interim report

2016

For the first half year 2016

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

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ASR Nederland N.V. and its group companies are hereinafter referred to as 'a.s.r.' or 'the Group', except when referring to the legal entity ASR Nederland N.V.

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Part 1

Report of the Executive Board

1.1 Financial and business performance for H1 2016

- Continued solid operating performance. H1 operating result increased by € 12 million from € 280 million to € 292 million. Operating return on equity amounted to 14.5%.
  - Non-life segment: combined ratio continues to be robust at 96.4% including absorption of a net impact of € 25 million for hail and water damage claims in June. Volumes increased in the P&C and Disability businesses.
  - Life segment: operating result improved thanks to acquisitions and a stable operational performance.
  - Non-insurance business: acquisitions contributed to an increase in operating result at Distribution and Services.
- Profit for the period at € 382 million (H1 2015: € 397 million) mainly thanks to a continued solid operating performance.
- Continued robust capital position:
  - Solvency II ratio (based on the standard model) increased to 191% (year-end 2015: midpoint estimate of 185% after distribution of proposed dividends).
  - Financial leverage amounted to 26.6% (year-end 2015: 25.0%) in line with the target of < 30%.
- Gross premiums written up 8% to € 2,667 million, mainly attributable to strategic acquisitions in the Life segment and a volume increase in the Non-life segment.
  - Whilst maintaining a strict discipline with respect to pricing, several large new contracts in the Life segment were won during the first six months.
- Operating expenses increased to € 283 million (H1 2015: € 268 million), which is fully attributable to acquisitions. Exclusive of the impact of the acquisitions, operating expenses remained stable, despite the extra costs related to the IPO and increased regulatory costs.
- The continuous focus on core activities as per a.s.r.'s strategy was reflected in the first half of the year by:
  - The sale of non-core activities, such as that of SOS International on 26 January and ASR Vastgoed Ontwikkeling on 29 April;
  - The acquisition of NIVO's funeral insurance portfolio (€ 326 million). This strengthen a.s.r.'s position in the funeral insurance market;
  - Strengthening of the strategic position in external asset management with the acquisition of AVB (formerly BNG Vermogensbeheer) on 20 May;
  - Bolstering of the position as market leader of disability insurance market with the announcement of the acquisition of SuperGarant on 4 July;
  - Strengthening of the position in the large corporate non-life insurance market with the announcement of the acquisition of Corins, an insurance broker operating in the co-insurance market, on 18 July.
- The Initial Public Offering (IPO) of a.s.r. was successfully completed; the first day of trading was 10 June.
- Developments in customer and intermediary satisfaction are closely monitored through measuring closed loop feedback, i.e. the Net Promoter Score (NPS).
  - The NPS continued to improve during the first half of 2016, to a score of +1 from -13. NPS questionnaires sent on behalf of the person taking the customer call and customer feedback displayed in real time on NPS narrowcasting screens contributed to this development.
- The Doorgaanverzekering policy, allowing customers to combine health insurance with occupational disability insurance, is gaining traction.

α.s.r. key figures

(in € million)	H1 2016	H1 2015 restated	Delta
Gross written premiums	**2,667**	**2,476**	**8%**
- Non-life	1,396	1,375	2%
- Life	1,338	1,171	14%
- Eliminations	-67	-70	-4%
Operating expenses	**-283**	**-268**	**6%**
- Non-life	-100	-101	-1%
- Life	-101	-95	6%
- Banking and Asset management	-27	-22	23%
- Distribution and Services	-16	-9	78%
- Holding and Other	-47	-50	-6%
- Real Estate Development	-3	-3	0%
- Eliminations	11	12	-8%
Operating expenses associated with ordinary activities	-269	-253	6%
Provision for restructuring expenses	-3	-8	-63%
Operating result	**292**	**280**	**4%**
- Non-life	62	114	-46%
- Life	273	222	23%
- Banking and Asset management	-	5	-100%
- Distribution and Services	10	4	150%
- Holding and Other	-56	-61	-8%
- Eliminations	3	-4	-
Incidental items (not included in operating result)	**186**	**209**	**-11%**
- Investment income	82	281	-71%
- Underwriting incidentals	13	25	-48%
- Other incidentals	91	-97	-
Profit/(loss) before tax	**478**	**489**	**-2%**
- Non-life	86	155	-45%
- Life	331	442	-25%
- Banking and Asset management	4	5	-20%
- Distribution and Services	10	4	150%
- Holding and Other	41	-27	-
- Real Estate Development	-10	-86	88%
- Eliminations	16	-4	-
Income tax expense	-109	-83	31%
Profit/(loss) for the period from continuing operations	369	406	-9%
Profit/(loss) for the period from discontinued operations	12	-7	-
Non-controlling interest	-1	2	-
Profit/(loss) for the period attributable to holders of equity instruments	**382**	**397**	**-4%**
Earnings per share			
Operating result per share	1.94	1.87	4%
Basic earnings per share	2.54	2.67	-5%

a.s.r. key figures (continued)

(in € million)	H1 2016	H1 2015	Delta
New business, Life (APE)	81	18	300%
New business, Non-life	147	142	4%
Combined ratio, Non-life	96.4%	92.5%	3.9%-p
Cost-premium ratio, insurance business	9.1%	9.3%	-0.2%-p
Return on equity	21.0%	23.7%	-2.7%-p
Operating return on equity	14.5%	15.4%	-0.9%-p
Number of internal FTE's (2015 per 31 December)	3,438	3,650	-6%

Equity and solvency (in € million)	30 June 2016	31 December 2015	Delta
Total assets	59,688	53,333	12%
Equity	3,380	3,590	-6%
Total equity (IFRS)	4,064	4,275	-5%
Solvency II ratio (standard formula)	191%	c. 185%	

The **operating result** was up € 12 million from € 280 million to € 292 million (+4%):

- The Non-life segment (€ -52 million), and the P&C business in particular, was impacted by hail and water damage claims on 23 and 24 June; the impact was € -25 million after reinsurance. The operating result was also affected by lower direct investment income and a decrease in results at the Health business due to prior-year effects.
- The increase at the Life segment (€ 51 million) relates to the positive effect of acquisitions, lower amortizations of swaptions and a higher release of realized capital gains on swaptions.
- In the non-insurance business (€ 13 million), the operating result increased primarily due to the contribution of an acquisition in the Distribution and Services segment and a higher operating result in the Holding and Other segment.

Profit for the period stood at € 382 million (H1 2015: € 397 million) mainly thanks to a continued solid operating performance. In the first half year of 2015 a.s.r. scaled back its equity exposure leading to a high level of realized capital gains in 2015. This decrease was offset by other incidentals and mainly concerns the IAS19 release of a.s.r.'s own pension scheme (€ +100 million) in H1 2016 and the loss on the continuing operations of the real estate development business in H1 2015.

Gross written premiums increased by € 191 million to € 2,667 million, an 8% increase on the first half of 2015. Both the Non-life and Life segments contributed to the increase. Growth in the Non-life segment (+2%) was chiefly attributable to the P&C business and, to a lesser extent, Disability. The increase at the Life segment (+14%) was the result of acquisitions and a.s.r.'s acquisition of NIVO's funeral insurance portfolio. In the pension business, several large new contracts were closed resulting in single premiums.

New business in the Life segment (measured in APE) improved from € 18 million to € 81 million in 2016. The increase was mainly related to the acquisition of the NIVO funeral insurance portfolio (€ 52 million). The regular new business from AXENT (funeral) contributed to the growth as well. In the pension business, new business volumes increased compared previous year thanks to Werknemers Pensioen (Employee Pension) and renewals of existing pension contracts. The demand for new individual life insurance products was stable.
New business in the Non-life segment was up 4% to € 147 million (H1 2015: € 142 million) mainly resulting from growth in the Disability business and the Vernieuwd Voordeelpakket (package of non-life insurance policies) in the P&C business.

Operating expenses amounted to € 283 million (H1 2015: € 268 million). The increase was caused by acquisitions (De Eendragt, AXENT, Dutch ID and BNG Vermogensbeheer), which drove up the cost base by € 16 million. Operating expenses for the first half of the year also included an increase related to IPO costs (€ 9 million) and increased regulatory costs. Disregarding these, operating expenses showed a favorable development and cost reduction initiatives are on track to achieve the medium-term target.

The **number of internal FTEs** decreased in the reporting period from 3,650 FTEs (year-end 2015) to 3,438 FTEs. This decrease was mainly due to the sale of SOS International (146 FTE) at the beginning of this year. Disregarding this effect, the decrease in internal FTEs was 66, resulting from previous restructuring operations aimed at increasing cost flexibility and reducing the regular cost base.

Operating return on equity as well as the **IFRS return on equity** (on IFRS basis) remained strong. On an annualized basis, the operating return on equity amounted to 14.5% (H1 2015: 15.4%). The return on equity (on IFRS basis) stood at 21.0% (H1 2015: 23.7%). The decrease in these ratios was the result of the increase in average equity, which exceeded the improvement in operating result mainly because of the addition of the annual result for 2015 to equity (€ 441 million after dividend).

The **Solvency II ratio** at 30 June 2016 increased to 191% (year-end 2015: c. 185%). The Solvency II ratio increased from year-end 2015 thanks to such aspects as lower interest rates, organic growth and a.s.r.'s interest rate hedge.

Medium-term targets

During the IPO process and at the time of a.s.r.'s listing on Euronext Amsterdam, a.s.r. communicated the following targets. These targets have been set for the medium term.

Medium-term targets

	H1 2016	Medium-term target
Solvency II (standard model)	191%	> 160%
Operating return on equity	14.5%	up to 12%
Operating expenses	-	€ 50 million
Combined ratio Non-life	96.4%	< 97%
Financial leverage	26.6%	< 30%
S&P rating (insurance business)	Single A	Single A

1.1.1 Insurance business

1.1.1.1 Non-life segment

- Operating result at € 62 million, earnings affected by hail and water damage claims on 23 and 24 June. Despite this impact, the combined ratio remains robust at 96.4%.
- Gross written premiums up 2% to € 1,396 million thanks to growth in the P&C business.
- Regular operating expenses and provision for restructuring expenses down 5% as a result of further improvements in operational efficiency and lower restructuring expenses.

Key figures, Non-life

(in € million)	H1 2016	H1 2015	Delta
Gross written premiums	1,396	1,375	2%
Operating expenses	-100	-101	-1%
Provision for restructuring expenses	-1	-5	-80%
Operating result	**62**	**114**	**-46%**
Incidental items (not included in operating result)	**23**	**41**	**-44%**
- Investment income	18	46	-61%
- Underwriting incidentals	6	-	-
- Other incidentals	-1	-5	-80%
Profit/(loss) before tax	86	155	-45%
Profit/(loss) for the period attributable to holders of equity instruments	**66**	**122**	**-46%**
New business, Non-life	147	142	4%

Combined ratio, Non-life

(in € million)	H1 2016	H1 2015	Delta
Combined ratio, Non-life segment	**96.4%**	**92.5%**	**3.9%-p**
- Commission ratio	14.8%	15.0%	-0.2%-p
- Expense ratio	8.4%	8.7%	-0.3%-p
- Claims ratio	73.2%	68.8%	4.4%-p
Combined ratio			
- P&C (a.s.r. Schade, Ditzo and Europeesche Verzekeringen)	99.5%	95.1%	4.4%-p
- Disability	90.2%	88.7%	1.5%-p
- Health	98.2%	92.7%	5.5%-p

The **Operating result** decreased from € 114 million to € 62 million. The exceptional hail and water damage claims in June of this year lead to a specific claim cost after reinsurance of € 25 million. The underwriting result from the health insurance business decreased by € 17 million due to lower benefits this year from the recalculation of claims by Zorginstituut Nederland (the Dutch National Health Care Institute) in combination with a lower release of related prior-year technical provisions and higher dentist claims for supplementary health insurance. Investment income declined by € 5 million as a result of lower margins on reinvestments.

The **combined ratio** stood at 96.4% and remained at a good level despite the impact of the hail and water damage claims. The cost and commission ratio was virtually stable and the claims ratio increased. The first half of 2015 was characterized by favourable underwriting (claims) results in the P&C business. The impact of the hail and water damage claims had an impact of 2.2%-point on the combined ratio of the Non-life segment and 4.9%-point on the P&C business (a.s.r. Schade, Ditzo and Europeesche Verzekeringen). Exclusive of the hail and water damage, the combined ratio for the Non-life segment was 94.2%.

Operating expenses were effectively stable thanks to the impact of previous cost reductions. The provision for restructuring expenses improved by € 4 million to € -1 million, especially thanks to the P&C business.

The decline in the **profit for the period** was attributable to a combination of developments in operating result and a lower contribution of incidental investment income amongst other realized capital gains on equity.

Gross written premiums in the Non-life segment increased by 2%, growing from € 1,375 million to € 1,396 million. The increase was mainly related to the P&C business and attributable to an increase in premiums in the mandated brokers channel. The Disability business contributed to the growth as well. In the health insurance business gross written premiums declined (-8%) despite a higher inflow of new policyholders at Ditzo and higher premiums. **New business** in the Non-life segment increased by 4% and was also driven by further growth in the *Vernieuwd Voordeelpakket* package (up 7% from H1 2015).

1.1.1.2 Life segment

- Operating result up to € 273 million, mainly driven by acquisitions and lower amortizations and increased realized capital gains on swaptions.
- Profit for the period down to € 256 million due to lower realized capital gains on investments.
- Gross written premiums written up 14% to € 1,338 million.
- Operating expenses up 6% mainly driven by acquisitions.

Key figures, Life

(in € million)	H1 2016	H1 2015	Delta
Regular premiums written	723	692	4%
Single premiums	615	479	28%
Gross written premiums	1,338	1,171	14%
Operating expenses	-101	-95	6%
Provision for restructuring expenses	-2	-3	-33%
Operating result	**273**	**222**	**23%**
Incidental items (not included in operating result)	58	220	-74%
- Investment income	53	197	-73%
- Underwriting incidentals	7	25	-72%
- Other incidentals	-2	-2	0%
Profit/(loss) before tax	331	442	-25%
Profit/(loss) for the period attributable to holders of equity instruments	**256**	**351**	**-27%**
Cost-premium ratio (APE)	10.1%	10.1%	0.0%-p
New business (APE)	81	18	350%

The **operating result** for the first half of 2016 was € 273 million, up from € 222 million for the same period last year. The increase was mainly related to the acquisitions of AXENT, De Eendragt and the NIVO funeral insurance portfolio, which were not included in the interim figures for 2015. Besides this effect, the operating result also increased as a result of lower amortizations of the cost of swaptions and a higher release of realized capital gains.

The **profit for the period** decreased by € 95 million from € 351 million to € 256 million. The decrease was mainly attributable to lower incidental investment income including realized capital gains on investments in H1 2016.

Compared to last year, **gross written premiums** increased by 14% to € 1,338 million. This growth was mainly driven by the acquisition of the NIVO funeral insurance portfolio this year leading to a contribution to single premiums in the funeral business of € 326 million. The funeral portfolio was further strengthened by the addition of AXENT, which added € 28 million in gross written premiums. Furthermore, the premium income of De Eendragt added € 12 million in pension premiums and a large new pension contract with AstraZeneca in the Netherlands added € 195 million in single premiums. Last year, premium income from the pension business benefited from the buy-out of a pension fund with an impact on single premiums of € 370 million. The level of redemption of unit-linked policies in the individual life business remained stable at 1.6% (2015: 1.7%).

New business, measured in annualized premium equivalent (APE), increased from € 18 million in the first six months of 2015 to € 81 million in the first half of 2016 (€ +63 million). In the current interest environment a.s.r. only writes new business on selective value-accretive products. The current growth in new business is mainly attributable to the inflow of the NIVO funeral insurance portfolio (€ +52 million), which was recognized as new business this reporting period. The contribution by the online channel is still growing in the funeral insurance business. In the first half of 2016, 48% of total new funeral business is conducted through the online distribution channel (2015: 45%). In the pension business, new business increased owing to an extended commercial season and the signing of some large new pension contracts for the Werknemers Pensioen (Employee Pension) product proposition.

Operating expenses increased from € 95 million to € 101 million. The increase was related to additional regular costs because of the higher cost base and the integration and conversion costs associated with hooking up the different acquisitions to a.s.r.'s ICT platforms. Despite these one-off costs and the controlled decline in the individual life book, the cost-premium ratio remained stable at 10.1%. Over the next six months steps will be taken to prepare for the migration of several product/ system combinations to a new single platform to achieve our future cost ambitions.

1.1.2 Non-insurance business

1.1.2.1 Banking and Asset Management segment[1]

Key figures, Banking and Asset Management

(in € million)	H1 2016	H1 2015	Delta
Total income	64	62	3%
Operating expenses	-27	-22	23%
Provision for restructuring expenses	-	-	-
Operating result	**-**	**5**	**-100%**
Incidental items (not included in operating result)	**5**	**-**	**-**
- Investment income	5	1	400%
- Underwriting incidentals	-	-	-
- Other incidentals	-	-1	-
Profit/(loss) before tax	4	5	-20%
Income tax expense	-1	-1	0%
Profit/(loss) for the period attributable to holders of equity instruments	**3**	**4**	**-25%**

The **operating result** of the Banking and Asset Management was nil in the reporting period (H1 2015: € 5 million). A higher net interest margin and fee income were more than offset by higher operating expenses in preparation for business development following the acquisition BNG Vermogensbeheer.

In the first half year saving deposits at **a.s.r. Bank** increased by € 171 million (or 15%) to € 1,345 million. The growth was related to a net inflow into annuity savings accounts and the *Extra Pensioen Uitkering* (Extra Pension Benefit). An annuity savings account allows the pay-out of annuities in addition to government and/or company pension benefits.

ASR Hypotheken B.V. manages the portfolio of a.s.r.'s mortgages. The portfolio grew by 5% from € 6.5 billion at 31 December 2015 to € 6.8 billion at 30 June 2016. New production of the *WelThuis Hypotheek* mortgage increased to € 549 million from € 420 million in H1 2015.

Assets under Management at **a.s.r. vastgoed vermogensbeheer**, the real estate investment management business, increased by 1% to € 2,921 million thanks to investments and revaluations. The vacancy rate of the real estate portfolio, measured in gross rental income, was 11.1% in the reporting period (year-end 2015: 6.5%). The increased vacancy rate was seen in the retail segment, which includes a number of buildings that used to be leased by V&D, which has fallen into bankruptcy. For most of these stores new tenants have been found with contracts coming into effect by mid-2017.

The assets under management in investment funds at **ASR Nederland Beleggingsbeheer N.V. (ANB)** decreased as a result of a combination of financial market developments and limited outflow of policyholders. As a result, ANB's assets under management in investment funds were down 5% to € 6.0 billion (year-end 2015: € 6.3 billion).

As from 20 May 2016, BNG Vermogensbeheer B.V. has been included in the Bank and Asset Management segment. The business, which was renamed **ASR Vermogensbeheer B.V.**, is a leading asset manager in the (semi) public and pension sector, with an investment portfolio valued at approximately € 5 billion. AVB manages customized portfolios and customer-tailored investment funds. The impact on the interim financial results is not material.

1 The Banking and Asset Management segment consists of all the banking activities and the activities related to asset management including investment property management. These activities include ASR Bank N.V., ASR Vastgoed Vermogensbeheer B.V., ASR Nederland Beleggingsbeheer N.V., ASR Hypotheken B.V. and ASR Vermogensbeheer B.V. (formerly BNG Vermogensbeheer B.V.) with effect from 20 May 2016.

1.1.2.2 Distribution and Services segment[2]

Key figures, Distribution and Services

(in € million)	H1 2016	H1 2015 restated	Delta
Total income	27	13	108%
Operating expenses	-16	-9	78%
Provision for restructuring expenses	-	-	-
Operating result	**10**	**4**	**150%**
Incidental items (not included in operating result)	**-**	**-**	**-**
- Investment income	-	-	-
- Underwriting incidentals	-	-	-
- Other incidentals	-	-	-
Profit/(loss) before tax	10	4	150%
Income tax expense	-3	-1	200%
Profit/(loss) for the period attributable to holders of equity instruments	**7**	**3**	**133%**

The Distribution and Services segment made a greater contribution to the operating result for the period. Following the acquisitions of Van Kampen Groep (VKG), Dutch ID and the recently announced acquisitions of SuperGarant Verzekeringen, SuperGarant Zorg (distribution Disability) and Corins (distribution and underwriting of commercial P&C), this segment has gained substance, which is in line with a.s.r.'s strategic objectives. The acquisitions tie in with a.s.r.'s strategic objectives to create value through controlled growth in the non-life portfolio by using the enhanced distribution channel and simultaneously increasing fee income.

The **Operating result (profit before tax)** increased from € 4 million to € 10 million and was mainly attributable to the acquisition of Dutch ID at the end of 2015. VKG's contribution to the operating profit was stable. Total income (mainly comprising service fees) and operating expenses also increased as a result of the acquisition of Dutch ID.

2 This segment includes the financial intermediary business of Poliservice B.V., Van Kampen Groep B.V. and Dutch ID B.V. (with effect from 19 November 2015). The activities of B.V. Nederlandse Hulpverleningsorganisatie SOS International are classified as discontinued operations and the half-year figures of 2015 were restated. In the first quarter of 2016 B.V. Nederlandse Hulpverleningsorganisatie SOS International was sold. The activities of the recently announced acquisition of SuperGarant Verzekeringen, SuperGarant Zorg and Corins will be included in this segment as from closing date, expected to be in second half of 2016.

1.1.2.3 Holding and Other segment[3]

Key figures, Holding and Other

(in € million)	H1 2016	H1 2015 restated	Delta
Operating expenses	-47	-50	-6%
of which associated with ordinary activities	-36	-39	-8%
Provision for restructuring expenses	-	-	-
Operating result	**-56**	**-61**	**8%**
Incidental items (not included in operating result)	**97**	**34**	**185%**
- Investment income	6	37	-84%
- Underwriting incidentals	-	-	-
- Other incidentals	91	-3	-
Profit/(loss) before tax	41	-27	-
Income tax expense	-10	42	-
Profit/(loss) for the period attributable to holders of equity instruments	**31**	**15**	**107%**

The **operating result** improved by € 5 million to € -56 million thanks to lower charges for a.s.r.'s own pension scheme. This offset the higher interest expenses of € 12 million for the newly raised Tier 2 subordinated debt of € 500 million in the third quarter of 2015. Operating expenses improved by € 3 million to € -47 million against H1 2015 due to a higher discount rate leading to lower current net service costs of a.s.r.'s own pension scheme.

Profit before tax improved from € -27 million to € 41 million. This improvement was mainly attributable to incidental items (€ 63 million), including an incidental item of € 100 million related to a.s.r.'s own pension (IAS 19) as a result of the 2014 amendment to the a.s.r. post-employment benefit plan for future inflation indexation for former employees. The contribution of one-off investment income decreased by € 31 million to € 6 million.

The **profit for H1 2015** included an incidental tax gain of € 36 million related to the settlement of income tax.

1.1.2.4 Real Estate Development segment

Key figures, Real Estate Development

(in € million)	H1 2016	H1 2015 restated	Delta
Profit/(loss) for the period from continuing operations	-6	-86	-93%
Profit/(loss) for the period from discontinued operations	12	-7	-
Profit/(loss) attributable to non-controlling interests	-1	2	-
Profit/(loss) for the period attributable to holders of equity instruments	**7**	**-95**	**-**
(in € million)	30 June 2016	31 December 2015	Delta
Total assets	153	172	-11%

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

a.s.r. no longer regards real estate development as part of its core business. That is why this business is in run-off. The results from this business are not included in the operating result. The Real Estate Development segment consists of property development activities and is divided in continuing operations and discontinued operations. These activities are performed in ASR Vastgoed Ontwikkeling N.V. (sold as at April 2016) and ASR Vastgoed Projecten B.V. The comparative figures for H1 2015 were restated in line with the current split of the property development activities into discontinued and continuing operations.

Profit for the period increased from € -95 million to € 7 million as a result of the remeasurement of the net realizable value of the related assets and liabilities in H1 2015 and the impact of the sale of ASR Vastgoed Ontwikkeling N.V. in H1 2016. The provisions for the remaining real estate development activities are sufficient and there is no need for additional provisioning.

Total assets declined by € 19 million due to the derecognition of ASR Vastgoed Ontwikkeling N.V. as a result of the sale.

1.1.3 Capital management

- Equity attributable to holders of equity instruments (IFRS-based Equity) was down € 210 million, mainly driven by a decrease in actuarial gains and losses.
- Solvency II ratio continues to be robust at 191% based on to the standard formula calculations.
- The financial leverage rises to 26.6% (year-end 2015: 25.0%), below the maximum target of 30%.
- Double leverage at 108.7% (year-end 2015: 101.6%).
- Capital generation at € 159 million (4.7%).

Equity

Breakdown of total equity

(in € million)	30 June 2016	31 December 2015	Delta
Share capital	**24**	**100**	**-76%**
Share premium reserve	1,038	962	8%
Unrealized gains and losses	690	686	1%
Actuarial gains and losses (IAS19)	-893	-467	91%
Retained earnings	2,521	2,309	9%
Equity attributable to shareholders	**3,380**	**3,590**	**-6%**
Other equity instruments	701	701	0%
Equity attributable to holders of equity instruments	**4,081**	**4,291**	**-5%**
Non-controlling interest	-17	-16	6%
Total equity attributable to shareholders	**4,064**	**4,275**	**-5%**

Statement of changes in total equity

(in € million)	H1 2016	FY 2015
Beginning of reporting period - total equity	**4,275**	**3,715**
Profit/(loss) for the period	382	611
Unrealized revaluations	4	-51
Actuarial gains and losses (IAS19)	-426	167
Other equity instruments (Tier 1 capital)	-	-
Gains and losses on non-controlling interests	-1	4
Other changes (e.g. dividend, coupon hybrids)	-170	-171
End of reporting period - total equity	**4,064**	**4,275**

Equity attributable to holders of equity instruments (on IFRS basis) decreased by € 210 million from € 4,291 million to € 4,081 million. The increase as a result of the profit for the period (€ 382 million) was more than offset by (i) the remeasurement of a.s.r.'s own pension contract under IAS19 (net effect: € -426 million) primarily due to the adjustments to the discount rate (from 2.52% to 1.40%) and the wage inflation (from 1.43% to 1.12%) and (ii) pay-out of dividend for 2015 to NLFI in the second quarter of 2016 (€ -170 million). Finally, the sale of SOS International and the real estate development operations earlier this year had a negligible impact on equity. Disregarding actuarial gains and losses (IAS19), equity attributable to holders of equity instruments increased by € 216 million (from to € 4,758 million at year-end 2015 to € 4,974 million at 30 June 2016).

Solvency II

Solvency II is the regulatory framework for European insurance companies that has replaced the Solvency I regime as of 1 January 2016. The introduction of the new regime is intended to harmonize the European insurance market, increase the protection of policyholders and improve risk awareness in both the governance and management of insurance companies. a.s.r. complies with the required Solvency II day-one and WFT reporting requirements.

Solvency II

(in € million)	30 June 2016	31 December 2015	Delta
Eligible Own Funds	6,582	6,129	7%
Required capital	3,451	3,313	4%
Solvency II ratio	**191%**	**c. 185%**	**6%-p**

The Solvency II ratio increased to 191% at 30 June 2016 (year-end 2015: c. 185%). The increase in Solvency II ratio was mainly due to lower interest rates and organic growth. Eligible own funds increased to € 6,582 million at 30 June 2016 (year-end: € 6,129 million). The required capital amounted to € 3,451 million at 30 June 2016, up from € 3,313 million as year-end 2015. The increase was mainly attributable to a higher life risk due to lower interest rates and acquisitions.
After the reporting date, a.s.r. entered into a reinsurance contract with a pool of reputable reinsurers covering the risk of a mass lapse. This reinsurance is expected to have an impact on the Solvency II ratio of about circa 5%-point and has not been included in the figures for the first half year of 2016.

The day one available capital amounted to € 6,076 million and the required capital stood at € 3,374 million, resulting in a day one Solvency II ratio of 180%. The difference between the Solvency II ratio mentioned in the table above and the day one Solvency II ratio is mainly caused by a more conservative interpretation of (i) the en-bloc clause on the health insurance contracts (ii) and the risk margin.

Financial leverage

Financial leverage

(in € million)	30 June 2016	31 December 2015	Delta
Basis for financial leverage (Equity attributable to shareholders)	3,380	3,590	-6%
Financial liabilities	1,223	1,198	2%
of which hybrids	701	701	0%
of which subordinated liabilities	497	497	0%
of senior debt	25	-	-
Financial Leverage (%)	**26.6%**	**25.0%**	**1.6%-p**
Interest coverage ratio	**13.8**	**14.8**	**0%**

Financial leverage is defined as the funding of the holding company as a percentage of total equity attributable to holders of equity instruments. The financial leverage of a.s.r. at 30 June 2016 was 26.6%, up from 25.0% at year-end 2015. This corresponds to a 1.6%-point increase in financial leverage against year-end 2015. This increase was primarily due to developments in equity attributable to holders of equity instruments as a result of the aforementioned effects of profit for H1 2016 and IAS 19, and to a drawdown the credit facility of a senior unsecured loan of € 25 million. In order to increase its financial flexibility and take advantage of the current favourable market conditions, a.s.r. decided in August 2016 to increase the existing unsecured revolving facility with ABN AMRO by € 100 million to € 350 million with a duration of two years.

Double leverage

Double leverage

(in € million)	30 June 2016	31 December 2015	Delta
Total value of associates	4,975	4,865	2%
Equity attributable to shareholders	3,380	3,590	-6%
Hybrids and subordinated liabilities	1,198	1,198	0%
Equity attributable to holders of equity instruments	4,578	4,788	-4%
Double leverage (%)	**108.7%**	**101.6%**	**7.1%-p**

Double leverage is determined on the basis of Equity attributable to holders of equity instruments. Double leverage increased from 101.6% to 108.7% in H1 2016, mainly due to a decrease in equity attributable to shareholders, as a result of the aforementioned effects of profit for H1 2016 and IAS 19.

Organic capital generation

a.s.r. defines organic capital generation as the expected return on assets and liabilities, including new business less non-allocated Holding costs (including both operational Holding costs and hybrid expenses), increased by the net release of capital and technical movements consisting of the UFR drag and the run-off of the equity transitional.

Organic capital generation in the first half of 2016 amounted to € 159 million, which corresponds to 4.7% of the required capital according to the SCR calculation (day one). Organic capital generation includes the UFR drag and the impact of equity transitional measures of € 75 million and € 22 million respectively. Disregarding these elements, capital generation in the first half of 2016 would have been € 256 million (7.6%).
The UFR drag is related to available capital and the equity transitional to required capital.

a.s.r. continues to monitor the market practice for organic capital generation as market standards evolve.

1.2 Risk management

1.2.1 Market risk

Financial markets

The financial markets were volatile in the first half of 2016, showing major fluctuations in interest rates and equity prices. Interest rates dropped significantly, while equity prices closed lower than at year-end 2015 (Eurostoxx -12%). Credit spreads widened significantly in the first two months of the year, only to close marginally higher at 30 June 2016 than at year-end 2015.
The impact of Brexit on the financial markets was limited. Equity markets fell sharply after the result of the Brexit referendum has been announced, but recovered relatively quickly in the days thereafter. Movements in credit spreads and swap rates in first half year were due mostly to the ECB's monetary policy.

Sensitivities

The sensitivities of the Solvency II ratio at 30 June 2016 expressed in terms of their impact on the group solvency ratio (in percentage points) are as follows:

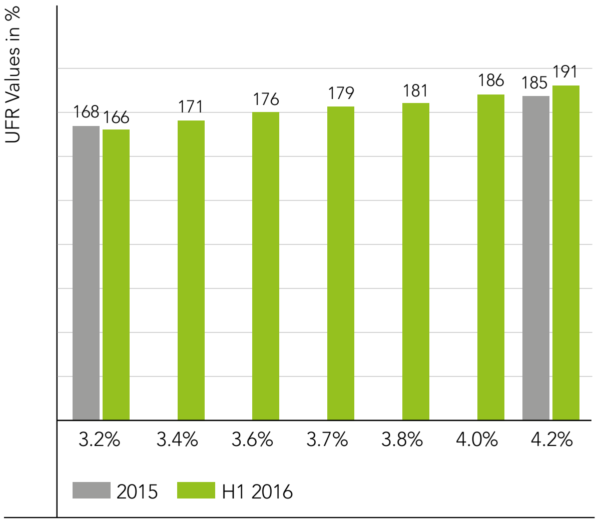
Sensitivities of the Solvency II ratio

Type of risk (%-p)	Available capital	Required capital	Ratio
UFR -100 bps	-21	-4	-25
Interest rates including UFR -100 bps	22	-16	5
Interest rates including UFR +100 bps	-15	14	-2
Spread +75 bps + VA	9	3	12
Equity -20%	-9	6	-3
Property -10%	-6	2	-4

Risk	Scenario
Interest rate risk – UFR	Measured as the impact of a lower UFR. For the valuation of liabilities, the extrapolation to the UFR of 3.2% after the last liquid point of 20 years is unchanged.
Interest rate risk	Measured as the impact of a parallel 100 bps upward and downward movement in interest rates. For the valuation of liabilities, the extrapolation to the UFR of 4.2% after the last liquid point of 20 years is unchanged.
Spread risk (including impact of spread movement on VA)	Measured as the impact of an increase in spread on loans and corporate bonds by 75 bps. At the same time, it is assumed that the Volatility Adjustment will increase by 21 bps.
Equity risk	Measured as the impact of a 20% downward movement in equity prices.
Property risk	Measured as the impact of a 10% downward movement in the market value of real estate.

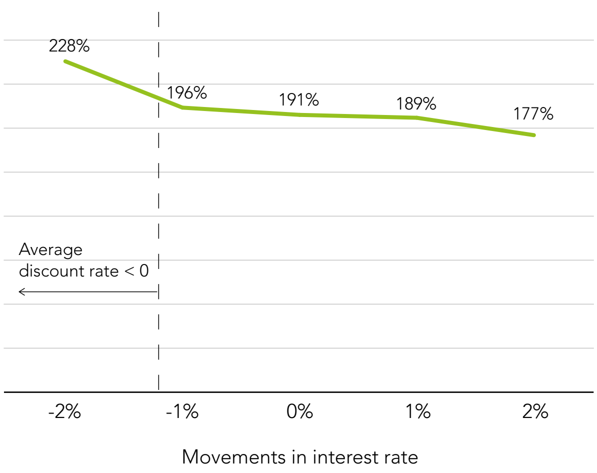
Expected developments in UFR
There are various scenarios for a downward movement in the UFR in 2017 and subsequent years, based on the proposed methodology described in EIOPA's consultation paper on the UFR. The UFR will decrease to 3.7%; this decrease will be phased in depending on the outcome of the consultation. The impact on the Solvency II ratio is shown below.

UFR Values



Interest rate sensitivity of Solvency II ratio
The impact of a parallel movement in the interest rate on the Solvency II ratio, including the UFR effect, is shown below. The UFR methodology has been applied to the shocked interest rate curve.

Movements in interest rate



Equity risk
The equity sensitivity of the solvency ratio declined from -5% at 31 December 2015 to -3% at 30 June 2016. Developments in the financial markets had a negative effect on the value of equities. a.s.r. sold shares and increased its hedging positions to offset large decreases in equity prices in the first half of 2016 as a result of the de-risking strategy. On balance, the equity exposure decreased over the first half of the year, resulting in a fall in the sensitivity to equities of the Solvency II ratio as well.

Spread risk
The total fair market value of the fixed-income portfolio increased over the first half of 2016, resulting in a higher spread risk. The increase in the fixed-income portfolio was mainly due to (i) the fall in interest rates (the portfolio has many long-duration instruments) and (ii) portfolio expansion due to de-risking.

The spread sensitivity of the solvency ratio rose from +10% at 31 December 2015 to +12% at 30 June 2016. This sensitivity is based on a scenario in which the average spread rises by 75 bps and the Volatility Adjustment (VA) rises by 21 bps. Given that the VA is used in the calculation of the liabilities and spread movement has an impact on the credit portfolio only, the impact of the VA increase is larger than the impact of the spread increase. As a result, the solvency ratio rises as the average spread increases.

1.2.2 Underwriting risk

Underwriting risk is the risk that premium income, reserves and/or investment income will not be sufficient to cover expected future payment obligations. Underwriting risk may occur when costs, claims and payouts are at variance with the assumptions and principles applied in developing and pricing products.

a.s.r. has chosen to be a composite insurer, which spreads the insurance risk across the portfolio, thereby leading to diversification gains. a.s.r. manages underwriting risk by focusing on underwriting policy, pricing, claims control, a prudent provisioning policy and adequate reinsurance contracts.

1.2.3 Acquisitions

Over the past months, a risk assessment has been performed of the effects of several significant transactions that were completed in H1 2016, including the acquisition of the NIVO funeral portfolio and the new pension contract with AstraZeneca in the Netherlands. Quantitative scenario analyses were used, among other methods, to review the implications for the solvency position of ASR Nederland N.V. The negative effect of the acquisitions of NIVO and AstraZeneca on the Solvency II ratio will be limited.

1.3 Executive Board Responsibility Statement

The undersigned declare that, to the best of their knowledge:

1. the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and earnings of ASR Nederland N.V. and its consolidated entities; and

2. the interim report of the Executive Board for the period ended 30 June 2016 includes a fair review of the information required pursuant to article 5:25d, paragraph 8 of the Dutch Financial Supervision Act regarding ASR Nederland N.V. and its consolidated entities.

Utrecht, the Netherlands, 23 August 2016

Jos Baeten
Karin Bergstein
Chris Figee
Michel Verwoest

Part 2

Condensed consolidated interim financial statements of ASR Nederland N.V.

for the first half year 2016

Unless stated otherwise, all amounts presented in these financial statements are in millions of euros.

Consolidated interim balance sheet

Consolidated interim balance sheet

(before profit appropriation)	Notes	30 June 2016	31 December 2015
Intangible assets		271	272
Property, plant and equipment		156	166
Investment property	4	2,716	2,667
Associates and joint ventures		20	20
Investments	5	27,139	25,063
Investments on behalf of policyholders	5	7,532	7,924
Loans and receivables	5	11,061	10,486
Derivatives	5	4,128	2,196
Deferred tax assets		527	511
Reinsurance contracts	6	603	611
Other assets		742	711
Cash and cash equivalents	5	4,743	2,628
Assets held for sale	9	50	78
Total assets		**59,688**	**53,333**
Share capital		24	100
Share premium reserve		1,038	962
Unrealized gains and losses		690	686
Actuarial gains and losses		-893	-467
Retained earnings		2,521	2,309
Total equity attributable to shareholders		**3,380**	**3,590**
Other equity instruments		701	701
Equity attributable to holders of equity instruments		**4,081**	**4,291**
Non-controlling interests		-17	-16
Total equity		**4,064**	**4,275**
Subordinated liabilities		497	497
Liabilities arising from insurance contracts	6	34,651	30,573
Liabilities arising from insurance contracts on behalf of policyholders		9,675	9,997
Employee benefits	7	3,439	2,962
Provisions		51	50
Borrowings		78	55
Derivatives	5	766	377
Due to customers		1,855	1,739
Due to banks		3,643	1,804
Other liabilities		958	966
Liabilities relating to assets held for sale	9	11	38
Total liabilities		**55,624**	**49,058**
Total liabilities and equity		**59,688**	**53,333**

Consolidated interim income statement

Consolidated interim income statement

	Notes	H1 2016	H1 2015[4] (restated)[5]
Continuing operations			
Gross premiums written		2,667	2,476
Change in provision for unearned premiums		-187	-194
Gross insurance premiums		**2,480**	**2,282**
Reinsurance premiums		-61	-70
Net insurance premiums		**2,419**	**2,212**
Investment income		687	682
Realized gains and losses		220	385
Fair value gains and losses		-4	828
Result on investments on behalf of policyholders		-121	559
Fee and commission income		35	16
Other income	7	135	80
Share of profit/(loss) of associates and joint ventures		2	-
Total income		**954**	**2,550**
Insurance claims and benefits		-2,277	-3,574
Insurance claims and benefits recovered from reinsurers		42	46
Net insurance claims and benefits		**-2,235**	**-3,528**
Operating expenses		-283	-268
Restructuring provision expenses		-3	-8
Acquisition costs		-191	-189
Impairments		7	1
Interest expense		-139	-132
Other expenses		-51	-149
Total expenses		**-660**	**-745**
Profit before tax		**478**	**489**
Income tax (expense) / gain		-109	-83
Profit from continuing operations		**369**	**406**
Discontinued operations			
Profit (loss) from discontinued operations net of tax	9	12	-7
Profit for the period		**381**	**399**
Attributable to:			
- Attributable to non-controlling interests		-1	2
- Shareholders		382	397
- Holders of other equity instruments		-	-
- Tax on interest of other equity instruments		-	-
Profit attributable to holders of equity instruments		**382**	**397**

4 Figures for H1 2015 are derived from an interim report which has not been subject to review procedures.

5 Restated as explained in paragraph 2.3.

Earnings per share

(in €)	Notes	H1 2016	H1 2015[4] (restated)
Basic earnings per share from continuing operations		2.46	2.71
Basic earnings per share from discontinued operations		0.08	-0.04
Basic earnings per share		**2.54**	**2.67**

For disclosure related to the income statement we refer to the report of the Executive Board – chapter 1.1 Financial result for H1 2016, which is part of the interim report.

4 Figures for H1 2015 are derived from an interim report which has not been subject to review procedures.

Consolidated interim statement of comprehensive income

Consolidated interim statement of comprehensive income

	H1 2016	H1 2015[4] (restated)
Profit for the period	**381**	**399**
Remeasurements of post-employment benefit obligation	-566	156
Income tax on items that will not be reclassified to profit or loss	140	-39
Total items that will not be reclassified to profit and loss	**-426**	**117**
Unrealized change in value of available-for-sale financial assets	1,771	-721
Shadow accounting	-1,754	676
Segregated investment pools	11	-3
Tax relating to components of other comprehensive income	-24	13
Total items that may be reclassified subsequently to profit and loss	**4**	**-35**
Total other comprehensive income for the year, after tax	**-422**	**82**
Total comprehensive income	**-41**	**481**
Attributable to:		
- Attributable to non-controlling interests	-1	2
- Shareholders	-40	479
- Holders of other equity instruments	-	-
- Tax on interest of other equity instruments	-	-
Total comprehensive income attributable to holders of equity instruments	**-40**	**479**

Shadow accounting allows a recognized but unrealized gain or loss on an asset to be transferred to insurance liabilities. Further information related to shadow accounting is disclosed in the 2015 consolidated financial statements in chapter 5.2.2 (J).

4 Figures for H1 2015 are derived from an interim report which has not been subject to review procedures.

Consolidated interim statement of changes in equity

Consolidated interim statement of changes in equity

	Share capital	Share premium reserve	Unrealized gains and losses	Actuarial gains and losses (pension obligation)	Retained earnings	Equity attributable to shareholders	Other equity instruments	Non controlling interest	Total equity
At 1 January 2016	100	962	686	-467	2,309	3,590	701	-16	4,275
Profit for the period	-	-	-	-	382	382	-	-1	381
Total other comprehensive income	-	-	4	-426	-	-422	-	-	-422
Total comprehensive income	**-**	**-**	**4**	**-426**	**382**	**-40**	**-**	**-1**	**-41**
Dividend paid	-	-	-	-	-170	-170	-	-	-170
Increase (decrease) in capital	-76	76	-	-	-	-	-	-	-
At 30 June 2016	**24**	**1,038**	**690**	**-893**	**2,521**	**3,380**	**701**	**-17**	**4,064**
At 1 January 2015	100	962	737	-634	1,869	3,034	701	-20	3,715
Profit for the period	-	-	-	-	397	397	-	2	399
Total other comprehensive income	-	-	-35	117	-	82	-	-	82
Total comprehensive income	**-**	**-**	**-35**	**117**	**397**	**479**	**-**	**2**	**481**
Dividend paid	-	-	-	-	-139	-139	-	-2	-141
Other	-	-	-	-	4	4	-	-	4
At 30 June 2015 [4]	**100**	**962**	**702**	**-517**	**2,131**	**3,378**	**701**	**-20**	**4,059**

The actuarial gains and losses decreased in 2016 by € 426 million after tax and € 566 million before tax (2015: increased by € 117 million after tax and € 156 million before tax) due to a decrease (2015 increase) primarily in the discount rate and inflation (see chapter 7).

In March 2016, Stichting Administratiekantoor beheer financiële instellingen (NLFI) in its capacity as the sole shareholder issued a resolution that the company's articles of association will be amended to, inter alia, split the ordinary shares in the company's capital, into a higher number of ordinary shares, without decreasing the company's aggregate issued share capital. After the stock split had been effected, the nominal value per ordinary share in the company's capital was decreased to € 0.16. The company's issued share capital was reduced by an amount of € 76 million and was effected without repayment and without granting a discharge from the obligation to pay up the ordinary shares in the company's issued share capital. The amount of € 76 million was subsequently transferred from share capital to the share premium reserve.

Following the IPO on 10 June 2016, a total of 52.2 million ordinary shares of ASR Nederland N.V., representing 35% of the outstanding and issued ordinary shares (150 million) were listed on Euronext Amsterdam. An over-allotment option (greenshoe) of 7.8 million shares was granted by NLFI to the Joint Global Coordinators. On 9 July 2016 the over-allotment option was partly excercised and in total a number of 2,249,855 over-allotment shares have been sold. Following the partial excercise of the Over-Allotment Option, the offering comprises 54,449,885 ordinary shares representing approximately 36.3% of the total number of 150 million issued and outstanding ordinary shares in the capital of the company. The remaining shares (63,7%) are held by NLFI on behalf of the Dutch government. No preference shares were issued.

4 Figures for H1 2015 are derived from an interim report which has not been subject to review procedures.

Condensed consolidated interim statement of cash flows

Condensed consolidated interim statement of cash flows

	2016	2015[4]
Cash and cash equivalents as at 1 January	**2,631**	**3,135**
Cash flows from operating activities	2,246	-553
Cash flows from investing activities	-17	-62
Cash flows from financing activities	-115	-144
Transfer as a result of discontinued operations	-	-
Cash and cash equivalents as at 30 June	**4,745**	**2,376**

	2016	2015[1]
Total cash and cash equivalents		
Cash and cash equivalents from continuing operations	4,743	2,375
Cash and cash equivalents classified as Assets held for sale	2	1
Total cash and cash equivalents as at 30 June	**4,745**	**2,376**

The cash flows related to the discontinued operations are very limited.

Included in the cash and cash equivalents as at 30 June 2016, is € 3,139 million (30 June 2015: € 1,684 million) related to the cash collateral received on derivative instruments and securities lending and € 30 million (30 June 2015: € 3 million) related to cash collateral provided. The debt to repay the cash collateral is included in the amount due to banks.

4 Figures for H1 2015 are derived from an interim report which has not been subject to review procedures.

1. General information

ASR Nederland N.V. ('a.s.r.') is a leading insurance company in the Netherlands. In 2016, a.s.r. sells insurance products under the following labels: a.s.r., De Amersfoortse, Ardanta, Europeesche Verzekeringen and Ditzo. a.s.r. has a total of 3.438 internal FTE's (31 December 2015: 3,650 internal FTE's).

ASR Nederland N.V. is a public limited company under Dutch law having its registered office located at Archimedeslaan 10, 3584 BA in Utrecht, the Netherlands. ASR Nederland N.V. has chosen the Netherlands as 'country of origin' (land van herkomst) for the issued share capital and corporate bonds which are listed on Euronext Amsterdam. As of 10 June 2016 a.s.r. is listed on Euronext Amsterdam (Ticker: ASR NL).

The condensed consolidated interim financial statements are presented in euros (€), being the functional currency of a.s.r. and all its group entities. All amounts quoted in the tables contained in these interim financial statements are in millions of euros, unless otherwise indicated.

The condensed consolidated interim financial statements were approved by the Supervisory Board on 23 August 2016.

The condensed consolidated interim financial statements have not been audited, but the independent auditor conducted a review. The condensed consolidated interim financial information as at 30 June 2015 has not been audited or reviewed by the independent auditor. Consequently, the corresponding figures included in the income statement, statements of comprehensive income, changes in equity, cash flows and relating notes have not been audited or reviewed by the independent auditor.

2. Accounting policies

2.1 General

The condensed consolidated interim financial statements of a.s.r. for the first half year ended 30 June 2016 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted for use within the European Union (EU). They do not contain all of the information required for complete consolidated financial statements and must therefore be read in conjunction with the 2015 consolidated financial statements of a.s.r.

Except for the EU endorsed amendments to the IFRS Standards and Interpretations applicable as from 1 January 2016 (described in chapter 2.4), and the change in accounting estimate as of 1 January 2016 (described in chapter 2.2), a.s.r. has prepared its condensed consolidated interim financial statements in accordance with the same principles for financial reporting, presentation and calculation methods used for the 2015 consolidated financial statements. These are prepared in accordance with International Financial Reporting Standards (IFRS) – including the International Accounting Standards (IAS) and Interpretations – as adopted for use within the European Union (EU).

Equity includes prior years adjustments regarding 2014 and 2015 relating to accounting for employee benefits. a.s.r. has assessed the qualitative and quantitative impact of the adjustments on previously issued financial statements and concluded that it was immaterial for all prior year periods. Therefore a.s.r. has made adjustments to the opening equity of 2015 (€ 6 million) and 2016 (€ 16 million) amounting to an opening equity of € 3,715 million and € 4,275 million for 2015 and 2016 respectively in the current condensed consolidated interim financial statements.

Solvency II is the regulatory framework for European insurance companies that has replaced the Solvency I regime as of 1 January 2016 and therefore a.s.r. has also in 2016 fully aligned with Solvency II for solvency reporting and management purposes (see report of the Executive Board chapter 1.2 Risk Management).

In the first half year 2016 a.s.r. made no changes in accounting policies.

2.2 Changes in accounting estimates as of 1 January 2016

a.s.r. has made a change in accounting estimates in relation to the Liability Adequacy Test (LAT) of its insurance liabilities. Until and including 2015 a.s.r.'s accounting policy was to use the DNB-LAT (Solvency I) for assessing whether its insurance liabilities were adequate (with exception in respect of surrender value floor). As of 1 January 2016 the Solvency II regime applies to a.s.r. The DNB-LAT test is therefore no longer required. Under Solvency II the insurance liabilities are determined based on a best estimate and a risk margin using the Euro Swap curve, including a credit risk adjustment, with Ultimate Forward Rate (UFR) and a volatility adjustment. Also unrecognized gains and losses from relevant assets that are not carried at fair value in the balance sheet are taken into account to the extent these assets are allocated to cover the insurance liabilities. This valuation of the insurance liability consistent with Solvency II is therefore used in the LAT. The calculations under Solvency II to determine the insurance liability correspond in substance with the Solvency I test , therefore this change is classified as a change in accounting estimate. The transition to using Solvency II as the basis for the IFRS-LAT will enhance the comparability between the Solvency II reporting and IFRS reporting as from 2016 onwards.

As the insurance liabilities continue to be adequate, this change in estimate has no impact on net profit or total equity of a.s.r.

2.3 Changes in presentation

Reclassification discontinued operations

The detailed impact of the re-presentations of discontinued operations on the consolidated interim income statement for the period ended 30 June 2015 is as follows:

Re-presentations of discontinued operations

	As reported [4]	H1 2015 reclassification discontinued operations	Restated
Continuing operations			
Gross premiums written	2,476	-	2,476
Change in provision for unearned premiums	-194	-	-194
Gross insurance premiums	**2,282**	**-**	**2,282**
Reinsurance premiums	-70	-	-70
Net insurance premiums	**2,212**	**-**	**2,212**
Investment income	681	1	682
Realized gains and losses	385	-	385
Fair value gains and losses	828	-	828
Result on investments on behalf of policyholders	559	-	559
Fee and commission income	16	-	16
Other income	48	32	80
Total income	**2,517**	**33**	**2,550**
Insurance claims and benefits	-3,574	-	-3,574
Insurance claims and benefits recovered from reinsurers	46	-	46
Net insurance claims and benefits	**-3,528**	**-**	**-3,528**
Operating expenses	-273	5	-268
Restructuring provision expenses	-8	-	-8
Acquisition costs	-189	-	-189
Impairments	1	-	1
Interest expense	-132	-	-132
Other expenses	-25	-124	-149
Total expenses	**-626**	**-119**	**-745**
Profit before tax	**575**	**-86**	**489**
Income tax (expense) / gain	-83	-	-83
Profit from continuing operations	**492**	**-86**	**406**
Discontinued operations			
Profit (loss) from discontinued operations net of tax	-93	86	-7
Profit for the period	**399**	**-**	**399**

Please refer to section 5.2.1 in the 2015 consolidated financial statements of a.s.r. for an explanation on the changes in presentation.

4 Figures for H1 2015 are derived from an interim report which has not been subject to review procedures.

2.4 Changes in EU endorsed published IFRS Standards and Interpretations effective in 2016

The following other changes in the EU-endorsed IFRS standards and IFRIC interpretations are effective from 1 January 2016:

- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation.
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations.
- Amendments to IAS 16 and IAS 41: Bearer Plants.
- Amendments to IAS 27: Equity Method in Separate Financial Statements.
- Amendments to IAS 1: Disclosure Initiative.
- Annual improvements to IFRSs 2012-2014 cycle: a collection of non-urgent amendments to IFRSs, in response to issues.

These changes have no material effect on the total equity attributable to shareholders or profit or loss for the (interim) reporting period of a.s.r.

2.5 Estimates and assumptions

The preparation of the condensed consolidated interim financial statements requires a.s.r. to make estimates and assumptions that have an effect on the reported amounts in the financial statements.
Critical accounting estimates and assumptions relate to:

- the fair value and impairments of unlisted financial instruments;
- the estimated useful life, residual value and fair value of property, plant and equipment, investment property, and intangible assets;
- the measurement of liabilities arising from insurance contracts;
- actuarial assumptions used for measuring employee benefit obligations;
- when forming provisions, the required estimate of existing obligations arising from past events;
- the recoverable amount of impaired assets.

The estimates and assumptions are based on management's best knowledge of current facts, actions and events. The actual outcomes may ultimately differ from the results reported earlier on the basis of estimates and assumptions. A detailed explanation of the estimates and assumptions are given in the relevant chapter as included in the 2015 consolidated financial statements.

2.6 Fair value of assets and liabilities

The fair value is the price that a.s.r. would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants on the transaction date or reporting date in the principal market for the asset or liability, or in the most advantageous market for the asset or liability and assuming the highest and best use for non-financial assets.

Where possible, a.s.r. determines the fair value of assets and liabilities on the basis of quoted prices in an active market. In the absence of an active market for a financial instrument, the fair value is determined using valuation techniques. Although valuation techniques are based on observable market data where possible, results are affected by the assumptions used, such as discount rates and estimates of future cash flows. In the unlikely event that the fair value of a financial instrument cannot be measured, it is carried at cost.

Fair value hierarchy

The following three hierarchical levels are used to determine the fair value of financial instruments and non-financial instruments when accounting for assets and liabilities at fair value and disclosing the comparative fair value of assets and liabilities:

Level 1. Fair value based on quoted prices in an active market
Level 1 assets and liabilities whose value is determined by quoted (unadjusted) prices in the primary active market for identical includes assets or liabilities.

A financial instrument is quoted in an active market if:
- quoted prices are readily and regularly available (from an exchange, dealer, broker, sector organization, third party pricing service, or a regulatory body); and
- these prices represent actual and regularly occurring transactions on an arm's length basis.

Financial instruments in this category primarily consist of bonds and equities listed in active markets. Cash and cash equivalents are also included as level 1.

Level 2. Fair value based on observable market data
Determining fair value on the basis of Level 2 involves the use of valuation techniques that use inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices of identical or similar assets and liabilities). These observable inputs are obtained from a broker or third party pricing service and include:
- quoted prices in active markets for similar (not identical) assets or liabilities;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- input variables other than quoted prices observable for the asset or liability. These include interest rates and yield curves observable at commonly quoted intervals, volatility, early redemptions spreads, loss ratio, credit risks and default percentages.

This category primarily includes:
- financial instruments: unlisted fixed-interest preference shares and interest rate contracts;
- financial instruments: loans and receivables[6];
- other non-financial assets and liabilities[6].

Financial instruments: unlisted fixed-interest preference shares and interest rate contracts
This category includes unlisted fixed-interest preference shares and interest rate contracts. The valuation techniques for financial instruments use present value calculations and in the case of derivatives, include forward pricing and swap models. The observable market data contains yield curves based on company ratings and characteristics of the unlisted fixed-interest preference shares.

Financial instruments: Loans and receivables
The fair value of the loans and receivables is based on the discounted cash flow method. It is obtained by calculating the present value based on expected future cash flows and assuming an interest rate curve used in the market that includes an additional spread based on the risk profile of the counterparty.
The valuation method used to determine the fair value of a.s.r.'s mortgage portfolio bases the spread on the interest rate curve for discounting the mortgage portfolio cash flows on consumer rates.

Other non-financial assets and liabilities
For other non-financial assets and liabilities where the fair value is disclosed these fair values are based on observable market inputs, primarily being the price paid to acquire the asset or received to assume the liability on initial recognition, assuming that the transactions have taken place on an arm's length basis. Valuation techniques using present value calculations are applied using current interest rates where the payment terms are longer than one year.

Level 3. Fair value not based on observable market data
The fair value of the level 3 assets and liabilities are determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument and for which any significant inputs are not based on available observable market data. The financial assets and liabilities in this category are assessed individually.

Valuation techniques are used to the extent that observable inputs are not available. The basic principle of fair value measurement is still to determine a fair, arm's length price. Unobservable inputs therefore reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are generally based on the available observable data (adjusted for factors that contribute towards the value of the asset) and own source information.

This category primarily includes:
- financial instruments: private equity investments (or private equity partners);
- investment property and property for own use.

6 Not measured at fair value on the balance sheet for which the fair value is disclosed.

Financial instruments: private equity investments
The main non-observable market input for private equity investments is the net asset value of the investment as published by the private equity company (or partner).

Fair value for investment property and buildings for own use
The following categories of investment properties and buildings for own use is recognized and methods of calculating fair value are distinguished:
- residential – based on reference transaction and DCF method;
- retail – based on reference transaction and income capitalization method;
- rural – based on reference transaction and DCF method;
- offices – based on reference transaction and DCF method (including buildings for own use);
- other – based on reference transaction and DCF method;
- under construction – based on both DCF and income capitalization method.

The following valuation methods are available for the calculation of fair value by the external professional appraisers for investment property and buildings for own use:

Reference transactions
Independent professional appraisers use transactions in comparable properties as a reference for determining the fair value of the property. The reference transactions of comparable objects are generally based on observable data consisting of the land register ‘Kadaster’ and the rural land price monitor as published by the Dutch government ‘grondprijsmonitor’ in an active property market and in some instances accompanied by own use information.

The external professional appraisers, valuate the property using the reference transaction in combination with the following valuation methods to ensure the appropriate valuation of the property:
- DCF method;
- income capitalization method.

DCF method
Under the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset’s life including an exit or terminal value. This method involves the projection of a series of cash flows on the investment property dependent on the duration of the lease contracts.

A market-derived discount rate is applied to these projected cash flow series in order to establish the present value of the cash flows associated with the asset. The exit yield is normally determined separately, and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of investment property. Periodic cash flow is typically estimated as gross rental income less vacancy (apart from the rural category), non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

For the categories residential, offices and other in applying the DCF method, the significant inputs are the discount rate and market rental value. These inputs are verified with the following market observable data (that are adjusted to reflect the state and condition, location, development potential etc. of the specific property):
- market rent per square meter for renewals and their respective re-letting rates;
- the 10 year discount rate as published by the Dutch Central Bank.

When applying the DCF method for rural valuations, the significant inputs are the discount rate and market lease values. These inputs are verified with the following market observable data (that are adjusted to reflect the state and condition, location, development potential etc. of the specific property):
- market value per acre per region in accordance with the ’rural land price monitor’;
- 10 Year Dutch Government Bond Yield (%) as published by the Dutch Central Bank.

Income capitalization method
Under the income capitalization method, a property’s fair value is estimated based on the normalized net operating income generated by the property, which is divided by the capitalization rate (the investor's rate of return). The

difference between gross and net rental income includes the same expense categories as those for the DCF method with the exception that certain expenses are not measured over time, but included on the basis of a time weighted average, such as the average lease up costs. Under the income capitalization method, rents above or below the market rent are capitalized separately.

The significant inputs for retail valuations are the reversionary yield and the market or reviewed rental value. These inputs are generally verified with the following observable data (that are adjusted to reflect the state and condition, location, development potential etc. of the specific property):
- market rent per square meter for renewals;
- reviewed rent per square meter (based on the rent reviews performed in accordance with Section 303, Book 7 of the Dutch Civil Code).

The fair value of investment properties and buildings for own use, are appraised annually. Valuations are conducted by independent professional appraisers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the property being valued. Market value property valuations were prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards, 7th Edition (the 'Red Book'). a.s.r. provides adequate information to the professional appraisers, in order to conduct a comprehensive valuation. The professional appraisers are changed or rotated at least once every three years.

Transfers between levels
The hierarchical level per individual instrument, or group of instruments, is reassessed at every reporting period. If the instrument, or group of instruments, no longer complies with the criteria of the level in question, it is transferred to the hierarchical level that does meet the criteria. A transfer can for instance be when the market becomes less liquid or when quoted market prices for the instrument are no longer available.

3. Segment information

3.1 General

At organizational level, a.s.r.'s operations have been divided into six operating segments. These segments are the Non-life segment and Life segment where all insurance activities are presented in. The non-insurance activities are presented as four separate segments being the Banking and Asset Management, Distribution and Services, Holding and Other and Real Estate Development, which is in run-off.

See chapters 5.5.1 and 5.39 as included in the 2015 consolidated financial statements for the organization structure and a list of principal group companies and associates in the relevant segments.

The eliminations applied in the reconciliation of the segment information with the consolidated interim balance sheet and the consolidated interim income statement are separately presented in chapter 3.2 and 3.3.

The a.s.r. segment reporting shows the financial performance of each segment. The purpose of these reporting is to allocate all items in the balance sheet and income statement to the segments that hold full management responsibility for them.

Segment information has been prepared in accordance with the accounting principles used for the preparation of a.s.r.'s consolidated interim financial statements.

Intersegment transactions are conducted at arm's length conditions. In general, cost related to centralized services are allocated to the segments based on the utilization of these services.

With effect from 2016, the operating result of the segments are assessed on the segments' operating result which is based on the profit before tax adjusted for:

(i) investment income for own account of an incidental nature (for example realized capital gains and losses, impairment losses or reversals and (un)realized changes of investments held at fair value) and
(ii) incidental items not relating to ordinary activities as a result of accounting changes, consulting fees for acquisitions, restructuring expenses, start-up costs, privatization expenses and shareholder-related expenses.

For comparative purposes the 2015 operating result has also been adjusted accordingly.

Insurance activities

The Non-life segment consists of non-life insurance entities and their subsidiaries. These non-life insurance entities offer non-life insurance contracts. Insurance entities are entities that accept the transfer of insurance risks from policyholders. The Life segment comprises the life insurance entities and their subsidiaries. These life insurance entities offer financial products such as life insurance contracts and life insurance contracts on behalf of policyholders. The Non-life and Life segments have different levels of profitability and growth opportunities, as well as a different outlook and risk profile.

Non-insurance activities

- The Banking and Asset Management segment consists of all the banking activities and the activities related to asset management including investment property management. These activities include ASR Bank N.V., ASR Vastgoed Vermogensbeheer B.V., ASR Nederland Beleggingsbeheer N.V., ASR Hypotheken B.V. and ASR Vermogensbeheer B.V. (formerly BNG Vermogensbeheer B.V., with effect from 20 May 2016).
- The Distribution and Services segment includes the activities related to distribution of insurance contracts and includes the financial intermediary business of PoliService B.V., Het AssuradeurenHuys B.V., Van Kampen Groep Holding B.V. (with effect from 22 January 2015), Dutch ID B.V. (with effect from 19 November 2015) and B.V. Nederlandse Hulpverleningsorganisatie SOS International (classified as discontinued operations and as per 26 January 2016 these activities have been sold).
- 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 and the activities of ASR Deelnemingen N.V.
- The Real Estate Development (continuing and discontinued operations) consists of the activities where property development occurs. These activities are performed in ASR Vastgoed Ontwikkeling N.V. (as per end of April 2016 these activities are sold) and ASR Vastgoed Projecten B.V.

3.2 Segmented balance sheet

Segmented balance sheet

	Insurance		Non-insurance					
As at 30 June 2016	Non-life	Life	Banking and asset management	Distribution and services	Holding and other	Real Estate development	Eliminations	Total
Intangible assets	1	138	-	45	87	-	-	271
Property, plant and equipment	-	138	-	5	13	-	-	156
Investment property	349	2,367	-	-	-	-	-	2,716
Associates and joint ventures	-	3	-	-	16	1	-	20
Investments	4,748	22,029	241	-	2,787	-	-2,666	27,139
Investments on behalf of policyholders	-	7,532	-	-	-	-	-	7,532
Loans and receivables	315	9,611	1,112	6	66	12	-61	11,061
Derivatives	7	4,121	-	-	-	-	-	4,128
Deferred tax assets	-	14	-	-	520	2	-9	527
Reinsurance contracts	406	197	-	-	-	-	-	603
Other assets	213	672	5	-1	-230	129	-46	742
Cash and cash equivalents	304	3,997	160	32	247	3	-	4,743
Assets held for sale	-	-	-	-	-	6	44	50
Total assets	**6,343**	**50,819**	**1,518**	**87**	**3,506**	**153**	**-2,738**	**59,688**
Equity attributable to holders of equity instruments	1,185	3,687	106	58	-1,001	24	22	4,081
Non-controlling interests	-	9	-	-	-	-16	-10	-17
Total equity	**1,185**	**3,696**	**106**	**58**	**-1,001**	**8**	**12**	**4,064**
Subordinated liabilities	15	-	-	-	497	-	-15	497
Liabilities arising from insurance contracts	4,908	32,058	-	-	-	-	-2,315	34,651
Liabilities arising from insurance contracts on behalf of policyholders	-	9,675	-	-	-	-	-	9,675
Employee benefits	-	18	-	4	3,417	-	-	3,439
Provisions	1	23	2	1	23	1	-	51
Borrowings	7	61	1	1	13	9	-14	78
Derivatives	8	758	-	-	-	-	-	766
Deferred tax liabilities	85	-450	2	-1	368	-3	-1	-
Due to customers	49	836	1,339	13	-	-	-382	1,855
Due to banks	-	3,617	-	1	25	-	-	3,643
Other liabilities	85	527	68	10	164	127	-23	958
Liabilities relating to assets held for sale	-	-	-	-	-	11	-	11
Total liabilities	**5,158**	**47,123**	**1,412**	**29**	**4,507**	**145**	**-2,750**	**55,624**
Total liabilities and equity	**6,343**	**50,819**	**1,518**	**87**	**3,506**	**153**	**-2,738**	**59,688**

Segmented balance sheet (continued)

	Insurance		Non-insurance					
As at 31 December 2015	Non-life	Life	Banking and asset management	Distribution and services	Holding and other	Real Estate development	Eliminations	Total
Intangible assets	1	144	-	43	84	-	-	272
Property, plant and equipment	-	153	-	5	8	-	-	166
Investment property	342	2,325	-	-	-	-	-	2,667
Associates and joint ventures	-	3	-	-	16	1	-	20
Investments	4,594	20,041	376	-	2,587	-	-2,535	25,063
Investments on behalf of policyholders	-	7,924	-	-	-	-	-	7,924
Loans and receivables	298	9,268	848	6	76	13	-23	10,486
Derivatives	5	2,191	-	-	-	-	-	2,196
Deferred tax assets	-	14	-	-	501	1	-5	511
Reinsurance contracts	410	201	-	-	-	-	-	611
Other assets	125	604	2	-	-95	135	-60	711
Cash and cash equivalents	163	2,105	82	20	256	2	-	2,628
Assets held for sale	-	-	-	7	-	20	51	78
Total assets	**5,938**	**44,973**	**1,308**	**81**	**3,433**	**172**	**-2,572**	**53,333**
Equity attributable to holders of equity instruments	1,130	3,669	82	53	-655	-	12	4,291
Non-controlling interests	-	9	-	-	-	-16	-9	-16
Total equity	**1,130**	**3,678**	**82**	**53**	**-655**	**-16**	**3**	**4,275**
Subordinated liabilities	15	-	-	-	497	-	-15	497
Liabilities arising from insurance contracts	4,513	28,201	-	-	-	-	-2,141	30,573
Liabilities arising from insurance contracts on behalf of policyholders	-	9,997	-	-	-	-	-	9,997
Employee benefits	-	15	-	2	2,945	-	-	2,962
Provisions	-	24	2	1	23	-	-	50
Borrowings	2	44	-	1	20	8	-20	55
Derivatives	-	377	-	-	-	-	-	377
Deferred tax liabilities	72	-507	-	-1	437	-	-1	-
Due to customers	87	856	1,170	7	-1	-	-380	1,739
Due to banks	-	1,803	-	1	-	-	-	1,804
Other liabilities	119	485	54	12	167	147	-18	966
Liabilities relating to assets held for sale	-	-	-	5	-	33	-	38
Total liabilities	**4,808**	**41,295**	**1,226**	**28**	**4,088**	**188**	**-2,575**	**49,058**
Total liabilities and equity	**5,938**	**44,973**	**1,308**	**81**	**3,433**	**172**	**-2,572**	**53,333**

3.3 Segmented income statement and reconciliation to operating result

Segmented income statement

	Insurance		Non-insurance					
H1 2016	Non-life	Life	Banking and asset management	Distribution and services	Holding and other	Real Estate development	Eliminations	Total
Continuing operations								
Gross premiums written	1,396	1,338	-	-	-	-	-67	2,667
Change in provision for unearned premiums	-187	-	-	-	-	-	-	-187
Gross insurance premiums	**1,209**	**1,338**	**-**	**-**	**-**	**-**	**-67**	**2,480**
Reinsurance premiums	-61	-	-	-	-	-	-	-61
Net insurance premiums	**1,148**	**1,338**	**-**	**-**	**-**	**-**	**-67**	**2,419**
Investment income	61	574	59	-	5	-	-12	687
Realized gains and losses	21	234	5	-	-	-	-40	220
Fair value gains and losses	5	-12	-	-	-	-	3	-4
Result on investments on behalf of policyholders	-	-122	-	-	-	-	1	-121
Fee and commission income	20	-	-	23	-	-	-8	35
Other income	1	16	-	4	108	6	-	135
Share of profit/(loss) of associates and joint ventures	-	2	-	-	-	-	-	2
Total income	**108**	**692**	**64**	**27**	**113**	**6**	**-56**	**954**
Insurance claims and benefits	-918	-1,489	-	-	-	-	130	-2,277
Insurance claims and benefits recovered from reinsurers	40	2	-	-	-	-	-	42
Net insurance claims and benefits	**-878**	**-1,487**	**-**	**-**	**-**	**-**	**130**	**-2,235**
Operating expenses	-100	-101	-27	-16	-47	-3	11	-283
Restructuring provision expenses	-1	-2	-	-	-	-	-	-3
Commission expenses	-190	-9	-	-	-	-	8	-191
Impairments	7	-	-	-	-	-	-	7
Interest expenses	-1	-81	-11	-	-16	-	-30	-139
Other expenses	-7	-19	-22	-1	-9	-13	20	-51
Total expenses	**-292**	**-212**	**-60**	**-17**	**-72**	**-16**	**9**	**-660**
Profit before tax	**86**	**331**	**4**	**10**	**41**	**-10**	**16**	**478**
Income tax (expense) / gain	-20	-75	-1	-3	-10	4	-4	-109
Profit after tax from continuing operations	**66**	**256**	**3**	**7**	**31**	**-6**	**12**	**369**
Discontinued operations	-	-	-				-	-
Profit (loss) from discontinued operations net of tax	-	-	-	-	-	12	-	12
Profit for the period	**66**	**256**	**3**	**7**	**31**	**6**	**12**	**381**
Profit attributable to non-controlling interests	-	-	-	-	-	-1	-	-1
Profit attributable to holders of equity instruments	**66**	**256**	**3**	**7**	**31**	**7**	**12**	**382**

Operating result

	Insurance		Non-insurance					
H1 2016	Non-life	Life	Banking and asset management	Distribution and services	Holding and other	Real Estate development	Eliminations	Total
IFRS Profit before tax	**86**	**331**	**4**	**10**	**41**	**-10**	**16**	**478**
Investment related	-19	-53	-4	-	-6	-	-	-82
Incidentals	-5	-5	-	-	-91	10	-13	-104
Operating result	**62**	**273**	**-**	**10**	**-56**	**-**	**3**	**292**

Segmented income statement (continued)

	Insurance		Non-insurance					
H1 2015 [4]	Non-life	Life	Banking and asset management	Distribution and services	Holding and other	Real Estate development	Eliminations	Total
Continuing operations								
Gross premiums written	1,375	1,171	-	-	-	-	-70	2,476
Change in provision for unearned premiums	-194	-	-	-	-	-	-	-194
Gross insurance premiums	**1,181**	**1,171**	**-**	**-**	**-**	**-**	**-70**	**2,282**
Reinsurance premiums	-66	-4	-	-	-	-	-	-70
Net insurance premiums	**1,115**	**1,167**	**-**	**-**	**-**	**-**	**-70**	**2,212**
Investment income	65	574	58	-	7	1	-23	682
Realized gains and losses	53	331	1	-	-	-	-	385
Fair value gains and losses	10	818	-	-	-	-	-	828
Result on investments on behalf of policyholders	-	559	-	-	-	-	-	559
Fee and commission income	13	-	3	-	-	-	-	16
Other income	1	26	-	13	-	40	-	80
Share of profit/(loss) of associates and joint ventures	-	-	-	-	-	-	-	-
Total income	**142**	**2,308**	**62**	**13**	**7**	**41**	**-23**	**2,550**
Insurance claims and benefits	-850	-2,836	-	-	-	-	112	-3,574
Insurance claims and benefits recovered from reinsurers	42	4	-	-	-	-	-	46
Net insurance claims and benefits	**-808**	**-2,832**	**-**	**-**	**-**	**-**	**112**	**-3,528**
Operating expenses	-101	-95	-22	-9	-50	-3	12	-268
Restructuring provision expenses	-5	-3	-	-	-	-	-	-8
Commission expenses	-180	-9	-	-	-	-	-	-189
Impairments	-4	2	-	-	3	-	-	1
Interest expense	-	-79	-11	-	14	-	-56	-132
Other expenses	-4	-17	-24	-	-1	-124	21	-149
Total expenses	**-294**	**-201**	**-57**	**-9**	**-34**	**-127**	**-23**	**-745**
Profit before tax	**155**	**442**	**5**	**4**	**-27**	**-86**	**-4**	**489**
Income tax (expense) / gain	-33	-91	-1	-1	42	-	1	-83
Profit after tax from continuing operations	**122**	**351**	**4**	**3**	**15**	**-86**	**-3**	**406**
Discontinued operations								
Profit (loss) from discontinued operations net of tax	-	-	-	-	-	-7	-	-7
Profit for the period	**122**	**351**	**4**	**3**	**15**	**-93**	**-3**	**399**
Profit attributable to non-controlling interests	-	-	-	-	-	2	-	2
Profit attributable to holders of equity instruments	**122**	**351**	**4**	**3**	**15**	**-95**	**-3**	**397**

4 Figures for H1 2015 are derived from an interim report which has not been subject to review procedures.

Operating result (continued)

H1 2015[4]	Insurance		Non-insurance					
	Non-life	Life	Banking and asset management	Distribution and services	Holding and other	Real Estate development	Eliminations	Total
IFRS Profit before tax	155	442	5	4	-27	-86	-4	489
Investment related	-46	-197	-1	-	-37	-	-	-281
Incidentals	5	-23	1	-	3	86	-	72
Operating result	**114**	**222**	**5**	**4**	**-61**	**-**	**-4**	**280**

3.4 Non-life ratios

Combined ratio segment Non-life

	H1 2016	H1 2015[4]
Claims ratio	73.2%	68.8%
Commission ratio	14.8%	15.0%
Expense ratio	8.4%	8.7%
Combined ratio	**96.4%**	**92.5%**
Combined ratio		
Disability	90.2%	88.7%
Health	98.2%	92.7%
Property & Casualty	99.5%	95.1%

Calculation of the combined ratio

	H1 2016	H1 2015[4]
Net insurance premiums Non-life	1,148	1,115
Net insurance claims and benefits	-878	-808
Adjustments:		
- Compensation capital gains (Disability)	10	11
- Interest accrual on provisions (Disability)	31	31
- Prudence margin (Health)	-3	-1
Total adjustments	**38**	**41**
Net insurance claims and benefits (after adjustments)	**-840**	**-767**
Fee and commission income	20	13
Commission expenses	-190	-180
Commission	**-170**	**-167**
Operating expenses	-100	-101
Adjustments made for investment charges	4	4
Operating expenses (after adjustments)	**-96**	**-97**

4 Figures for H1 2015 are derived from an interim report which has not been subject to review procedures.

4. Property (including land and buildings for own use)

The breakdown of the Investment property and land and buildings for own use in accordance with the fair value hierarchy, is as follows:

Investment property - Fair value model

30 June 2016	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Retail	-	-	560	560
Residential	-	-	724	724
Rural	-	-	1,198	1,198
Offices	-	-	178	178
Development investment property	-	-	8	8
Other	-	-	48	48
	-	**-**	**2,716**	**2,716**
Investments on behalf of policyholders:				
Investment property	**-**	**-**	**182**	**182**
Land and buildings for own use	**-**	**-**	**140**	**140**
Total	**-**	**-**	**3,038**	**3,038**

31 December 2015	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Retail	-	-	605	605
Residential	-	-	677	677
Rural	-	-	1,154	1,154
Offices	-	-	176	176
Development investment property	-	-	14	14
Other	-	-	41	41
	-	**-**	**2,667**	**2,667**
Investments on behalf of policyholders:				
Investment property	**-**	**-**	**205**	**205**
Land and buildings for own use	**-**	**-**	**155**	**155**
Total	**-**	**-**	**3,027**	**3,027**

The following table shows the movement in investment property measured at fair value (recurring basis) that are categorized within level 3.

Recurring fair value measurement of investment property

	30 June 2016	31 December 2015
At 1 January	2,667	2,833
Changes in value of investments, realized/unrealized gains and losses:		
- Fair value gains and losses	67	58
Purchases	75	192
Issues	1	-
Disposals	-108	-453
Transferred between investments on behalf of policyholders and investment property	-1	27
Transferred from property, plant and equipment	15	10
At 30 June (31 December 2015)	**2,716**	**2,667**

The significant inputs are the net initial yield and market rental value. These inputs are verified with the following market observable data:
- Market rent per sq.m. for renewals and their respective re-letting rates;
- Reviewed rent per sq.m.;
- Investment transaction of comparable objects.

5. Financial assets and derivatives

5.1 General

Financial assets and derivatives can be broken down as follows:

Financial assets and derivatives

	30 June 2016	31 December 2015
Investments		
Available for sale	27,017	24,930
Investments at fair value through profit and loss	122	133
	27,139	**25,063**
Loans and receivables	11,061	10,486
Derivatives assets	4,128	2,196
Derivatives liabilities	-766	-377
Cash and cash equivalents	4,743	2,628
	19,166	**14,933**
Investments on behalf of policyholders		
At fair value through profit and loss	7,532	7,924
Total	**53,837**	**47,920**

The total derivatives have increased in 2016 by € 1,543 million as a result of € 1,932 million increase in the derivatives with a positive value and an increase of € 389 million of derivatives with a negative value. This net increase in fair value can be attributed primarily to the interest-rate derivatives and is caused by the decrease of the long term yields.

5.2 Recurring fair value measurement of financial assets and derivatives

The breakdown of financial assets and derivatives measured at fair value (recurring basis) in accordance with the level of fair value hierarchy, is as follows:

Recurring fair value measurement of financial assets and derivatives

30 June 2016	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Investments available for sale				
Government bonds	14,205	-	-	14,205
Corporate bonds	8,913	921	-	9,834
Debt certificates covered by mortgage	87	18	-	105
Debt certificates covered by other assets	100	-	-	100
Equities	2,240	343	88	2,671
Other participating interests	1	-	-	1
Other investments	101	-	-	101
	25,647	**1,282**	**88**	**27,017**
Investments at fair value through profit and loss				
Unlisted equities	-	-	53	53
Listed equities	69	-	-	69
	69	**-**	**53**	**122**
Derivatives				
Interest rate contracts	-	4,082	-	4,082
Equity index contracts	46	-	-	46
Total assets	**46**	**4,082**	**-**	**4,128**
Exchange rate contracts	-	-3	-	-3
Interest rate contracts	-	-629	-	-629
Derivatives Futures	-109	-	-	-109
Inflation linked swaps	-	-25	-	-25
Total liabilities	**-109**	**-657**	**-**	**-766**
	-63	**3,425**	**-**	**3,362**
Cash and cash equivalents	**4,743**	**-**	**-**	**4,743**
Investments on behalf of policyholders				
Government bonds	1,194	-	-	1,194
Corporate bonds	1,325	-	-	1,325
Listed equities	3,021	-	-	3,021
Listed equity funds	1,636	-	-	1,636
Investment property	-	-	182	182
Other investments	-	174	-	174
	7,176	**174**	**182**	**7,532**
Total	**37,572**	**4,881**	**323**	**42,776**

During 2016, there was a shift of € 371 million (2015: no transfer) from level 1 to level 2. This shift relates to corporate bonds for which quoted prices in a market are available but the market has become less liquid.

Recurring fair value measurement of financial assets and derivatives (continued)

31 December 2015	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Investments available for sale				
Government bonds	11,962	-	-	11,962
Corporate bonds	8,867	581	-	9,448
Debt certificates covered by mortgage	260	-	-	260
Debt certificates covered by other assets	110	-	-	110
Equities	2,679	326	42	3,047
Other participating interests	1	-	-	1
Other investments	102	-	-	102
	23,981	**907**	**42**	**24,930**
Investments at fair value through profit and loss				
Unlisted equities	-	-	59	59
Listed equities	74	-	-	74
	74	**-**	**59**	**133**
Derivatives				
Interest rate contracts	-	2,165	-	2,165
Equity index contracts	31	-	-	31
Derivatives Futures	-	-	-	-
Inflation linked swaps	-	-	-	-
Total assets	**31**	**2,165**	**-**	**2,196**
Exchange rate contracts	-	-2	-	-2
Interest rate contracts	-	-369	-	-369
Derivatives in a hedging relationship	-	-	-	-
Inflation linked swaps	-	-6	-	-6
Total liabilities	**-**	**-377**	**-**	**-377**
	31	**1,788**	**-**	**1,819**
Cash and cash equivalents	**2,628**	**-**	**-**	**2,628**
Investments on behalf of policyholders				
Short-term government securities	-	-	-	-
Government bonds	1,215	-	-	1,215
Corporate bonds	1,390	-	-	1,390
Unlisted equities	-	-	-	-
Listed equities	3,469	-	-	3,469
Listed equity funds	1,476	-	-	1,476
Investment property	-	-	205	205
Other investments	-	169	-	169
	7,550	**169**	**205**	**7,924**
Total	**34,264**	**2,864**	**306**	**37,434**

The equities consists primarily of listed equities and investment funds.

The unlisted equities consist mainly of private equity investments.

The following table shows the movement in financial assets and liabilities measured at fair value (recurring basis) including investment on behalf of policyholders that are categorized within level 3.

Fair value of financial assets classified as fair value through profit and loss

	Investment at fair value through profit and loss		Investments available for sale	
	2016	2015	2016	2015
At 1 January	264	301	42	35
Changes in value of investments, realized/unrealized gains and losses:				
- Fair value gains and losses	-5	-2	-	-
- Realized gains and losses	-2	-	2	14
- Recognized in Other comprehensive income (unrealized gains and losses)	-	-	-1	-7
Purchases	8	23	57	61
Sales	-31	-31	-12	-53
Reclassification of investments from/to Level 3 valuation technique	-	-	-	-8
Transfer between investments on behalf of policyholders and investment property	1	-27	-	-
At 30 June (31 December 2015)	**235**	**264**	**88**	**42**

The main non-observable market input, for the equities and unlisted equities classified as level 3, is the net asset value of the investment as published by the investee. An increase or decrease in the net asset value of the equities will have a direct proportional impact on the fair value of the investment. As a result the effect for the available for sale investments is recorded in the equity if the impairment criteria are met. For investments at fair value through profit and loss the result will be recognized in the income statement.

5.3 Financial instruments not measured at fair value for which the fair value is disclosed

The breakdown of the fair values of financial assets and liabilities not measured at fair value, but for which the fair value is disclosed in accordance with the level of fair value hierarchy, is as follows:

Financial assets and liabilities not measured at fair value

30 June 2016	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value	Total carrying value
Financial assets					
Due from customers	-	7,991	-	7,991	7,155
Due from banks	-	5,069	-	5,069	3,063
Trade and other receivables	-	843	-	843	843
Total financial assets	**-**	**13,903**	**-**	**13,903**	**11,061**
Financial liabilities					
Subordinated liabilities	507	-	-	507	497
Borrowings	-	78	-	78	78
Due to customers	1,339	516	-	1,855	1,855
Due to banks	3,643	-	-	3,643	3,643
Other liabilities	38	920	-	958	958
Total financial liabilities	**5,527**	**1,514**	**-**	**7,041**	**7,031**

Included in the amount due to banks as at 30 June 2016, is € 3,139 million (30 June 2015: € 1,684 million) related to debt to repay the cash collateral in relation to the cash collateral received on derivative instruments and securities lending and € 30 million (30 June 2015: € 3 million) related to cash collateral provided.

Financial assets and liabilities not measured at fair value (continued)

31 December 2015	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value	Total carrying value
Financial assets					
Due from customers	-	7,576	-	7,576	6,824
Due from banks	-	4,723	-	4,723	3,056
Trade and other receivables	-	606	-	606	606
Total financial assets	**-**	**12,905**	**-**	**12,905**	**10,486**
Financial liabilities					
Subordinated liabilities	502	-	-	502	497
Borrowings	-	55	-	55	55
Due to customers	1,170	569	-	1,739	1,739
Due to banks	1,804	-	-	1,804	1,804
Other liabilities	35	931	-	966	966
Total financial liabilities	**3,511**	**1,555**	**-**	**5,066**	**5,061**

The differences in fair values and carrying values mainly relate to revaluation of mortgages, loans and savings components.

6. Liabilities arising from insurance contracts

Insurance contracts with retained exposure

	Gross		Of which reinsurance	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Provision for unearned premiums	590	403	3	4
Provision for claims (including IBNR)	4,318	4,110	403	406
Non-life insurance contracts	**4,908**	**4,513**	**406**	**410**
Life insurance contracts	**29,743**	**26,060**	**197**	**201**
Total liabilities arising from insurance contracts	**34,651**	**30,573**	**603**	**611**

Changes in liabilities arising from non-life insurance contracts

	Gross		Of which reinsurance	
	2016	2015	2016	2015
Provision for unearned premiums				
At 1 January	403	419	4	10
Changes in provision for unearned premiums	187	-16	-1	-6
Provision for unearned premiums as at 30 June 2016 (31 December 2015)	**590**	**403**	**3**	**4**
Provision for claims (including IBNR)				
At 1 January	4,110	4,152	406	409
Benefits paid	-899	-1,714	-44	-82
Changes in provision for claims	918	1,745	41	79
Changes in shadow accounting through equity	197	-73	-	-
Changes in shadow accounting through income	-8	-	-	-
Provision for claims (including IBNR) as at 30 June 2016 (31 December 2015)	**4,318**	**4,110**	**403**	**406**
Non-life insurance contracts as at 30 June 2016 (31 December 2015)	**4,908**	**4,513**	**406**	**410**

Changes in liabilities arising from life insurance contracts

	Gross		Of which reinsurance	
	2016	2015	2016	2015
At 1 January	26,101	23,715	201	-
Premiums received	970	1,172	-	201
Regular interest added	339	653	2	-
Realized gains and losses	133	1,178	-	-
Amortization of realized gains	-136	-197	-	-
Benefits	-664	-1,357	-6	-
Technical result	-47	-62	-	-
Release of cost recovery	-80	-144	-	-
Changes in shadow accounting through equity	1,557	-713	-	-
Changes in shadow accounting through income	1,602	-1,179	-	-
Other changes	6	-133	-	-
Changes in the composition of the group	-	3,168	-	-
At 30 June (31 December 2015)	**29,781**	**26,101**	**197**	**201**
Interest margin participations to be written down				
At 1 January	-49	-67	-	-
Write-down recognized in profit and loss	7	17	-	-
Other changes	-	1	-	-
At 30 June (31 December 2015)	**-42**	**-49**	**-**	**-**
Provision for discretionary profit-sharing, bonuses and discounts				
At 1 January	8	7	-	-
Profit-sharing, bonuses and discounts granted in the financial year	-4	-1	-	-
Changes in the composition of the group	-	2	-	-
At 30 June (31 December 2015)	**4**	**8**	**-**	**-**
Total life insurance contracts at 30 June (31 December 2015)	**29,743**	**26,060**	**197**	**201**

Premiums received in 2016 include the premiums related to the acquired insurance portfolio, NIVO Uitvaartverzekeringen amounting to € 326 million, and a single premium of a pension portfolio in the amount of € 195 million. The acquisition has been included as per 18 March 2016. In 2015 premiums received included single premium of a pension portfolio amounting to € 370 million.

The liabilities arising from life insurance contracts have increased as a result of changes in the shadow accounting through equity (€ 1,557 million; 2015: € -713 million) and shadow accounting through income (€ 1,602 million; 2015: € -1,179 million) due to interest rate developments which increase the fair value of the investments and the derivatives.

Changes in the composition of the group in 2015 relate to the acquisition of AXENT and De Eendragt.

7. Employee benefits

The employee benefits increased by € 477 million to € 3,439 million (31 December 2015 € 2,962 million) primarily as a result of the remeasurements of the post-employment benefit obligation amounting to € 566 million which is included in the actuarial gains and losses. The remeasurements are primarily due to the decrease in the discount rate from 2.5% at 31 December 2015 to 1.4% at 30 June 2016. The discount rate is based on the return (zero coupon rate) of high-quality corporate bonds (AA rating) and the duration of the pension obligation. The methods used for determining the post-employment benefit defined obligation and assumptions are consistent with those applied in 2015.

Furthermore, following recent development after April 2016, past service cost has been recognized in other income amounting to € 100 million, resulting from the amendment to the a.s.r. post-employment benefit plan for future inflation indexation for former employees. Hereby all future inflation indexation has become conditional upon there being sufficient funds available in the separate account that was set up in the past to fund future inflation indexation.

8. Acquisitions

In January 2015, ASR Deelnemingen N.V. acquired 100% of the shares of Van Kampen Groep Holding B.V. and its subsidiaries (VKG). Subsequently, a.s.r. investigated during the one-year window (i.e. January 2016) if any adjustments against the goodwill should be recognized for finalization of the purchase accounting. a.s.r. concluded that no changes were required.

In May 2016, ASR Nederland N.V. acquired 100% of the shares of BNG Vermogensbeheer B.V. (BNG). Following the acquisition the entity was renamed as ASR Vermogensbeheer B.V. (AVB). AVB is an asset manager previously mainly focused on the public sector and currently changing its focus to the private sector (in particular, charitable foundations), with assets under management valued at nearly € 5 billion. The Group expects that the acquisition will strengthen its position on the Dutch market for external asset management. The entire AVB team of 9 FTEs forms part of the Banking and asset management segment.

The total assets and total income for the year ending 31 December 2015 of BNG Vermogensbeheer B.V. as published in its consolidated financial statements amounted to € 4 million and € 1 million respectively. As a result the impact on a.s.r. balance sheet and profit for the period ended 30 June 2016 is limited.

9. Discontinued operations and assets held for sale and related liabilities

At the end of 2015 the real estate development activities were split into two legal entities, ASR Vastgoed Ontwikkeling N.V. and ASR Vastgoed Projecten B.V. The activities undertaken by ASR Vastgoed Ontwikkeling N.V. were considered as discontinued operations and the activities of ASR Vastgoed Projecten B.V. are partially considered as continuing and partially as discontinuing activities. The Executive Board has decided to look for a strategic buyer for the discontinued part and therefore classify a part of its real estate development business as 'held for sale'. With this in mind, the discontinuing operations are recognized as held for sale in the balance sheet. As a consequence, the financial results of the discontinuing real estate development business are disclosed in condensed form in the income statement.
In April 2016 Meijer Realty Partners (MRP) acquired ASR Vastgoed Ontwikkeling N.V. The transfer occurred end of April 2016 and as such derecognition took place in Q2 2016. As of 30 June 2016 a part of the ASR Vastgoed Projecten B.V. still remains as discontinued operations.

As part of a drive to focus more on core activities, B.V. Nederlandse Hulpverleningsorganisatie SOS International was classified as discontinued operations in the end of 2015. As a consequence, the financial results of SOS International are disclosed in condensed form in the income statement. With this in mind, the operations are recognized as held for sale in the balance sheet. In January 2016 CED-Group acquired B.V. Nederlandse Hulpverleningsorganisatie SOS International and as such SOS International was derecognized.

Discontinued operations

	H1 2016	H1 2015[4] restated[5]
Total income	4	14
Total expenses	11	-21
Profit before tax	**15**	**-7**
Income tax (expense) / gain	-3	-
Profit for the period	**12**	**-7**

The reversal of a previously recognized impairment loss amounting to € 17 million has been recognised in total expenses relating to discontinued real estate development operations.

Assets and liabilities related to assets held for sale

	30 June 2016	31 December 2015
Intangible assets	-	1
Associates and joint ventures	13	8
Loans and receivables	6	17
Deferred tax assets	-1	7
Other assets	30	42
Cash and cash equivalents	2	3
Total assets held for sale	**50**	**78**
Provisions	3	12
Borrowings	-	11
Deferred tax liabilities	-	1
Other liabilities	8	14
Total liabilities related to assets held for sale	**11**	**38**

The cash flow primarily relating to investing activities amounts to € 3 million for the sale of SOS International. There is no significant difference between the carrying amount and the fair value of these financial assets and liabilities included above.

10. Contingent liabilities

a.s.r. is a respondent in a number of claims, or potential claims, disputes and legal proceedings arising from the normal conduct of business. In the first half year Vereniging Woekerpolis.nl started a collective claim against a.s.r. regarding unit-linked insurance policies. While the outcome of any litigation is inherently unpredictable, a.s.r. believes this claim is without merit and intends to vigorously defend itselfs against this claim. Current and any future subsequent legal proceedings could have a financial and reputational impact. However, it is not possible at this point in time to make reliable estimates of the expected number of proceedings, possible future precedents or the financial impact of current and possible future proceedings. As a result, no provision has been formed.

Further information related to contingent liabilities is disclosed in the 2015 consolidated financial statements in chapter 5.37.

4 Figures for H1 2015 are derived from an interim report which has not been subject to review procedures.

5 Restated as explained in paragraph 2.3.

11. Events after the balance sheet date

4 July 2016, a.s.r. announced the acquisitions of SuperGarant Verzekeringen and SuperGarant Zorg. With this acquisition, a.s.r. strengthens its position as market leader in the income protection insurance market. SuperGarant operates as an intermediary and underwriting agent. SuperGarant has developed into an insurance specialist with a focus on P&C and income protection insurance for the retail market and a provider of related absenteeism and occupational health and safety services. SuperGarant Verzekeringen and SuperGarant Zorg will be consolidated as from the third quarter of 2016, and presented in the segment Distribution and Services.

On 18 July 2016, a.s.r. announced the acquisition of Corins, an insurance broker operating in the co-insurance market. With this acquisition, a.s.r. strengthens its position in the (large) corporate non-life insurance market. Corins has been successfully operating since 2003 as insurance broker in the Dutch co-insurance market. Over 2015 the company reported a premium income of over € 18 million and serves more than 60 agents. Corins will continue to represent the insurers with which it currently does business. a.s.r. plans to fully integrate the portfolio and activities of Corins into its own operations in due course. Corins will be presented in the segment Distribution and Services. The acquisition is subject to regulatory approval.

12. Review report

To: the Supervisory Board of ASR Nederland N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of ASR Nederland N.V., Utrecht, which comprises the consolidated interim balance sheet as at 30 June 2016, the consolidated interim income statement, the consolidated interim statements of comprehensive income, changes in equity, and cash flows for the 6-month period then ended, and the notes, comprising a summary of the significant accounting policies and other explanatory information.
Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.
Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information for the 6-month period ended 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Unaudited and unreviewed corresponding figures

The condensed consolidated interim financial information for the 6-month period ended 30 June 2015 has not been audited or reviewed. Consequently, we have not audited or reviewed the corresponding figures included in the consolidated interim income statement and the consolidated interim statements of comprehensive income, changes in equity and cash flows and in the relating notes.

The Hague, 23 August 2016

Ernst & Young Accountants LLP

Signed by R.J.W. Lelieveld

Disclaimer/ Forward-looking Statements

ASR Nederland's consolidated annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and with Part 9 of Book 2 on the Netherlands Civil Code.
In preparing the financial information in this document, the same accounting principles are applied as in the 2015 ASR Nederland consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.
Certain of the statements contained herein are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements. These statements may be identified by words such as "expect", "should", "could", "shall" and similar expressions.
ASR Nederland cautions that such forward-looking statements are qualified by certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements.

Factors which could cause actual results to differ from these forward-looking statements may include, without limitation: general economic conditions; conditions in the markets in which ASR Nederland is engaged; changes in the performance of financial markets; behavior of customers, suppliers, investors, shareholders and competitors; technological developments; the implementation and execution of new ICT systems or outsourcing; changes in the availability of, and costs associated with, sources of liquidity as well as conditions in the credit markets generally; the frequency and severity of insured loss events; changes affecting mortality and morbidity levels and trends; changes in laws and regulations including without limitation Solvency II and IFRS; changes in the policies of governments and/ or regulatory authorities; conclusions with regard to accounting assumptions and methodologies; adverse developments in legal and other proceedings; risks related to mergers, acquisitions, and divestments and the other risks and uncertainties detailed in the Risk Factors section contained in recent public disclosures made by ASR Nederland. In addition, financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results.

The foregoing list of factors should not be construed as exhaustive. Any forward-looking statements made by or on behalf of ASR Nederland speak only as of the date they are made and, except as required by applicable law, ASR Nederland disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Neither ASR Nederland nor any of its directors, officers, employees do make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. We qualify any and all of our forward-looking statements by these cautionary factors.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.

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The a.s.r. 2016 interim report is published in the English language only.

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