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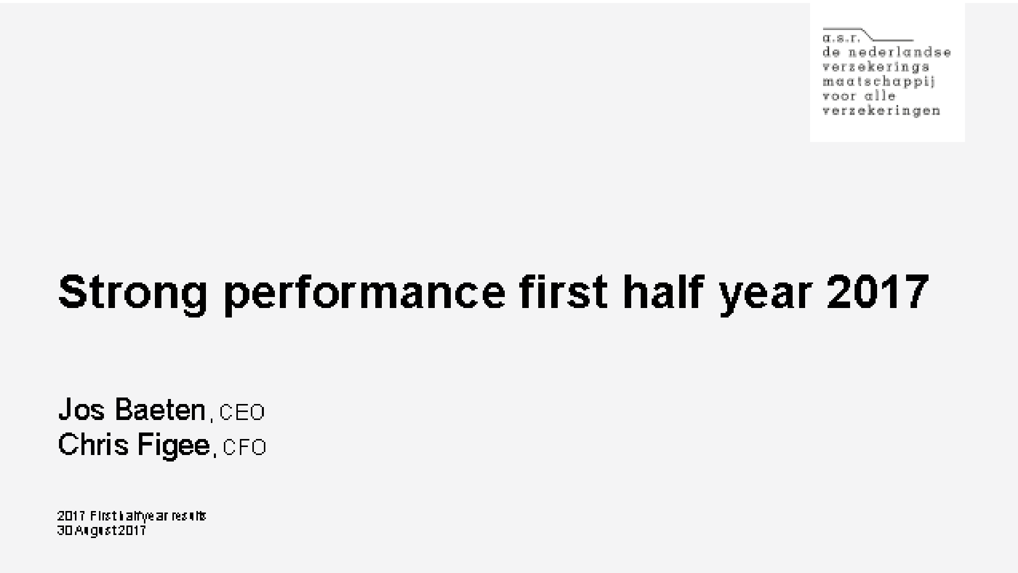
Mr. **Hulters**: Good morning, ladies and gentlemen and good morning to those of you listening in from the US. It is really early! Welcome to a.s.r.'s conference call on the results for the first six months of this year. With me today are Jos Baeten, CEO, and Chris Figee, CFO. We are here to discuss the results and the business performance. Jos will start off and Chris will follow on with capital and solvency. After that, we will open the call for Q&A.

I would like to point out that we have time till 12H00 this morning, so that is an hour and a half. We think that is sufficient time for all your questions. I would like to suggest that if you could start with our first two questions and then, if everybody has had a round then we can take follow-on questions.

So, before handing it over to Jos, I would also like to point you to the disclaimer that we have at the back of the presentation. I would appreciate it if you would have a quick look at it after this call.

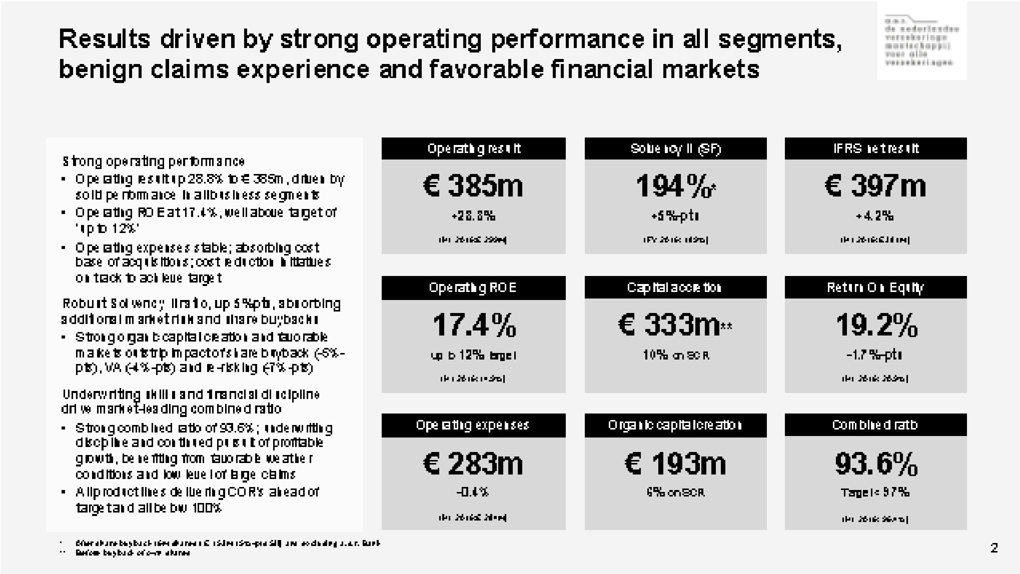
Having said that, Jos, the floor is yours.

[00.01.30]
Mr. **Baeten**: Thanks Michel. Good morning everybody. I hope you had a good night and to those who were up early, I hope you will get some sleep after this call.



Ladies and gentlemen, it may not come as a surprise, but we are very pleased with the strong results that we have delivered in the first six months of 2017. I am particularly proud that the continued solid performance is driven by all our businesses. In each of the first two quarters we outperformed last year's results and this demonstrates that we have been able to maintain a strong momentum of our businesses.

We will discuss our financial performance and progress of our businesses in more detail, but let me start off with an overview of some of our key metrics and those are on slide 2.



[00.02.24]
This slide shows our performance on the key metrics that we have defined and consistently report on. Performance in the first six months this year has been strong, as said, on every key metric. I will highlight some of them.

Our operating result was up 28.8%, yielding an operating return of more than 17% compared to our target of up to 12%. Clearly, we are putting shareholders' money to work. All three segments, Non-life, Life, and non-insurance showed growth.

Operating expenses remained flat while absorbing the additional cost base of the acquired businesses, so focus on continuous expense reduction delivers results.

In our Non-life segment our combined ratio of 93.6% reflects our underwriting excellence and the exceptional low level of large claims in the first half year, mainly due to the benign weather conditions this year, compared to the first half of last year. The 2.8% improvement also includes the adverse impact of hail and water damages in the second quarter of 2016.

I am pleased to see that at these healthy combined ratios our Non-life delivered close to 6% top line growth.

Our Solvency II remains robust at 194%. As you know, we are still using the standard formula. This is a 5%-point increase from the beginning of the year, strong organic capital creation of € 193 million and favourable markets outstrip the impact of the share buy-back of roughly 5%-point, the lowering of the VA of roughly 4%-point, and the re-risking of the investment portfolio, which was 7%-point.

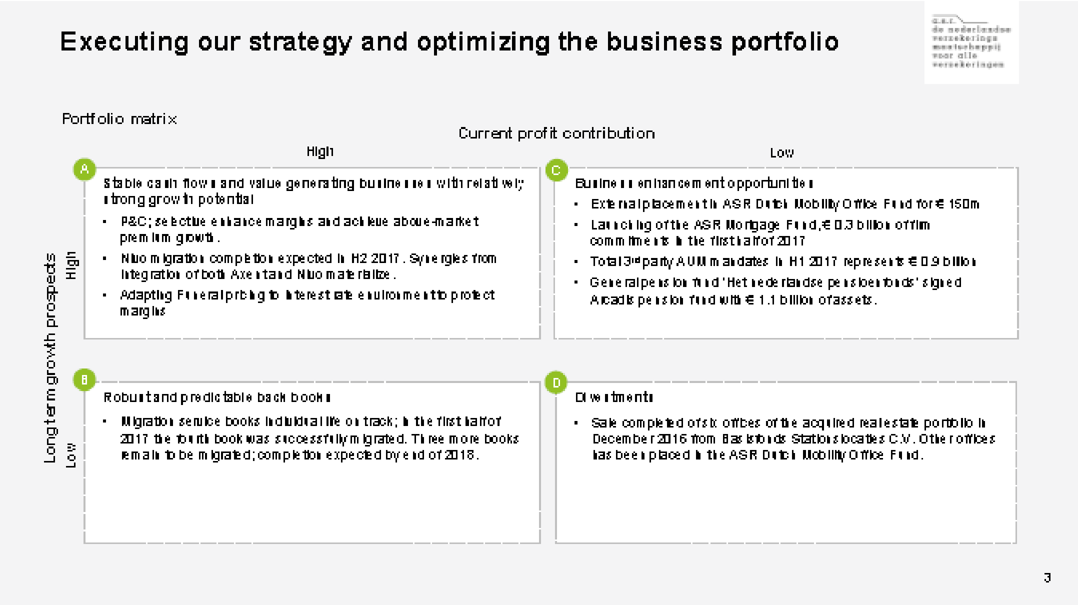
Total capital accretion before the share buy-back amounted to € 333 million and this includes the additional capital generated by excess investment returns and operational efficiencies.

The quality of our capital remains also high, with Tier 1 capital alone representing almost 165% of the SCR. Then, there is still plenty headroom to manoeuvre if we need to, both in terms of Tier 1 where we still have headroom of roughly € 1.1 billion to € 1.2 billion and Tier 2 and Tier 3, where we still have room of over € 700 million. Chris will provide further detail on our solvency later and those of you, who have listened to our calls in previous quarters know that there is little else that gives Chris more pleasure than talking about our solvency numbers.

In summary, a very strong set of results.

Talking about solvency, I would like to make a few remarks on that. Our strong solvency position enables us to remain entrepreneurial. As we have always said, everything above 160% makes us to be entrepreneurial to pursue profitable growth. Our strong solvency has also enabled us to participate twice in the sell-downs from the Dutch state. In the first six months of this year, we purchased 6 million of own shares for a total amount of roughly € 153 million. We consider on top of the earlier commitment, which was equal to last year's capital of roughly € 340 million to buy back an additional of ca. € 100 million of shares if the Dutch state should decide to undertake a final placement of its remaining equity interest in the second half of this year. Including dividend, the total distribution to shareholders would in such case mount to approximately € 440 million in 2017. Of course, this intention will depend on our solvency ratio at the moment of the decision of the Dutch state and the by then market circumstances.

While we are on this topic of returning capital to shareholders, I would like to emphasize that our buy-backs at this time are strongly tied to the governance process of privatisation of a.s.r. and our commitment to support that process to achieve the best results. Our strategy aims to deploy capital in our businesses to grow both organically and by acquisitions, preferably small bolt-ons. And we still see opportunity and will stick to our strict financial discipline and focus on value over volume.



[00.07.40]

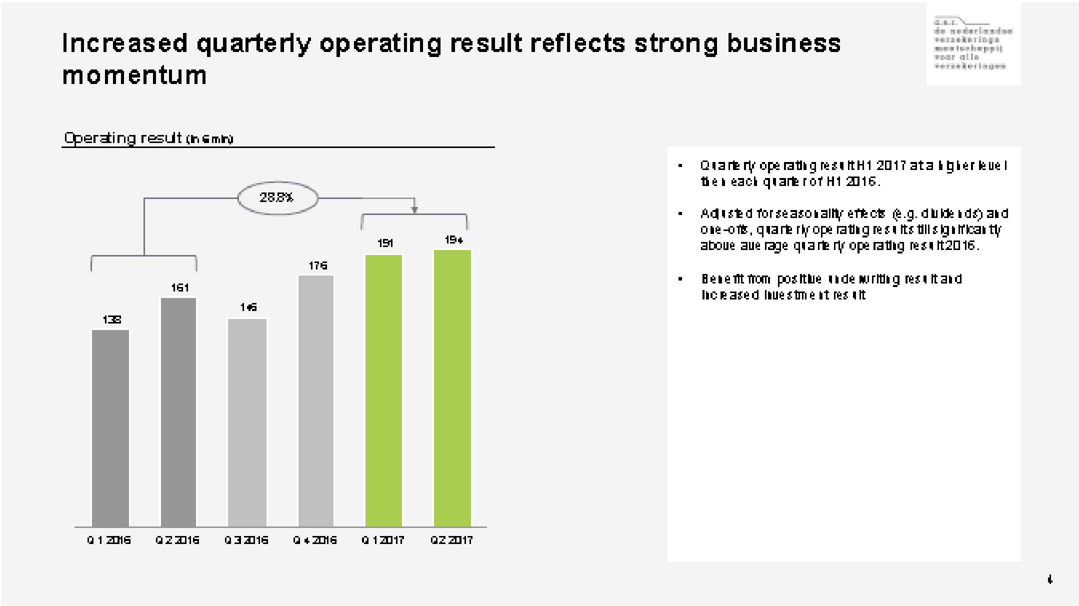
Let's now turn to our business portfolio and the key developments during the first six months of the year. I am sure you are familiar with this matrix, in which we plot our businesses, as we have done since our IPO. This slide highlights some recent developments and achievements in the execution of our strategy.

First of all, in the top left in box A, are our businesses that provide stable cash flows. Here, we focus on organic growth. In P&C, we achieved an above-market premium growth of almost 6%. New sales were up almost 22% while margins expanded partly due to premium increases in Motor, especially in liability motor insurance. Further on in this segment, we expect to complete the NIVO-migration in the last half of 2017. That will be within budget and within time. Synergies from the integration of both Axent and NIVO start to materialise. Above that, in our funeral business we have adopted pricing to interest rate environment to protect margins. We lowered the calculatory rate from 2.25% to 2%, which means that our new business is now priced at a 6% higher level.

In the capital light space – box C – we have made also further progress. We have done an external placement in our ASR Dutch mobility office fund for roughly € 150 million. We launched our ASR mortgage fund, which attracted a lot of interest from investors and we already got within a few weeks a firm commitment of over € 300 million in the first half. That continued in the second half of this year. Furthermore, the total of the third-party assets under management mandate grew with close to € 1 billion and finally, last year we launched our general pension fund and we already by then signed a few smaller contracts. In the meantime, in the first half of this year, we have signed the ARCADIS pension fund contract, which is roughly about € 1.1 billion.

In box B, on the left angle down, are the large service books we are managing. As you may know, our focus there is maintaining a low cost level and variabilised cost over time. We continued to migrate those books to our new platform and finalised in the first half year the migration of the Falcon book, which was one of the most complex books within our company. We now have started with the last few books and those should be done at the end of next year, the latest in the first quarter 2019.

Finally, in box D, the business where we decide to divest. We have completed the sale of six offices of the last year acquired portfolio of the Dutch railways that did not fit in the ASR Dutch Mobility Fund.



[00.11.15]
As already mentioned in my introduction, momentum of our business remains at a high level. Both the first and the second quarter were considerably stronger than the same periods of last year. The underlying performance is very sound while we have also benefitted from benign claims, as said earlier, in the P&C business due to the benign winter. We favoured from the financial markets in our Life business, because the investment portfolio delivered a better yield pick-up.

All key business segments contributed to the increase, as you can see on the next slide.

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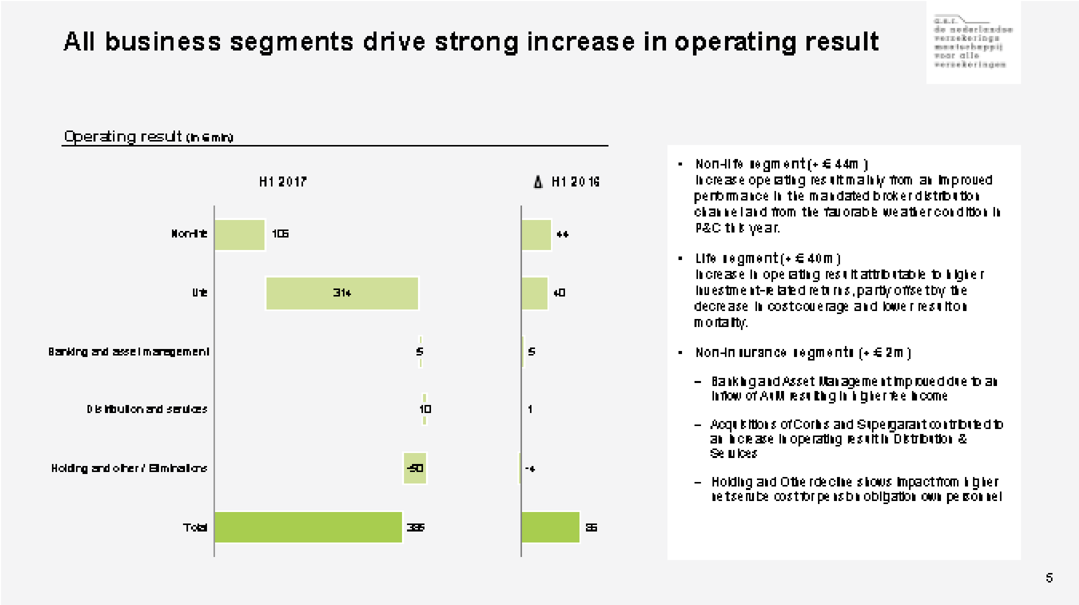


[00.12.08]

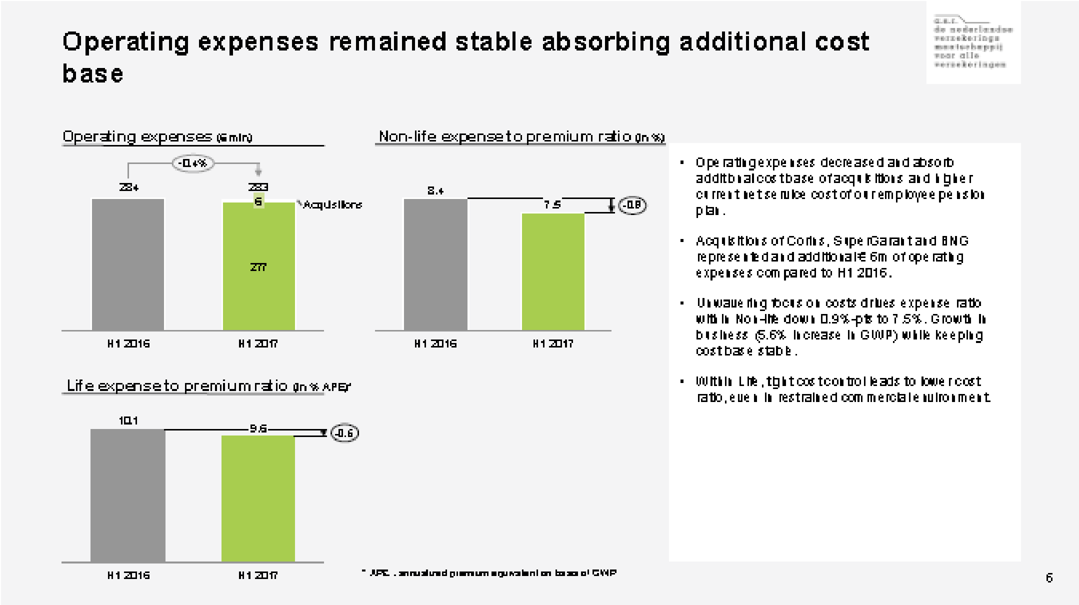
The operating result increased by € 86 million to € 385 million. As you can see on this slide, all three key segments – Life, Non-life and non-insurance – contributed to the higher results. The Non-life result was up € 44 million to € 106 million, while Life was up € 40 million. I will talk about those two in more detail in a moment on the following slide, but first let me make some comments on our non-insurance activity which combined were up € 2 million in the first six months.

Banking and asset management improved, due to an inflow of assets under management resulting in a higher fee income. As mentioned, we see good business developments in asset management and this segment has the potential to grow to a € 20 million business in some years' time.

Acquisitions of Corins and SuperGarant contributed to an increase in the operating result in distribution and services. This segment is up to speed and has gained further mass and could potentially contribute. Already this year it had a contribution of € 20 million.

To finalise, Holding and other. A decline of € 4 million shows the impact from higher current net service costs for pension obligation of our own personnel, mainly due to the low interest rate environment.

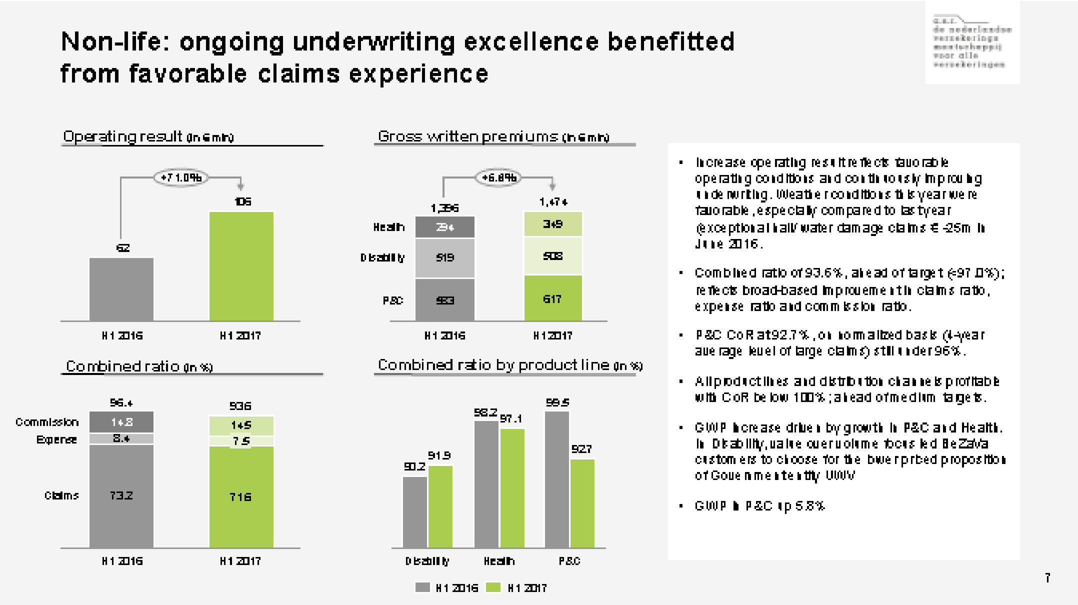
So overall, a strong increase in operating result driven by gains across the various businesses.



[00.13.40]

On slide 6 you see the highlights of the developments in our operating expenses. The key message there is that a.s.r. is on track with the delivery of our cost target. Our ongoing focus on cost is one of the key drivers of operating earnings and long-term value creation. We believe we may well be the leader in terms of cost discipline and cost culture, as demonstrated by the expense ratios of all of our businesses. Overall, operating expenses decreased with € 1 million and this already includes the absorption of the additional cost base of the acquired business of roughly € 6 million in the first half year. So we are, as said, on track to deliver our cost reduction.

In Non-life, the expense ratio improved from 8.4% to 7.5%, driven by strict cost discipline and portfolio growth without FTE growth. In Life, the expense ratio was also better: 9.6% compared to the 10.1% of last year. Operating expenses decreased, benefitting from synergy efficiencies of acquired portfolios and the migration of Life books to our new platform.



[00.15.02]

Let me now turn to slide 7 for some key developments in our Non-life segment. In the Non-life segment our underwriting expertise is market leading. All Non-life product lines showed combined ratios below 100% and ahead of their target. We are proud of that.

Gross written premiums rose by 5.6%, due to growth in P&C and Health. The market developments towards more rational prices allowed us to grow our top line by both prices as well as more volume, still within our strict pricing and underwrite discipline. In the P&C business the increase was mainly driven by the success of our new combined product, -- het vernieuwd Voordeel pakket – an in Disability our value over volume focus led BeZaVa consumers to choose for the lower priced proposition of Government entity UWV.

The operating result in Non-life increased 71% to € 106 million. The increase was driven by strict underwriting and claim handling, the absence of large claims and favourable weather conditions in the first year. While last year we had € 25 million of claims from hail and water damages. This is reflected in the favourable development of the combined ratio.

Overall, the combined ratio is at 93.6%, so well below our target of 97%, an improvement of 2.8%-point compared to last year and reflects broad-based improvement in claims ratio, expense ratio and commission ratio.

In P&C the claims ratio was exceptionally strong, at 92.7%, partially due to the already mentioned favourable weather conditions. However, also on a normalised basis – normalised for us is a 4 years average level for large claims – the combined ratio of the P&C business would still have been under 96%.

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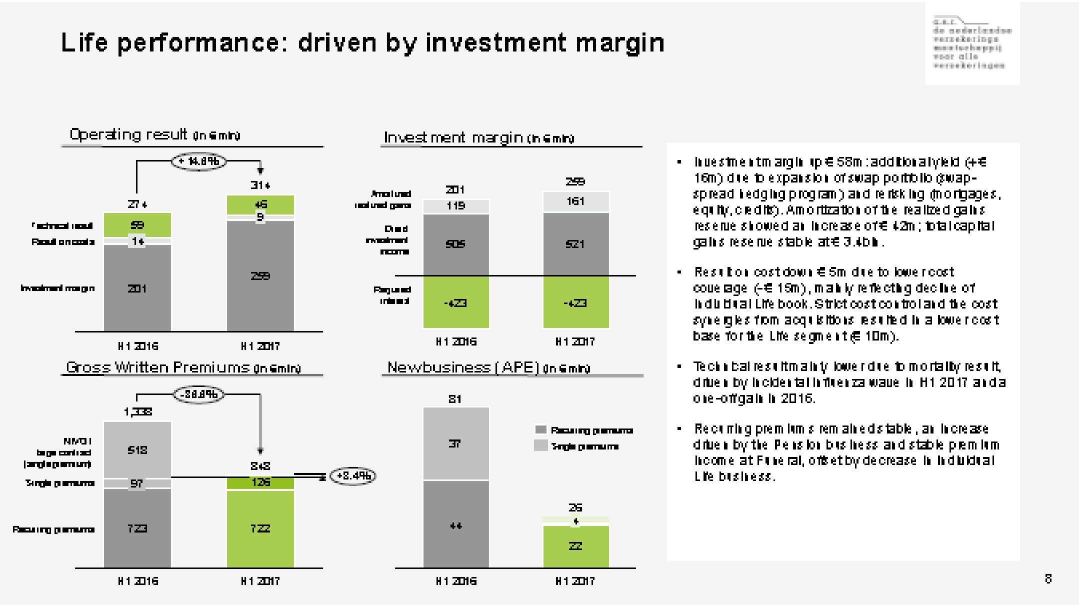
In Disability the combined ratio slightly increased to 91.9%. It was 90.2% in the first half of 2016 and this is due to higher claims relating to short-term absenteeism. This was partially offset by the release of the technical provision related to the WGA own-risk portfolio.

To finalise, the combined ratio of the Health business improved by 1.1%-point to 97.1% due to the higher benefits this reporting period from the recalculation of claims by the Dutch National Healthcare Institute and better underwriting results from supplementary health insurance.

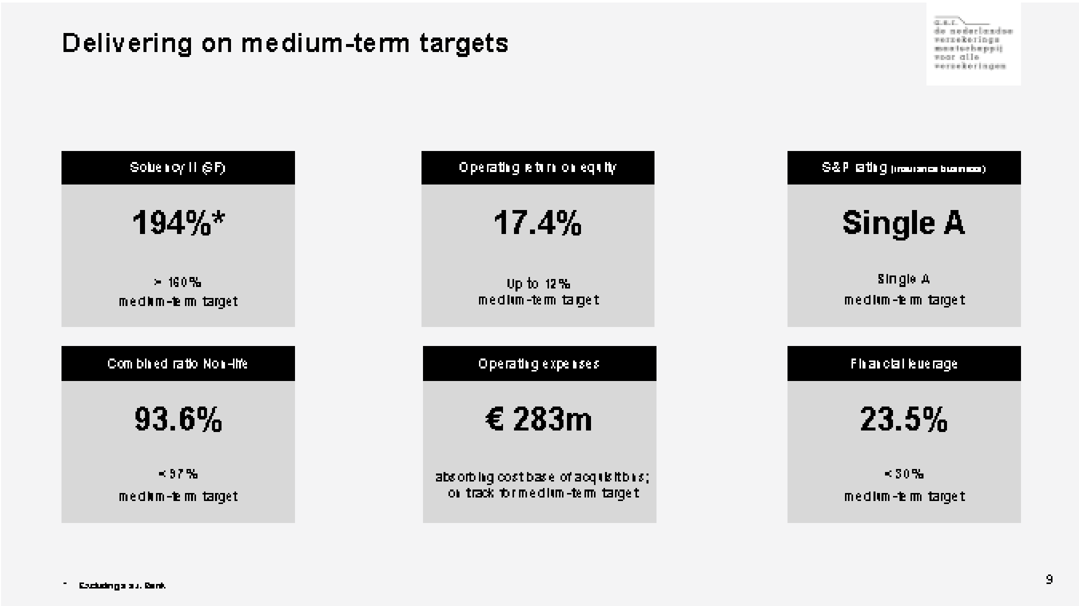
To sum this up, a very strong performance in Non-life in the first six months of this year.

Let's have a look at slide 8, the performance of our Life business.



[00.18.18]
The operating result in Life increased almost 15% to € 314 million. Our investment margin increased with € 58 million due to higher direct investment returns. Those were up roughly € 16 million, as a result of higher yielding investments, especially in equities and mortgages within the investment portfolio and a higher contribution from realised capital gains. Those were up roughly € 42 million. The latter is part of our shadow accounting method. However, we also incurred lower results on cost coverage. This was down € 5 million, due to the shrinking Individual Life book and a lower result on other technical sources. Those were down € 13 million, such as mortality in the first half year. More people than expected died. Chris will provide some further colour on our Life earnings.

The decrease in gross written premiums in Life to € 848 million is driven by the acquisition of NIVO and a large pension contract last year, which both were recognised within single premiums. Excluding those two one-off effects gross written premium increased in Life by 3.4%, while recurring premiums remained stable. The share of capital-light defined contribution products in new pension business continued to increase and is nowadays roughly three fourths of the total new business that was in the first of 2016 at roughly half. The growth of new business premiums from the new DC product increased with 60%.



[00.20.20]
Having said that and to conclude my part of the presentation, our performance has been strong on all key matrix during the first six months. We have been able to keep up our business momentum at a high level and our performance is better than our medium-term targets. Of course, we will continue to work hard to make the second half of this year as successful as well.

I now hand over to Chris.

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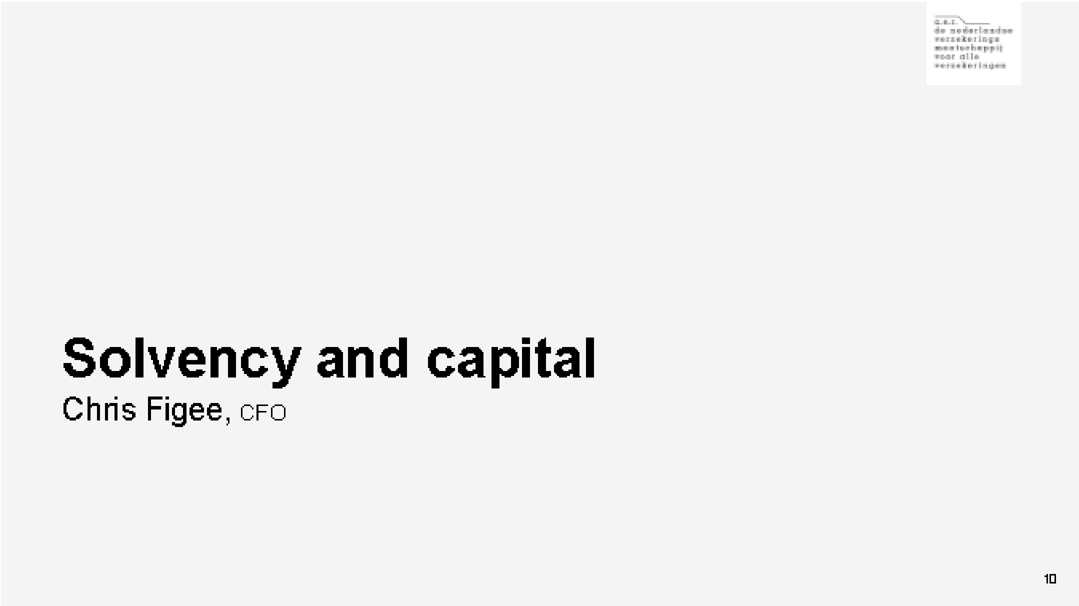
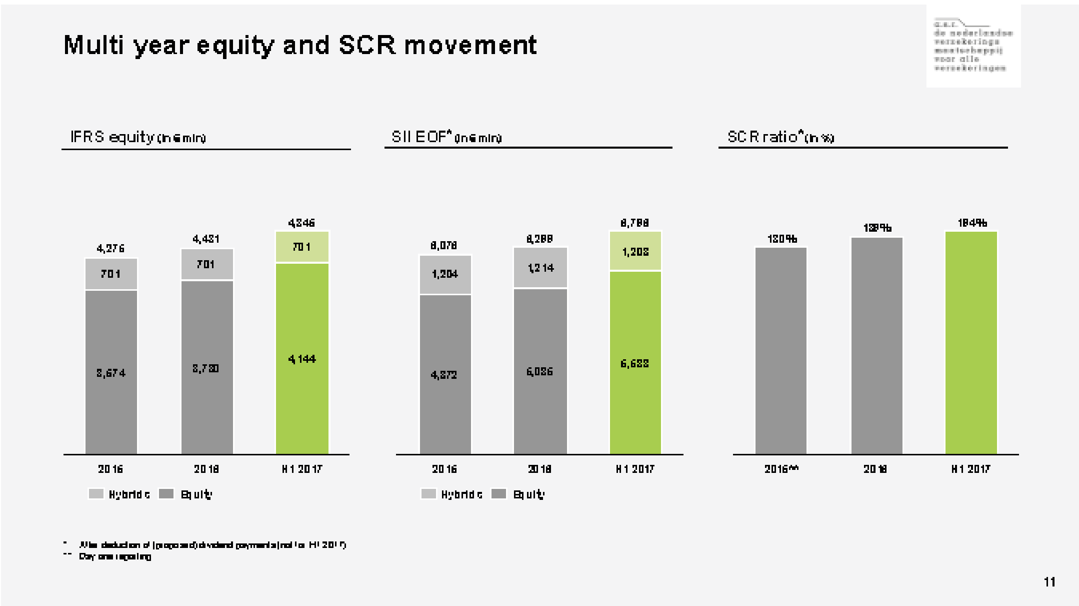


[00.20.50]

Mr. **Figee**: Jos, thank you very much. I have to make one small correction. Jos told that the best thing in life is to talk about solvency, but actually there is one thing in life that is more fun than talking about solvency and that is to create solvency. For those of you that question my mental state, I am talking about my professional life of course.

Never mind, let's move to page 11.



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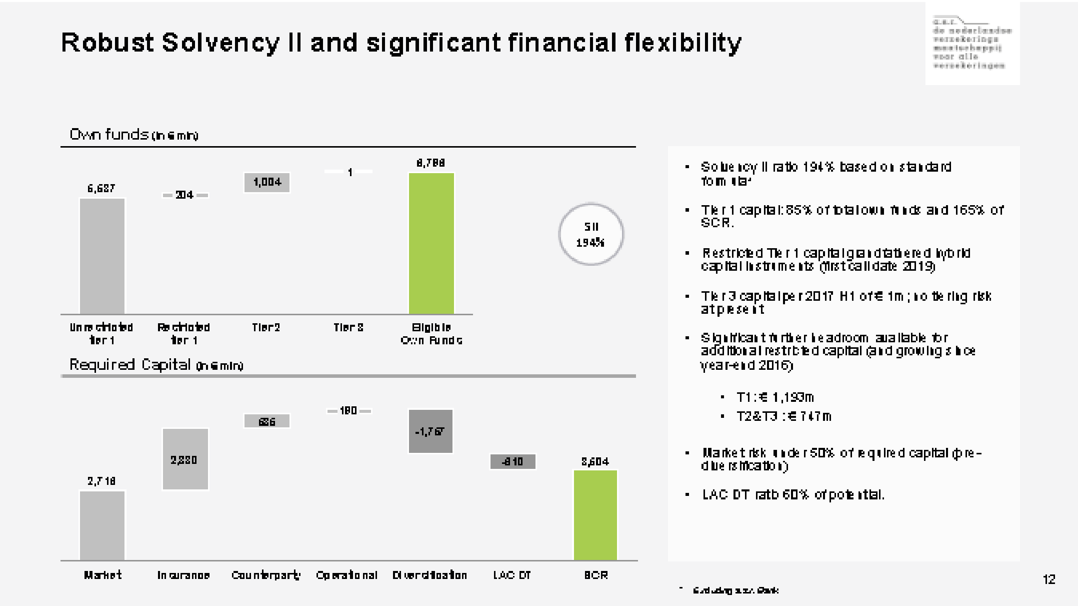
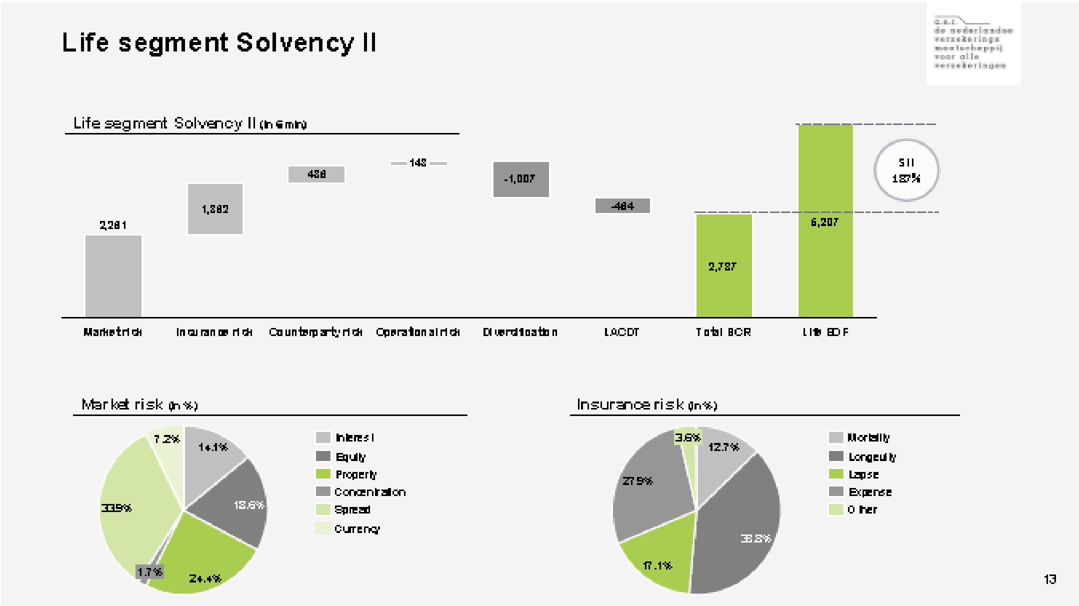
[00.21.11]
Let’s talk about book values. I always like to look at book values as a sign of long-term developments. Healthy companies do generate book value over time in spite of accounting fluctuations. Page 11 shows IFRS equity and our Solvency II Own Funds, so in accounting or more market value or at the book values we see over time growth in book value. IFRS equity grew by 6% since the last time we measured it, from € 4,481 million to € 4,846 million. If we had excluded share buy-backs our growth in book would have been about 9% in the first half year. The total book value growth in IFRS equity was about 15% in the last two years. So, I think the continuous growth in book value in IFRS equity or in Solvency II equity is demonstrating the underlying development of our group.



[00.21.12]
Page number 12 shows the stock of solvency that we have. A solvency level without any actuarial or theatrical fertilizer is the actual decent clean solvency number as we calculate, a number of 194% with very solid tiering levels. It is not in this presentation, but if you would click and combine our historic presentations you would find that our quarterly solvency levels, since we started reporting in Q1 2016, have not dipped below 186% and moved between 186% and 194% in those quarters, in spite of us in total distributing over € 500 million of capital to our shareholders. So, we believe that the stability of our solvency number is one of the more agreeable features of our balance sheet.

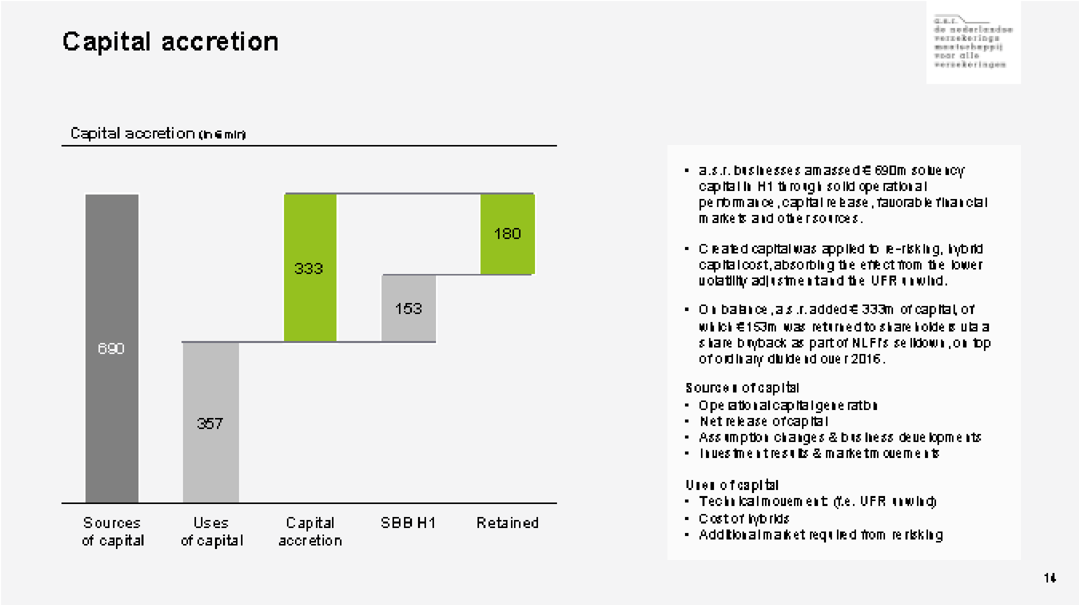
Our Tier 1 headroom stays above € 1 billion. Tier 2 and Tier 3 headroom amount to € 747 million, up € 100 million since the last time we measured. We continued to add solvency Tier 1 and Tier 2 headroom, which gives our group a substantive amount of capital flexibility.

The LACDT is at 60% of our potential and that appears to be a reasonably conservative number. But again, you can see in this number the Own Funds and the required capital and how we got to 194%. We are particularly pleased not only with just the level of capital, but also the build-up of the capital and the amount of Tier 1 capital in there.



[00.23.55]
Page 13 gives more intelligence and details on the Solvency of our Life segment. From a capital perspective, this still is the biggest entity that we have. The solvency level of our Life business is 187%. Own Funds of € 5.2 billion and required capital of € 2.7 billion. Just as a background, 187% solvency as is at a UFR of 2.2%, which we reflect on the more economic metric of solvency, the Life segment solvency would be around 134%, still substantively above 100%. If you were to exclude the UFR over the volatility adjustor altogether in our estimate the Solvency II of our Life would still be above 100%. So, a very strong solvency in our Life business of 187%.

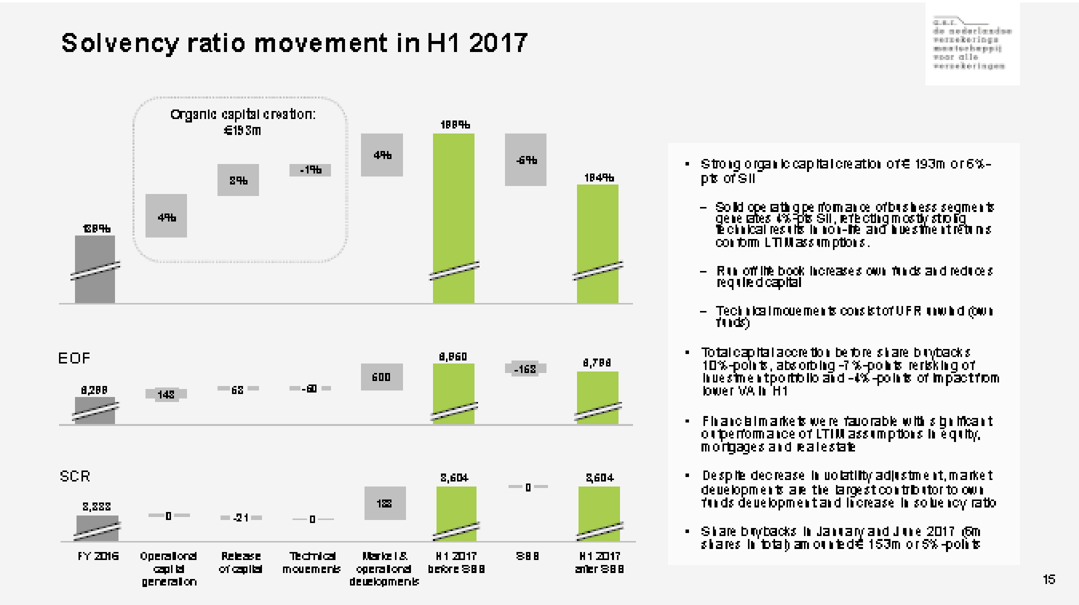
Page 31 and page 32 of our document give more detail on the Life earnings and our Life back book will no doubt will feature in your questions. To complete the analyses, the Solvency II of our Non-life entity – ASR Schade – is 189% whereas the solvency of the group is 194%. Both our legal entities have Solvency II ratios according to the standard formula substantially over 180%, 187% and 189% respectively.



[00.25.35]
Let's move from stock to flow. There are various ways to look at solvency and capital developments. If you ask ten analysts you get 15 different metrics to look at the way you bucket and decompose your delta in solvency. We share two: capital accretion which is on page 14 and organic capital creation, which is the next page.

Capital accretion basically is the delta between the solvency at the beginning of the period and the ending of the period and then broken down into sources and uses of capital. As you can see, we source or created about € 690 million of capital in the first half year, just by running the business. Here, we are talking about technical results, underwriting results, investment results, releases of capital from our book. How do we spend or use the capital? We spend about € 357 million in our business, which is adding to market risks, which is the absorption of the UFR unwind, which is the payment of contractual obligations to our bondholders, which then leaves about € 330 million of accreted capital. Of this, we have spend € 153 million in total on share buy-backs, retaining about € 180 million on our books in the first half year. As you have seen in our press release, contingent upon a final sell down, contingent upon a situation at that time, it is our intention – or we are exploring the opportunity – to spend about € 100 million buying back shares out of this further retained capital in the first half of the year. If we would do that, that will bring the total distribution to our shareholders in this calendar year to well over € 400 million. But again, no matter how you bucket and decompose capital developments, there was € 690 million that we added, € 360 million that we used and out of that the remainder – € 330 million – was accreted of capital out of which we shared already about € 150 million.

On re-risking, page 27 of our document showed the development in our required capital, the SCR. It gives a bit more colour on how we re-risked. The market risk of our group increased by € 182 million in the first half year, predominantly in equities. There was a small increase in real estate and a small increase in credit risk. Those were the key areas where we allocated market risk and reduced our currency risk. We increased our counterparty risk a bit, mainly in mortgages, € 13 million more consumption of SCR mortgages, some on medical expenses and in our business side you can see that the allocation of capital is gradually tilting towards Non-life with the additional use of capital of the Non-life business exceeded the use of capital in our Life business. Page 27 shows you the bridge of our delta SCR and you can see how our capital consumption moved in terms of the whole re-risking program. The program is nearing completion. We spend about 7-SCR-%-points in the first half year, but 5%-point in Q1, 2 in Q2. We are done on equities, actually we de-risked a bit on equities at the end of last quarter and during the summer, in Q3, more from a tactical perspective. We felt that the market was a bit heavy. We had a small de-risking of equities. On the mortgage side we are nearer completion. We produced over € 1 billion of new mortgages in the first half year and we are happy with our mortgage allocation. We are actually done on real estate. We will make some small adjustments. Remember, we allocated more to real estate in the first half year as we warehoused the offices portfolio of our books. That added to our real estate exposure in the first half. At the end of the first half and during the summer we placed those assets at external investors, according to our plan. That room will now make up because that came out of our own balance sheet and that will give us more room to invest into real estate and then move back to our target allocation. So, re-risking virtually complete, there is a bit of work to be done on credit and headroom to refill the real estate allocation of those assets that we sold to third-party investors.



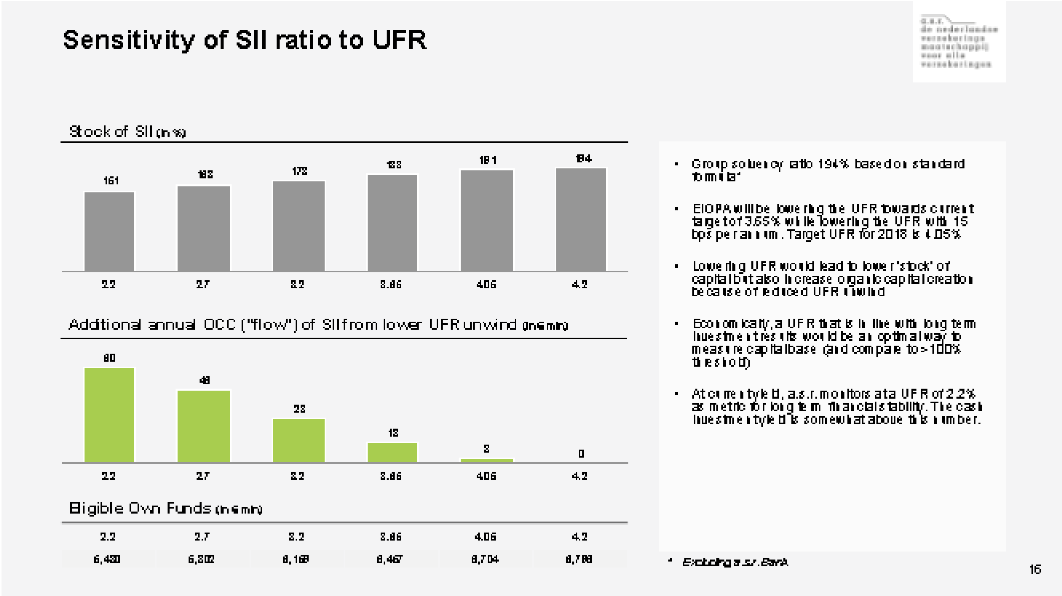
[00.30.00]
Moving to page 15, we see the organic capital creation or our solvency movement. On this page you can see that below and above the line the development of our Own Funds and our SCR. We are very pleased with a capital increase of 10%-point before the buy-back, so 189% moved to 199% after which we had a 5%-point spend on buy-back and that was 194%. Organic capital generation was € 193 million, which is about almost 6% of capital in the first half, which roughly is 4% of operational capital generation, 3% of release of capital, 1% UFR drag technical movement and then 4% in market and operational developments. What we like of this number is that the total Eligible Own Funds increased by € 143 million plus € 500 million. Ultimately, in the long run the test of success in the insurance business is whether one is able to generate Own Funds. That actually adds to solvency, so € 643 million of Own Funds.

The second degree will feature the release of the risk margin, € 50 million, exceeds the unwind of the UFR, so that gives inherent stability to our solvency levels.

Finally, we believe the operational capital generation of € 143 million is in line – without giving any guidance – and should be more than sufficient to cover ordinary dividend during the year if you reckon that we added € 143 million of operational business capital generation in the first half of the year.

Let me say a few words on the market and operational developments. We can spot € 500 million of Own Funds generation and € 188 million of allocation of capital. In terms of points, that is 4%-point in solvency. The calculation goes as follows. I hope everybody has pen and paper in their hands to follow me: 12% of additional financial markets returns plus small modelling gains, plus 3% gain on the Unilever transaction leads to 15%-point of SCR; take out 7%-point of re-risking, take out 4%-point of the lower VA and that gives a net increase of 4%-point in our solvency ratio. So, it is 12% plus 3% minus 7% minus 4% equals a net 4% of additional market and operational development contribution to our solvency level.

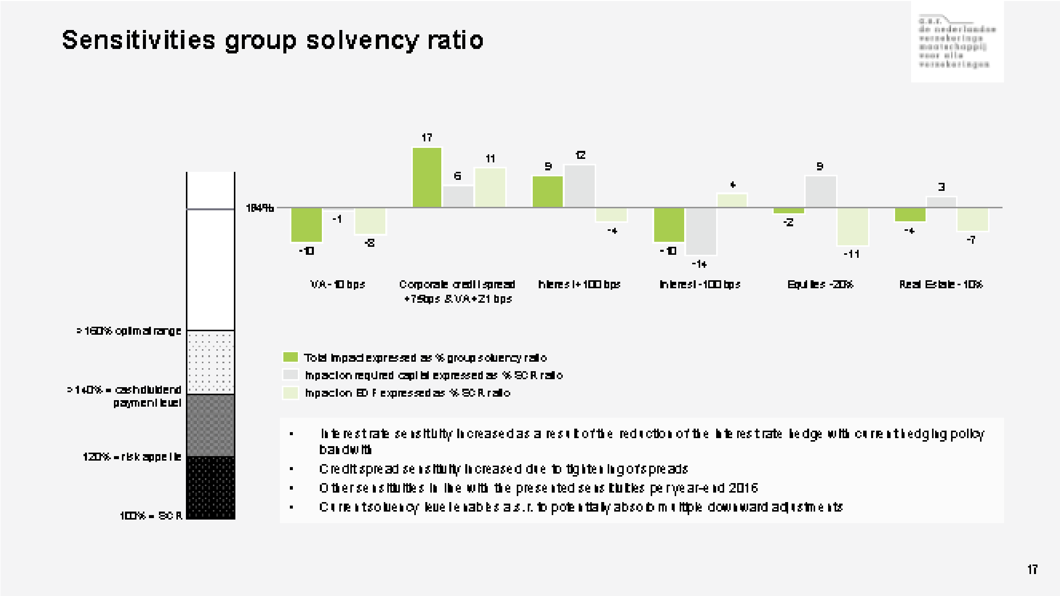
Furthermore, please note that the organic capital generation of € 193 million equates about 70% to 75% of the operating profit after tax and after hybrids. So, the conversion ratio of profit to capital is stable, as about 70% to 75%. No doubt you will have tons of questions on this and we will take them as they come, but so far we are pleased with the organic generation of capital.



[00.33.22]

Page 16 shows the sensitivity of our numbers for various UFR-levels. You will remember that we believe that a UFR that is commensurate to the actual cash investment returns that one makes is a good metric or a good view on the economic solvency of a group. Historically, we have estimated that number at 2.2%. We will revisit of course that number at the end of the year, also bearing in mind actual cash yields and bearing in mind the actual rate levels that consist at that time, but at a UFR of 2.2% our Solvency II ratio would be 151% in for a.s.r. as a group, about 134% for ASR Life and at that level the UFR unwind would be less, be lowered by about € 60 million and the Eligible Own Funds would at that point be € 5.4 billion.

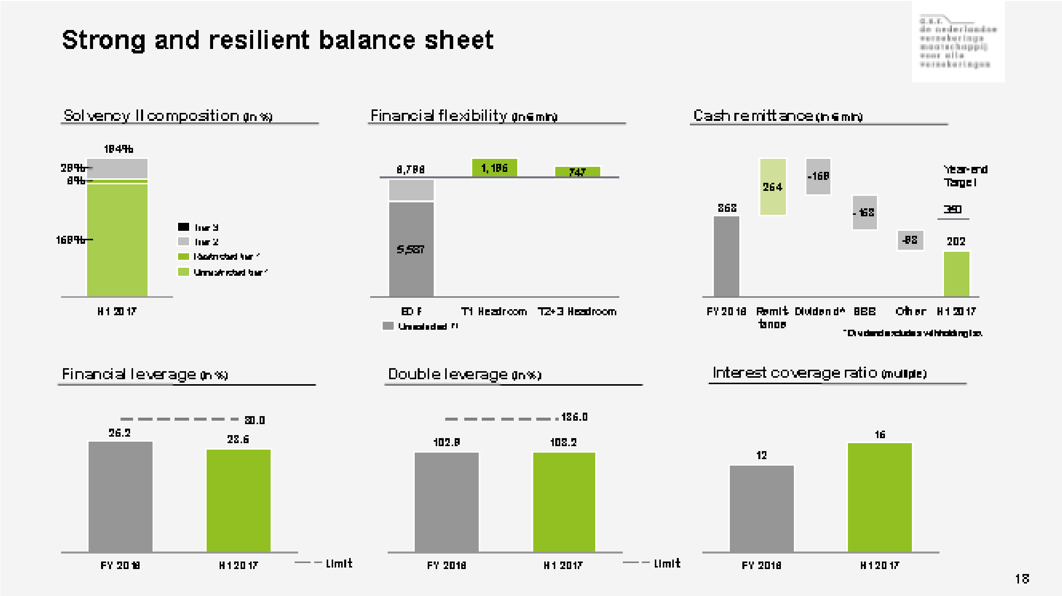
This picture also has the numbers per the end of the year. The 4.05% UFR that EIOPA is predicting for the end of the year and the target, 3.65%, which is the current target level that EIOPA has in mind for the UFR if and when we get there. You can see that our Solvency II ratio would then move to 191% or 183% respectively and the UFR unwind would be reduced by € 3 million or € 13 million respectively. So, this should give the analyst community sufficient material to perform calculation assessed solvency basis, capital basis at various UFR levels. 4.2% is the official number, dropping to 4.05%. Economically speaking, we think the 2.2% is probably a more relevant figure, which then can be compared something to be well above 100%. And at 151%, solvency at the UFR at 2.2%, we are safely and solidly above 100%.



[00.35.15]

Page 17 shows the group sensitivities as we have presented them before. Our starting point in solvency should be enabling us to absorb reasonable sensitivity without endangering any dividend paying levels of investment payment levels. You can see here the spread level where we show the basis points impact after a VA-adjustment. Roughly speaking, any point in VA, one point in VA is one point solvency ratio, so 75 basis points of credit spread impact is after 21 point of VA contributions and 21 point in VA tends to be 21 solvency points. So with that, you can actually break down the numbers into a growth and into a net number. The number that is not on this page, but that you may find interesting is the sensitivity to government spreads, to sovereign spreads. If the sovereign spreads would widen by 50 basis points, we would assume at the point the VA would also widen by 9 point, giving us a net net 5%-point drop in our SCR ratio. So, 50 basis points spread widening in sovereigns deflected by 9 point VA widening would give a 5%-point drag in our Solvency II ratio.

Some analysts will find that the intra-sensitivity of the group has changed a bit. We manage and hedge our interest rate risk on an economic basis, on a cash flow matched basis as much as possible, in practise as we have a hedging bandwidth, because you can never precisely hedge a rate risk. Given the market environment we have actually looked for the upper end of the bandwidth, so the interest rate sensitivity of the group has increased a bit. Within our management bandwidth, we have allowed the team to take a little bit more interest rate risk and to be a little bit more interest rate exposed, given the development on QE, that appears to be gradually unfolding. So, you can see the rate sensitivity of the group to go up gradually, which is still within our bandwidth but at the upper end of the management bandwidth that we have set.

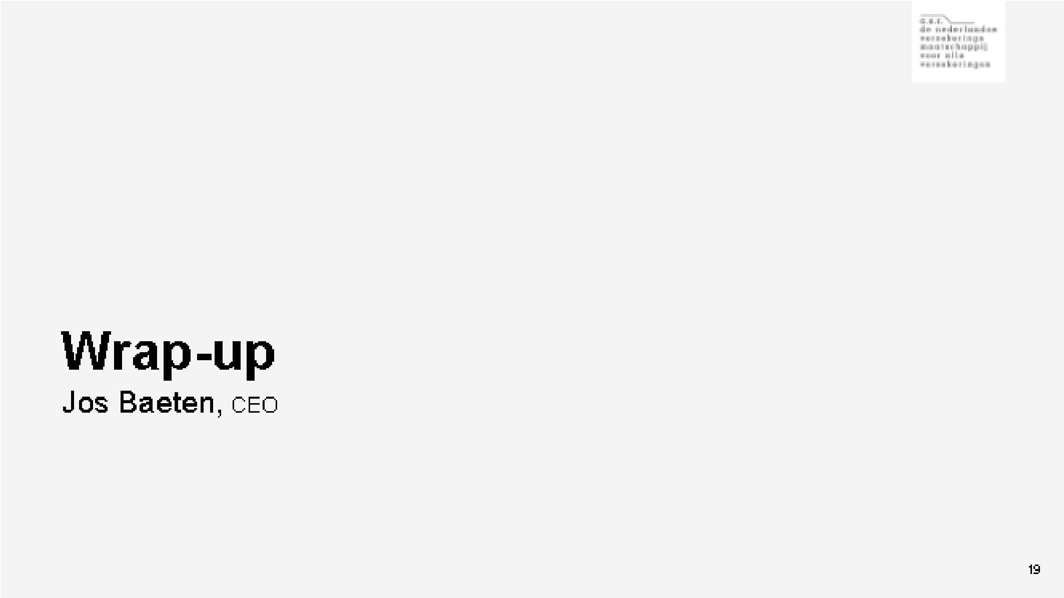


[00.37.37]
Finally, our strong and resilient balance sheet on page 18. We stress that our balance sheet is very strong. Solvency II is strong in terms of level and in terms of competition. Substantive flexibility. We have Tier 1, Tier 2 and Tier 3 headroom. As a management team we always think if there are opportunities to use that Tier 2 or Tier 3 headroom. If an even would take place we would certainly explore various Tier 1 or Tier 2 opportunities to further support our balance sheet. We have to have room there.

We upstreamed € 250 million out of our businesses to our holding. It is not a restrained number, we can do more. It is deliberate choice to keep the cash and capital in our various operating entities. We upstreamed € 254 million but there are no limitations. It just fits our policy to keep cash there where people are making the money. If you look at the operating returns of our entity that is where the money is being made. The solvency levels of our entity, which are well above 180%, do not provide at this point in time any limitations for upstreaming of capital. So no concerns in that field.

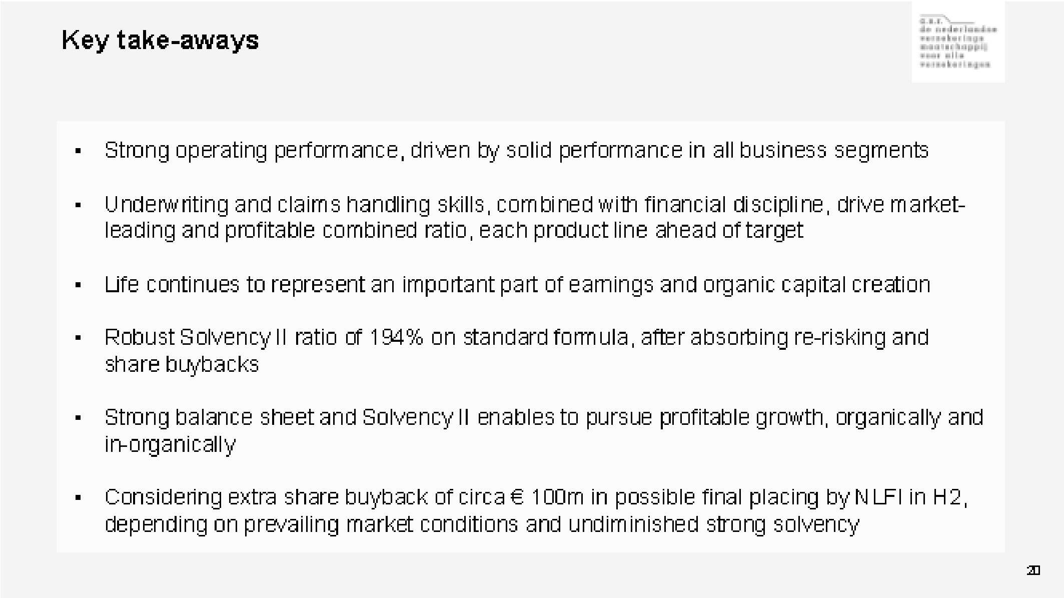
The leverage matrix: the financial leverage is 23.5% on an IFRS basis, well within our target range. Double leverage 103%, within our target range, had we not bought back shares for € 153 million our double leverage would have been nearly precise under 100%, actually 100.3% would have been a double leverage, excluding share buy-back. So, we stay very safely within our range. The interest cover is 15 times on an IFRS basis and 11 times on operating earnings basis. So, we think a.s.r. stands out with a very robust and resilient balance sheet.

That ends my presentation. Knowing that Jos loves nothing more than wrapping up, I will give it back to him.



Mr. **Baeten**: Thank you, Chris. It is not only wrapping up the story. I will wrap you up afterwards.

Before we open up the session for your questions, I will indeed conclude with some key take-aways.



[00.40.00]
We are very proud of the strong performance during the first six months of this year. The increase in our operating performance was driven by solid performance in all of our business segments and we are very happy with that.

I would like to especially mention again our underwriting and claims handling skills, combined with the financial discipline resulting in a market-leading and profitable combined ratio. Particularly noteworthy is the fact that each product line is ahead of target.

Our solvency, as Chris already explained, remains robust at 194% and, just to reiterate, this is still based on the standard formula and after absorbing re-risking and share buy-backs.

We believe that with this strong balance sheet and Solvency II we are in a very good position to pursue profitable growth, both organically and through acquisitions.

Finally, as already explained, we consider on top of the earlier commitment to buy back an additional amount of circa € 100 million of shares if the Dutch State should decide to undertake a final placement of its remaining equity interest in the second half of this year.

I am sure – and I want to stress that – you will understand that this is an intention and that this intention is dependent on the then prevailing market conditions and undiminished strong solvency.

With that, ladies and gentlemen, I hand over and we are happy to take your questions.

QUESTIONS AND ANSWERS

[00.42.00]

- **Cor Kluis – ABN AMRO**

Good morning. I have a couple of questions, first of all about your solvency. It is already very strong, but it seems that your quite conservative LACDT assumption, especially in Life insurance of around 60% -- some peers are using more around 75% – could you give an indication of what your solvency ratio would be if LACDT would be 75% and what it would be if LACDT around 100%?

My second question is about the de-risking. You de-risked somewhat on equities and real estate as you explained during the call. What is the positive Solvency II effect of those two actions?

My last question is about the fires, some of the large fires that we have seen here in the Netherlands in the third quarter, around five or six now already. Holland Casino was a big one of course. Can you give some indication about the P&C combined ratio going into Q3? Will it be more conservative or do you have better underwriting than peers, as you have seen in the last eight to nine quarters?

Mr. **Figee**: On LACDT: we have indeed used a LACDT figure of about 60%. I am not going to comment on what our colleagues do, I comment on how we run our business. Although we tend to think pretty conservatively on our LACDT numbers. There is a Russian saying: 'free cheese can only be found in a mouse trap'. LACDT is a number that could vary over time. In our view, you do not want to have a LACDT number that is very much dependent on current performance of the group because then you enter the situation that if you ever have a dire year and your solvency is under pressure you do not want to have LACDT evaporate at a time when actually you need it most. If you think about the various components that LACDT could have, it uses predominantly component 1, 2 and 3 and very little use of component 4, except for the run-off of the risk margin. The run-off of the risk margin and the contribution to that, thus to your future earnings capacity, is actually is the only part of component 4 that we have used in our LACDT. This means that today in our view there is very limited downside to it. Is there upside? Possibly, but that depends on us reviewing that number. It also depends on us reviewing our DTL position over time.

In terms of sensitivity: if we were to move LACDT of ASR Life to around 80% – that is the number that I have – I guess that would add about 8%-point of solvency for the group, so from 60% to 80% our ASR Life group solvency would be up by 8%-point. Were we to move LACDT from 60% to 100% it would add about 17%-point for the group. Although I think in practice, moving to 100% is a pretty daunting exercise.

That would create a vulnerable number, but it gives you some feel for the flexibility that LACDT has, or the impact it has. We believe that the downside is limited, but the upside takes place. We need to view component 4. Please note there is an EIOPA consultation paper out there at this point in time. The consultation paper does note that various European countries had various perspectives on the LACDT and that the largest two countries – Germany and France – hardly use component 4. I have no crystal ball on what EIOPA will decide, but we think that at this point in time it is wise to have a stable, defendable number and do not run ahead of what EIOPA does, especially as I would have to see how our DTL develops as well. But these numbers give you some feeling: 60% to 80% would increase group solvency levels by about 8%-point in SCR.

De-risking has a small benefit. When we de-risk a bit of equities it is much less than we added in risk, but it was more a profit-taking exercise than a massive de-risking. It may support the group solvency ratio across all the activities in the end of June and July by 1%-point or something like that, that order of magnitude. So, we de-risk, but it was like a profit-taking exercise rather than a massive de-risking or solvency push-up exercise.

Mr. **Baeten**: And your last question was on the development of the combined ratio in Non-life. Until now – we are not giving any guidance going forward – we have not seen any large adverse developments. As far as I know, we were not in one of the large claims in the big fires last period, but theoretically it can happen tomorrow. The same is for weather-related claims as we have seen last year. It could be possible that a big storm occurs and that would harm us, too. As said, if we look at our combined ratio in Non-life and I would normalise that for the four years average in large claims, it would still be below 96%. So, in terms of looking forward, a number between 92.5% and 95.5% is a safe number as far as we can see it today.

Cor Kluis – ABN AMRO: Very good. Thank you.

[00.48.38]

- **Albert Ploegh – ING Bank**

Good morning, I have three questions, two operational ones. First on the Life performance. The technical result was down. You mentioned the mortality side with influenza, but is that the full explanation of the year-on-year decline or is there something else going on as well.

My second question is on Non-life, on Disability. Premiums were slightly down. In the presentation you also mentioned that some clients switched to the UWV, due to better pricing. Where will this bottom out? I guess this trend is not yet fully ended, so maybe a little bit more colour on the premiums on Disability would be helpful.

My third question is on your capital allocation. You mentioned in your opening statement to remain disciplined also on bolt-on acquisitions. Is there anything you can give in terms of update on the pipeline? Is there anything to be expected there or is it still quite silent on that side in terms of files?

Mr. **Figee**: Albert, let me answer your question on Life, on the technical result. It went from € 59 million to € 46 million, € 13 million decline. € 8 million decline that was a lower mortality result, which we see as predominantly incidental. We had an influenza wave in the winter that caused more deaths. So, € 8 million of that is incidental, influenza wave, and € 5 million really is other, other, other stuff that happens in your business. So, the majority of the decline of the technical result we see as an incidental event because of the influenza in the winter.

Mr. **Baeten**: And on your Non-life question on Disability: we have seen quite aggressive pricing from the UWV in the BeZaVa-area and we have decided not to compete with irrational pricing, at least from our point of view. That cost roughly € 13 million of gross written premium in our top line. So, the effect is not that big going forward. If a client decides to take insurance from the public system he is obliged to stay there for three years. So, those customers will not return in the next three years. We do not expect large adverse developments going forward, but before this area will start to grow again. It could take another two to three years. Hopefully, that answers your question.

On acquisitions, I am hesitating a little bit, but let me tell you a story about my youth. When I was young, I loved to look at beautiful girls and I tried to understand what their character was. But I never discussed this with my parents until I was sure that she also would fall in love with me and we were able to have some kind of an understanding that we would go further with each other. Actually, the same goes for acquisitions: we see a lot of beautiful girls. Some have a nice character and some with a less nicer character. As soon as we have decided to engage, then we will come up to the market. We still see a lot of beautiful girls.

Albert Ploegh – ING Bank: Let me then rephrase it a bit. So far, you have been very explicit with the buy-backs done and also it was helpful the budget of € 100 million you announced this morning very much tied to the sell-down of the government stake, but you are still generating a lot of capital. I know you are first looking for organic growth, bolt-ons, but the headroom still remains quite a lot. Is an ongoing buy-back programme something you consider if there would be no files on the table?

Mr. **Baeten**: As we have said from our IPO, we are not capital hoarders. So if and when we do not see any opportunities to invest organically or inorganically in the business and our return on equity would start to deteriorate, then we definitely would come up with the most efficient way to return capital that is not used by the group to shareholders.

At this moment in time we still see sufficient opportunities to put capital at work. We still see organic growth opportunities and some inorganic growth opportunities.

Albert Ploegh – ING Bank: Thank you.

[00.54.00]

- **Steven Haywood – HSBC**

I am just wondering out of curiosity, if the Unilever transaction was not announced would you have been in a position to announce the potential € 100 million buy-back and that you expected to do when the Dutch State sells down?

You mentioned the € 20 million earnings from both of your non-Insurance businesses. Is this the limit of these operations or do you think they can potentially get big and contribute more to the group? If not, then I guess what are the bigger drivers going to be of the group in terms of the Life business and the Non-life business? Where is the growth going to come from here?

Mr. **Figee**: Your first question was on the Unilever trade: that is speculation on a 'what if'-scenario. We would have to see at that point. It is safe to say that excluding Unilever our solvency would have been 191%, so still well positioned to return capital and to continue to invest in our business. What we had done at that time? Honestly, it is speculating on a hypothetical event. Our perspective 191% ex-Unilever would have been a very robust and solid solvency level that gives us lots of capital flexibility. We found that Unilever was a tremendous, exceptional event and we love to share exceptional gains with our shareholders. Of course, we cannot write a blank cheque; it depends on the timing of the sell-down and it depends on the situation at hand, but our intention is to share an exceptional gain over and above what we are running on with our shareholders.

In terms of the € 20 million distribution business, we think this business would grow this year towards € 20 million annual run rate. That is not the end of it; this is a growth business so we think there is further growth in this business ongoing. We said in the long run we believe the distribution business should have between 5% and 10% annual profit growth and that number is still there. So, it could go to € 20 million and continues to grow at a reasonable pace between 5% and 10% going forward. We still stick to that forecast.

Steven Haywood – HSBC: You mentioned € 20 million earnings for the banking asset management as well, but in the long term. Is that the cap is there a potential gain to grow this business as well?

Mr. **Figee**: No, the distribution side is nearing the € 20 million mark. It is at exactly half in the first half year, so double it and you will get to € 20 million. € 20 million is more like a mental number that this has relevance and substance. If it is € 20 million at least you are noticing it. So, thank you for that.

When it is € 20 million, it is noticeable business and it could grow from there. Out banking and asset management is not yet at the € 20 million mark, but I think it is on track to get there eventually and continues to grow. So, it is not a cap. The distribution business is already at the level of substance and will continue to grow. Banking and asset management will grow towards substance. I have no reason to believe that they will stop growing after that.

Steven Haywood – HSBC: Okay, I appreciate that. Thank you very much.

[00.57.30]

- **Robin van den Broek – Mediobanca**

Good morning. My first question is on slide 25, where you annualise your net operating result to get to your ROE number. The € 544 million of course includes equity dividends and a particularly strong combined operating ratio in the first half of the year, but could you elaborate more on how close we could get to the € 544 million for the full year, also taking into account some more cost savings coming through and the re-risking programme that you have launched?

The second question is on your long-term investment margin assumptions. You indicate that you significantly outperformed on those assumptions again and I was just wondering if you could quantify that. I am of course aware that these are long-term investment margin assumptions, so you probably do not want to revise them next year, but how will you look at this going forward? How soon could you be revising these assumptions again? It seems to me that your peers are more aggressive there and you are basically pushing more organic capital generation towards the market pocket.

The third question is on the pay-out ratio. I think you have indicated that you are enjoying some benign operating conditions throughout this year so far. How should we look at your pay-out ratio with regards to the DPS? Are you looking for a sustainably growing DPS or are you more looking to have a flattish pay-out ratio going forward?

Mr. **Figee**: On your ROE-question on page 25: the ROE of 17.4% is the annualised version of the half-year figure, so it is a mathematical number and not a forecast.

In terms of where the business is running, we do not do earnings guidance. It is a matter of principle to not give earnings guidance. However, we can give you some calculatory assistance.

In the first half of the year we ran an operating profit of € 385 million; over € 190 million in each of the first two quarters. In the first quarter call we indicated the underlying profitability of Q1 was around € 175 million, although we realised, we created actually more. If you then look at the results for Q2 and take the broader half in perspective, in the first half year we had a € 17 million benefit of no storms. We tend to budget storms. That seems a bit odd, but that is how you plan. In the second quarter there were no storms and added € 17 million to our profit. Also in the first half of the year the dividends feeds in and dividends add to our operating results. The third component is that our project spend tends to be a bit bigger in H2 than in H1 when projects come on steam. On the flip side, the summer appears to be very 'save', although Q3 is certainly not yet done. There is no indication of any large storms in the summer and secondly, the re-risking impact starts to speed in into our earnings. So, with that in mind you should be able to calculate the number. I would not multiply the € 385 million times 2. We can only be sure when the year is over, want the € 175 million of underlying result in Q1 is a pretty safe and solid estimate of how the business is running operationally, with potential upside from no storms and no fires.

In terms of our long-term investment margins we communicated those over the last year. We will keep them stable. If you think about the different elements between the operational bucket and the market return bucket, there is some giving and taking between the two. Our spreads, sovereigns, non-core sovereigns and credits, the LTIM spreads we assume are a bit higher than what we actually realised. So, in the bond field the OCC borrows a bit from bucket Market & Operational Developments, about € 8 million in the first half year. In the mortgage field we are flat, a small contribution towards the Market & Operational Developments bucket and equities and real estate we plan for 300 and 330 basis point spreads, depending on where you think the TRS is. I have seen companies plan for 7% TRS on equities. We think that is reasonably aggressive; we rather stick to something else, but if you add 1%-point higher returns we have about € 5.5 billion to € 6 billion of equity and real estate in 1%-point, 100 bps. is already € 50 million to € 60 million. So, we think the OCC that we produce is a replicable sustainable number across the cycle. Even the bond side borrows a bit for market variances. The equity and real estate lends to variances. Furthermore, this is based on a long-term VA, a VA of 20 basis points. We use a VA of 20 basis points to accrue interest on our liabilities, which also is a reasonably conservative factor given that the VA today is about 9 points. So, if you put a gun to my head, it is probably € 50 and 100 million in the first half year that is in bucket 4, which some more frivolous insurance companies could have added to bucket 1 OCC, something we do not do because it is not something you can bank on. But net-net I think it is fair to assume that in the long run bucket 4 will have a positive number rather than a negative number. We appreciate that the market needs to pay a multiple for that, but that is the price one pays for a predictable and solid OCC number and that is what we feel very comfortable with.

Mr. **Baeten**: Robin, on your last question on the pay-out ratio in dividends: our communicated dividend policy is actually between 45% and 55% of the net operating profit after hybrid cost. In our philosophy we think it would be difficult to come up with a message that dividend has gone down over time, so our philosophy that it needs to go up on a year-by-year basis.

I think the last three years we have proven to be able to grow our dividend, so as long as we are able to grow our dividend on a year-by-year basis based on the dividend per share, I think the 45% is a good starting point for our dividend policy going forward. We always have a check-double check on what part of our organic created capital is returned to shareholders and if you would recalculate the dividend payment ratio based on the organic capital created, then it would be close to 70%. So, we return a large part of our generated capital to shareholders and that is possible because of our well-capitalised balance sheet.

Robin van den Broek – Mediobanca: Thank you. These are very clear answers.

[01.05.44]

- **Darshan Mistri – Citi**

Good morning. My first question is regarding the Non-life business. I noticed there was quite a significant decline in reinsurance premiums that were paid in the first half of 2017. I am just wondering if there has been any kind change in the reinsurance policy.

Secondly, regarding the low level of large claims that you are experiencing within P&C, are all of the lower levels of large claims coming from benign weather conditions or are there any other kind of structural changes happening in the market that could drive down large claim levels?

Mr. **Figee**: On the reinsurance side there are no major trends in our reinsurance. We have eliminated some older reinsurance programs in our Disability side, where we used to have a reinsured program Disability, which we felt did not provide sufficient return on capital, or at least the cost of capital after the insurance program was sufficiently attractive. So that has been terminated. Secondly, the reinsurance market was still reasonably soft, so pricing was relatively favourable to us. So reinsurance side, termination of the Disability reinsurance contract simply from of cost of capital perspective and generally, speaking we were benefitting from relatively soft reinsurance markets.

Of course we benefit from normalised claims and no bad weather, but also what we call bulk claims, the majority of lots of small claims, is also running below the level of last year, somewhat affected by the water damage last year. The frequency of regular claims are below last year. The bulk claim ratio in the group has been below 55% for the last fourteen quarters.

I always look at the bulk claims, large claims and calamities and the bulk claims ratio had been below 55% of the last fourteen quarters. So generally speaking, it is not just the absence of large claims or the absence of storms, but also underlying it is running a bit better than what it used to be.

Darshan Mistri – Citi: Perfect. Can I just follow up? You made reference to the underlying claim rate to being below 96%, but if you say that part of that is driven by the lack of large storms and poor weather that you have seen in previous years, there still seems to be some improvement on your guidance. So, what level should we take as the current underlying on a normalised weather basis, but taken into account the low levels of bulk claims that you just mentioned?

Mr. **Baeten**: Darshan, that would be somewhere between 95% and 96% at the moment. As already explained before, if we would normalise our claims ratio, taking into account Chris' story, it would be up roughly 2% compared to what we have done over the first half year.

Darshan Mistri – Citi: Perfect. Thank you very much.

[01.09.19]

- **Ashik Musaddi – JP Morgan**

Good morning. I have a couple of questions. first of all, can you give us some colour about UK Life earnings? How should we think about that going forward? UK Life earnings have gone up by 50% over the past two years. Going forward, you are suggesting that you are more or less with the asset re-risking and if I look at slide number 30, 40% of your business which is Individual Life linked then nominal is shrinking structurally whereas the pension DB market should be tough to grow at the moment or even maintain at a flat base. So, how we should think about the growth in Life earnings? Will this amortisation of realised gains reserve keep on moving those numbers higher or will it be more or less flat? Any thoughts on those things would be really helpful.

Secondly, Chris, you mentioned that you basically borrow in terms of capital generation, when I think about the sovereign spread you are using over-the-cycle sovereign spreads, so you mentioned that you actually borrow from the market bucket. Is it possible to quantify how much you borrow from the market bucket every year because this is something that I think is already embedded in your portfolio i.e. we know that there is a market consistent spread you should be earning? You know what over-the-cycle assumptions you are using, so what is the difference between the two?

In terms of equity returns we do not know what these will give you. It will depend on the equity market, but in terms of bonds we know what the spreads are.

So, any thoughts on these two questions would be great.

Mr. **Figee**: You are talking about UK Life earnings. I did not really get your question.

Ashik Musaddi – JP Morgan: UK Life, no sorry, Dutch Life!

Mr. **Figee**: Okay, because UK Life earnings have been pretty stable! They are not growing much. The Individual Life earnings book is shrinking. The actual asset data today is still very stable, so I see no reason to forecast immediate decline in our Life earnings, although the book itself is shrinking. It is picking up capital or reinvesting. But the asset base itself if you look at the claims payable for the book is going up, because there is a funeral business which is naturally still accreting in terms of volume. The pension book is free in terms of volume and if I look at the asset base that we are running it is still holding up pretty stable.

Ashik Musaddi – JP Morgan: Sorry to interrupt, but a higher asset base should not really mean higher earnings. Or is it because it is just mark-to-market, you have locked in the spreads on day 1?

Mr. **Figee**: But a higher asset base will allow you to actually make money on those assets. Of course, you lock theme in, but we are reinvesting some of the results, actually puts a floor to your assets. On the capital gains reserve it is now € 3.5 billion at the group and € 3.4 billion in the Life business. It has remained stable, it has amortised over time. It is something that goes very pretty mechanical. The fact that we added more capital gains reserve release to our P&L, the total amount has remained stable. That means that at least our Life earnings are well supported by this capital gains release. So I see no immediate reason for this to decline. There is some room for the re-risking to further kick in. That is in the first half of the year, when the re-risking happened during the year. So, the first half results contain Q1 numbers where the re-risking has not been fully booked in.

In terms of the bucketing between OCC and the actual bucket 'D' organic capital generation and the market capital generation, it is my estimate that the government side borrows about € 8 million in the first half year across the various categories. The mortgage side actually contributes. It depends a bit on how you look at the pricing, but we write mortgages at 251 basis points. Swaps are 80 basis points. So, there is a spread of 160 basis points on mortgages where we bucket, we credit ourselves with 110 basis points, so there is 50 to 60 basis points spread on mortgages. The actual credit losses, the losses of foreclosure, are getting less than one basis point on a half-year basis. It is probably 1.5 basis point in the full year. So, you get about 50 to 60 basis points of additional compensation. Part of that is for options that we grant to our customers, so an early redemption option, a moving option, a pipeline option, but those are not always bucketed. So, I believe that indeed the bond side borrows a bit from market variances. The mortgage side actually contributes to market variances.

The VA-assumption across the cycle contributes to market variances. So, I would like to give you clarity, but please flag the notion that our OCC would be overstated, simply because there is more giving to the market variance bucket than there is taking. If you see where it is government bonds and yields of spreads are moving, the borrowing is actually declining significantly. We think the € 193 million or the OCC across the cycle is a reasonable assumption that you can make across the cycle.

The very feature of an across-the-cycle figure is that there are across the cycle differences between the realities. In practice, we see today that the market variance is actually a positive number.

Ashik Musaddi – JP Morgan: That is great. Thank you.

[01.15.15]

- **Benoît Pétrarque – Kepler Cheuvreux**

Good morning. I have two questions. the first will be on the combined ratio target of less than 100%. Clearly, H1 presents you are well below the actual level. Are you planning to review these targets? We have seen very good pricing and the underwriting environment and also commission and cost ratio are down less than 1%-point versus last year. I think you have commented also on the P&C combined ratio of 96%, while I think you still have a target of less than 98%. So are you planning to review your combined ratio target at group level or at segment level?

My second question will be on the market impact, especially on the real estate side. How much positive revaluations have you booked in H1 on the real estate? I think you can review your real estate portfolio every year. But is it fair to assume that you have only reviewed part of your portfolio? And can we expect more positive contribution from revaluation in H2 on that book?

Mr. **Baeten**: We just have started our budget season for the upcoming three years. Within that budgeting process we will of course discuss the sustainability of all of our businesses and also of the combined ratio targets communicated to the market. it is always a challenge to combine on the one hand growth of the portfolio and on the other to remain in the right area of delivering lower combined ratios than projected. So, the outcome of that will be part of our full-year numbers communication. We are discussing it right now and the balance between on the other hand remaining competitive and using a part of the combined ratio to gain healthy market share and on the other hand delivering the results as we have done over the last few years. Hopefully, that answers your question. In the meantime Chris is ready to answer your second question.

Mr. **Figee**: In the meantime I have revalued our real estate portfolio! How does the real estate revaluation process work? Every object, everything we own is reviewed every quarter, so four times a year we do a revaluation. And there is a physical external taxation once a year. So, four times a review and once an external valuator actually goes in and visits the building. Three time a year we do a desk revaluation. In the first half of the year the unrealised revaluation of real estate, before taxes, was € 24 million growth. Most of this was in the housing, retail and commercial offices space, not the land. The land actually effectively needs revalue in Q4. So, € 24 million pre-tax revaluation in H1. Will there be more to come? That would be a manner of earnings guidance that we don't want to give her.

But rest assured that we do a taxation every quarter. There will be locations that will be revisited physically every quarter. The land book is done in Q4. That gives you some colour on the real estate contribution to the capital gains.

Benoît Pétrarque – Kepler Cheuvreux: Thank you.

[01.19.49]

- **Matthias De Wit – KBC**

Good morning, a few small questions left. The first is on the Solvency II ratio. Since the start of the quarter there have been important movement so I am just wondering if you could update us on the main impact between quarter 2 and today.

Secondly, on capital generation. If I understood you correctly your current guidance is based on a volatility adjustment of 20 basis points. Could you quantify the impact if you would use the current 9 basis points?

And then just a small follow-up on capital generation: the release of the risk margin in the EOF and also the SCR release continued to contribute materially. Should we expect any changes from these components going forward or is that quite stable for many years in the future?

Mr. **Figee**: Matthias, I did not quite get your last question.

Matthias De Wit – KBC: It is on the SCR release and the release of the risk margin in EOF. How should we think about these components going forward? They contribute materially to the organic capital generation and I am just wondering whether you could say anything on the release pattern of these two components.

Mr. **Figee**: On the quarter-to-date solvency it is hard to say. There is probably a small drag given where equity markets are, but again, within reasonable fluctuations. So, it depends a bit on how geopolitical risks evolve. We will see how markets do. There will probably a small drag, is my estimate, but again, within the normal volatility that we have.

In terms of the volatility impact, I think it is a couple of million. You are talking probably € 4 million to € 5 million impact on the OCC in those numbers. We can look it up in more detail, but my estimate is that it is about € 4 million to € 5 million contribution to the operations, the non-operating elements factor in our solvency generation.

In terms of risk margin and SCR-release: reasonably stable over time. I think you see in those two the risk margin release is probably higher in the early days of our book decline and SCR is higher in the back end of our book decline. The sum of the two is likely to be stable in the foreseeable future.

Matthias De Wit – KBC: Could I just briefly follow up? That € 370 million guidance you provided in Q1 including that re-risking impact is, if I understand correctly, based on 97% combined ratio target. Could you just confirm that, please?

Mr. **Figee**: Yes.

Matthias De Wit – KBC: Thank you.

[01.23.00]

- **Bart Horsten – Kempen & Co**

Good morning. I have a few follow-up questions from my side as well. First on the buy-back. You linked it to the sell-down by the NLFI before the end of the year. What is there is no sell-down this year? Would you then postpone it to next year or is it possible you would buy shares in the market in that situation?

Just a confirmation on your guidance on the banking and asset management numbers: I am not sure whether you said it will be around € 20 million this year or that this is a mid-term target. So, could you confirm?

Lastly, every underlying business unit performs very well. You have a very strong capital position. What is keeping you awake right now? I mean that on a business level. Could you give us some guidance on what is your biggest worry, if that is the right term?

Mr. **Baeten**: Your first question on if and when NLFI would decide not to do the sell-down this year is difficult to answer. It depends on how some see developments and market developments. It is our clear intention to support the final sell-down of the government. We do not know when it will take place. That is up to the minister of Finance. Even when it would not take place this year, we are not considering to buy back shares in the market.

Your second question was on the guidance on the banking profit. We have explicitly mentioned that banking and asset management is moving towards the € 20 million, but that is definitely not the number we will reach this year. We will reach that number probably in the area of distribution. There, the € 20 million will be feasible this year, but we are still investing in the asset management business so that could take up to 2 or maybe 2.5 years.

Bart Horsten – Kempen & Co: Thank you.

[01.25.25]

- **Edina Rozinka – Deutsche Bank**

Good morning. I have a follow-up question regarding the beautiful girls please. I am just wondering about your thoughts regarding the consolidation in the Dutch insurance market in general. I would appreciate it if you could provide some colour, at least whether you see opportunities and what size you would consider.

I see you have about € 750 million room in the Tier 2 and Tier 3 bucket and you could issue senior given your 30% leverage target. Any colour would be appreciated.

Mr. **Baeten**: We have always said in different statement that we are in favour of consolidation of the Dutch market. We have to be honest, the Dutch market is not a fast-growing market. in such a market it is normal that there is consolidation. Our preference has always been small bolt-ons, because we think we can integrate them in a very short time, so the market sees the results of such a consolidation. We also have always commented on a larger consolidation. If and when there are opportunities we always will look at them, but we have also commented that we will do that within our strict financial criteria. A consolidation because of consolidation is not on our mind; it has to make sense in terms of our business and it has to make sense in terms of what we have promised to our shareholders. So, if and when there would be an opportunity we will definitely look at it.

Edina Rozinka – Deutsche Bank: Thank you.

Mr. **Baeten**: I think we forgot one question from Bart. He asked us what business-wise keeps us awake. I will make a few remarks on that. Our ongoing business definitely does not keep us awake. A few things are at least on our minds. Still the interest rate environment and market movements keep us awake, because we cannot influence them. They definitely will influence our business. Secondly, we see a change in customer behaviour over time in the way how customers buy insurance. We are on that. We have invested in all kinds of new developments in IT, but we do not have a glass bowl where we can see the market is going to. That is definitely one of the things that is on the table. Lastly, a.s.r. is doing well and everybody within a.s.r. is aware of that.

Keeping everybody sharp to not only deliver this year, but also over time is one of the things that keeps us as the board awake. It is easy to look at the result and come up and say that we do not need to save any cost anymore, because we are doing quite well. So, keeping everybody within a.s.r. sharp on the delivery of the results as we have done until now, is one of the things that is on the board's table at least every week.

So, thanks for attending this call. Thanks for all your questions. if there are any more questions please address them to IR.

To wrap it up again, we are very happy with the strong operating performance we have shown over the first half year, especially because this was driven by the solid performance in all of our business segments. Underwriting and claims handling skills combined with financial discipline drive market-leading and profitable combined ratio and, as said, each product line ahead of target. Life continues to represent an important part of earnings and organic capital generation. Robust solvency, as said, on 194% based on the standard formula and absorbing our re-risking and the share buy-backs, strong balance sheet enables us to pursue profitable growth, organically and inorganically. We still see opportunities there. As said, we are considering an extra share buy-back of € 100 million in the possible final placement of NLFI in the second half of the year.

Having said that, I all wish you a very nice day!

End of call

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Appendix

A. Financial ratios
B. Combined ratio per product line
C. Calculation of operating ROE
D. Operating result per segment
E. SCR movement during 2017
F. Investment portfolio
G. Details fixed-income portfolio
H. Details equities and real estate portfolio
I. Life segment development of book
J. Investment contribution Life segment

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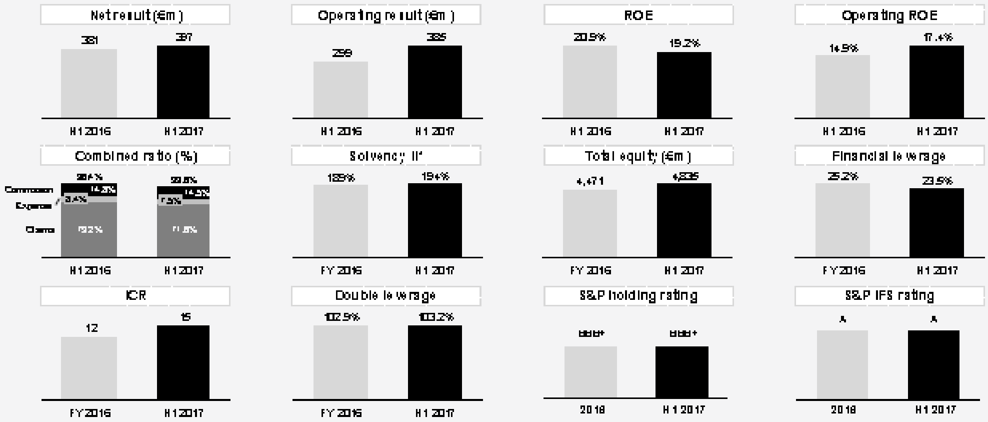
A. Financial ratios



* Calculation based on standard model

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B. Combined ratio per product line

		H1 2016	H1 2017
Segment Non-Life	Claims ratio	73.2%	71.6%
	Expense ratio	8.4%	7.5%
	Commission ratio	14.8%	14.5%
	Combined ratio	96.4%	93.6%
Disability	Claims ratio	72.3%	74.6%
	Expense ratio	8.4%	7.9%
	Commission ratio	9.5%	9.4%
	Combined ratio	90.2%	91.9%
Health	Claims ratio	92.6%	92.3%
	Expense ratio	4.4%	3.9%
	Commission ratio	1.2%	0.9%
	Combined ratio	98.2%	97.1%
Property & Casualty *	Claims ratio	62.3%	56.6%
	Expense ratio	10.7%	9.6%
	Commission ratio	26.5%	26.5%
	Combined ratio	99.5%	92.7%

* Including travel and leisure insurance

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C. Calculation of operating ROE

(€ in million)	H1 2016	H1 2017
Operating result (before tax, annualized)	598	770
Minus: interest on hybrid instruments (1)	45	45
Operating result after hybrid costs (before tax, annualized)	553	725
Tax effect (25% tax rate)	138	181
Operating result after hybrid costs (net of taxes, annualized)	416	544

(€ in million)	FY 2015	H1 2016	FY 2016	H1 2017
Equity attributable to shareholder	3,574	3,379	3,780	4,144
Minus: Unrealized gains and losses reserve (2)	683	690	726	912
Minus: IFRS Equity Real estate developments and SOS (3)	8	24	25	29
Adjusted IFRS equity	2,883	2,665	3,029	3,203
Average adjusted IFRS equity		2,774		3,116
Operating ROE		14.8%		17.4%

[1] Interest on hybrid instruments is deducted to show the return to equity shareholders after hybrid costs.
[2] Unrealized revaluation reserves are excluded as the operating results adjusts all capital gains and losses
[3] Real estate development and SOS's equity are excluded from calculation as they are also excluded from the operating result due to their 'run-off' classification

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D. Operating result per segment

	IFRS profit before tax	Investment related	Incidentals	Operating result	IFRS profit before tax	Investment related	Incidentals	Operating result
	H1 2016				H1 2017			
Segment Non-life	86	19	5	62	129	23	-	106
Segment Life	330	53	3	274	412	85	13	314
Segment Banking and Asset Management	4	4	-	-	7	3	-1	5
Segment Distribution and Services	9	-	-	9	10	-	-	10
Segment Holding and Other / Eliminations	57	-	103	-45	-47	-2	5	-50
Segment Real Estate Development	4	-	4	-	4	-	4	-
Total	490	76	115	299	515	109	21	385

Operating result: profit before tax adjusted for

(i) investment related income: 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;

(ii) incidentals insurance segments: incidental items relating to changes in methods, changes in accounting policies, effects of changes in accounting methods not related to insurance portfolios and revaluation of insurance liabilities;

(iii) incidentals non – insurance segments: incidental items relating to changes in methods, changes in accounting policies and effects of changes in accounting methods not related to the underlying performance of the non – insurance segments; and

(iv) other incidentals: incidental items not related to the core-business or on-going business.

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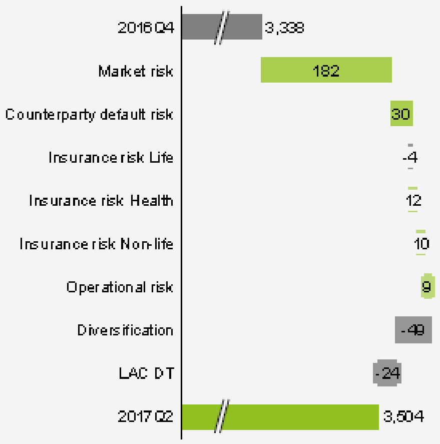
E. SCR movement during 2017



H1 SCR declines in:	H1 SCR increases in:
Market risk: - Currency risk	Market risk: - Equity risk - Interest rate risk - Counterparty risk
Insurance Risk Life: - Longevity risk	Insurance Risk Life: - Costs risk
	Insurance Risk Health: - HSLT risk and HNSLT risk
	Insurance Risk Non-Life: - Premium reserve risk
- Diversification	- Operational risk
- LAC DT	

Delta required capital H1: €157m

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F. Investment portfolio

Assets (€billion, fair value) *	FY 2016	H1 2017
Fixed income	26.0	23.9
Equities	2.2	2.4
Real estate	3.2	3.2
Mortgages / other loans	7.2	7.8
Other **	0.1	0.1
Total investments	38.7	37.4
Investments on behalf of policyholders	7.7	7.7
Other assets ***	10.5	10.7
Total balance sheet a.s.r.	[illegible]	55.8

This presentation is on an investment portfolio basis and distinguishes different investment categories from an asset management perspective. Therefore this presentation differs from the financial statement presentation based on IFRS
* Rounding differences appear
** 'Other' mainly represents equity associates
*** 'Other assets' mainly represents Loans and receivables (mainly due from credit institutions), cash and cash equivalents

- Re-risked the investment portfolio: from government bonds to credits, equity, mortgages and real estate to optimize return on solvency capital
- Real estate: Sell of six offices of the acquired real estate portfolio and additional investments in real estate. Net no impact on the assets on the balance sheet
- Vacancy rates decreased due to redevelopments and new contracts Retail and sale of non-core office locations
- Further increased mortgage exposure. High quality mortgage portfolio further improved credit performance with improved arrears positions and incurred foreclosure losses < 1 bp.
- Further reduced swap spread exposure in Solvency II regime by exchanging long dated core governments bonds to combination of short duration instruments and receiver swaps
- Decrease of portfolio value due to increased interest rates

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G. Details fixed-income portfolio

Key highlights

- The core of the portfolio consist of AAA government bonds, with selective peripheral sovereign exposure. 2017 H1 saw a general decrease in exposure to the asset class as a whole, but an increase in US Treasuries (currency exposure hedged)
- The decrease in value of the investment portfolio is mainly the result of an decrease of the fixed income portfolio and interest rate derivatives, due to increasing interest rates
- Exposure structured instruments decreased mainly due to decreased exposure in CDO's
- In line with the investment plans formed for 2017, exposure to government bonds was reduced in favor of an increase in:
  - credits, gradual buildup during 2017
  - equity exposure, completed in 2017 H1
  - real estate, largely completed with the purchase of Basisfonds Stationslocaties C.V.
  - mortgages, increase particularly in more attractive yielding LTFV buckets
- The swap spread exposure was further reduced
- High quality mortgage portfolio with credit losses < 1 bp

Fixed income (€m)	FY 2016	H1 2017	Delta
Government	13,032	11,313	-13%
Financials	4,792	5,030	5%
Structured	205	188	-8%
Corporate	5,472	5,628	3%
Derivatives	2,490	1,744	-30%
Total	26,881	23,808	-8%

Mortgages (€m, book value)*	FY 2016	H1 2017	Delta
LTFV < 75%	1,961	1,817	-7%
LTFV < 100%	753	840	12%
LTFV < 125%	925	1,144	25%
LTFV > 125%	96	112	16%
NHG	3,869	3,916	1%
Total	7,202	7,828	9%

* Loan to Foreclosure Value at originated value, no index applied

Governments (€m)	FY 2016	H1 2017	Delta
Germany	4,150	3,253	-21%
Netherlands	3,672	3,107	-15%
Belgium	1,391	1,137	-18%
France	1,233	1,136	-8%
GIIPS	1,061	998	-6%
Austria	693	658	-5%
Other	499	490	-2%
Supranationals	288	282	-2%
United States	45	240	437%
Total	13,032	11,313	-13%

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H. Details equities portfolio and real estate portfolio

Key highlights

Equities
- Re-risking in the first quarter of 2017 by an increase of the equity exposure, partially reversed after June because of lowered perceived attractiveness
- Continuation of the active hedging policy for the illiquid part of the portfolio

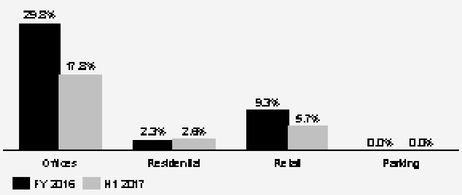
Real estate
- The vacancy rate of Retail decreases due to redevelopments and new contracts with Hudson's Bay
- The decrease in the vacancy rate of Offices is mainly due to the sale non-core office locations
- The net yield after vacancy in H1 2017 is 4.4%

Real estate (€m)	FY 2016	H1 2017	Delta
Offices	202	131	-35%
Retail	64	58	-9%
Rural	1,248	1,303	4%
Parking & other	41	46	12%
Total real estate (excl funds & own use)	1,664	1,638	-1%
ASR Dutch Prime Retail Fund	524	527	2%
ASR Dutch Core Residential Fund	754	800	7%
ASR Dutch Mobility Office Fund	195	196	1%
Other Funds	54	71	31%
Total real estate (excl. own use)	3,041	3,092	2%
Offices own use	146	143	-1%
Total real estate	3,186	3,236	2%

Equities (€m)	FY 2016	H1 2017	Delta
Equities	1,793	2,113	18%
Private equities	82	71	-13%
Hedge funds	0	0	-42%
Other funds	289	232	-20%
Derivatives	16	11	-32%
Total	2,180	2,427	11%

* As of 2017 H1 a.s.r. managed Real estate funds are classified in the Real estate table instead of under 'Other funds' equity.

Real estate vacancy rates**



* New contract with Hudson's Bay reduces Retail vacancy to 4.1%, to be fully effected in 2018
** Excluding Other Funds and Offices own use

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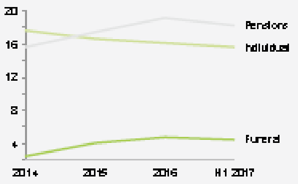
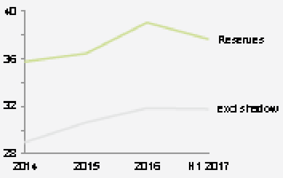
I. Life segment development of book

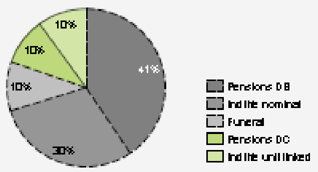
Life reserves development (in €bln)



Life reserves (in €bln)



Reserves - H1 17 (€ 38 billion)



- Individual Life book has decreased by -€ 2 billion since 2014. Pension book has increased more than € 2 billion since 2014 due to buy-outs and regular interest accrual on liabilities (mostly DB-book). Funeral book is stable and slightly increased, supported by acquisitions of AXENT and NIVO.
- Corrected for shadow accounting (interest rate movements) the life book still increased the last three years.
- Life reserves amounted to € 38 billion as per H1 2017. The pension book represents the largest part of the IFRS reserves.

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J. Investment contribution Life segment

€ mln	H1 2015	H2 2015	H1 2016	H2 2016	H1 2017
Direct investment income*	530	473	505	511	521
Amortization realized gains reserve	61	99	119	150	161
Total investment contribution	591	572	624	661	682
Required interest on liabilities**	-431	-398	-423	-421	-423
Investment margin	160	174	201	240	259
Shadow accounting reserve (Life)	2,585	2,590	5,842	3,709	2,507
Realized gains reserve (Life)	3,028	3,185	3,217	3,482	3,437

- Despite the declining interest rate, direct investment income was up in 2016 and in H1 2017.
- The regular decrease in direct investment income was offset by inflow in the investment portfolio due to the acquired businesses.
- Furthermore during 2016 additional yield was picked up due to the expansion of the swap portfolio (part of the swap-spread hedging program) and additional market risk (mortgages, equity, credits)
- The amortization from the realized gains reserve (shadow accounting) shows a year-on-year increase, offsetting the regular decrease in direct investment income

* This line item differs from "investment income" in the Annual Report due to (i) interest expenses on derivatives and (ii) savings mortgages (offset through technical provisions)
** Including other components such as profit sharing

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