable to:							
Non-controlling interests	-	-	-	-	-	-	-
- Shareholder of the parent	139	350	-7	9	37	7	535
- Holders of other equity instruments	-	-	-	-	5	-	5
Profit attributable to holders of equity instruments	**139**	**350**	**-7**	**9**	**42**	**7**	**540**

1.5 Segmented Income Statement (continued)

H1 2018 * (in € millions)	Non-life	Life	Banking and Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Continuing operations							
Gross written premiums	1,717	885	-	-	-	-100	2,502
Change in provision for unearned premiums	-215	-	-	-	-	-	-215
Gross insurance premiums	**1,502**	**885**	**-**	**-**	**-**	**-100**	**2,287**
Reinsurance premiums	-47	-3	-	-	-	-	-50
Net insurance premiums	**1,456**	**881**	**-**	**-**	**-**	**-100**	**2,237**
Investment income	60	590	3	-	6	-1	658
Realised gains and losses	14	119	-	-	2	-	135
Fair value gains and losses	13	34	-	-	1	-3	45
Result on investments on behalf of policyholders	-	133	-	-	-	-	133
Fee and commission income	10	1	59	32	-	-43	59
Other income	-	14	-	8	46	-7	61
Share of profit/(loss) of associates and joint ventures	-	1	-	-	3	-	4
Total income	**97**	**892**	**61**	**40**	**58**	**-53**	**1,095**
Insurance claims and benefits	-1,103	-1,205	-	-	-	137	-2,171
Insurance claims and benefits recovered from reinsurers	3	-	-	-	-	-	3
Net insurance claims and benefits	**-1,100**	**-1,205**	**-**	**-**	**-**	**137**	**-2,168**
Operating expenses	-111	-93	-40	-25	-51	27	-293
Restructuring provision expenses	-2	-1	-1	-	-15	-	-19
Commission expenses	-245	-8	-	-	-	15	-238
Impairments	-14	31	-	-	-	-	17
Interest expenses	-2	-46	-	-	-5	-39	-92
Other expenses	-1	-10	-13	-1	-42	10	-57
Total expenses	**-375**	**-128**	**-53**	**-26**	**-112**	**12**	**-682**
Profit before tax	**77**	**440**	**8**	**13**	**-54**	**-2**	**482**
Income tax (expense) / gain	-16	-107	-2	-3	16	-1	-113
	-	-	-	-	-	-	-
Profit after tax from continuing operations	**61**	**333**	**6**	**10**	**-38**	**-3**	**369**
Discontinued operations							
Profit (loss) from discontinued operations net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the period	**61**	**333**	**5**	**10**	**-38**	**-2**	**369**
Atributable to:							
Non-controlling interests	-	-	-	-	1	-	1
- Shareholder of the parent	61	333	5	10	-44	-2	363
- Holders of other equity instruments	-	-	-	-	5	-	5
Profit attributable to holders of equity instruments	**61**	**333**	**5**	**10**	**-39**	**-2**	**368**

**) Comparative figures have been adjusted, mainly related to the discontinued classification of a.s.r. Bank. The Real Estate Development business is no longer a separate segment but is reported within the segment Holding and Other.*

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