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

2019 full year results

Jos Baeten, CEO
Annemiek van Melick, CFO

ANALYST CONFERENCE CALL
19 FEBRUARY 2020

Strong operational performance and robust solvency in FY19

- Increase in operating result of € 109m, up 14.5% mainly driven by Non-life performance as a result of favourable claims experience and acquisition of Loyalis
- Review of capital management policy resulting in medium term intention to distribute additional capital of € 75m p.a.
- Operating expenses excluding acquisitions and incidentals decreased with € 5m
- OCC reflecting strong business performance, offset by impact of lower interest rates. OCC on the updated definition amounts to € 501m for FY19
- Combined ratio[3] at 93.5%, ahead of target range of 94-96%
- Dividend per share for FY19 up 9.2% to € 1.90. Final dividend amounts to € 1.20

Operating result[1]	Solvency II (SF)[2]	Dividend per share
€ 858m	194%	€ 1.90
+14.5%	**-3% pts**	**+9.2%**
(FY 2018: € 749m)	(FY 2018: 197%)	(FY 2018: € 1.74)

Operating RoE[1]	Financial leverage	Operating expenses
15.1%	29.2%	€ 656m
Target **12-14%**	**max. 35%**	**+9.1%**
(FY 2018: 14.3%)	(FY 2018: 26.7%)	(FY 2018: € 601m)

IFRS net result[4]	Organic capital creation	Combined ratio[3]
€ 972m	€ 370m	93.5%
+45.2%	**-0.5%**	Target **94-96%**
(FY 2018: € 669m)	(FY 2018: € 372m)	(FY 2018: 95.7%)

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[1] The comparative figures have been restated for an adjustment in the definition of the operating result. See appendix V for more information
[2] After proposed final dividend, excluding a.s.r. bank, a.s.r. asset management and a.s.r. real estate
[3] P&C and Disability
[4] The comparative figures have been restated for an adjustment in presentation of the tax related to interest payments on other equity instruments

Allocating capital to growth and additional distributions to shareholders

Solvency II (SF) management ladder

- Additional Capital Return Level >180%
- Management Level >160%
- Dividend Level >140%
- Risk Appetite Level >120%

Additional capital returns

- Solvency II (SF) > 180%
- SBB or special dividend
- Halted if larger M&A occurs

Deploy capital in profitable growth

- Organic growth
- Inorganic growth
- Market risk

Expected allocation of OCC

- Regular dividend
- Bolt-on M&A / re-risking

\+

- Additional capital return
  € 75m SBB in 2020
  expected to start on 20 February 2020 and to be completed 21 May 2020 at the latest

Solid progress in executing our strategy in 2019

Portfolio matrix

A Non-life business domains with growth potential

- Combination of Loyalis, Veherex and Vitality partnership strengthens client proposition in business domain of sustainable employability. Vitality positively received with an inflow of 11,000 customers in first two months
- Successful implementation of new IT system within P&C allowing for more efficient administration and claims handling
- Net growth of 85,000 customers in Health

C Asset management related growth business

- Assets under Management ("AuM") for third parties increased by € 3.2bn to € 20.7bn mainly driven by growth in the Mortgage fund of € 2.1bn
- Mortgage fund > € 5bn (including commitments)
- Strong growth of new DC pension sales (+50% GWP) and DC AuM increased to € 1.3bn

B Robust and predictable service books

- Successful migration of the Individual life books of a.s.r. and Generali completed. Over 800,000 policies were migrated to the SaaS platform leading to more cost variability
- GWP growth in Life due to growth in WnP and the addition of Loyalis, partly offset by the decline in Individual life

D Divestments

- Savings portfolio and the related mortgage portfolio of a.s.r. bank were sold, closing finalised in H2 2019. Remaining investment accounts in the process to be transferred to Van Lanschot Kempen, expected to be finalised in H1 2020

Delivering on our strategy in pursuit of sustainable value creation

Financial self-reliance and inclusiveness

Vitality and (sustainable) employability

Climate change and energy transition

Non-financial targets for the 2019 – 2021 period

Meeting customer needs
Net promoter score by 2021

>44

FY 2019: 44

Sustainable investments
% carbon footprint measured of investment portfolio by 2021

>95%

FY 2019: 89%

Sustainable investments
Impact investments by 2021

>€ 1.2bn

FY 2019: € 0.9bn

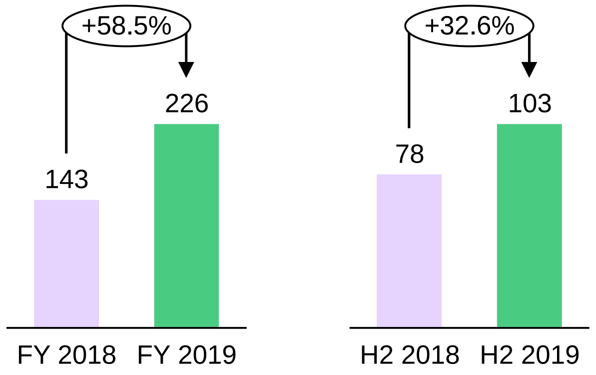
Employee contribution to local society (in no. of hours per annum)

+5%

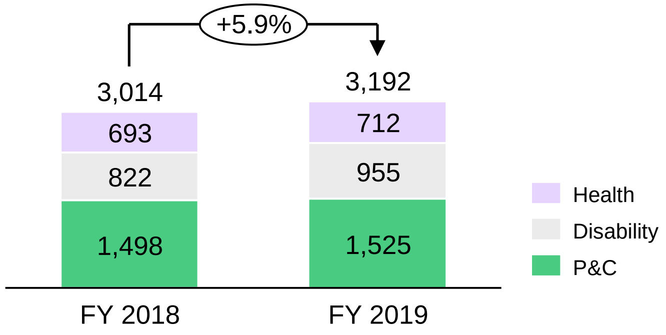
FY 2019: +42%

Non-life: record operating result and solid organic growth

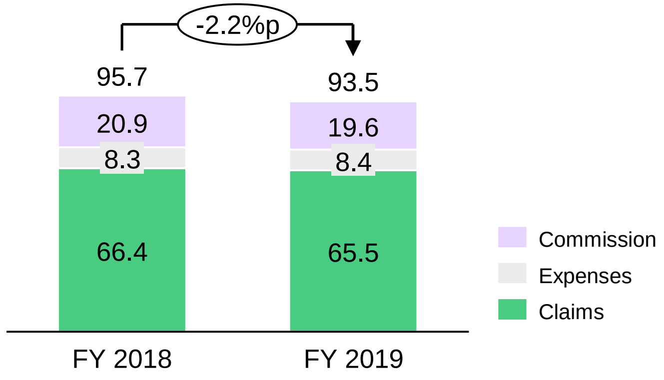
Operating result[1] (in €m)



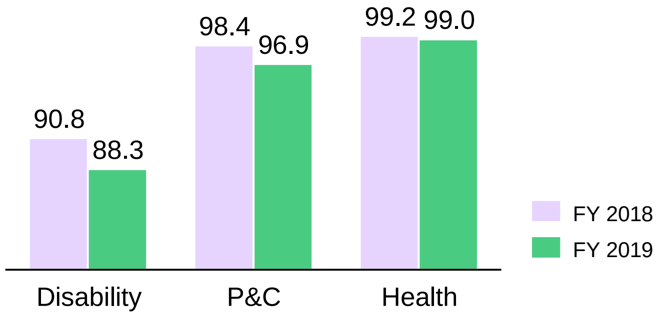
Gross written premiums (in €m)



Combined ratio[2] (in %)



Combined ratio by product line (in %)



- Non-life operating result increased to € 226m in 2019, primarily reflecting the high quality of the portfolio, favourable weather-related claims experience and the inclusion of Loyalis. In H2 2019 the operating result increased by € 25m, mainly thanks to Loyalis
- Increase in GWP driven by solid organic growth within all business lines. GWP of P&C and Disability increased by 4.0%, in line with target of 3-5% growth per annum
- GWP for Loyalis in 2019 (c. 8 months) amounted to € 67m (NEP amounted to € 121m)
- Combined ratio[2] of 93.5% ahead of target of 94-96%
- P&C combined ratio primarily improved due to favourable claims experience

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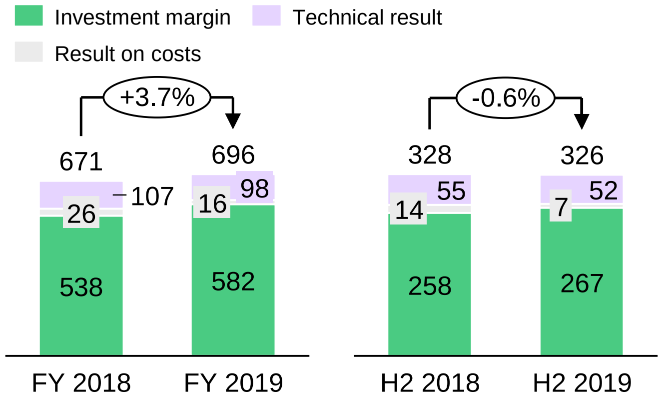
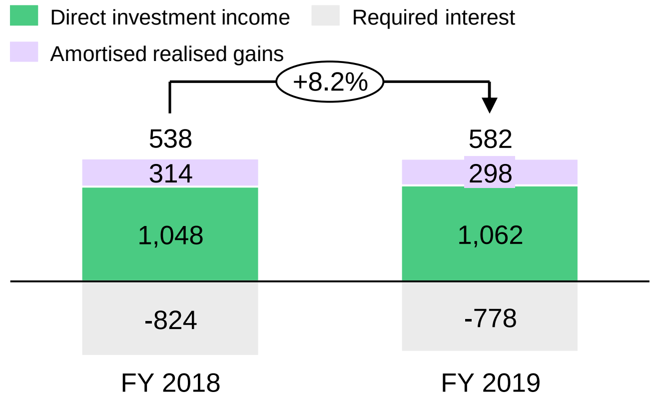
[1] The comparative figures have been restated for an adjustment in the definition of the operating result. See appendix V for more information
[2] P&C and Disability

Life: solid operating result and strong growth in Pensions DC

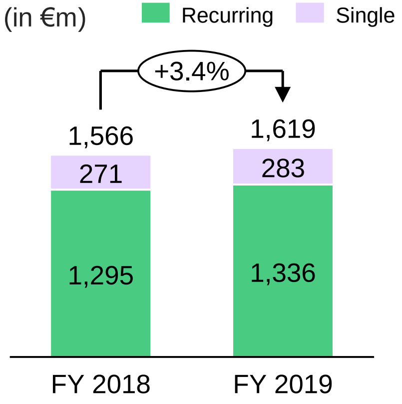
Operating result[1,2] (in €m)



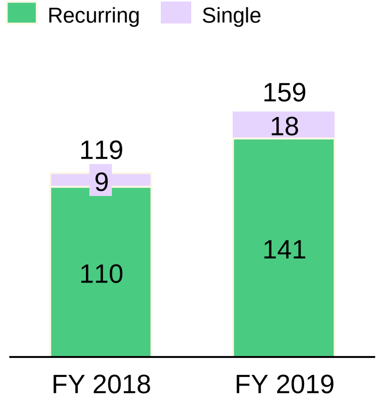
Investment margin[1,2] (in €m)



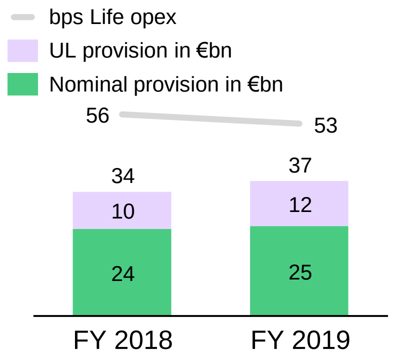
Gross Written Premiums (in €m)



New business (APE) (in €m)



Life operating expenses (in bps of basic Life provision)



- Operating result of Life segment increased by 3.7% to € 696m, driven by a higher investment margin, partly offset by a lower cost result and lower technical result
- Higher investment margin driven mainly by lower required interest (reflecting the decline of Individual life book). Higher direct investment income is offset by lower contribution from amortised realised gains
- Higher GWP in Pensions DC (+50%) and the inclusion of Loyalis more than offset the decline in GWP for Individual life and Pensions DB
- AuM for DC pensions exceed € 1.3bn (FY18: € 0.7bn)
- Life operating expenses expressed in basis points of basic Life provision amount to 53bps and are within the medium-term target of 45-55bps

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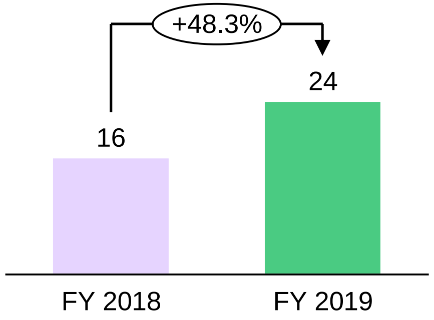
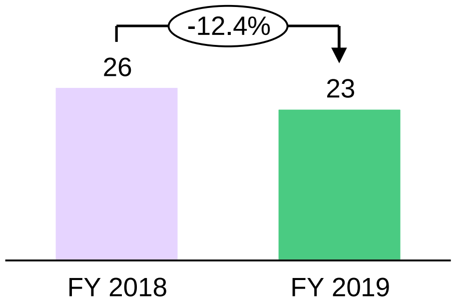
[1] The comparative figures have been restated for an adjustment in the definition of the operating result. See appendix V for more information
[2] The comparative figures for investment margin and technical result have been restated due to a reclassification. Impact on total operating and IFRS result is nil

Operating result other business segments on track to achieve targets

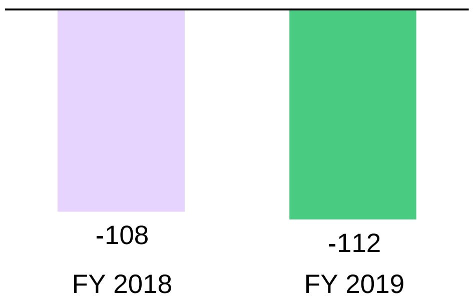
Operating result Asset Management
(in €m)



Operating result Distribution and Services[1]
(in €m)



Operating result Holding and Other
(in €m)



- Fee-based business operating result amounts to € 48m for FY 2019 (FY18: € 43m), exceeding the target of 5% growth p.a. above € 40m
- Operating result of Asset Management increased by € 8m, driven by an increase in fee income from higher asset base and external mandates
- Third-party assets increased to € 20.7bn (FY18[2]: € 17.5bn). The mortgage fund had an inflow of € 2.1bn of AuM in 2019. The ESG fund increased by € 0.6bn
- Operating result of Distribution and Services decreased, as expected, due to lower fees for mandated brokers, partly offset by solid organic growth
- Decrease in operating result of Holding and Other is mainly driven by the increase in interest expenses (€ 12m) from the € 500m Tier 2 subordinated liability placed in April

[1] The comparative figures have been restated for an adjustment in the definition of the operating result. See appendix V for more information
[2] Restated for an adjustment in the definition of 3rd party AuM

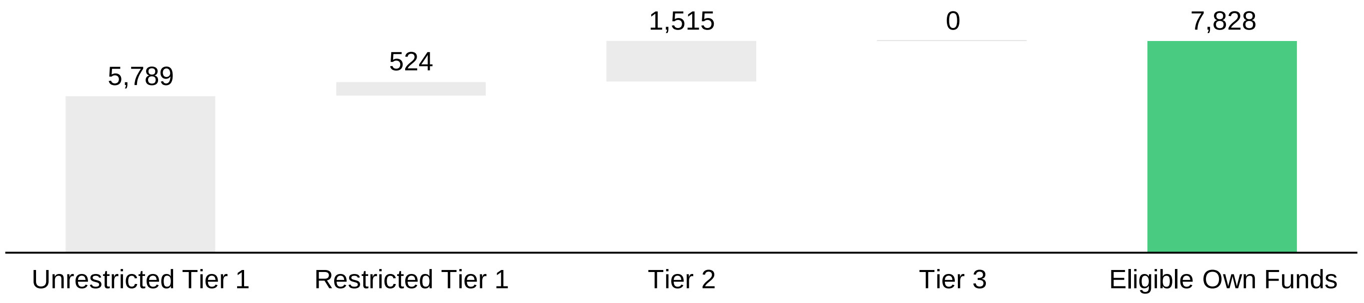
Solvency and capital position

Annemiek van Melick, Chief Financial Officer

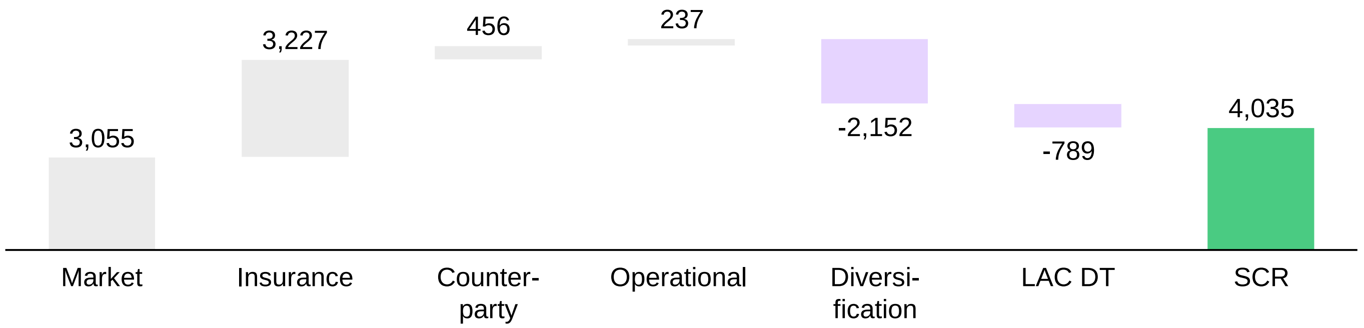
Solvency II: high quality balance sheet

SII 194%

Eligible Own Funds (in €m)



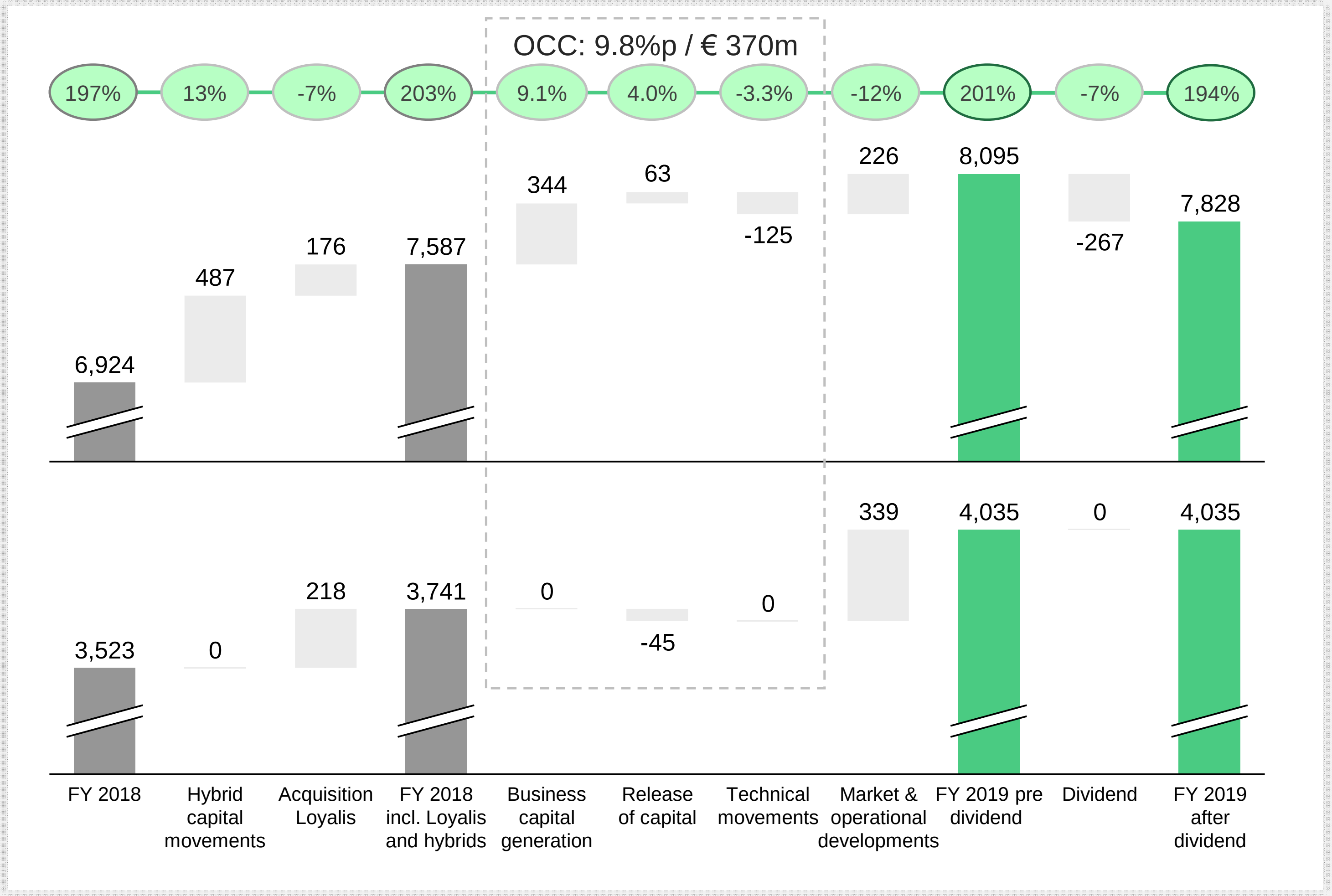
Required Capital (in €m)



- Solvency II ratio 194% based on standard formula[1]
- Unrestricted Tier 1 capital increased by € 410m to € 5,789m: 74% of total own funds and 143% of SCR, absorbing the reduction of the UFR to 3.9% (-3%pts) and tightening of the VA (-18%pts)
- Tier 2 capital increased by approx. € 500m as a result of the subordinated 30NC10 bond issue in April
- Ample headroom available within SII framework:
  - RT1: € 923m
  - T2 & T3: € 502m
- No use of Tier 3 capacity
- Market risk at 44%, well under the soft limit of 50% of required capital (pre-diversification and LAC DT)

[1] Excluding a.s.r. bank, a.s.r. asset management and a.s.r. real estate

Solvency II ratio[1] movements in FY 2019

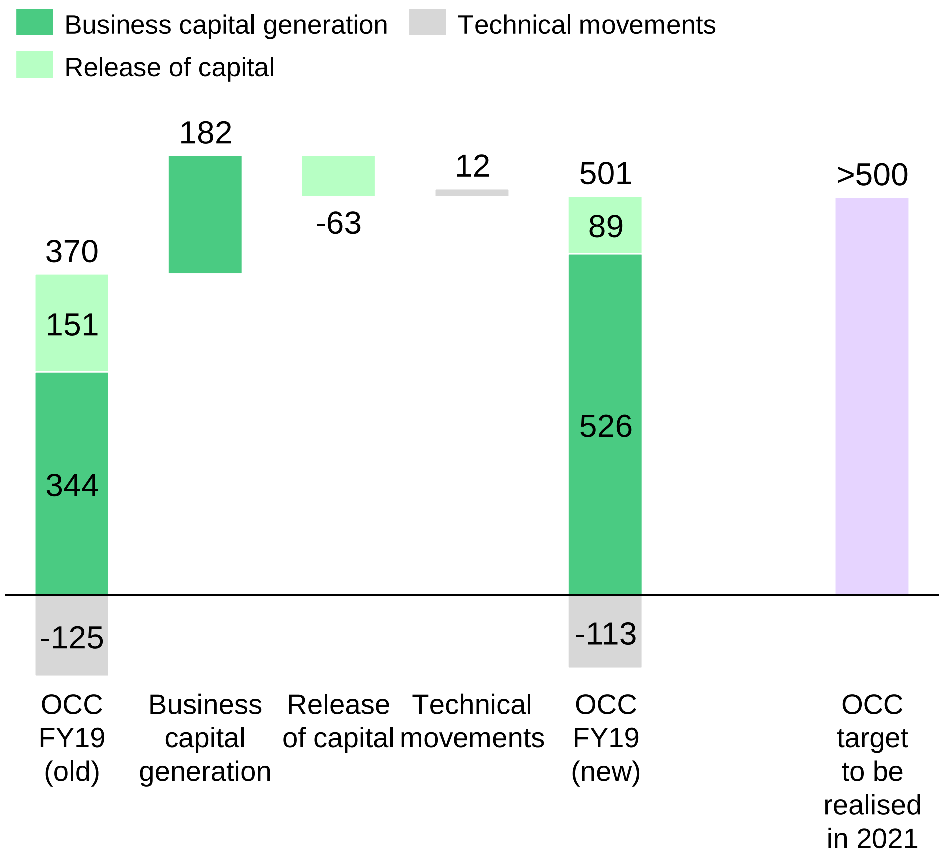


- Solvency II ratio remained robust at 194% after dividend and 201% before dividend
- Organic capital creation amounts to € 370m, which equals 9.8%pts of required capital
- OCC on the new definition amounts to € 501m. See appendix H for SII ratio movements with the new OCC definition
- Market developments reflect headwinds from the tightening of the VA (-17bps), the reduction of the UFR and lower interest rates, partly offset by tightening of mortgage and credit spreads, positive revaluations in real estate and management actions to reduce the cash position
- Hybrid capital movements relate to the Tier2 issuance, RT1 tap and call of two grandfathered RT1 instruments

[1] Excluding a.s.r. bank, a.s.r. asset management and a.s.r. real estate

Aligning OCC with market and general model improvements

Bridge from old to new definition (in €m of capital[1])



Key changes relate to the LTIM assumptions in business capital generation:

- Fixed income (including VA) changes from LTIM assumptions to market observable spreads (+ € 56m)
- Equities and real estate changes from LTIM + 10Y swap to a post-tax absolute total return of 5% for equity and 4.1% for real estate (+ € 124m)

In addition, some model improvements:

- Refinement of new business strain methodology leads to higher required capital strain. In addition, the release of the market risk SCR of the Life book is taken into account
- Technical movements: TVOG[2] unwind is taken into account
- The OCC methodology remains sensitive to movements in interest rates (UFR drag) and to market observable spread movements for fixed income (including VA)
- CMD target of >€ 430m raised to >€ 500m to be realised in 2021
- OCC expected to cover dividend and additional capital allocations as well as value creation through bolt-on M&A and re-risking

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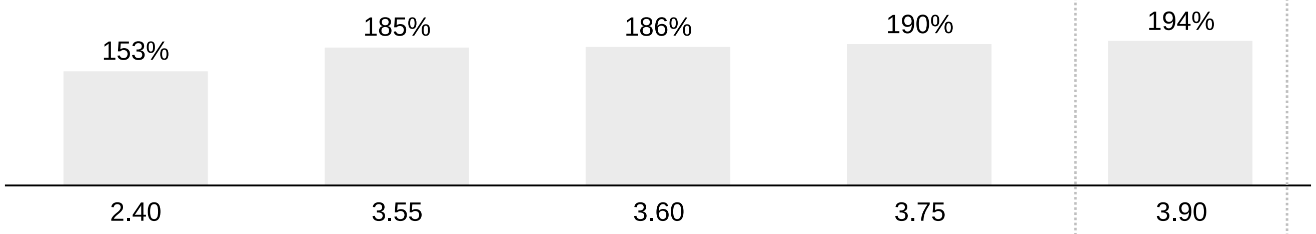
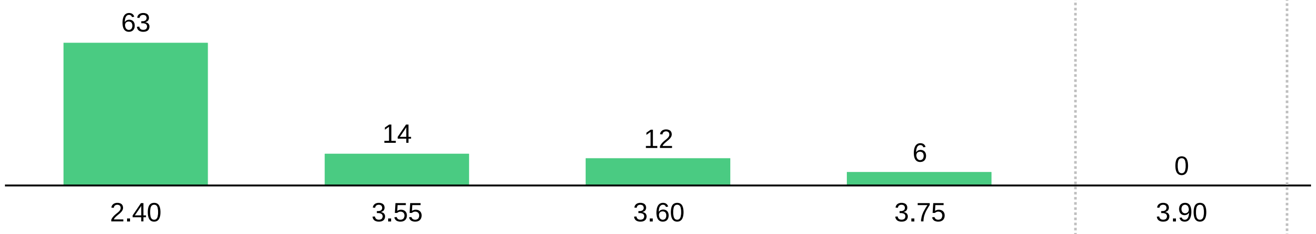
[1] SCR impact is multiplied by the SII ratio of 194%
[2] Time value of options and guarantees

Sensitivity of Solvency II ratio[1] to UFR

Stock of Solvency II (in %)



Additional annual OCC ("flow") (in €m)



Eligible Own Funds (in €m)

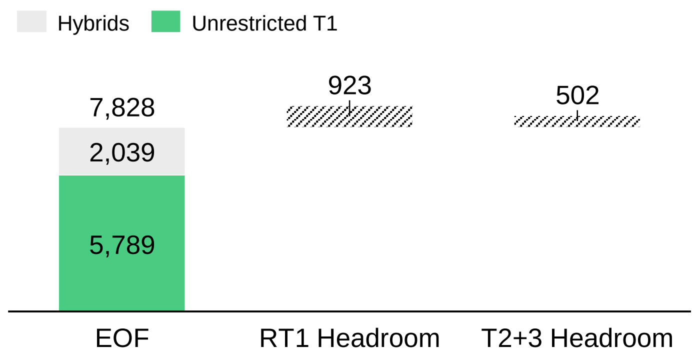
6,320	7,503	7,551	7,692	7,828
2.40	3.55	3.60	3.75	3.90

- UFR that is in line with long-term investment returns would be a more economical way to measure capital stock
- a.s.r. currently applies an 'economical UFR' of 2.4%
- EIOPA intends to lower the UFR towards the current target of 3.55% in steps of max. 15bps per annum
- Lowering the UFR would lead to lower 'stock' of capital but would increase organic capital creation ('flow') because of reduced UFR unwind
- Solvency II ratio at UFR 2.4% amounted to 153% FY 2019 (FY 2018: 156%), whereas our OCC (new definition) would increase by € 63m to € 564m

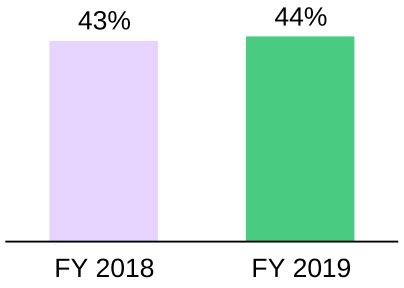
[1] Excluding a.s.r. bank, a.s.r. asset management and a.s.r. real estate

Strong balance sheet with ample financial flexibility

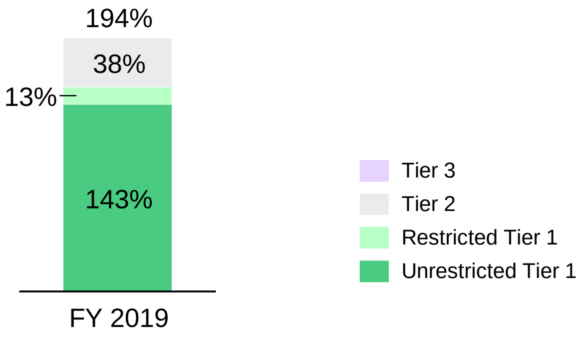
Financial flexibility (in €m)



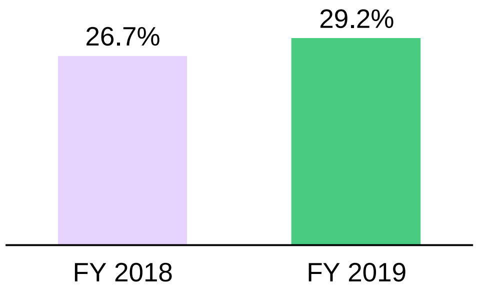
Market risk as % of total BSCR[1]



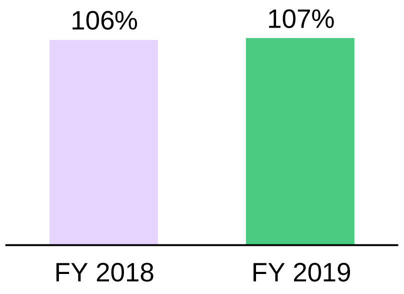
Solvency II composition (in % pts)



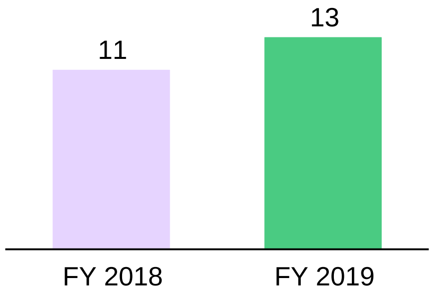
Financial leverage (in %)



Risky assets[2] as % of Unrestricted Tier 1



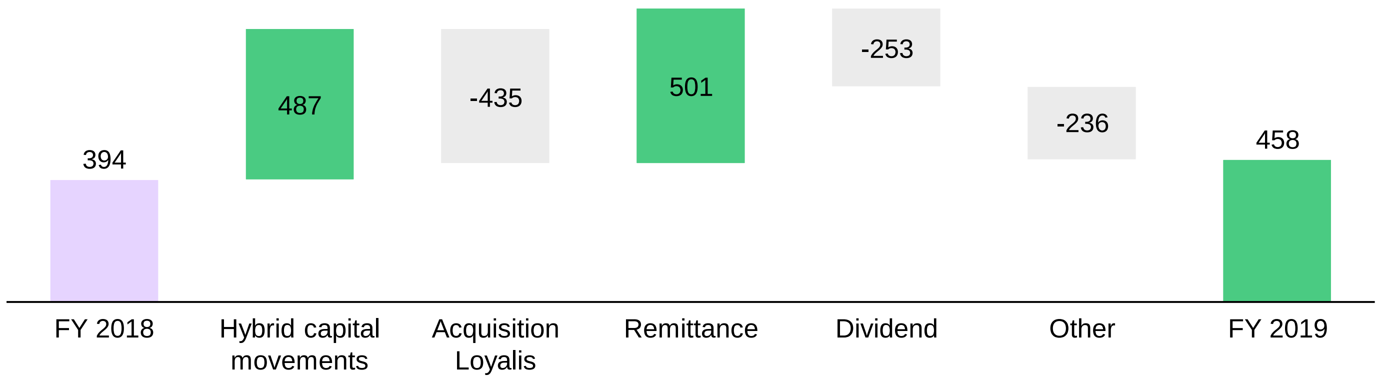
Interest coverage ratio (IFRS, multiple)



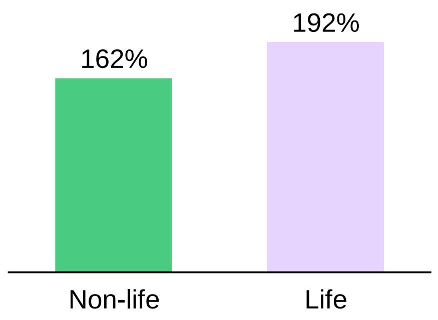
[1] In % of required capital excl. LAC DT and diversification
[2] For calculation of risky assets, see appendix O

Robust solvency and cash supports our businesses and dividends

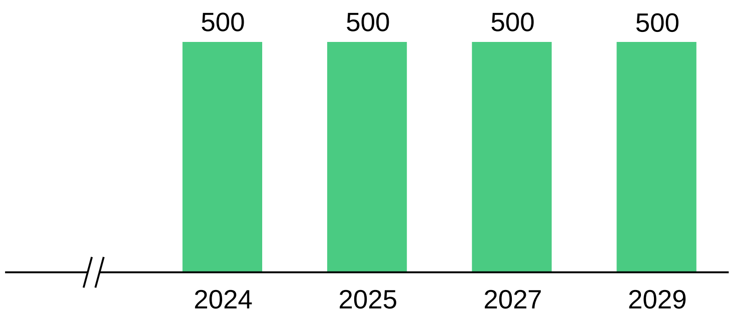
Holding cash (in €m)



Solvency II ratio entities[1]



Debt maturity profile (in €m)



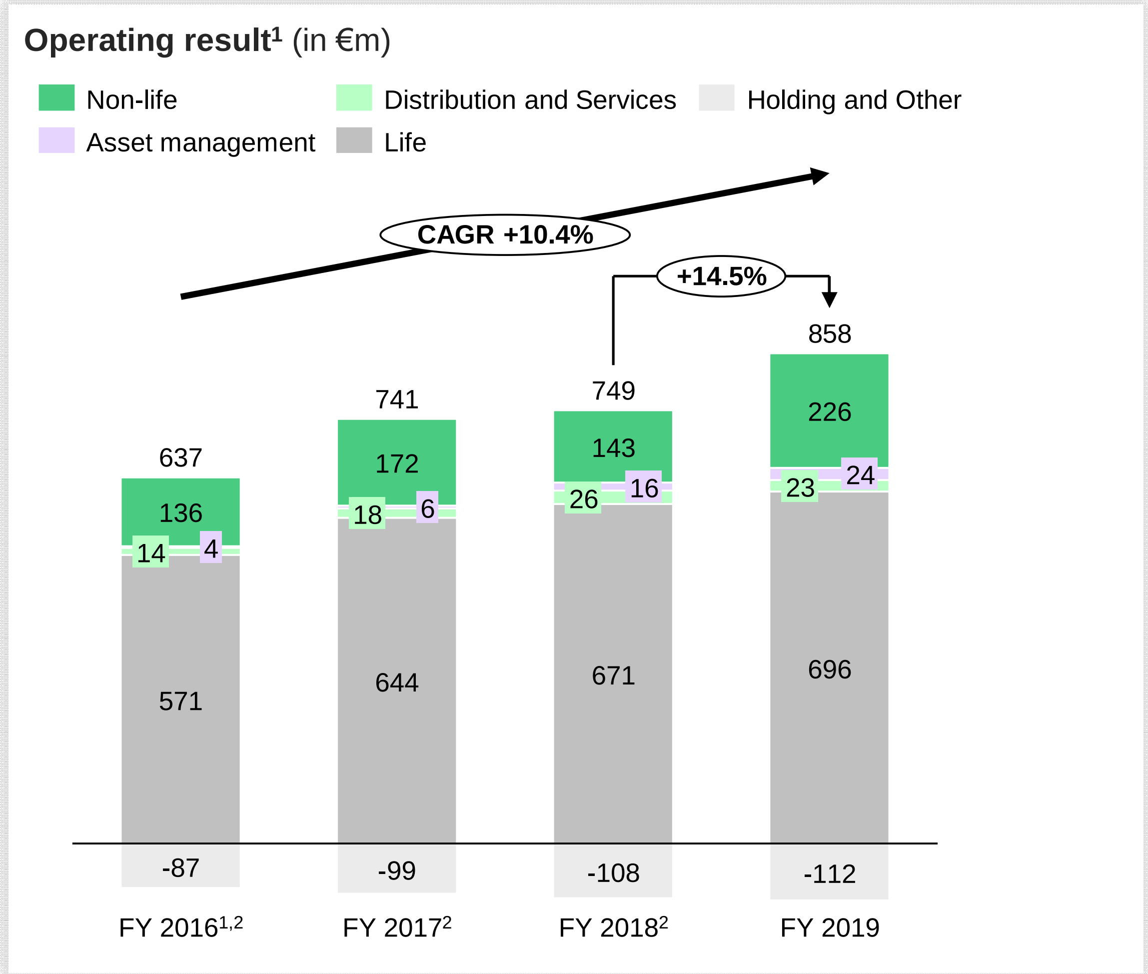
- Holding cash at FY 2019 stands at € 458m, in line with a.s.r's policy of maintaining cash at operating companies and upstream cash to cover dividends, coupons and other Holding expenses for the current year
- Cash remittance was mainly from the Life entity (€ 356m)
- Life Solvency II ratio remained robust despite lowering of the UFR to 3.9% and tightening of the VA
- The debt maturity profile was adjusted for the issuance of a T2 instrument (€ 500m) in April, the call of two grandfathered T1 instruments (totalling approx. € 200m) and the tap of the existing RT1 instrument (€ 200m, resulting in a € 500m benchmark size)

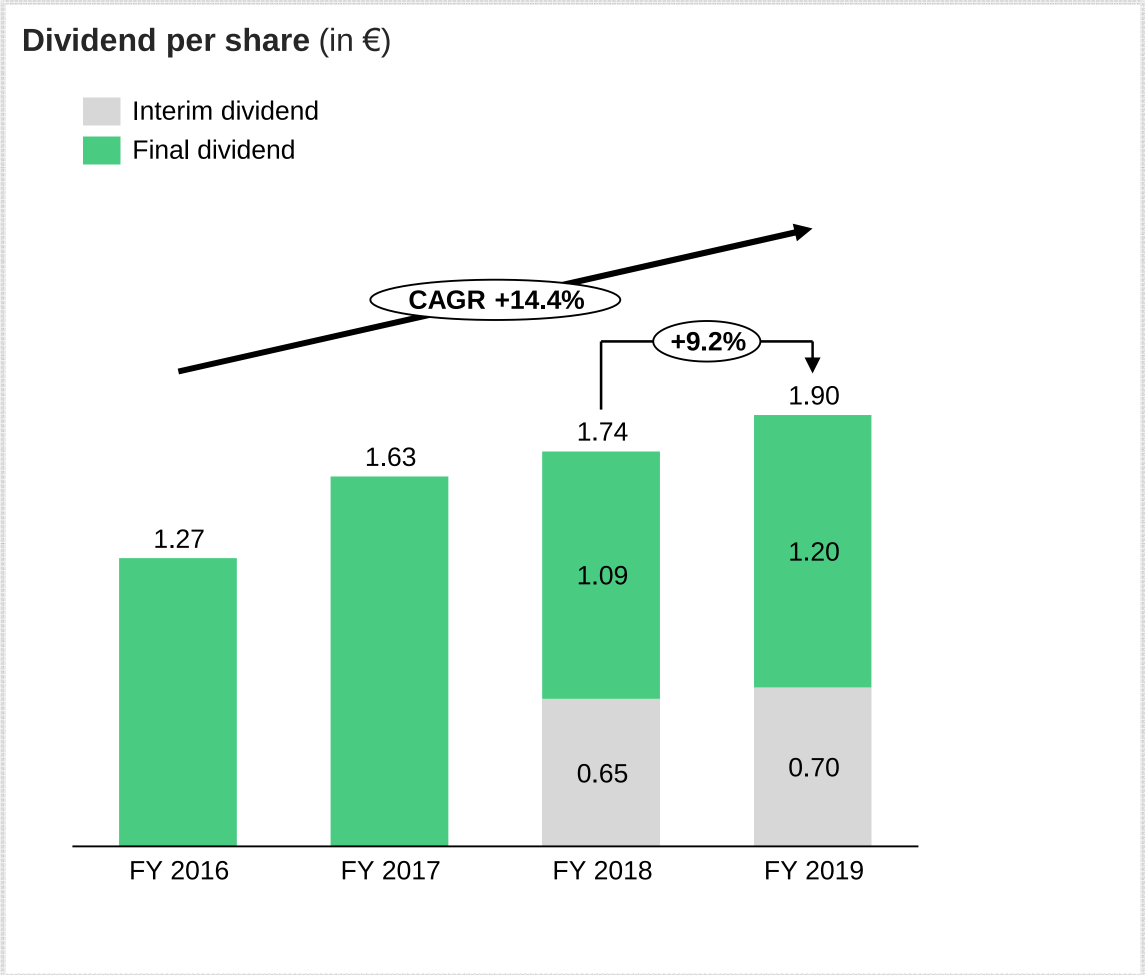
[1] Non-life ratio is excluding a.s.r. health

Wrap-up

Jos Baeten, Chief Executive Officer

Diligent execution of strategy delivering multi-year earnings growth





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[1] Restated for discontinued classification of a.s.r. bank
[2] The comparative figures have been restated for an adjustment in the definition of the operating result. See appendix V for more information

Key take-aways

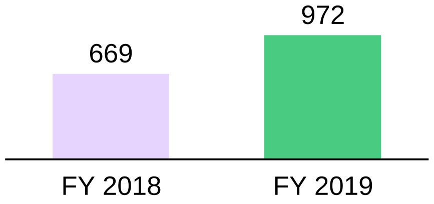
- Strong performance, record operating result in 2019 and 9% DPS growth
- Solid progress in executing our strategy, demonstrating financial discipline
- Strong balance sheet, robust high quality solvency with ample financial flexibility
- Additional capital distribution, € 75m in 2020 and further intention for the medium term
- Solvency regulation provides some near/medium term uncertainty, but this is countered by adequate financial flexibility and options to further optimise the balance sheet

Appendices

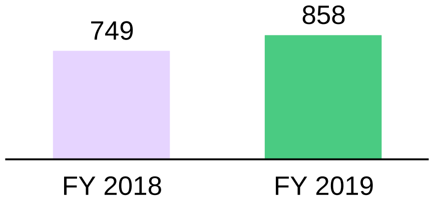
Appendices

A. Financial ratios

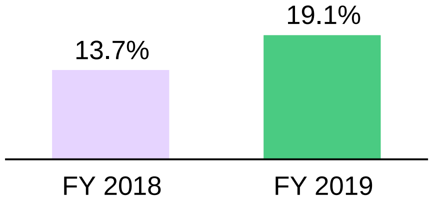
Net result[1] (€m)



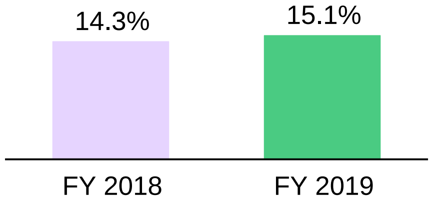
Operating result[2] (€m)



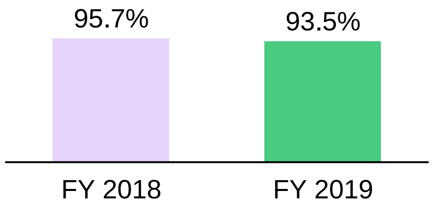
ROE



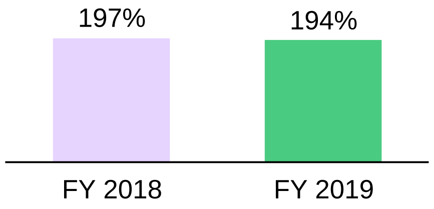
Operating ROE[2]



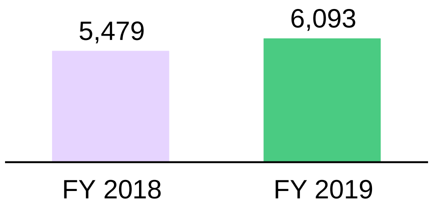
Combined ratio[3]



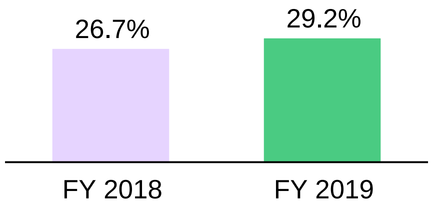
Solvency II[4]



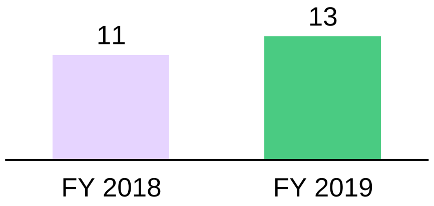
Total equity (€m)



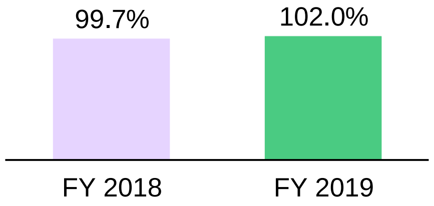
Financial leverage



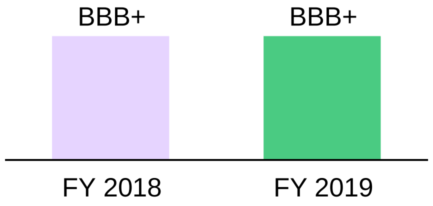
Interest coverage ratio



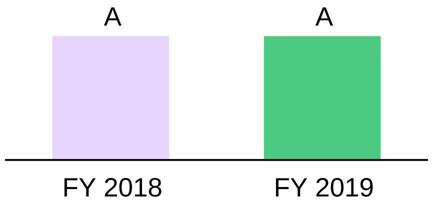
Double leverage



S&P holding rating



S&P IFS rating



[1] The comparative figures have been restated for an adjustment in presentation of the tax related to interest payments on other equity instruments
[2] The comparative figures have been restated for an adjustment in the definition of the operating result. See appendix V for more information
[3] P&C and Disability
[4] Calculation based on standard model, excluding a.s.r. bank, a.s.r. asset management and a.s.r. real estate

B. Combined ratio per product line

		FY 2018	FY 2019
Non-life segment	Net earned premiums (in €m)	2,949	3,159
	Claims ratio	73.0%	72.1%
	Expense ratio	7.3%	7.4%
	Commission ratio	16.3%	15.5%
	Combined ratio	**96.5%**	**95.0%**
Disability	Net earned premiums (in €m)	814	981
	Claims ratio	70.9%	70.2%
	Expense ratio	8.4%	8.6%
	Commission ratio	11.6%	9.5%
	Combined ratio	**90.8%**	**88.3%**
Health	Net earned premiums (in €m)	693	712
	Claims ratio	94.1%	93.9%
	Expense ratio	3.9%	3.5%
	Commission ratio	1.2%	1.6%
	Combined ratio	**99.2%**	**99.0%**
Property & Casualty	Net earned premiums (in €m)	1,442	1,466
	Claims ratio	63.9%	62.4%
	Expense ratio	8.3%	8.2%
	Commission ratio	26.2%	26.3%
	Combined ratio	**98.4%**	**96.9%**

C. Calculation of operating ROE

(in €m)	FY 2017[4]	FY 2018[4]	FY 2019
Operating result (before tax, annualised)	741	749	858
Minus: Interest on hybrid instruments through equity[1]	48	59	60
Operating result after hybrid costs (before tax, annualised)	693	689	798
Tax effect (25% tax rate)	173	172	203
Operating result after hybrid costs (net of taxes)	**520**	**517**	**595**
(in €m)	**FY 2017**	**FY 2018**	**FY 2019**
Equity attributable to shareholders	4,432	4,478	5,089
Minus: Unrealised gains and losses reserve[2]	869	586	937
Minus: IFRS equity discontinued[3]	127	115	54
Adjusted IFRS equity	3,436	3,777	4,098
Average adjusted IFRS equity	**3,194**	**3,607**	**3,937**
Operating ROE	**16.3%**	**14.3%**	**15.1%**

a.s.r.

[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
[4] The comparative figures have been restated for an adjustment in the definition of the operating result. See appendix V for more information

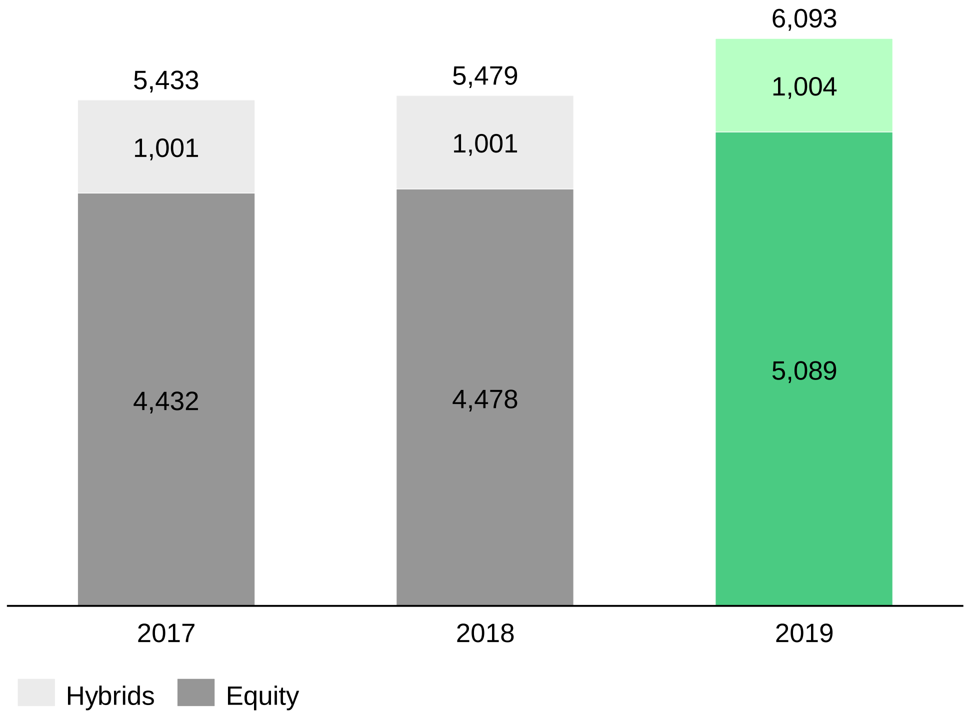
D. IFRS profit vs. operating result per segment

	IFRS profit before tax	Investment related	Incidentals	Operating result	IFRS profit before tax	Investment related	Incidentals	Operating result
	FY 2018[1] (in €m)				**FY 2019** (in €m)			
Non-life	159	16	0	143	292	102	-37	226
Life	805	144	-10	671	913	243	-27	696
Asset Management	15	0	-1	16	24	0	-1	24
Distribution and Services	26	0	-1	26	21	0	-2	23
Holding and Other / Eliminations	-101	3	4	-108	-39	-3	76	-112
Total	**904**	**163**	**-8**	**749**	**1,210**	**343**	**10**	**858**

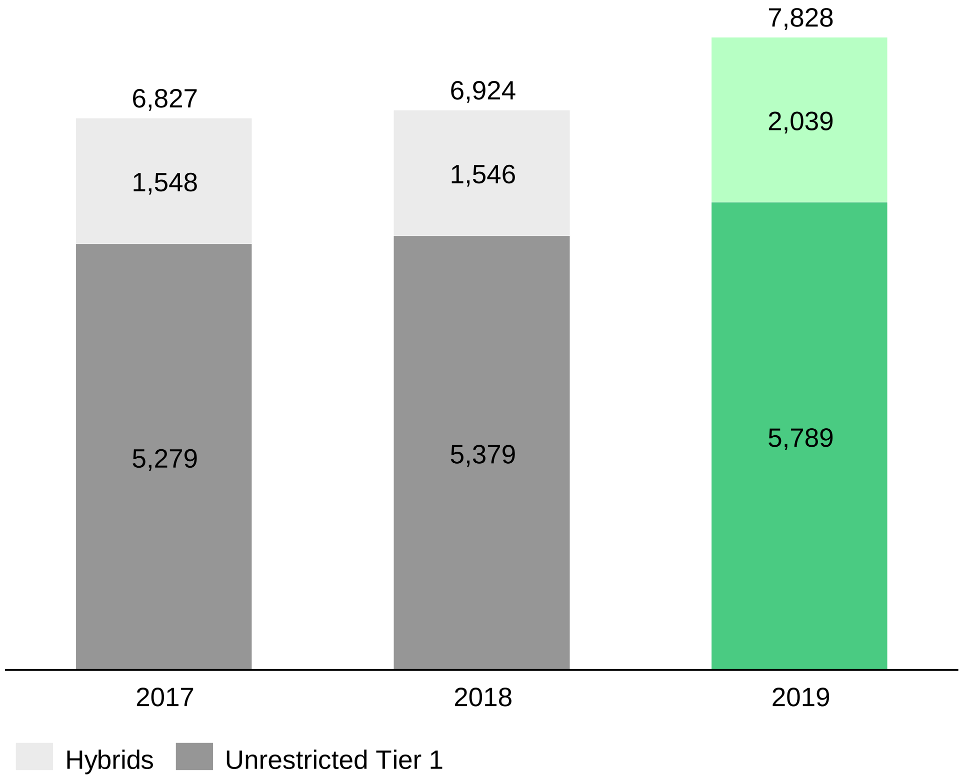
[1] The comparative figures have been restated for an adjustment in the definition of the operating result. See appendix V for more information

E. IFRS equity and Solvency II EOF multi-year development

IFRS equity (in €m)

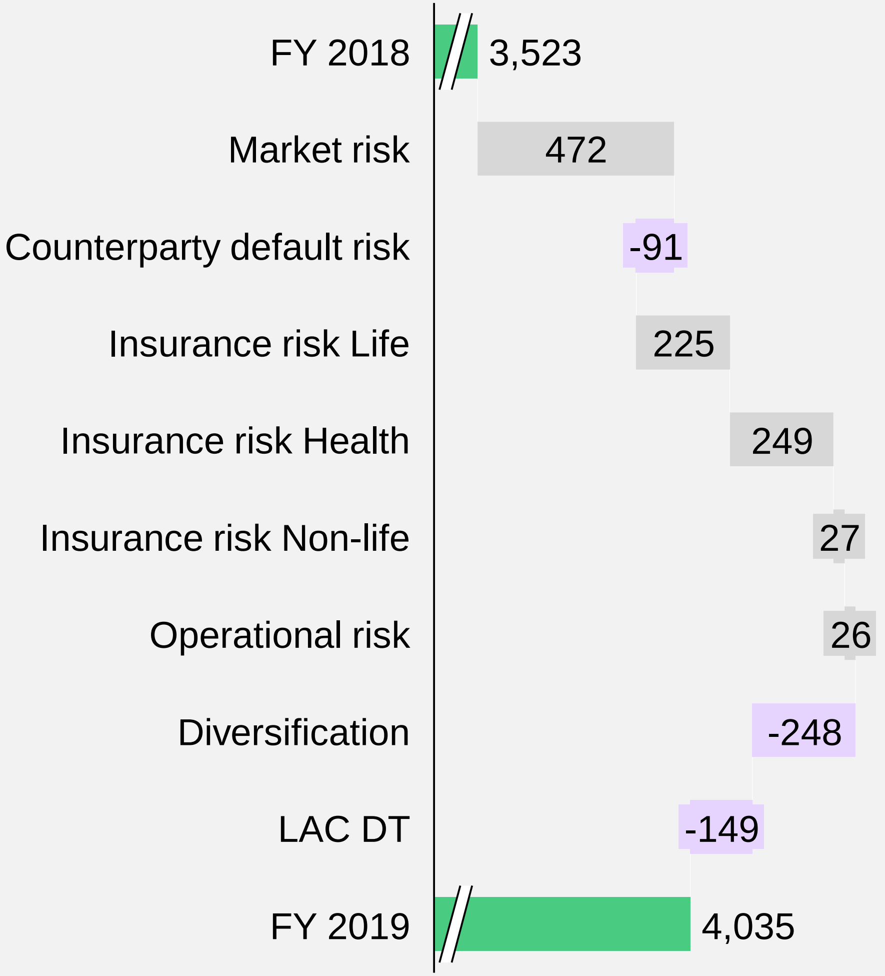


Solvency II Eligible Own Funds[1] (in €m)



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

F. SCR movement in FY 2019[1] (in €m)



SCR decreases in

Market risk:
- Concentration risk

Counterparty default risk

Insurance risk Life:
- Mortality risk

Diversification

LAC DT

SCR increases in

Market risk:
- Interest rate risk
- Equity and real estate risk
- Spread risk

Insurance risk Life:
- Longevity risk
- Expense risk
- Lapse risk

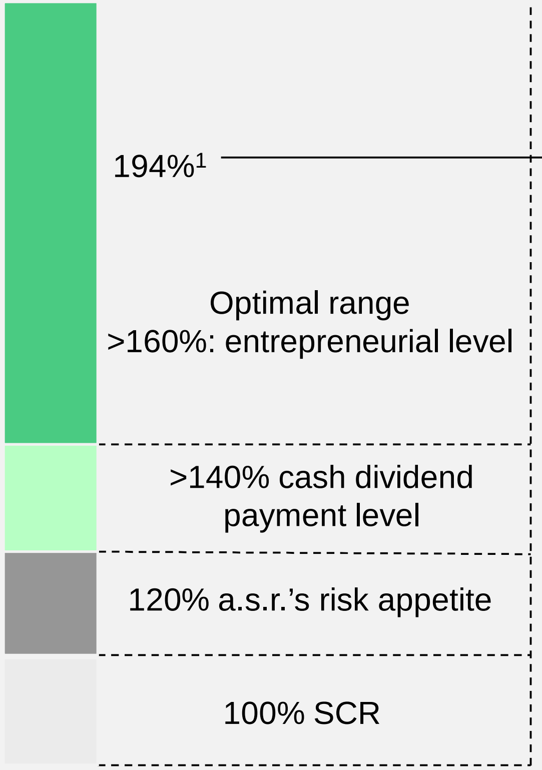
Insurance risk Health:
- HSLT risk and HNSLT risk

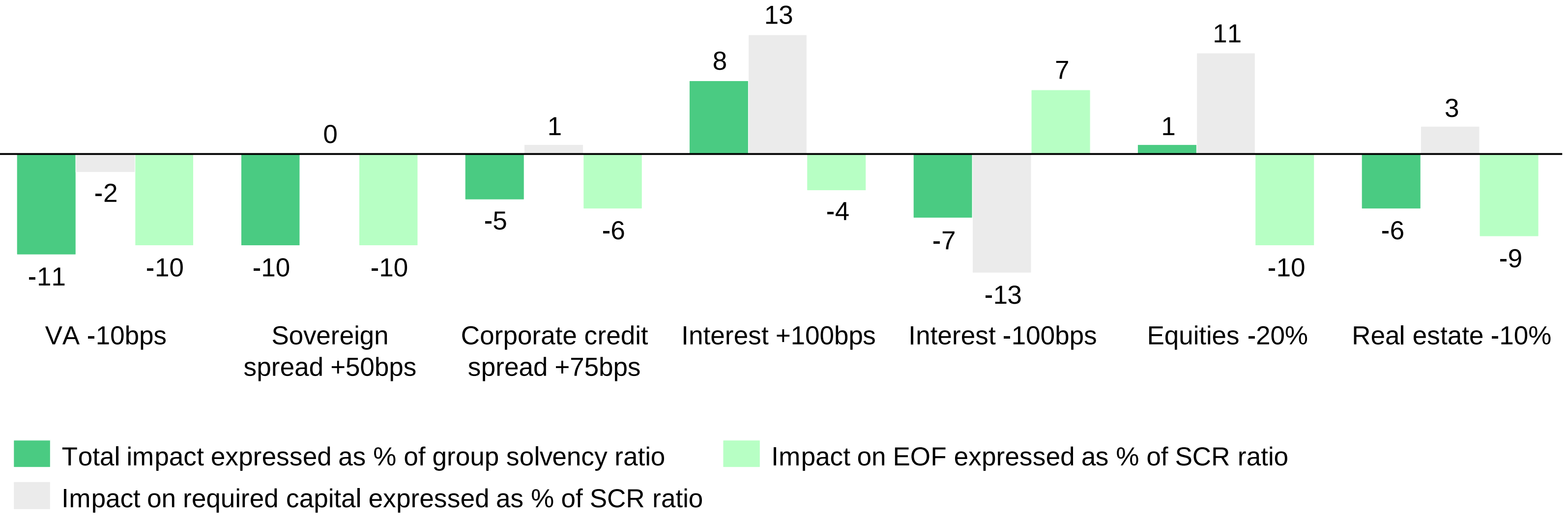
Insurance risk Non-life:
- Premium reserve risk

Operational risk

[1] Including Loyalis, excluding a.s.r. bank, a.s.r. asset management and a.s.r. real estate

G. Sensitivities Solvency II ratio

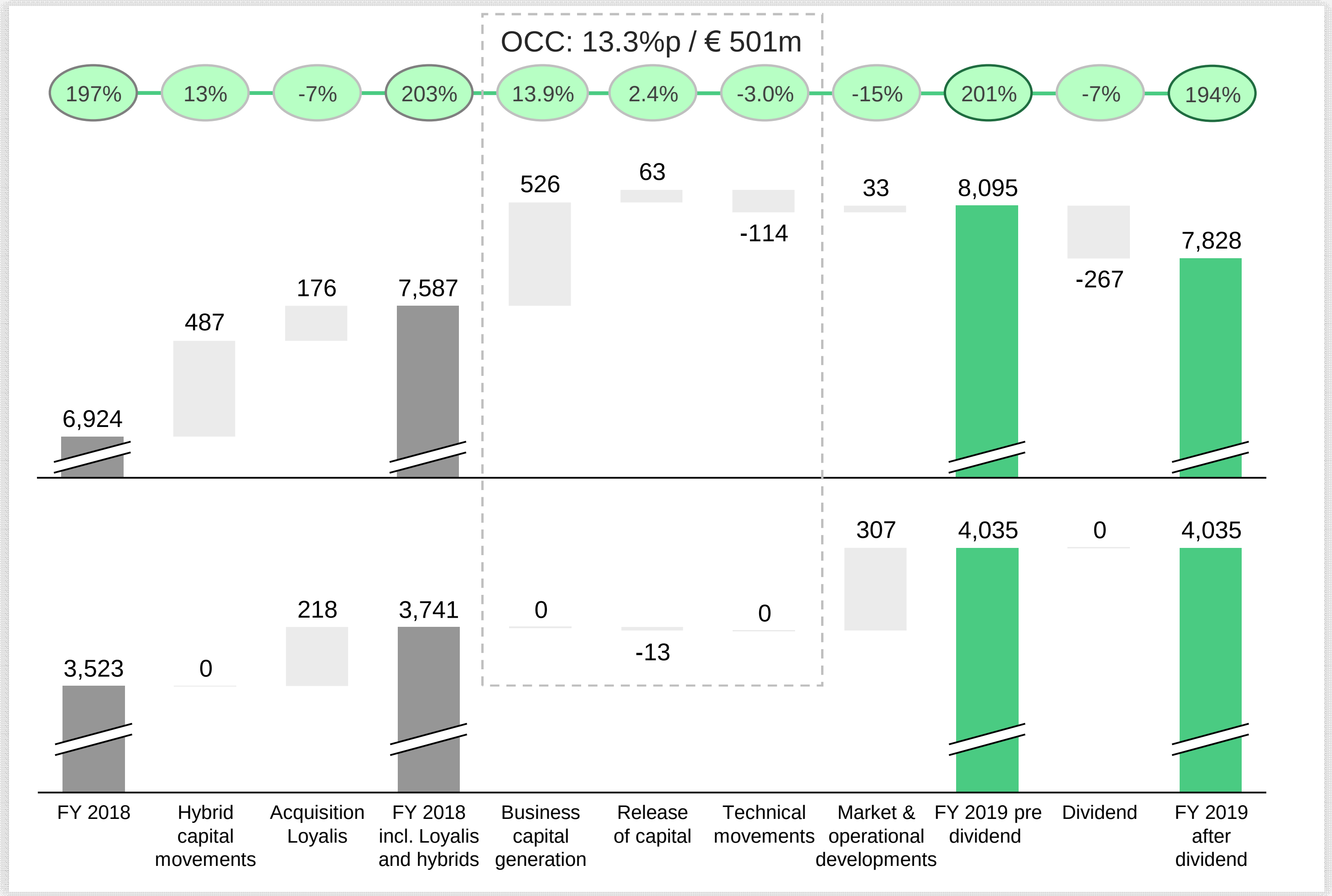




- In contrast to 2019 H1, the interest rate -100bps sensitivity does not change the dominant interest rate risk
- Sovereign and corporate spread sensitivities are stated excluding VA impact
- Other sensitivities were in line with the sensitivities presented at year-end 2018
- Current solvency level enables a.s.r. to potentially absorb multiple downward adjustments

[1] Calculation based on standard model, excluding a.s.r. bank, a.s.r. asset management and a.s.r. real estate

H. Solvency II ratio[1] movements in FY 2019 (new OCC definition)

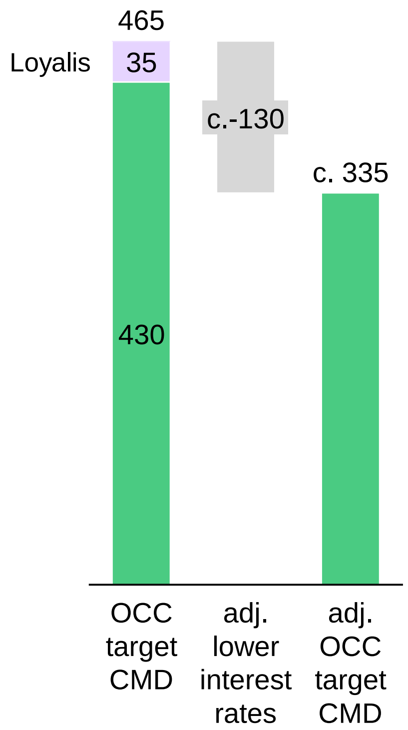


[1] Excluding a.s.r. bank, a.s.r. asset management and a.s.r. real estate

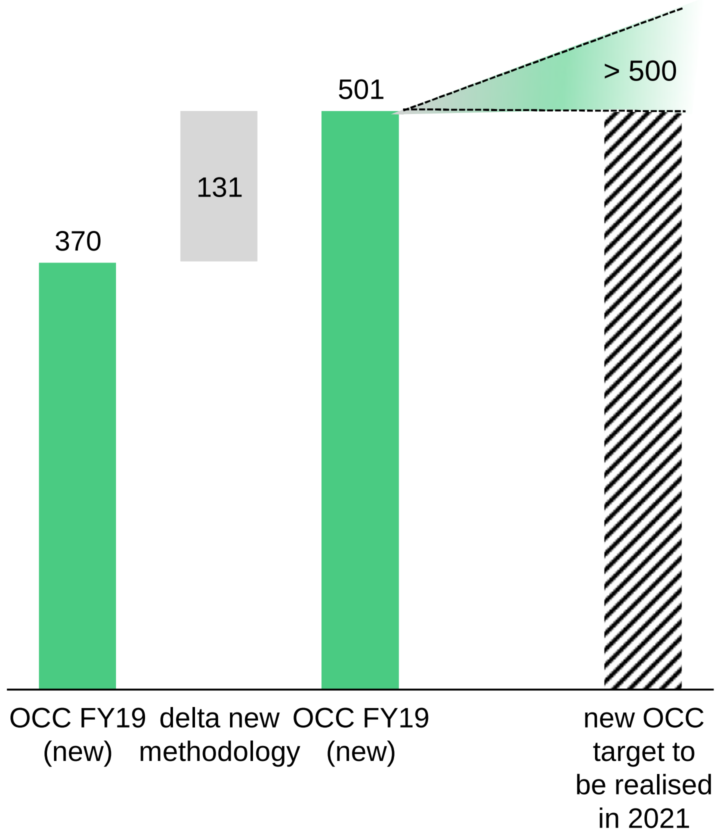
a.s.r.

I. Bridge OCC CMD target

OCC target CMD



OCC FY 19 and new target



- CMD OCC target of >€ 430m to be realised in 2021. With the Loyalis acquisition this was effectively raised to € 465m for 2021
- When adjusting for the lower interest rate environment as of FY 2019 compared to October 2018 (CMD), both the increased UFR drag (c. € 90m) and the flattening of the curve (c. € 40m) impact our OCC and effectively lowering the CMD target to c. € 335m
- The OCC for FY19 on the old definition amounts to € 370m. The new methodology leads to an increase of € 131m to € 501m
- The OCC methodology remains sensitive to movements in interest rates (UFR drag) and to market observable spread movements for fixed income (incl VA)
- The new OCC target is >€ 500m to be realised in 2021

J. Investment portfolio

Assets (in €bn, fair value)[1]	FY 2018	FY 2019	Delta	% of total
Fixed income	26.4	32.8	6.4	67%
Equities	2.2	2.6	0.4	5%
Real estate	4.0	4.4	0.3	9%
Mortgages / other loans	6.7	7.1	0.4	15%
Cash (equivalents) for investments	1.1	1.7	0.6	4%
Other[2]	0.1	0.1	0.0	0%
Total investments	**40.5**	**48.8**	**8.2**	**100%**
Investments on behalf of policyholders	7.8	9.6	1.8	
Other assets[3]	8.8	11.3	2.5	
Total balance sheet a.s.r.	**57.2**	**69.7**	**12.5**	

- Increase in total portfolio value, and fixed income in particular, mainly due to the acquisition of Loyalis and market effects
- Fixed income also includes € 0.8bn mortgage exposure through investments in mortgage funds
- Total increase in real estate portfolio mainly as a result of several participations in non-listed real estate funds and revaluations
- Level of participations in a.s.r. real estate funds slightly decreased as a result of inflow of external capital in all funds and redemptions of participations in ASR DCRF (Dutch Core Residential Fund)
- Mortgage exposure further increased. High quality mortgage portfolio with stable credit performance, good arrears positions and foreclosure losses incurred < 1bps

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

K. Details of fixed-income portfolio

- The core of the portfolio consists of AAA government bonds, with selective peripheral sovereign exposure
- The increase in value of the fixed income portfolio is mainly due to revaluations and the acquisition of Loyalis. The acquisition added around € 2.4bn in fixed income assets. Furthermore, exposure of € 0.8bn to mortgages via mortgage funds is also included
- Swap spread exposure for core government bonds remained relatively low
- Exposure of structured instruments increased only as a result of the Loyalis acquisition; the portfolio consists mainly of ABS and MBS, rated AAA and AA
- The value of derivatives increased due to lower interest rates

Fixed income (in €m)	**FY 2018**	**FY 2019**	***Delta***	**% of total**
Government	12,296	13,671	*11.2%*	42%
Financials	5,992	7,701	*27.9%*	23%
Structured	131	529	*304.6%*	2%
Corporate	5,531	5,694	*3.5%*	17%
Derivatives	2,459	5,223	*112.4%*	16%
Total	**26,408**	**32,818**	***24.3%***	**100%**

Mortgages (in €m, book value)[1]	**FY 2018**	**FY 2019**	***Delta***	**% of total**
NHG	3,073	2,887	*-6.0%*	41%
LtMV < 55%	1,155	1,356	*17.4%*	19%
LtMV < 65%	349	373	*6.9%*	5%
LtMV < 85%	795	1,213	*52.5%*	17%
LtMV < 95%	467	550	*17.7%*	8%
LtMV < 110%	766	683	*-10.8%*	10%
LtMV > 110%	109	48	*-56.2%*	1%
Total	**6,713**	**7,109**	***5.9%***	**100%**

Governments (in €m)	**FY 2018**	**FY 2019**	***Delta***	**% of total**
Germany	2,714	3,031	*11.7%*	22%
Netherlands	2,909	2,856	*-1.8%*	21%
Belgium	1,415	1,432	*1.2%*	10%
France	1,185	1,297	*9.5%*	9%
Austria	939	988	*5.3%*	7%
Supranationals	455	865	*90.3%*	6%
Spain	664	788	*18.7%*	6%
Ireland	579	603	*4.1%*	4%
Finland	463	491	*6.0%*	4%
Other	972	1,319	*35.7%*	10%
Total	**12,296**	**13,671**	***11.2%***	**100%**

[1] Loan to Market Value at originated value

L. Fixed income portfolio government credit rating

Market value governments[1] (in €m)	0-1	1-2	2-3	3-5	5-10	10-20	20-30	30+	Total	Delta	% of total
AAA	682	391	196	434	1,239	1,508	2,379	57	6,885	428	50%
AA	569	460	359	410	824	841	736	1,237	5,434	1,125	40%
A	1	3	16	75	162	40	0	14	312	-440	2%
BBB	245	1	6	526	190	33	36	0	1,037	262	8%
BB	0	0	0	0	0	0	0	0	0	0	0%
B or below	0	0	0	0	0	0	0	0	0	0	0%
Not rated	0	0	0	0	0	0	0	0	0	0	0%
Total	**1,496**	**855**	**577**	**1,444**	**2,415**	**2,422**	**3,150**	**1,308**	**13,668**	**1,375**	**100%**

[1] Excluding € 3m of preference shares

M. Fixed income portfolio corporates and financials credit rating

Market value credits (in €m)	0-1	1-2	2-3	3-5	5-10	10-20	20-30	30+	Total	Delta	% of total
AAA	447	190	125	119	166	67	0	0	1,114	517	9%
AA	146	76	187	323	410	221	0	0	1,363	71	11%
A	423	287	704	1,259	1,953	412	0	0	5,039	584	41%
BBB	389	324	503	1,438	1,416	280	0	0	4,350	521	36%
BB	111	9	1	55	77	0	0	0	252	44	2%
B or below	6	0	0	0	12	0	0	0	18	-8	0%
Not rated	26	1	28	1	10	0	0	4	71	31	1%
Total	**1,548**	**888**	**1,549**	**3,194**	**4,045**	**980**	**0**	**4**	**12,208**	**1,760**	**100%**

Table contains Financials, Structured and Corporates from slide K.
Details of fixed-income portfolio totalling € 13,924m. Excluded are:

- Preference shares € 317m
- Fixed income funds € 1,399m

Fixed income funds contain, on a look-through basis:

- Mortgage funds € 839m
- Investment grade (>BB) € 165m
- Not rated € 261m[1]
- High yield € 134m

[1] Management estimates 50% of not rated bonds and 50% of derivatives

N. Details of equities portfolio and real estate portfolio

Highlights

Equities

- During 2019, multiple trades took place and overall, the market value of equity markets rose, resulting in an overall increase in equity exposure
- Continuation of the active hedging policy for the illiquid part of the portfolio

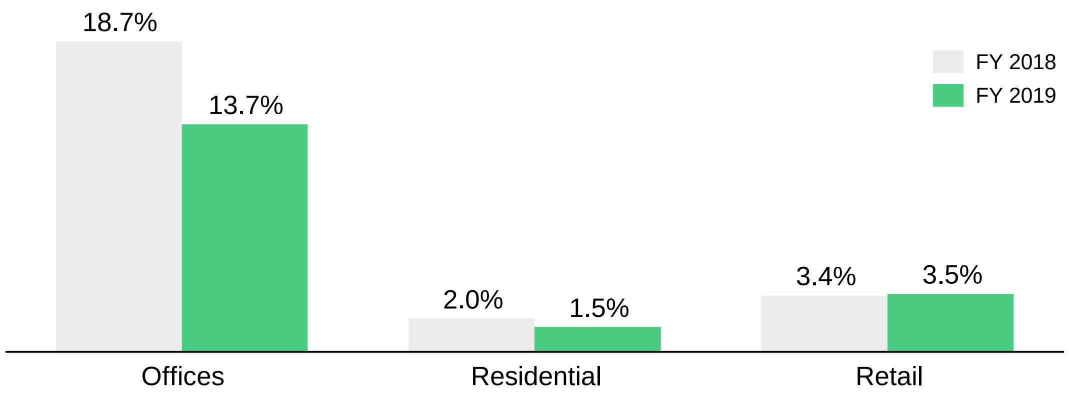
Real estate

- Total increase of 8% in real estate portfolio mainly as a result of the acquisition of Loyalis, investments in CBRE PEC[1] fund, acquisitions of Rural real estate and revaluations as a result of quarterly external valuations
- Level of participations in a.s.r. real estate funds slightly decreased as a result of inflow of external capital and redemptions of participations. However total market value rose due to revaluations
- Vacancy rates of Offices decreased due to the sale of vacant Generali office buildings

Equities (in €m)	FY 2018	FY 2019	*Delta*
Equities	1,803	2,059	*14.2%*
Private equities	80	99	*23.1%*
Hedge funds	0	0	*0,0%*
Other funds	335	443	*32.2%*
Derivatives	26	5	*-80.7%*
Total	**2,245**	**2,607**	***16.1%***

Real estate (in €m)	FY 2018	FY 2019	*Delta*
Offices	116	138	*18.9%*
Retail	221	215	*-2.5%*
Rural	1,474	1,588	*7.8%*
Parking & other	78	55	*-29.8%*
Total real estate (excluding funds & own use)	**1,889**	**1,996**	***5.7%***
ASR Dutch Prime Retail Fund	666	664	*-0.3%*
ASR Dutch Core Residential Fund	940	983	*4.6%*
ASR Dutch Mobility Office Fund	72	80	*11.2%*
Other Funds	321	480	*49.4%*
Total real estate (excluding own use)	**3,888**	**4,203**	***8.1%***
Offices in own use	146	147	*0.8%*
Total real estate	**4,033**	**4,350**	***7.9%***

Real estate vacancy rates (%)[2]



[1] Stands for CBRE Pan European Core fund
[2] Excluding Other Funds and Offices in own use

a.s.r.

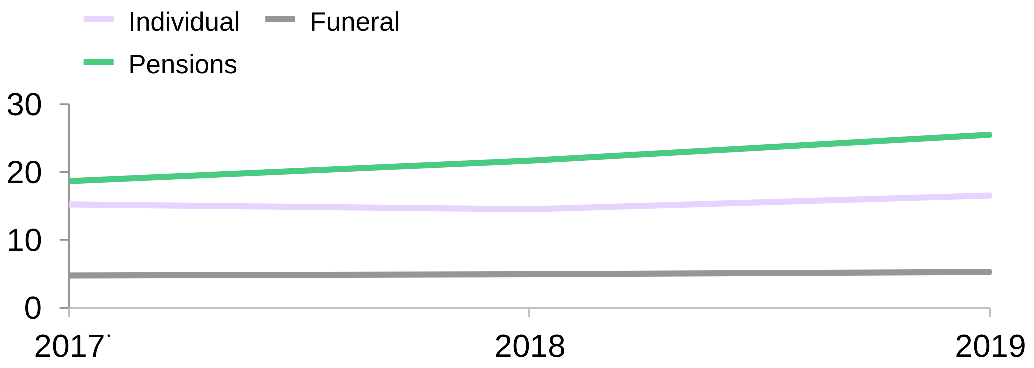
O. Calculation of asset leverage

Risky assets (in €m)	FY 2018	FY 2019
Equities	2,245	2,607
Real estate[1]	2,414	2,615
BB bonds or below	274	341
Preference shares	308	320
Fixed income funds (not rated & high yield)	329	265
Mortgages with LtMV >110%	109	48
Total risky assets	**5,678**	**6,196**
Unrestricted Tier 1	**5,379**	**5,793**
Asset leverage	**106%**	**107%**

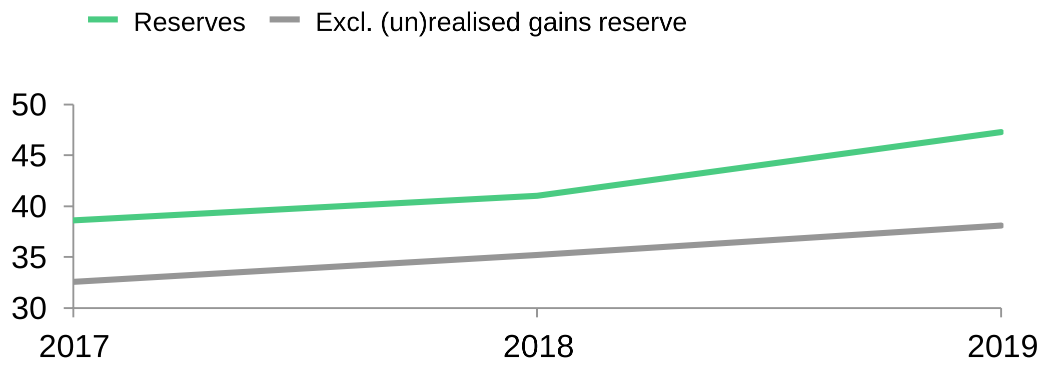
[1] Excluding Rural real estate and Offices in own use

P. Life segment book development

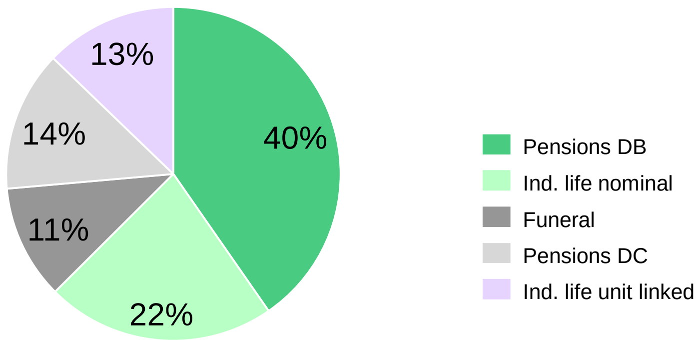
Life reserves development (in €bn)



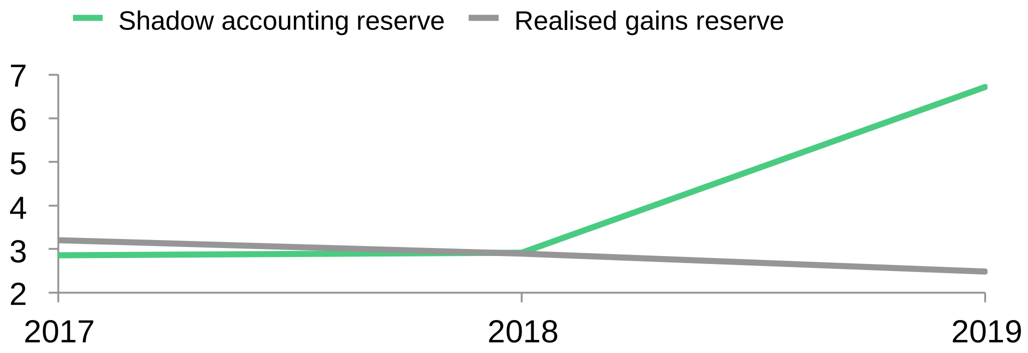
Life reserves (in €bn)



Reserves – FY 2019 (€ 47bn)



(Un)realised reserves development (in €bn)



Q. Life segment investment contribution

(in €m)	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019	H2 2019
Direct investment income[1]	513	479	529	519	535	527
Amortisation of realised gains reserve	161	161	155	159	161	137
Total investment contribution	**674**	**640**	**684**	**678**	**696**	**664**
Required interest on liabilities[2,3]	-411	-376	-404	-420	-381	-397
Investment margin[3]	**263**	**264**	**280**	**258**	**315**	**267**
Shadow accounting reserve (Life)	2,507	2,858	2,841	2,914	6,018	6,719
Realised gains reserve (Life)	3,437	3,203	3,083	2,897	2,906	2,483
Basic provision (Life)		22,020		24,179		24,988

[1] This line item differs from ''investment income'' in the Annual Report due to (i) interest expenses on derivatives and (ii) savings mortgages (offset by technical provisions)
[2] Including other components such as profit sharing
[3] The comparative figures have been restated due to a reclassification. Impact on total operating and IFRS result is nil

R. Medium term group targets (2019 – 2021)

Targets for the 2019 – 2021[1] period

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[3]

> € 500m

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 a 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%
[3] Target announced during CMD 2018 is adjusted for acquisitions and new OCC methodology

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

Targets for the 2019 – 2021[1] period

Non-life
(P&C and Disability)

94-96%

Combined ratio

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
(P&C and Disability)

GWP growth
(organic)

3-5%

Per annum

Life operating expenses

45-55bps

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 a stand-alone basis
[2] Fee based businesses are Asset Management and Distribution and Services

T. Medium term non-financial objectives

Targets for the 2019 – 2021[1] period

Meeting customer needs
(Net promoter score)

> 44

by 2021

Sustainable investments

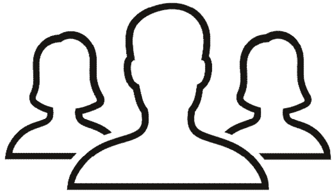
Carbon footprint: % measured of investment portfolio

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 a stand-alone basis

U. Recognition in ESG benchmarks and ratings

MSCI

BBB

Global industry average: BB

SUSTAINALYTICS

76

Global industry average: 60

vigeo eiris

52

European industry average: 39

VBDO

#1

Dutch Association of Investors for Sustainable Dev.

ISS ESG

C (prime)

Global industry average: D

CDP
DISCLOSURE INSIGHT ACTION

B

Global industry average: B-

Dow Jones Sustainability Indexes

73

Global industry average: 47

Eerlijke Verzekeringswijzer

#1

Dutch Fair Insurance Guide

V. Redefining Operating result: VOBA recognition of Loyalis

- On 1 May 2019, ASR Nederland N.V. announced the completion of its acquisition of Loyalis N.V. (hereafter referred to as ‘Loyalis’)
- With the acquisition of Loyalis and under the IFRS3-standard (‘Business combinations’), balance sheet items have been remeasured and intangible assets have been identified. As a result of these remeasurements, a.s.r. recognised a gain of € 118m in the IFRS result. In accordance with a.s.r.’s operating result policy, the purchase gain was excluded from the operating result
- Within the Non-life business, the largest part of the remeasurements was related to the acquired liabilities for insurance contracts. This resulted in recognising an intangible asset: ‘Value of Business Acquired’ or ‘VOBA’ (€ 90m as at 1 May 2019), to be amortised over the remaining duration of the insurance liabilities (€ 9m expense for the 8 months period in 2019). In addition, other intangible assets have been identified in the remeasurement (€ 32m as at 1 May 2019) with € 3m amortisation expenses for the 8-month period in 2019
- From a managerial perspective, a.s.r. regards the purchase gain, the VOBA/other intangibles and the amortisation as effects resulting from the application of accounting standards. Management does not take into account the amortisation or the purchase gain, as these effects do not reflect the operating performance of the underlying portfolios. These effects are therefore excluded from the operating result
- The operating result increased to € 858m (2018: € 749m) by excluding the amortisation of the VOBA and other intangibles. To ensure consistency, the derecognition also takes into account the other intangibles from earlier acquired business combinations in the D&S segment, VOBA from the Stad Rotterdam/Amersfoortse acquisition by AMEV in 2000 and the ‘negative’ VOBA from the GNL and Loyalis Life books

	FY18	FY19
Operating result incl. VOBA amortisation	**742**	**843**
Less: amortisation of VOBA & intangibles Loyalis (Non-Life)	na	13
Less: amortisation of VOBA Stad R'dam/Amersfoortse	11	10
Less: amortisation of intangibles D&S	2	2
Less: release of 'negative' VOBA GNL	-7	-7
Less: release of 'negative' VOBA Loyalis (Life)	na	-2
Operating result excl. VOBA amortisation	**749**	**858**

IR contact details

Email: ir@asr.nl

Tel: +31 (0)30 257 86 00

Disclaimer

Cautionary note regarding forward-looking statements

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