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

Strong performance in 2018, all medium-term targets achieved

Jos Baeten, CEO
Chris Figee, CFO

Analyst conference call
20 February 2019

Strong performance in 2018, all medium-term targets achieved

- ❑ Record operating result in 2018 and consistently strong delivery against ambitious targets
- ❑ Impact January storm more than offset by strong performance in all other segments
- ❑ Combined ratio 96.5%, ahead of target <97%
- ❑ Life segment operating result benefited from contribution from acquired Generali Nederland
- ❑ Solid increase in dividend per share driven by higher pay-out ratio reflects confidence of management in 2019 outlook
- ❑ Solvency II ratio (SF) remained robust at 197% (after dividend) absorbing full impact on LAC DT of lowering of taxes and impact of the Generali Nederland acquisition

Operating result	Solvency II (SF)*	Dividend per share
€ 742m	197%	€ 1.74
+2.0%	**+1% pts**	**+6.7%**
(FY 2017: € 728m**)	(FY 2017: 196%)	(FY 2017: € 1.63)

Operating ROE	Financial leverage	Operating expenses
14.2%	26.7%	€ 601m
up to **12%** target	**max. 30%**	**+5.4%** (excl. GNL -3.0%)
(FY 2017: 16.0%**)	(FY 2017: 25.3%)	(FY 2017: € 571m)

IFRS net result	Organic capital creation	Combined ratio
€ 655 m	€ 372m	96.5%
-27.7%	**10%** on SCR	Target <**97%**
(FY 2017: € 906m)	(FY 2017: € 377m)	(FY 2017: 95.1%)

* After proposed dividend, excluding a.s.r. bank and a.s.r. vermogensbeheer
** Restated for the exclusion of a.s.r. bank

Solid progress in executing our strategy in 2018

Portfolio matrix

A — Non-life business domains with growth potential

- Exclusive cooperation with Discovery, offering our customers the benefit of the Vitality health programme, supporting a healthy life and enhancing prevention of illnesses
- Acquisition of Loyalis to further strengthen market position*. Combination of Loyalis and Vitality partnership augments client proposition in business domain of sustainable employability
- Strong Non-life organic GWP growth of 4.7%

B — Robust and predictable service books

- Successful migration of 73,000 policies in October. Generali Nederland Individual Life books next in line for migration in 2019
- Integration of PC Hooft Funeral book completed in October. Migration of 353,000 funeral policies of Generali Nederland completed in H1

C — Asset management related growth business

- Strong growth of mortgage fund driven by 3rd party mandates, inflow of € 1.3bn and (committed) external AuM exceeding € 2.3bn
- Real estate realised a third party inflow of € 300m and added high quality assets towards the portfolio of a.s.r.
- Strong growth of new DC pension sales. Premium growth of 65% in DC solution and DC AuM increased to € 674m

D — Divestments

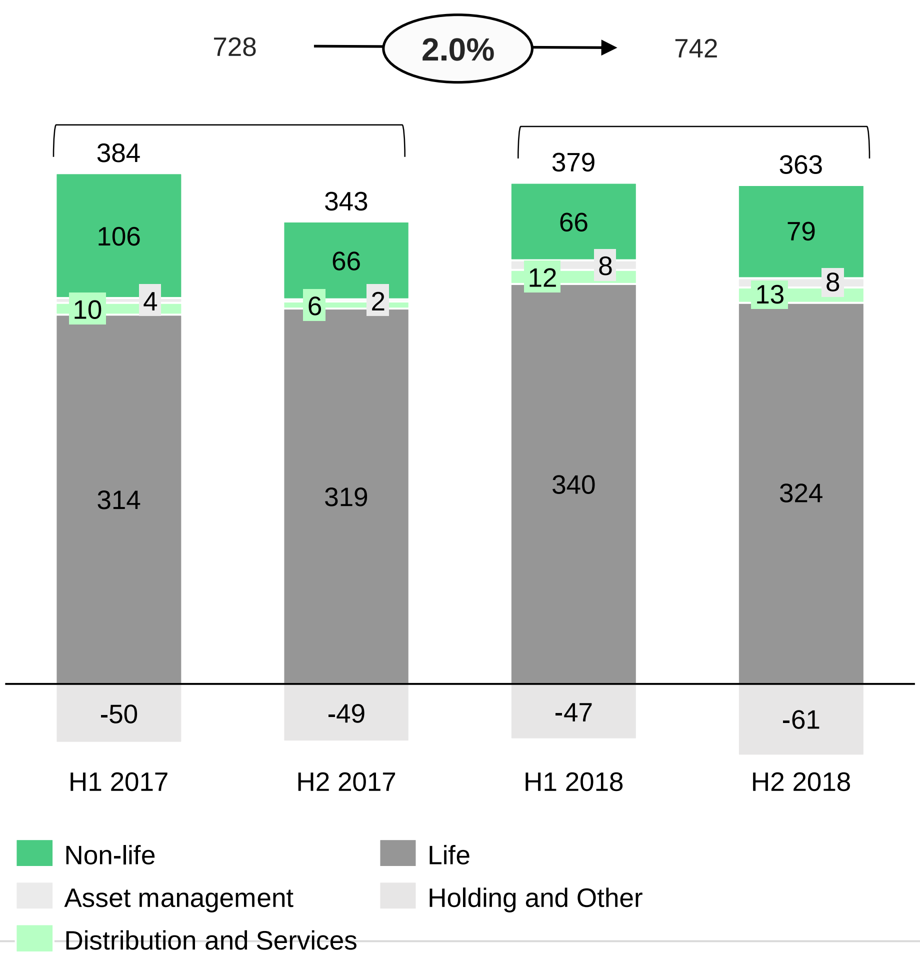
- Bank has been classified non-core.

* Subject to DNO

Development of sustainable employability platform in Disability

Record operating performance in 2018

Operating result (in €m)



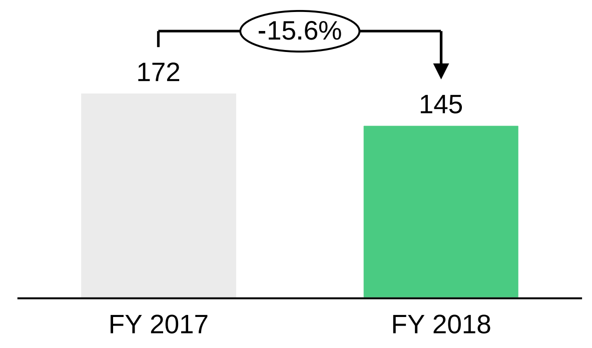
- Strong performance in 2018:
  - Increased result of
    - Life (up € 31m),
    - Asset management (up € 11m) and
    - Distribution & Services (up € 8m)
  - Offsetting lower result of
    - Non-life (€ -27m, reflecting the impact of the January storm) and
    - Holding result (€ -9m)

- Operating result FY18 up 2.0% to € 742m. Strong operating result of € 363m in H2 2018, up 5.6% compared to H2 2017

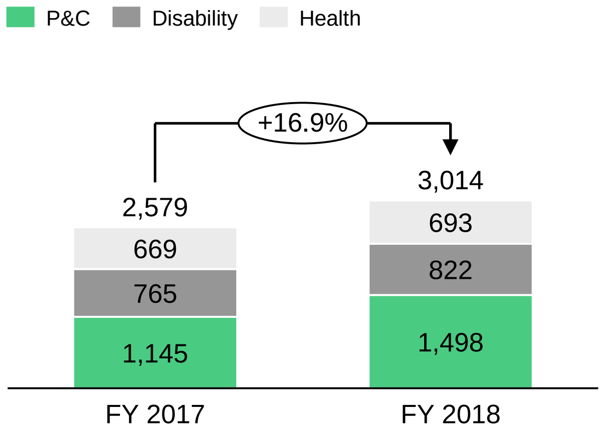
- IFRS result € 904m, both on HY and FY basis above operating result

Non-life: increase in GWP driven by GNL and solid organic growth

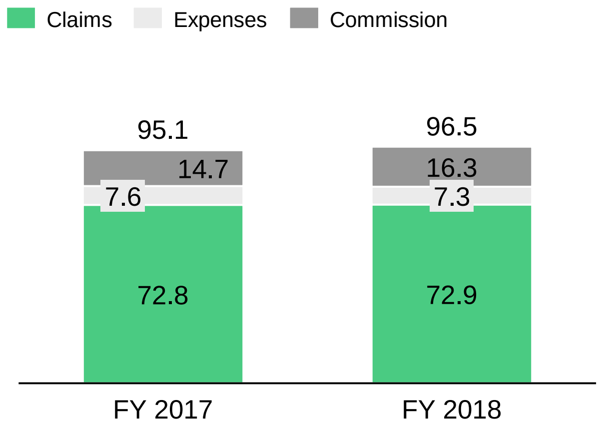
Operating result (in €m)



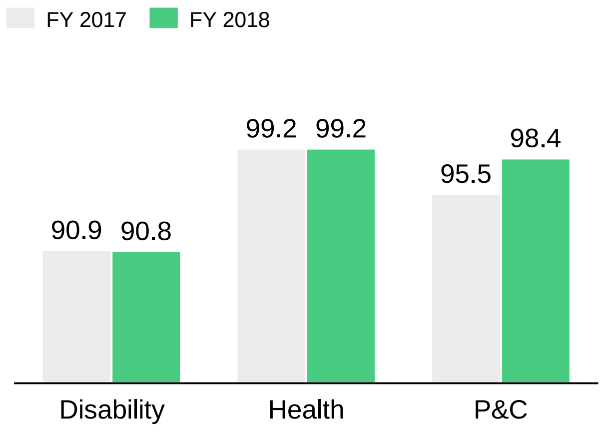
Gross written premiums (in €m)



Combined ratio (in %)

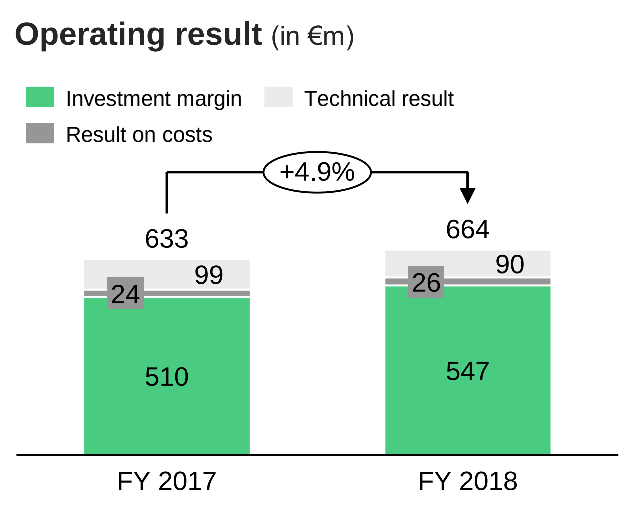


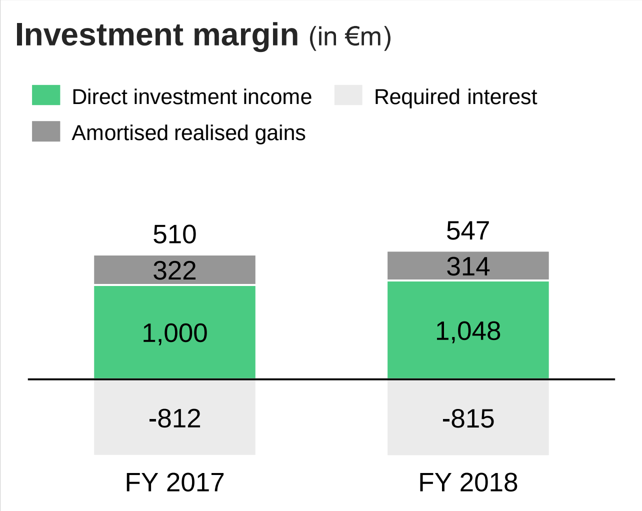
Combined ratio by product line (in %)

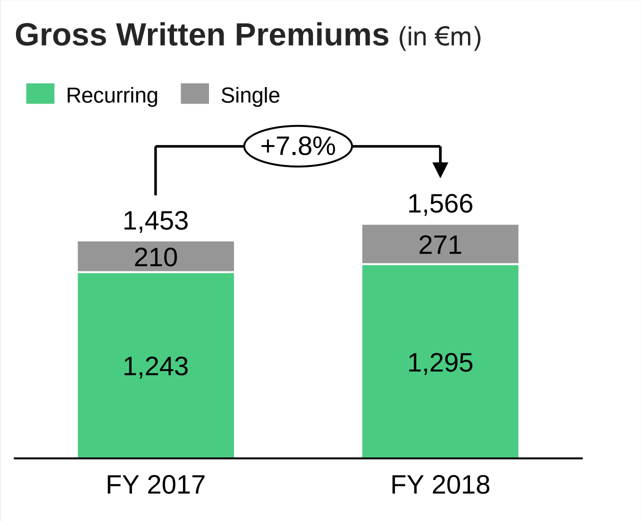


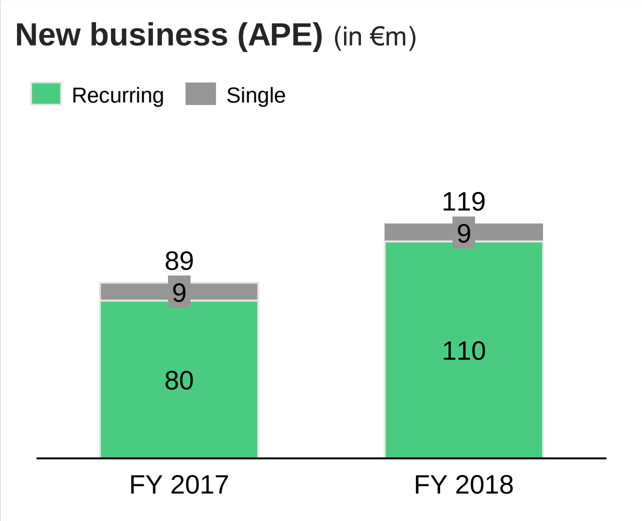
- Non-life operating result decreased to € 145m, reflecting the impact of the January storm (€ 30 m) and higher level of larger claims in 2018
- Strong increase of GWP mainly driven by the acquisition of Generali Nederland (€ 314 m) and solid organic growth within all business lines (4.7%)
- Overall combined ratio of 96.5% ahead of target of <97% despite January storm (+1% point)
- P&C combined ratio increased due to higher number of large claims in H2 and the January storm impact in H1. Underlying combined ratio of P&C at 96.1%
- Combined ratio of Disability remained strong at 90.8%
- Combined ratio of Disability and P&C combined was 95.7%

Life: strong increase in investment margin driven by GNL





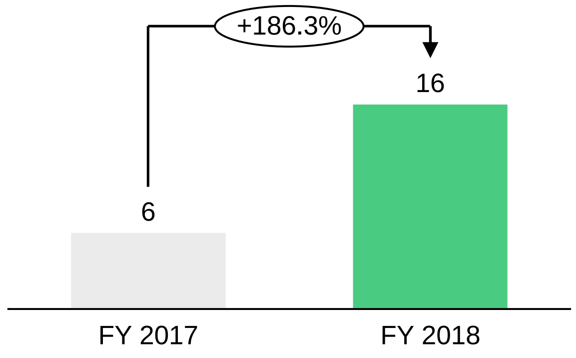




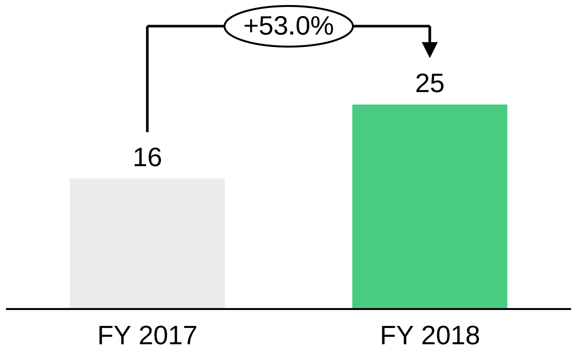
- ❑ Operating result of Life segment increased by 4.9% to € 664m mainly driven by the inclusion of Generali Nederland (€ 40m, of which € 30m sustainable)
- ❑ Direct investment income increased, slight decline in the amortisation of realised gains reserve
- ❑ The result on costs increased by € 2m. The decrease in cost coverage in Individual Life was more than offset by cost reduction initiatives and the additional cost coverage due to the inclusion of Generali Nederland
- ❑ GWP increased driven by new sales in DC Pensions and the inclusion of Generali Nederland (+€ 95m)
- ❑ New sales in DC increased with € 85m, establishing a.s.r. firmly in top 3 of new DC business.
- ❑ AuM for DC pensions increased to € 674m (FY17: € 481m)

Operating result other business segments accelerated

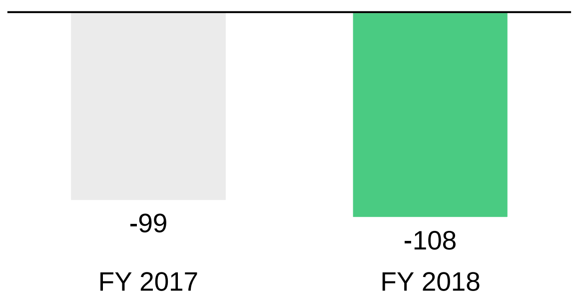
Operating result Asset Management (in €m)



Operating result Distribution and Services (in €m)



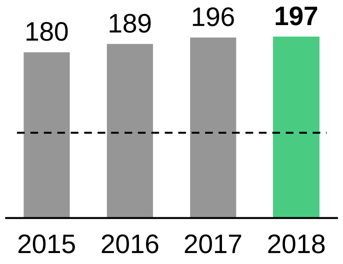
Operating result Holding and Other (in €m)



- Fee-based business delivered € 42m of operating result, appr. 1% SII accrual
- Operating result of Asset Management increased to € 16m driven by an increase in fee income from higher asset base and more external mandates.
- Third-party assets increased to € 16.0bn (FY17: 14.3bn) mainly in the mortgage fund. The mortgage fund had over € 2.3bn of (committed) AuM in FY18. The ESG fund increased by approx. € 300m
- Third-party assets within Real Estate increased due to increased demand from external investors, additions of high-quality assets and positive revaluations
- Distribution & Services increased due to strong performance of Dutch ID and inclusion of the (small) distribution companies of Generali Nederland
- Operating result of Holding and Other was impacted by one-offs in H2 and decreased to € -108m

Consistent performance – delivering on ambitious 2016 - 2018 targets

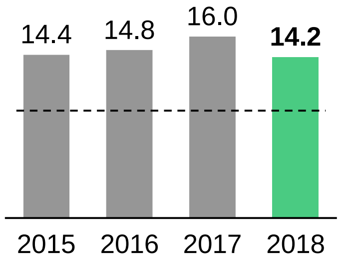
Solvency II
(Standard formula, %)



> 160%
medium-term target

197%

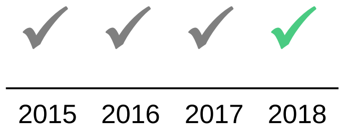
Operating return on equity
(%)



Up to 12%
medium-term target

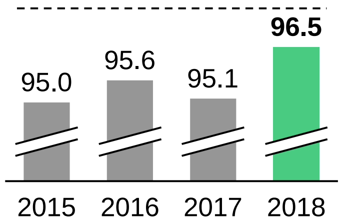
14.2%

S&P Rating



Single
A

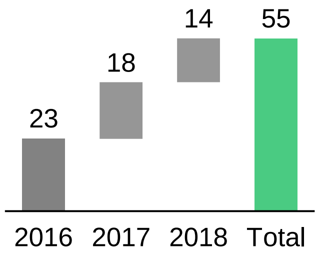
Combined ratio
(%)



< 97%
medium-term target

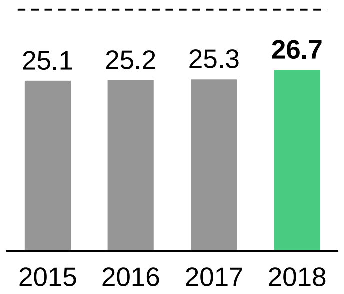
96.5%

Operating expense reduction
(€ million)



€ 50 million
medium-term target

Financial leverage
(%)



<30%
medium-term target

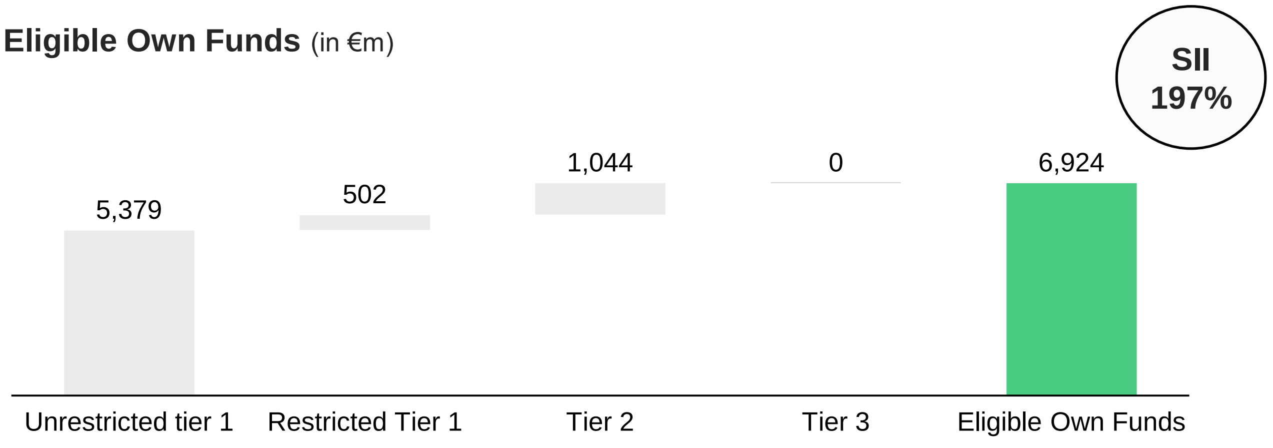
26.7%

Solvency and capital position

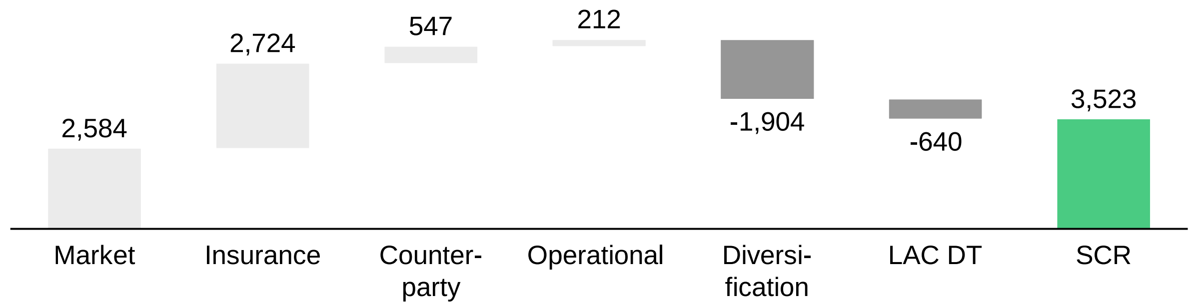
Chris Figee, Chief Financial Officer

Solvency II: quality of balance sheet

Eligible Own Funds (in €m)



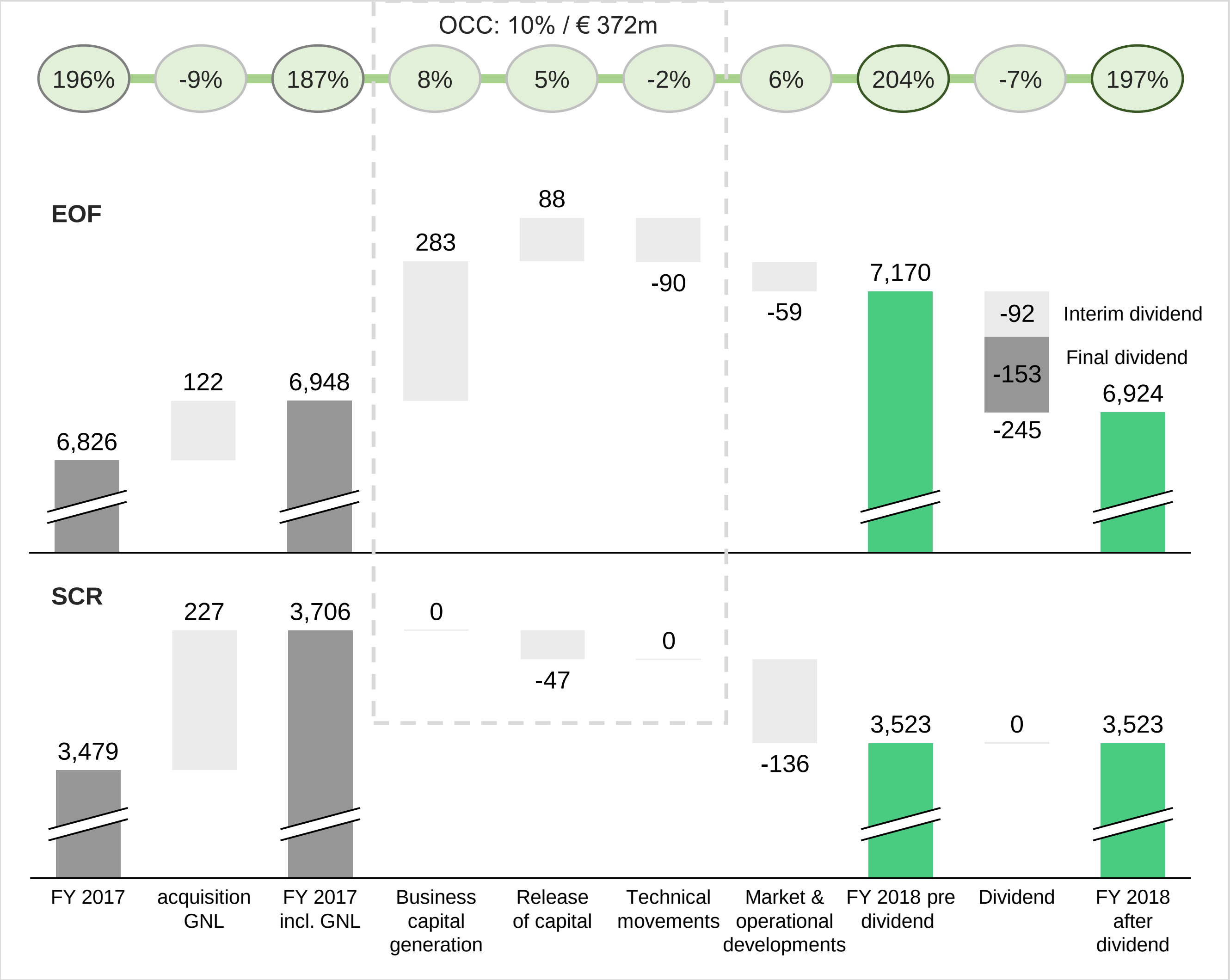
Required Capital (in €m)



- Solvency II ratio 197% based on standard formula*
- Unrestricted Tier 1 capital: 78% of total own funds and 153% of SCR
- Ample headroom available within SII framework:
  - RT1: € 843m
  - T2 & T3: € 718m
- No use of Tier 3 capacity
- Market risk at 43% well under the soft limit of 50% of required capital (pre-diversification and LAC DT)
- Substantiation of LAC DT supports an increase to an average of 78%.
- LAC DT decreased as a result of inclusion of full impact from announced future tax rate reduction
- Tax reduction will have a positive effect on net earnings, dividend and OCC in the future

* Excluding a.s.r. bank and a.s.r. vermogensbeheer

Solvency II ratio movements in 2018

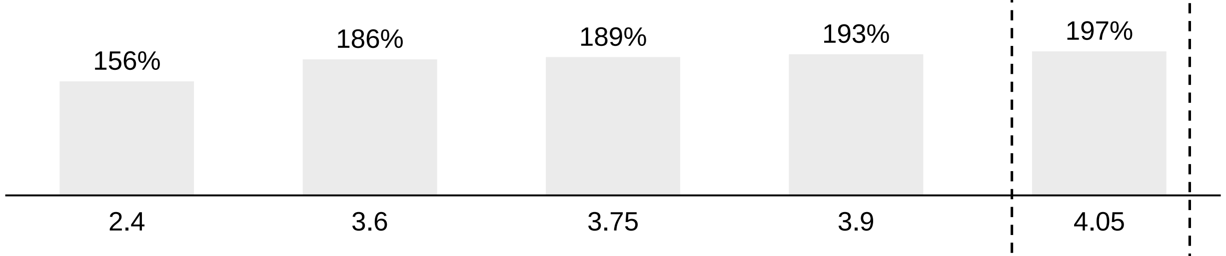


- Strong organic capital creation of 10% pts SII (€ 372m)
- Impact of the acquisition of Generali Nederland represents the adjustment after legal merger and includes among other things the acquisition price and capital synergies (-9% points)
- Solvency II-ratio up, to 204% pre dividend and 197% after proposed dividend

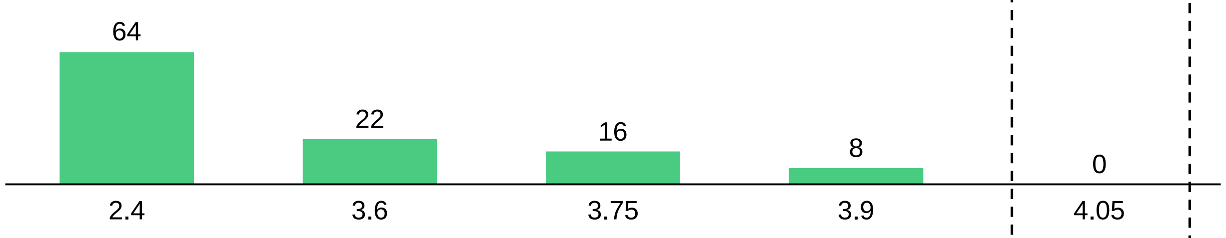
* Excluding a.s.r. bank and a.s.r. vermogensbeheer

Sensitivity of SII ratio to UFR

Stock of SII (in %)



Additional annual OCC (“flow”) (in €m)



Eligible Own Funds (in €m)

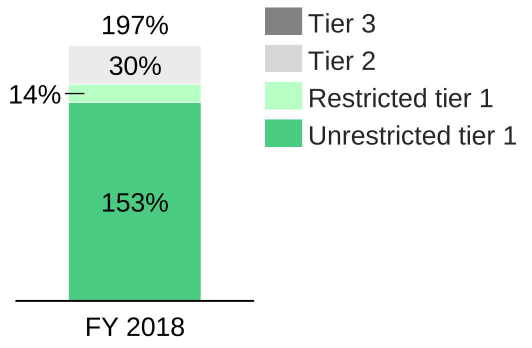
5,646	6,602	6,712	6,818	6,924
2.4	3.6	3.75	3.9	4.05

- Economically, a UFR that is in line with long-term investment returns would be an optimal way to measure capital stock (compare to >100% threshold)
- a.s.r. currently applies an economic UFR of 2.4%
- EIOPA aims to lower the UFR towards the current target of 3.6% in steps of max. 15 bps per annum
- Lowering UFR would lead to lower ‘stock’ of capital but would increase organic capital creation because of reduced UFR unwind
- Solvency II ratio at UFR 2.4% amounted to 156% as at FY 2018

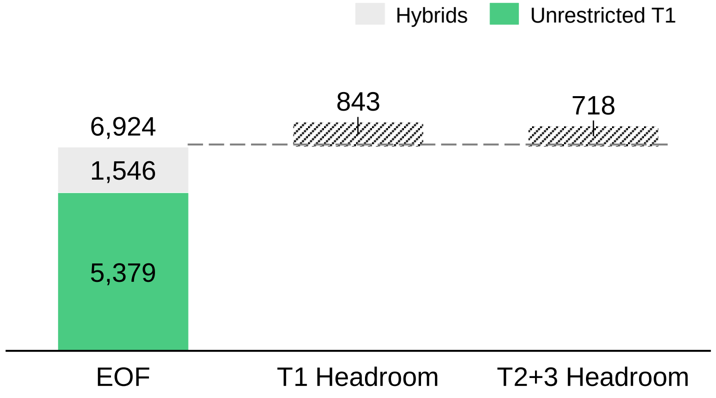
* Excluding a.s.r. bank and a.s.r. vermogensbeheer

Strong balance sheet with ample financial flexibility

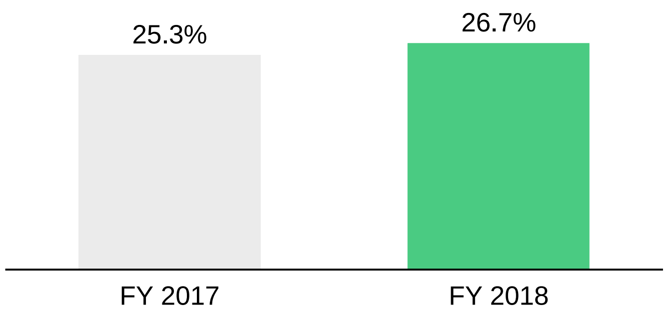
Solvency II composition (in % pts)



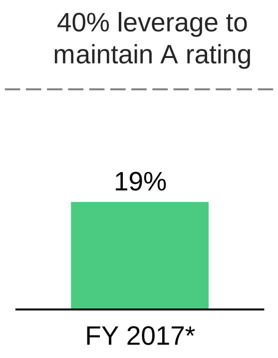
Financial flexibility (in €m)



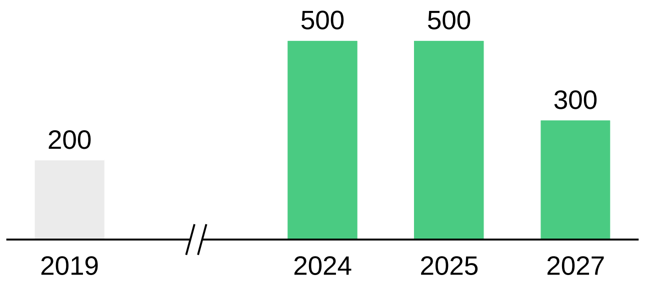
Financial leverage (in %)



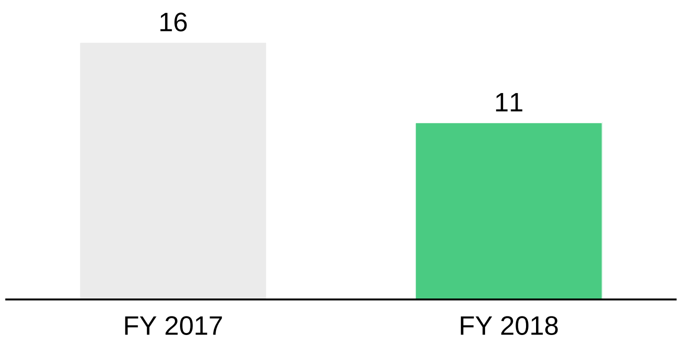
S&P leverage (in %)



Debt maturity profile (in €m)



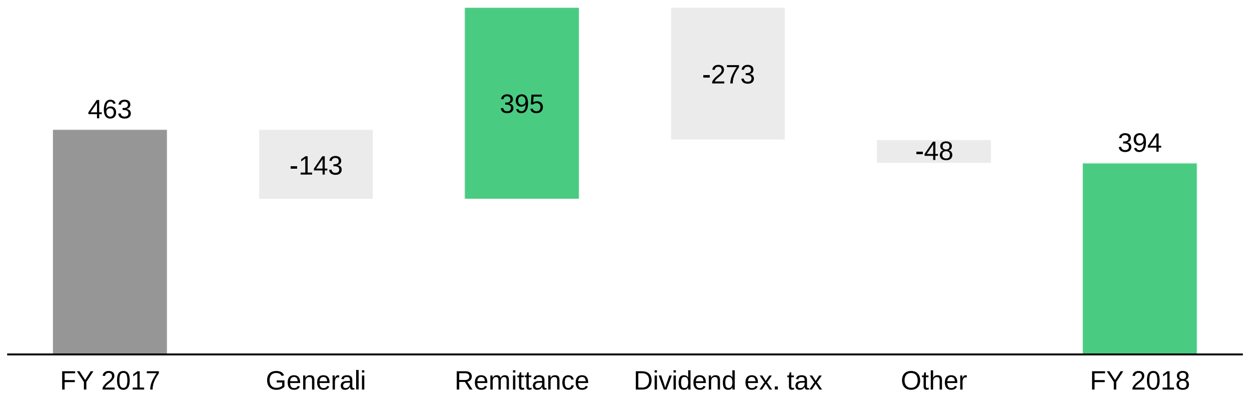
Interest coverage ratio (IFRS, multiple)



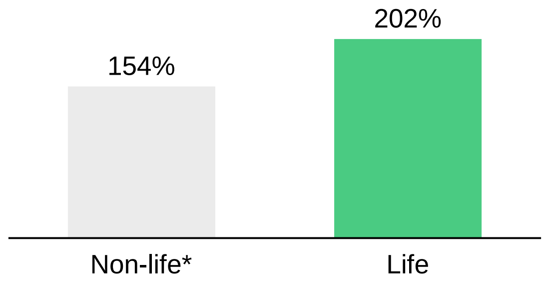
* Last S&P update

Robust Solvency and cash supports our businesses and dividends

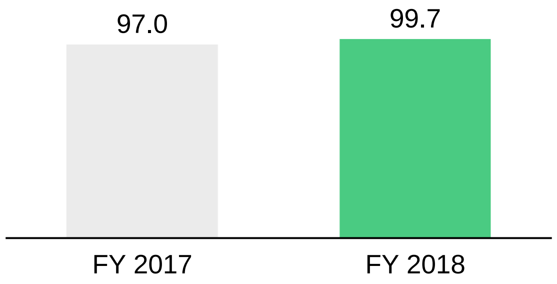
Holding cash (in €m)



Solvency II-ratio entities



Double leverage (in %)



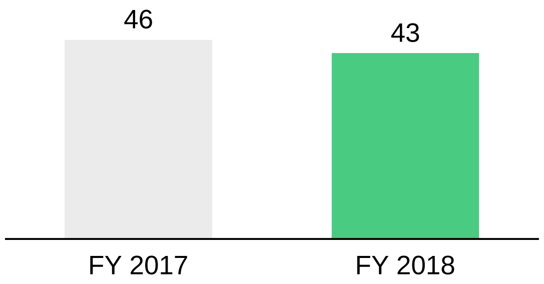
- Holding cash at FY 2018 at € 394m – in line with a.s.r's policy to maintain holding cash to cover dividends, coupons and other holding expenses for the current year.
- Cash was mainly provided by the upstream from the Life entity. Other elements in holding cash movements capture holding costs and an opportunistic usage of (negative interest rate) external financing
- Non-life Solvency II ratio decreased to 154% mainly as a result of higher required capital and the reduction of the LACDT as a result of the lowering of the tax rate
- Life Solvency II-ratio increased due to organic capital creation, widening of VA and reduction of market risk

* Excluding a.s.r. health

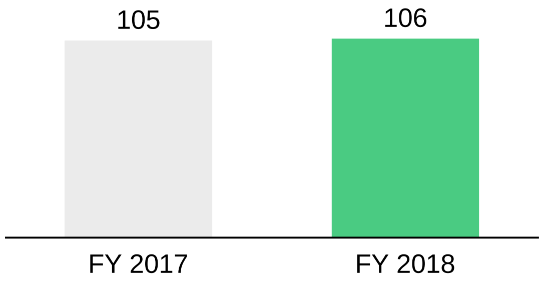
Asset and financial leverage

Asset leverage in perspective

Market risk as % of total SCR*

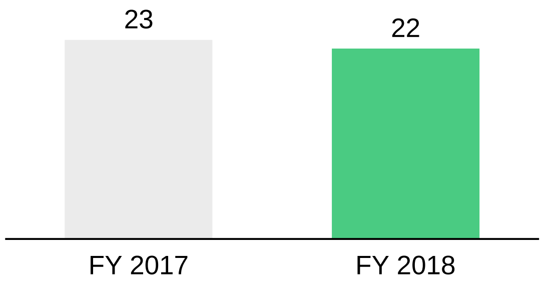


Risky assets as % of Unrestricted Tier 1**

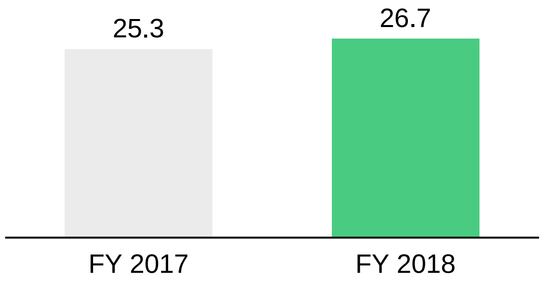


Financial leverage in perspective

(RT1+T2+T3) as % of EOF



Financial leverage

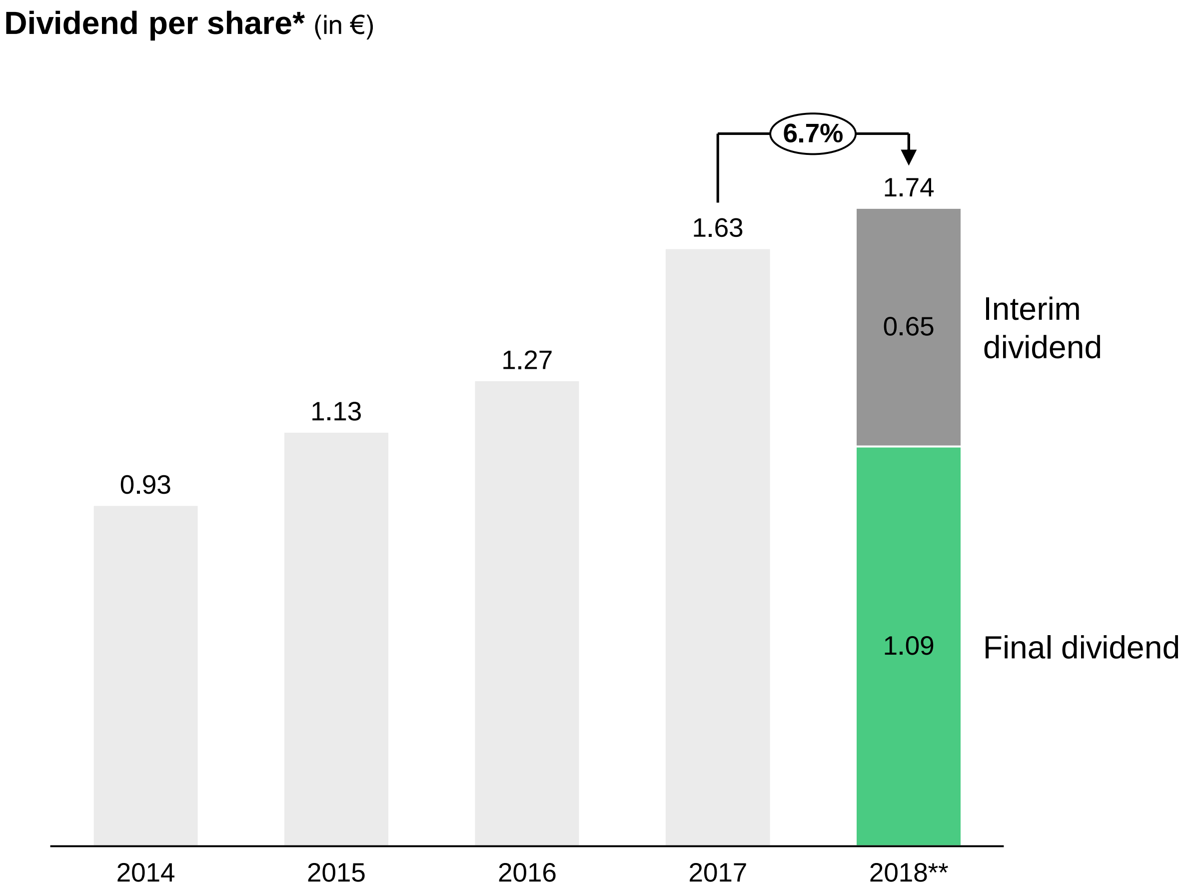


* In % of required capital excl. LACDT and diversification;
** For calculation of risky assets, see appendix M

Wrap-up

Jos Baeten, Chief Executive Officer

Solid increase in dividend reflecting confidence in 2019 outlook



*Number of shares restated for 2014 & 2015 to 150 million shares; number of shares for 2016 is 147 million shares; number of shares for 2017 is 141 million shares. Treasury shares are not eligible for dividend

- Proposed full year dividend amounts to € 1.74 per share, an increase of 6.7%
- Taking into account the interim dividend of € 0.65, a final dividend of € 1.09 per share remains
- The pay-out ratio was raised to 48% of the net operating result (after deduction of the coupons for hybrid instruments), reflecting management's confidence in the outlook for 2019
- The strong ongoing operating performance of the various segments, the disciplined execution of our strategy and our robust capital position make us confident that we can continue to attain the operating results of recent years throughout 2019
- Within the framework of the existing dividend policy, it is management's intention to offer shareholders a stable to slightly growing ordinary dividend
- Capital retained will be deployed for profitable growth and value creating opportunities and returned when considered as excess

Key take-aways

- ❑ Strong performance in 2018, record operating performance in 2018
- ❑ Consistent delivery against ambitious targets since 2016
- ❑ Solid progress in executing our strategy in 2018
- ❑ Strong balance sheet, robust high quality solvency with ample financial flexibility
- ❑ Increase in dividend reflecting confidence in 2019 outlook

Q&A

Jos Baeten, CEO

Chris Figee, CFO

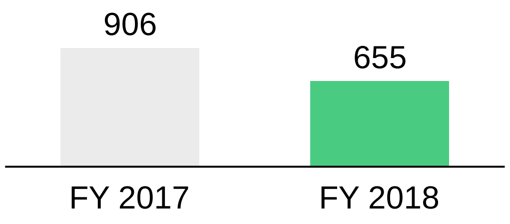
Appendices

Appendices

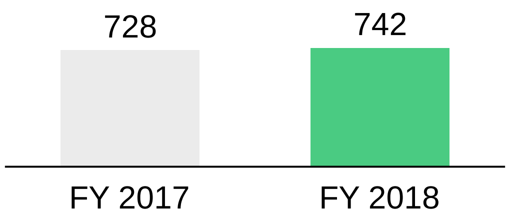
A. Financial ratios
B. Combined ratio per product line
C. Calculation of operating ROE
D. Operating result per segment
E. IFRS equity and SII EOF multi-year development
F. SCR movement in FY 2018
G. Sensitivities Solvency II ratio
H. Investment portfolio
I. Details fixed-income portfolio
J. Fixed-income portfolio government credit rating
K. Fixed-income portfolio corporates and financials credit rating
L. Details of equities portfolio and real estate portfolio
M. Calculation of asset leverage
N. Life segment book development
O. Life segment investment contribution
P. Medium-term group targets (2019 – 2021)
Q. Medium-term business targets (2019 – 2021)
R. Medium-term non-financial objectives (2019 – 2021)

A. Financial ratios*

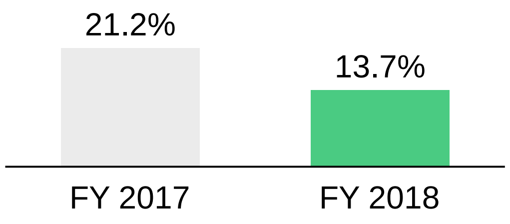
Net IFRS result (€m)



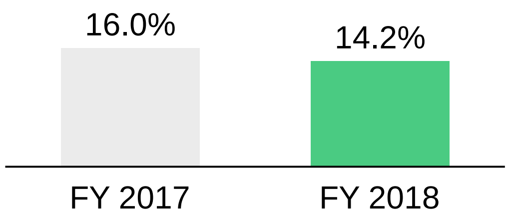
Operating result (€m)



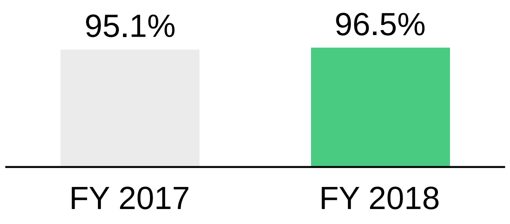
ROE



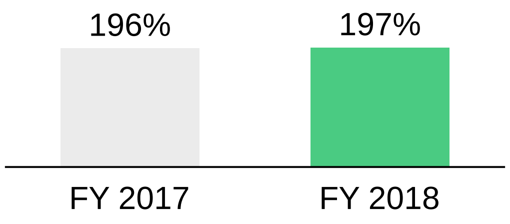
Operating ROE



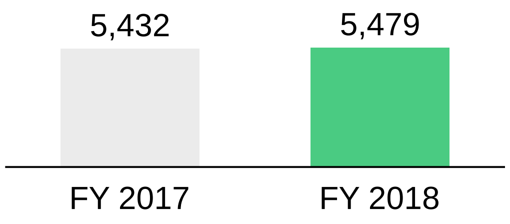
Combined ratio (%)



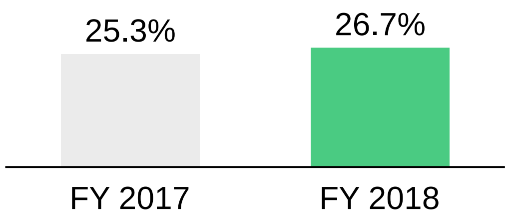
Solvency II**



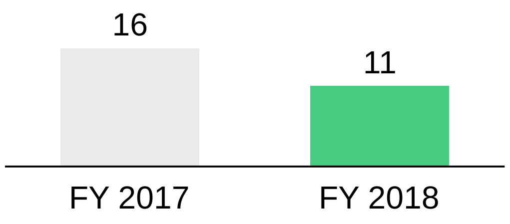
Total equity (€m)



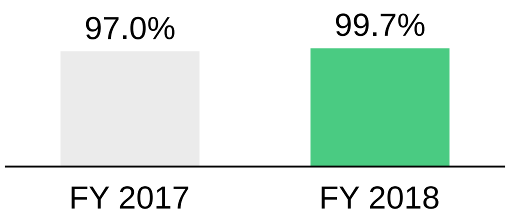
Financial leverage



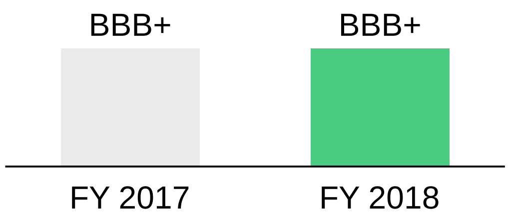
Interest coverage ratio



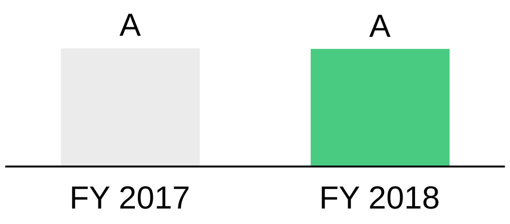
Double leverage



S&P holding rating



S&P IFS rating



* 2017 restated for a.s.r. bank
** Calculation based on standard model, excluding a.s.r. bank and a.s.r. vermogensbeheer

B. Combined ratio per product line

		FY 2017	FY 2018
Non-life Segment	Claims ratio	72.8%	72.9%
	Expense ratio	7.6%	7.3%
	Commission ratio	14.7%	16.3%
	Combined ratio	**95.1%**	**96.5%**
Disability	Claims ratio	72.4%	70.8%
	Expense ratio	7.8%	8.4%
	Commission ratio	10.6%	11.6%
	Combined ratio	**90.9%**	**90.8%**
Health	Claims ratio	94.0%	94.1%
	Expense ratio	4.0%	3.9%
	Commission ratio	1.2%	1.2.%
	Combined ratio	**99.2%**	**99.2%**
Property & Casualty*	Claims ratio	59.6%	63.9%
	Expense ratio	9.7%	8.3%
	Commission ratio	26.2%	26.2%
	Combined ratio	**95.5%**	**98.4%**

* Including travel and leisure insurance

C. Calculation of operating ROE

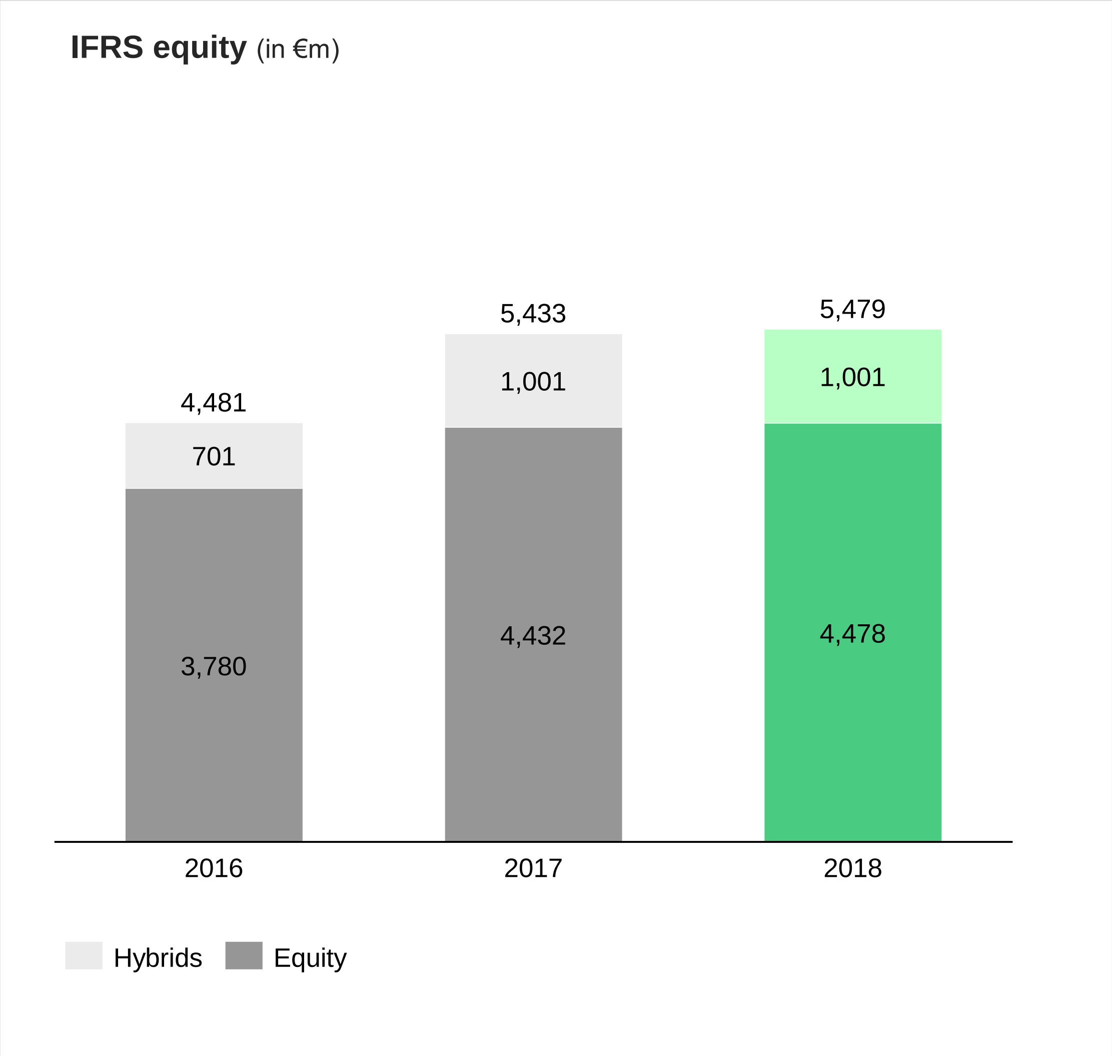
(in €m)		FY 2017	FY 2018
Operating result (before tax, annualised)		728	742
Minus: Interest on hybrid instruments (1)		48	59
Operating result after hybrid costs (before tax, annualised)		680	683
Tax effect (25% tax rate)		170	171
Operating result after hybrid costs (net of taxes)		**510**	**512**
(in €m)	**FY 2016**	**FY 2017**	**FY 2018**
Equity attributable to shareholders	3,780	4,432	4,478
Minus: Unrealised gains and losses reserve (2)	726	869	586
Minus: IFRS equity discontinued (3)	103	127	115
Adjusted IFRS equity	2,951	3,436	3,777
Average adjusted IFRS equity		**3,194**	**3,606**
Operating ROE		**16.0%**	**14.2%**

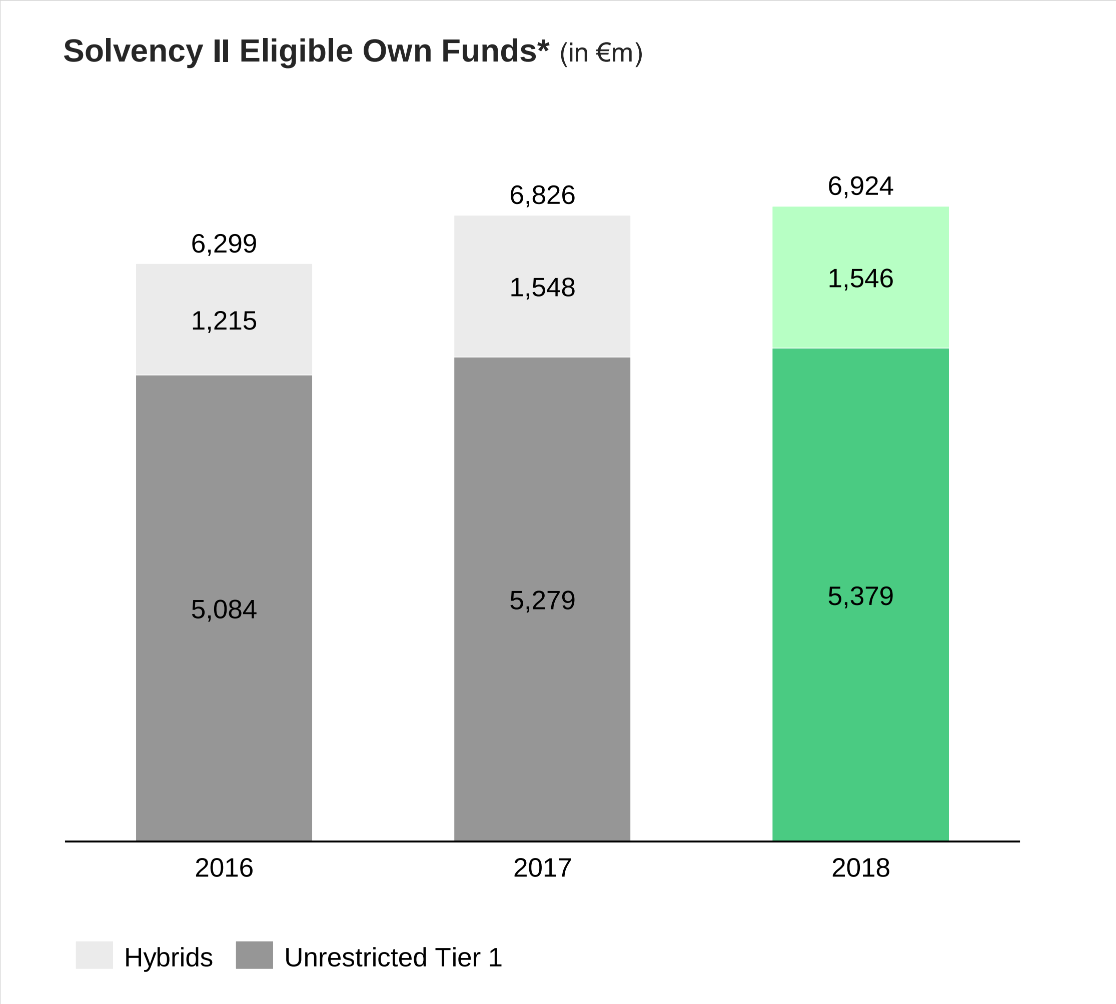
1 Interest on hybrid instruments is deducted to show the return to equity shareholders after hybrid costs
2 Unrealised revaluation reserves are excluded as the operating result adjusts all capital gains and losses
3 Discontinued equity (Real Estate Development and Bank) is excluded from the calculation as it is also excluded from the operating result due to its ‘non on-going’ classification

D. Operating result per segment

	IFRS profit before tax	Investment related	Incidentals	Operating result	IFRS profit before tax	Investment related	Incidentals	Operating result
	FY 2017				FY 2018			
Non-life	241	70	-	172	159	16	-2	145
Life	931	271	27	633	805	144	-2	664
Asset Management	4	-	-2	6	15	0	-1	16
Distribution and Services	16	-	-	16	26	0	1	25
Holding and Other / Eliminations	-84	-2	17	-99	-127	3	-22	-108
Real Estate Development	17	-	17	-	26	0	26	0
Total	**1,126**	**338**	**60**	**728**	**904**	**163**	**-1**	**742**

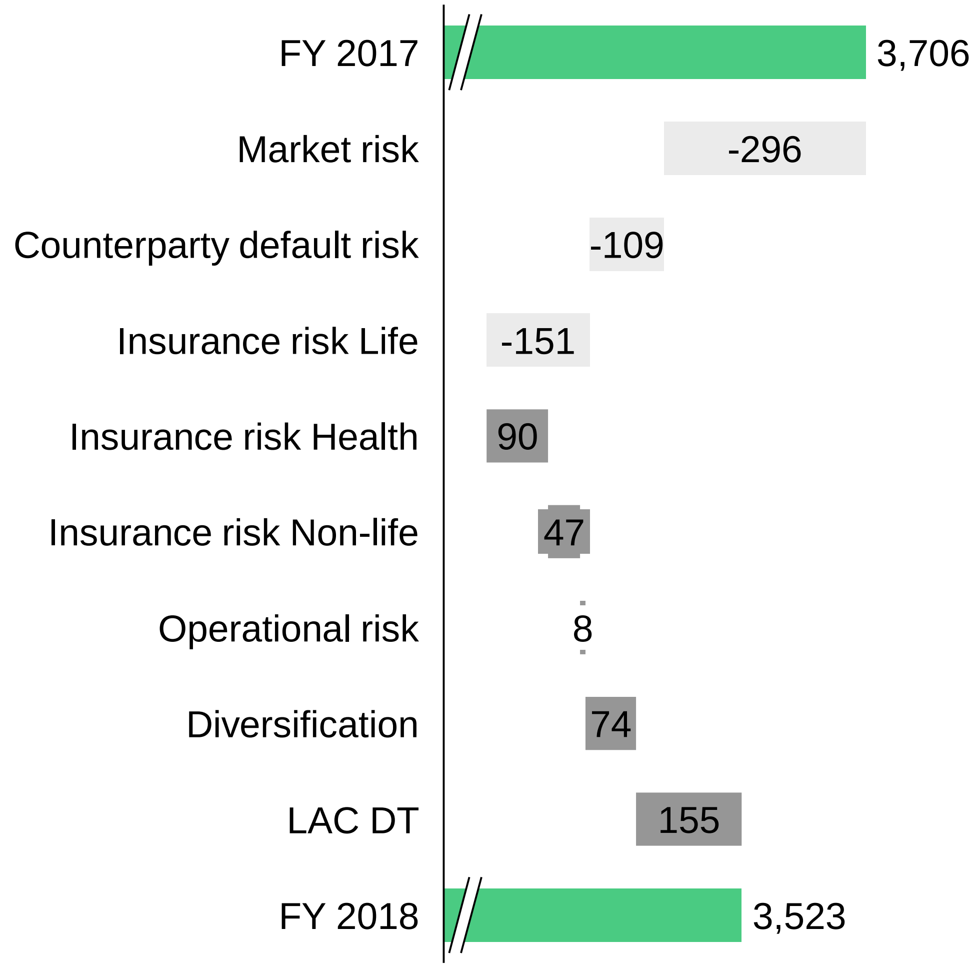
E. IFRS equity and SII EOF multi-year development





* After deduction of proposed (interim) dividend payments and excluding a.s.r. bank

F. SCR movement in FY 2018*



FY SCR decreases in

Market risk:

- Interest rate risk
- Equity risk
- Currency risk

Insurance risk Life:

- Longevity & mortality risk
- Expense risk
- Lapse risk

Counterparty default risk

FY SCR increases in

Market risk:

- Real estate risk

Insurance risk Health:

- HSLT risk and HNSLT risk

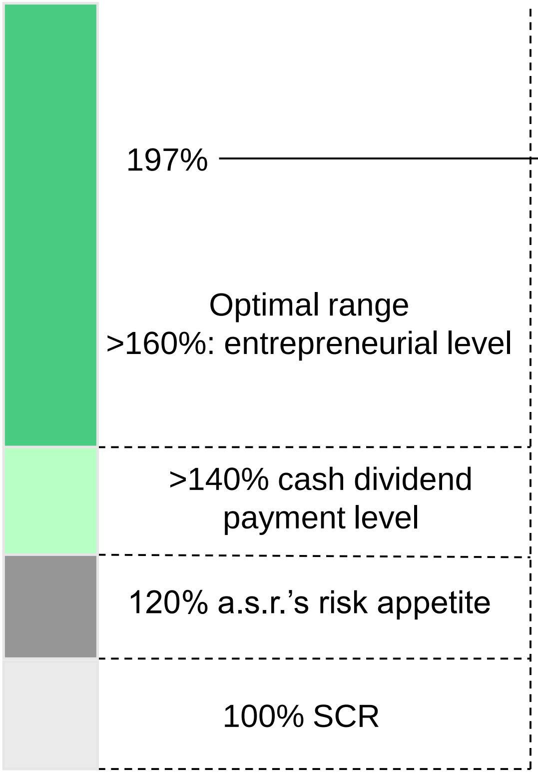
Insurance risk Non-life:

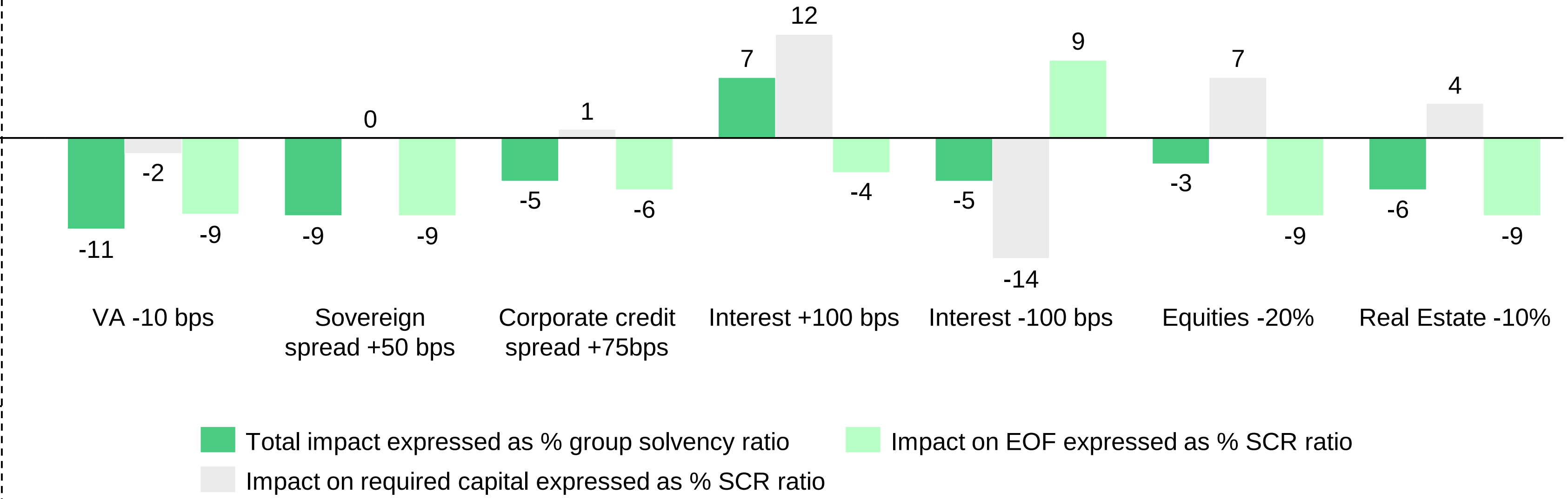
- Premium reserve risk

Diversification

* Including Generali Nederland, excluding a.s.r. bank and a.s.r. vermogensbeheer

G. Sensitivities Solvency II ratio





- In comparison with year-end 2017, the interest rate sensitivities decreased as a result of an adjustment of the interest rate hedge within current hedging policy bandwidth
- Sovereign spread sensitivity and credit spread sensitivity excluding VA impact
- Other sensitivities were in line with the sensitivities presented at year-end 2017
- Current solvency level enables a.s.r. to potentially absorb multiple downward adjustments

H. Investment portfolio

Assets (in €bn, fair value)*	**FY 2017**	**FY 2018**	**Delta**	**% total**
Fixed income	23.8	26.5	2.7	63%
Equities	2.6	2.2	-0.3	5%
Real estate	3.4	4.0	0.7	9%
Mortgages / other loans	7.8	8.2	0.4	20%
Cash for investments	1.5	1.1	-0.3	3%
Other **	0.0	0.1	0.0	0%
Total investments	**39.1**	**41.8**	**6.9%**	**100%**
Investments on behalf of policyholders	7.7	7.8	1.1%	
Other assets ***	8.6	9.4	9.3%	
Total balance sheet a.s.r.	**55.4**	**59.0**	**6.5%**	

- Re-risking of the investment portfolio: from government bonds to credits, mortgages and real estate to optimise returns
- Increase in total portfolio value, and fixed income in particular, mainly due to acquisition of Generali Nederland
- Total increase in real estate portfolio mainly as a result of several participations in non-listed real estate funds and shopping centre Leidsche Rijn Center
- Level of participations in a.s.r. real estate funds remained unchanged
- Mortgage exposure further increased, inter alia due to the acquisition of Generali Nederland. High quality mortgage portfolio further improved credit performance with improved arrears positions and foreclosure losses incurred < 1 bps
- Swap spread exposure in Solvency II regime further reduced by exchanging long dated core government bonds with combination of short duration instruments and receiver swaps

* Rounding differences appear
** 'Other' mainly represents equity associates
*** 'Other assets' mainly represents Loans and receivables (mainly due from credit institutions), cash and cash equivalents

Note: 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

I. Details of fixed-income portfolio

- The core of the portfolio consist of AAA government bonds, with selective peripheral sovereign exposure
- The increase in value of the fixed income portfolio is mainly due to the acquisition of Generali Nederland, which added around € 2.4bn in assets
- In line with the investment plans formed for 2018, exposure to government bonds was reduced in favour of increases in:
  - credits, gradual build-up during 2018
  - equity exposure (later reduced in line with the investment plans for 2019)
  - real estate
  - mortgages, mainly due to acquisition of Generali Nederland
- The swap spread exposure was actively further reduced
- High quality mortgage portfolio with credit losses < 1 bps
- Exposure structured instruments decreased mainly due to decreased exposure in CDOs

Fixed income (€m)	**FY 2017**	**FY 2018**	***Delta***
Government	10,906	12,327	*13.0%*
Financials	5,092	6,022	*18.3%*
Structured	168	131	*-22.0%*
Corporate	5,586	5,574	*-0.2%*
Derivatives	2,090	2,452	*17.3%*
Total	**23,842**	**26,506**	***11.2%***

Mortgages (€m, book value)*	**FY 2017**	**FY 2018**	***Delta***
NHG	3,807	3,547	*-6.8%*
LtMV < 55%	1,426	1,543	*8.2%*
LtMV < 65%	447	469	*4.9%*
LtMV < 85%	715	971	*35.8%*
LtMV < 95%	456	567	*24.2%*
LtMV < 110%	792	952	*20.1%*
LtMV > 110%	166	132	*-20.4%*
Total	**7,810**	**8,180**	***4.7%***

Governments (€m)	**FY 2017**	**FY 2018**	***Delta***
Netherlands	2,972	2,909	*-2.1%*
Germany	2,839	2,714	*-4.4%*
Belgium	1,138	1,415	*24.3%*
France	1,137	1,185	*4.2%*
Austria	676	939	*38.8%*
Spain	424	664	*56.4%*
Ireland	402	579	*44.2%*
Finland	97	463	*379.3%*
Other	1,220	1,457	*19.4%*
Total	**10,906**	**12,327**	***13.0%***

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

J. Fixed income portfolio government credit rating

Market value governments* (€m)	0-1	1-2	2-3	3-5	5-10	10-20	20-30	30+	Total	FY delta
AAA	185	810	456	528	1,033	1,041	2,385	49	6,487	-174
AA	214	596	570	428	630	586	549	737	4,310	1,016
A	70	51	1	179	198	154	99	0	752	344
BBB	59	46	1	387	223	30	29	0	775	204
BB	0	0	0	0	0	0	0	0	0	0
B or below	0	0	0	0	0	0	0	0	0	0
Not rated	0	0	0	0	0	0	0	0	0	0
Total	**528**	**1,502**	**1,028**	**1,522**	**2,084**	**1,810**	**3,062**	**786**	**12,323**	**1,390**

* Excluding € 4m of preference shares

K. Fixed income portfolio corporates and financials credit rating

Market value credits (€m)	0-1	1-2	2-3	3-5	5-10	10-20	20-30	30+	Total	FY delta
AAA	80	93	192	126	57	50	0	0	597	-23
AA	113	117	99	374	445	172	0	0	1,320	211
A	325	359	350	1,339	1,490	503	134	0	4,501	273
BBB	212	258	354	1,029	1,640	337	0	0	3,830	251
BB	54	46	9	22	78	0	0	0	208	11
B or below	16	0	0	0	0	10	0	0	26	-19
Not rated	20	1	2	10	2	0	0	4	39	3
Total	**821***	**873**	**1,005**	**2,900**	**3,712**	**1,072**	**134**	**4**	**10,522**	**709**

Table contains Financials, Structured and Corporates from slide I. Details of fixed-income portfolio totalling € 11,727m. Excluded are;

- Preference shares € 304m
- Fixed income funds € 901m

Fixed income funds contain, on a look through basis;

RMBS	€ 298m
Investment grade (>BB)	€ 47m
Not rated	€ 455m*
High yield	€ 101m

* Management estimates of 50% not rated bonds and 50% derivatives

L. Details of equities portfolio and real estate portfolio

Highlights

Equities

- Re-risking during early 2018 and subsequent de-risking in respect of equities in late 2018, combined with lower markets resulted in an decrease in equity exposure
- Continuation of the active hedging policy for the illiquid part of the portfolio

Real estate

- Total increase in Real estate portfolio of 19% mainly as a result of the acquisition of several participations in non-listed real estate funds and shopping centre Leidsche Rijn
- Level of participations in a.s.r. real estate funds remained unchanged
- Vacancy rates of Retail decreased due to completed redevelopments and new contracts with e.q. Hudson's Bay and ongoing letting of remaining empty spaces
- Vacancy rates of Offices increased due to the intake of Generali Nederland offices which are to be sold in 2019

Real estate (€m)	FY 2017	FY 2018	*Delta*
Offices	119	116	*-3%*
Retail	68	221	*225%*
Rural	1,350	1,474	*9%*
Parking & other	62	78	*26%*
Total real estate (excluding funds & own use)	**1,599**	**1,889**	***18%***
ASR Dutch Prime Retail Fund	655	666	*2%*
ASR Dutch Core Residential Fund	839	940	*12%*
ASR Dutch Mobility Office Fund	70	72	*3%*
Other Funds	71	321	*352%*
Total real estate (excluding own use)	**3,234**	**3,888**	***20%***
Offices in own use	143	146	*2%*
Total real estate	**3,377**	**4,033**	***19%***

Equities (€m)	FY 2017	FY 2018	*Delta*
Equities	2,142	1,803	*-15.8%*
Private equities	64	80	*24.8%*
Hedge funds	0	0	*1.3%*
Other funds	346	335	*-3.2%*
Derivatives	14	26	*80.3%*
Total	**2,566**	**2,245**	***-12.6%***

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

Real estate vacancy rates (%)*

* Excluding Other Funds and Offices in own use

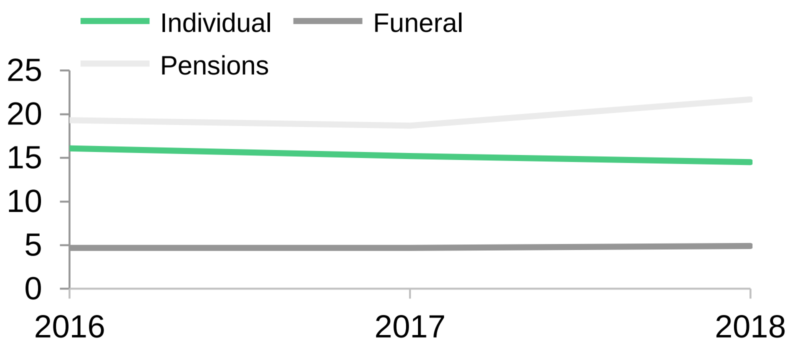
M. Calculation of asset leverage

(€m)	FY 2017	FY 2018
Equities	2,566	2,245
Real estate*	1,884	2,414
BB bonds or below	278	274
Preference shares	321	308
Fixed income funds (not rated & high yield)	334	329
Mortgages with LtMv >110%	166	132
Total risky assets	**5,549**	**5,702**
Unrestricted Tier 1	**5,279**	**5,379**
Asset leverage	**105%**	**106%**

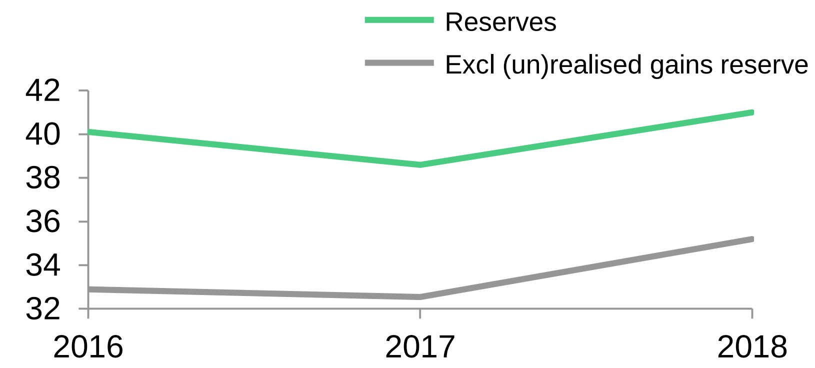
* Excluding rural real estate and offices in own use

N. Life segment book development

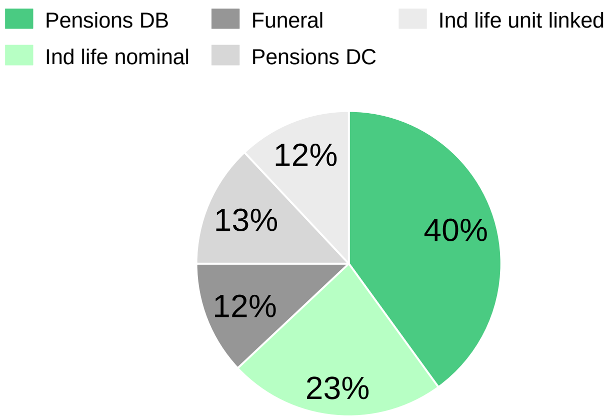
Life reserves development (in €bn)



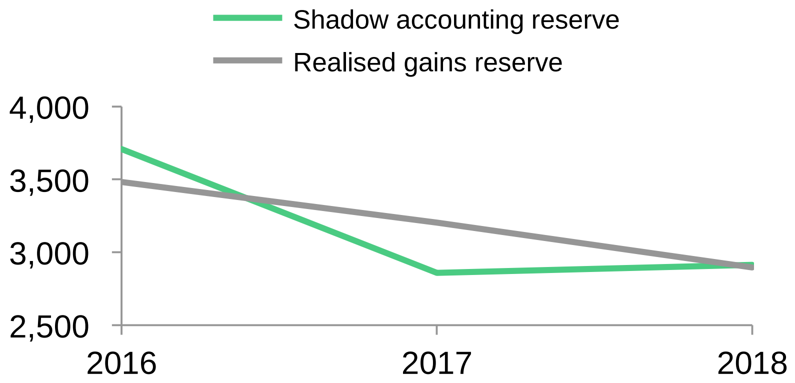
Life reserves (in €bn)



Reserves - FY 2018 (€ 41 bn)



(Un)realised reserves development (in €bn)



O. Life segment investment contribution

(€m)	H1 2016	H2 2016	H1 2017	H2 2017	H1 2018	H2 2018
Direct investment income*	505	476	513	479	529	519
Amortisation realised gains reserve	119	150	161	161	155	159
Total investment contribution	624	626	674	640	684	678
Required interest on liabilities**	-423	-387	-411	-389	-394	-421
Investment margin	**201**	**239**	**263**	**251**	**290**	**257**
Shadow accounting reserve (Life)	5,842	3,709	2,507	2,858	2,841	2,914
Realised gains reserve (Life)	3,217	3,482	3,437	3,203	3,083	2,897
Basic nominal provision (Life)		22,225		22,020		23,136

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

P. Medium term group targets (2019 – 2021)

Targets for the period 2019 - 2021[1]

Solvency II
(Standard formula)

>160%

Substantial capital for entrepreneurship

Operating return on equity

12-14%

Per annum

Dividend pay-out ratio
(% of net operating result after hybrid expenses[2])

45-55%

Ambition to offer a stable to growing dividend per share

Organic capital creation

> € 430m

To be realised in 2021

Financial leverage

< 35%

Rating
(S&P)

Single A

At least

[1] *Targets are based on the assumption of normal market, environmental and economic conditions and no material regulatory changes and on stand-alone basis*
[2] *In general, a.s.r. expects not to pay cash dividends if the Solvency II-ratio (calculated in accordance with the standard formula) falls below 140%*

Q. Medium-term business targets (2019 – 2021)

Targets for the period 2019 - 2021[1]

Non-life
(excluding Health)

Combined ratio

94-96%

Life operating result
(€ million)

Stable

Compared to
€ 633 million in 2017

Fee based businesses, operating result[2]

€ 40 million

5% growth
per annum thereafter

Non-life
(excluding Health)

GWP growth
(organic)

3-5%

Per annum

Life operating expenses

45-55 bps

On basic life provision

[1] Targets are based on the assumption of normal market, environmental and economic conditions and no material regulatory changes and on stand-alone basis
[2] Asset management and Distribution & services

R. Medium term non-financial objectives (2019 – 2021)

Targets for the period 2019 - 2021[1]

Meeting customer needs
(Net promoter score)

>44

by 2021

Sustainable investments

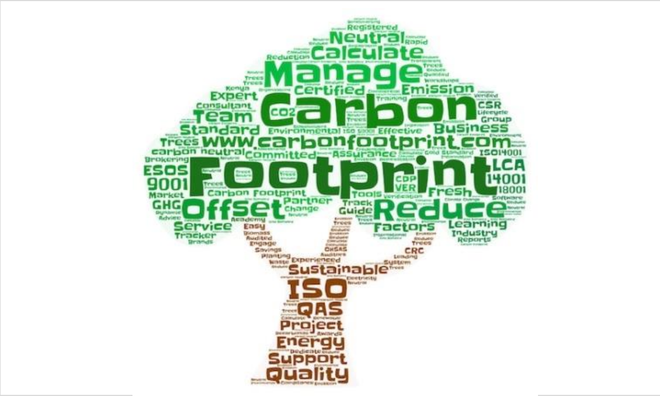
Carbon footprint: % measured of investment portfolio **95%**

Impact investments by 2021 **€ 1.2bn**

Employee contribution to local society
(in no. of hours)

+5%

Per annum



[1] Targets are based on the assumption of normal market, environmental and economic conditions and no material regulatory changes and on stand-alone basis

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