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

2020 full year results

Jos Baeten, CEO
Annemiek van Melick, CFO

ANALYST CONFERENCE CALL
18 February 2021

Strong operational performance and robust solvency in 2020

- Operating result of € 885m up € 27m, driven primarily by higher Life investment margin and strong Non-life performance
- Impact COVID-19 limited due to diversification of business activities
- Combined ratio[1] at 93.6%. Non-life organic GWP growth of 4.6%
- Efficiency ratios improved in all business segments, despite higher operating expenses, mainly driven by growth and acquisitions
- Operating RoE of 15.3% exceeds target range
- IFRS net result down to € 657m due to COVID-19 impact on financial markets and one-offs
- Robust Solvency II ratio on standard formula, up 5%-pt to 199% after proposed dividend
- OCC stable at € 500m, higher business capital generation offset by higher UFR drag
- FY20 dividend[2] up 7.4% to € 2.04 per share. Final dividend equals € 1.28, share buyback of € 75m announced

Operating result	Solvency II (SF)[3]	Dividend per share
€ 885m	199%	€ 2.04
3.2%	**+5% pts**	**+7.4%**
(FY 2019: € 858m)	(FY 2019: 194%)	(FY 2019: € 1.90[2])

Operating RoE	Financial leverage	Operating expenses
15.3%	28.3%	€ 701m
Target **12-14%**	**max. 35%**	**+6.9%**
(FY 2019: 15.1%)	(FY 2019: 29.2%)	(FY 2019: € 656m)

IFRS net result	Organic capital creation	Combined ratio[1]
€ 657m	€ 500m	93.6%
-32.4%	**-0.2%**	Target **94-96%**
(FY 2019: € 972m)	(FY 2019[4]: € 501m)	(FY 2019: 93.5%)

[1] P&C and Disability
[2] FY19 dividend includes special dividend of €1.20 to make up for final dividend 2019
[3] After proposed FY20 dividend
[4] OCC 2019 restated for new OCC definition

Delivering on sustainable value creation for all stakeholders

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	Sustainable investments	Sustainable investments	Employee contribution to local society (in no. of hours per annum)
Net promoter score by 2021	% carbon footprint measured of investment portfolio by 2021	Impact investments by 2021	
>44	95%	€ 1.2bn	5% growth p.a.
FY 2020: 49	FY 2020: 93%	FY 2020: € 1.7bn	FY 2020: -54%[1]

ESG credentials

MSCI	BBB	Scale: CCC – AAA
vigeo eiris	60	Scale: 0 – 100
ISS ESG	C (Prime)	Scale: D- - A+
Dow Jones Sustainability Indexes	81	Scale: 0 – 100
SUSTAINALYTICS	14.7	Scale: 100 – 0
VBDO	#1	Dutch Association of Investors for Sustainable Dev.
CDP DISCLOSURE INSIGHT ACTION	C	Scale: D- – A
Eerlijke Verzekeringswijzer	#1	Dutch Fair Insurance Guide

a.s.r. [1] Due to COVID-19 related lockdown and social distancing restrictions

Overall limited impact of COVID-19

Customers

- First focus was a seamless transition to providing full customer support from home and efficiently dealing with increased client contact requests in specific business lines
- In the 1st half of the year, clients in need were offered client solutions, including payment arrangements. In the 2nd half of the year, there was less demand for these solutions
- Rent arrears in real estate portfolio reverted in the 2nd half of the year from c. €16m at HY20 to c. € 7m at FY20
- Excellent customer satisfaction illustrated by further increase in NPS to 49 from 44

Employees

- From one day to the next, some 4,000 colleagues switched seamlessly to fully working from home
- Mood monitor (HR tool), which measures the employees' wellbeing, motivation and vitality, scored 7.3 out of 10 on average
- Further focus on mood monitor scores to improve sense of involvement of our employees
- Frequent all-company meetings to update employees on latest trends and situation

Financial results

- COVID-19 impact on operating result limited at c. € -1m. Negative impact on Life (c. € -22m) was offset by Non-life (c. € 21m)
- Due to underlying increasing trend in claims (particularly sickness leave) Disability provisions further strengthened in 2nd half of the year, re-integration processes reverted to normal
- Within P&C, a higher traffic intensity was observed in the 2nd half of the year
- Life COVID-19 impact mainly due to lower (equity) dividends and rental income
- IFRS net result considerably lower due to impact on financial markets, goodwill impairments and the reported purchase gain from Loyalis in 2019

Solid progress in executing our strategy in 2020

Portfolio matrix

A Non-life business domains with growth potential

- Combination of Loyalis, Veherex and Vitality partnership strengthens client proposition in the business domain of sustainable employability. Vitality helpful in further improvement of customer relevance and loyalty[1]
- In-house execution of reintegration activities strengthens customer connection
- Expense ratio decreases from 8.4% to 8.1%

C Asset management related growth business

- Assets under Management (“AuM”) for third parties increased by € 3.4bn to € 25.4bn, mainly driven by growth in the mortgage and DC funds
- Brand New Day IORP[2] supports growth in DC business and Asset Management
- Mortgage origination ended up at € 4.6bn in FY20
- 3rd party AuM increased from € 12.4bn in 2016 to € 25.4bn in 2020, operating result increased from € 4m in 2016 to €31m in 2020

B Robust and predictable service books

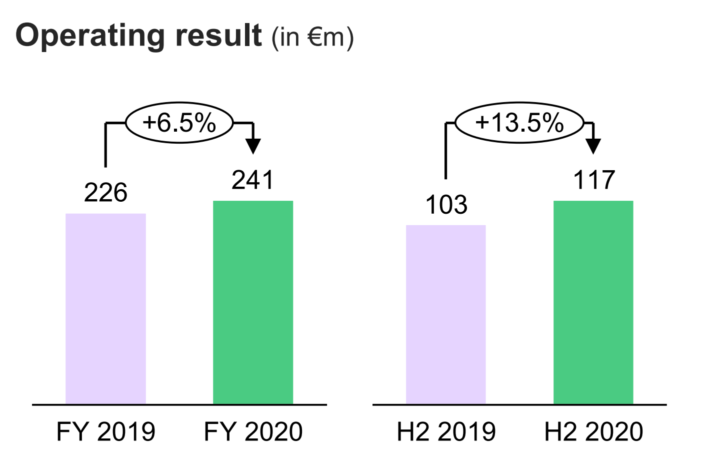
- Successful IT costs reduction due to system rationalisations within Ind. Life and Pensions DB and a reduction of the number of applications
- All systems within Individual Life were converted to a SaaS solution, including Loyalis and VvAA portfolios
- Ongoing focus on cost efficiency illustrated by decrease in Life operating expenses, supported by acquisition of VvAA Life. Life operating expenses decreased from 62 bps in 2016 to 45 bps in 2020

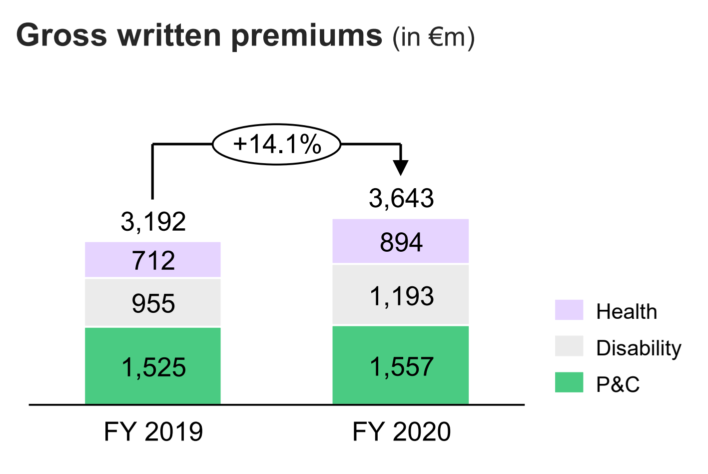
D Divestments

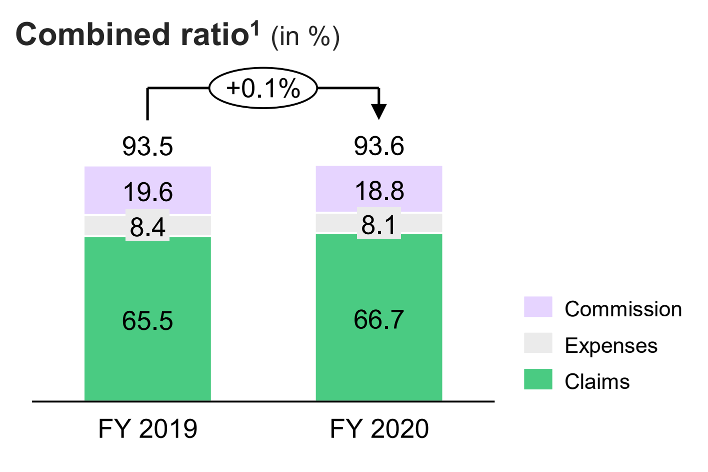
- Remaining investment accounts of a.s.r. bank were transferred to Van Lanschot Kempen
- Banking license of a.s.r. bank was withdrawn in December 2020

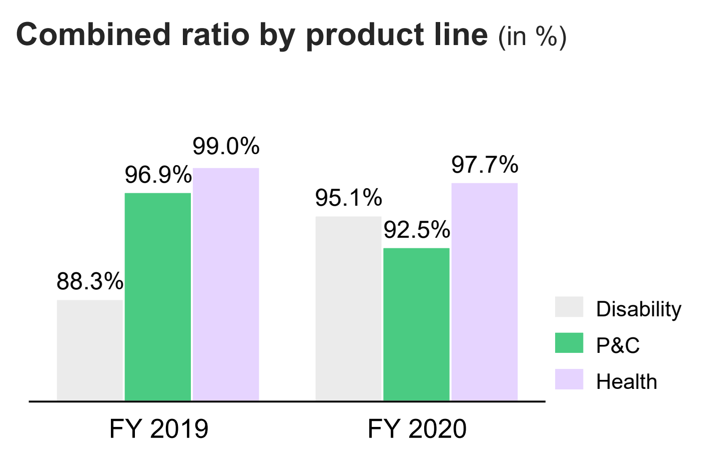
[1] At FY20 50k participants and 10k employers participated in a.s.r. Vitality programme
[2] Institution for Occupational Retirement Provision refers to Dutch abbreviation “PPI”

Non-life: strong organic and inorganic GWP growth







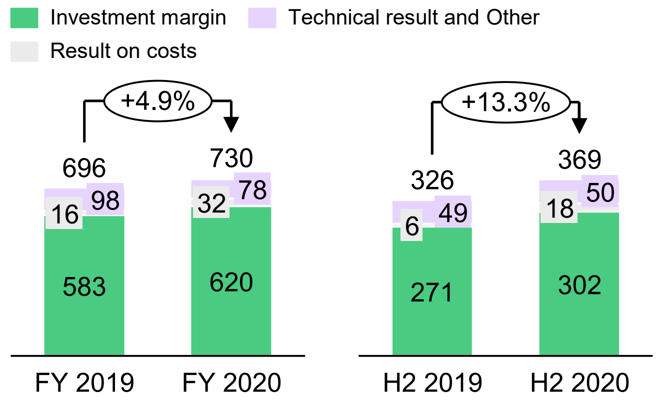


- Non-life operating result increased to € 241m, including a € 21m positive COVID-19 effect
- In Disability, COVID-19 resulted in reserve strengthening and higher claims. In the 2nd half of the year reintegration processes reverted to normal
- P&C benefitted from lower claims in motor and fire due to COVID-19, offset by reserve strengthening, primarily on account of bodily injury
- Combined ratio[1] of 93.6% including c. 0.6%-pt (positive) effect of COVID-19
- Improvement in expense ratio from 8.4% to 8.1% reflects realised cost synergies from Generali NL and Loyalis IT migration and increase in GWP
- Organic growth of P&C and Disability combined 4.6%, at upper end of target of 3-5% growth p.a.
- Significant inorganic growth in Disability GWP due to Loyalis + Veherex (€ 158m)
- Increase in Health GWP reflects strong interest in the newly introduced benefit-in-kind insurance product

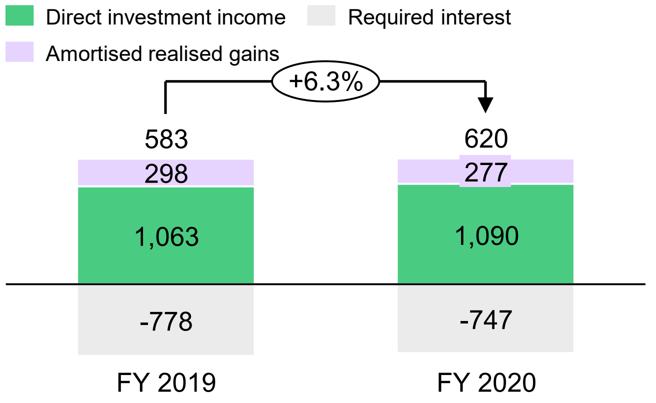
a.s.r. [1] P&C and Disability

Life: investment margin drives higher operating result

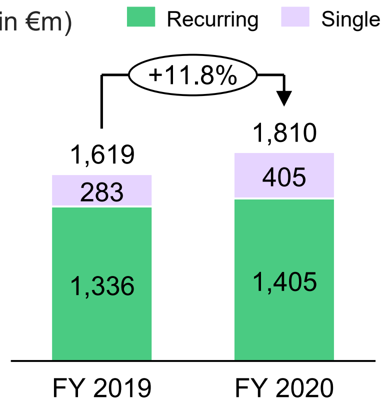
Operating result (in €m)



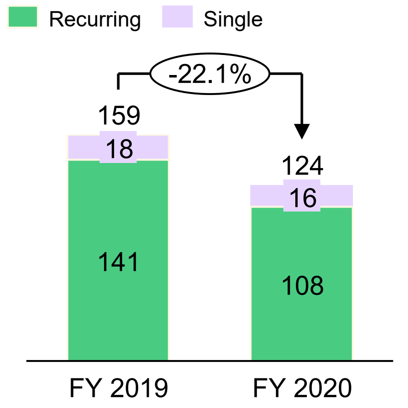
Investment margin (in €m)



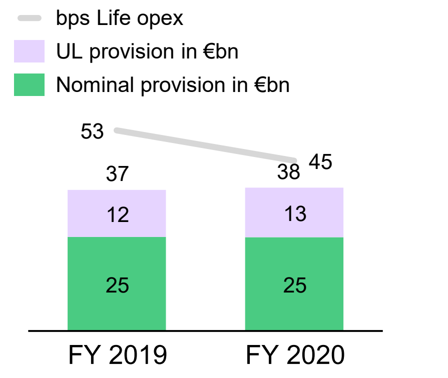
Gross written premiums (in €m)



New business (APE) (in €m)



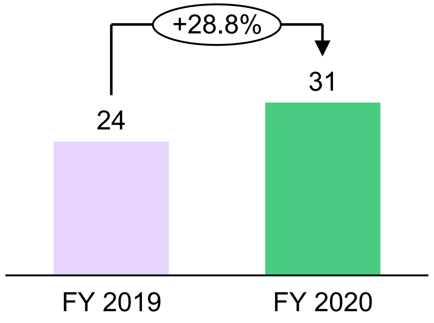
Life operating expenses (in bps of basic Life provision)



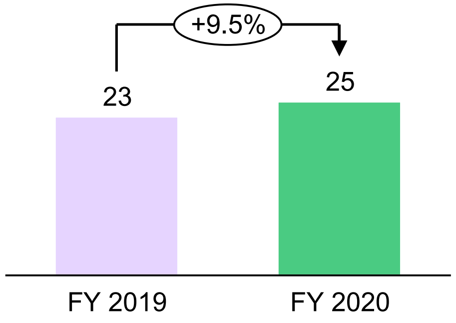
- Operating result of Life segment increased by € 34m, to € 730m, despite a € 22m negative impact due to COVID-19
- Investment margin rose by € 37m despite € -20m COVID-19 impact on direct investment income
- Result on costs rose to € 32m due to a partly one-off decline in cost level, supported by ongoing cost efficiency and realisation of cost synergies from acquisitions
- Decrease in technical result of € 20m, mainly driven by relatively strong mortality result in 2019. Limited positive impact of COVID-19 on mortality result
- Higher investment margin mainly driven by:
  - Positive effect from derivatives portfolio (swaptions)
  - Optimisation of illiquidity (mortgages) and credit risk premium and additional contribution of acquisitions
  - Required interest decreased due to maturing Individual life book
- GWP increased by 11.8%, driven by strong growth in Pensions DC and acquisitions (Loyalis and VvAA), partly offset by a decline in Pensions DB and Individual life
- New Business (APE) lower due to positive one-offs in 2019
- Expenses dropped to 45bps, which is at the lower end of target range of 45-55bps

Operating result fee-based businesses delivering on ambitious targets

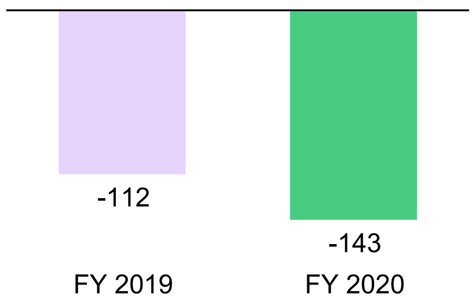
Operating result Asset Management
(in €m)



Operating result Distribution and Services
(in €m)



Operating result Holding and Other
(in €m)



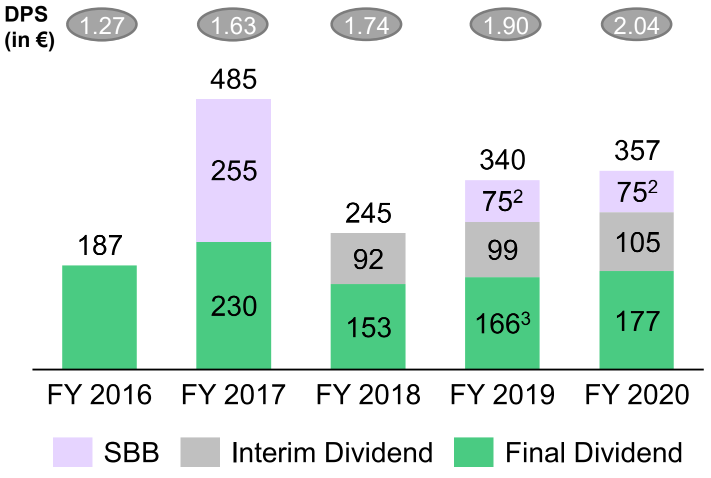
- Fee-based business operating result amounts to € 57m for 2020 (2019: € 48m). Increase of 19% exceeds the target of 5% growth per annum
- Operating result of Asset Management increased by € 7m, driven by an increase in fee income from external mandates (primarily mortgage fund and DC funds). COVID-19 impact in 2020 neutral
- Third-party assets increased to € 25.4bn (FY19: € 22.0bn[1])
- Operating result of Distribution and Services increased by c. € 2m, mainly due to small acquisitions and organic growth
- Decrease in operating result of Holding and Other is mainly driven by the increase in current net service costs (pension plan) due to lower interest rates (€ 20m), the additional interest expenses from the € 500m Tier 2 subordinated liability placed in April 2019 (€ 6m) and higher indirect costs
- As from 2021 a.s.r. has shifted from DB to DC pension plan for future accrual, leading to an expected positive impact on operating result (c. €20m) and OCC (c. €7m). Accrued rights of a.s.r. employees remain in DB account

[1] Reclassified figure

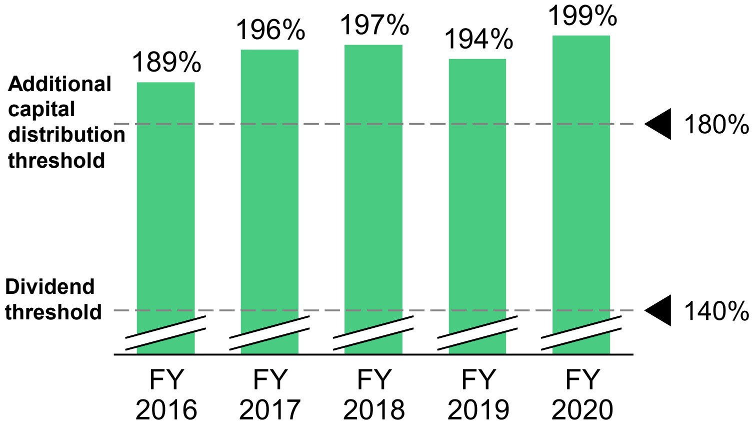
Solid track record in rational capital management

- 2020 regular full year dividend amounts to € 2.04 per share, equal to 7.4% DPS growth. Final dividend amounts to € 1.28 per share
- Dividend policy: pay-out ratio of 45% to 55% of the net operating result attributable to shareholders (i.e. net of hybrid costs and after tax)
- Dividend threshold at 140% SII. Above 180% room for additional capital returns. Rational allocation OCC towards organic growth, bolt-on M&A and/or rerisking, regular dividend and additional capital returns
- € 75m share buyback announced for 2021, starting 19 February until 18 May 2021 at the latest
- Total capital return since IPO in 2016 amounts to € 1.6bn (36% of current market cap[1])

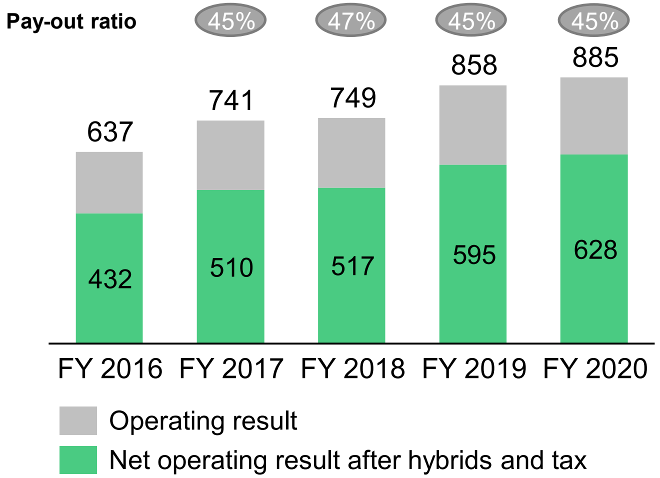
Ample capital return since IPO (in €m)



Solvency ratio safely above return thresholds



Dividend pay-out ratio



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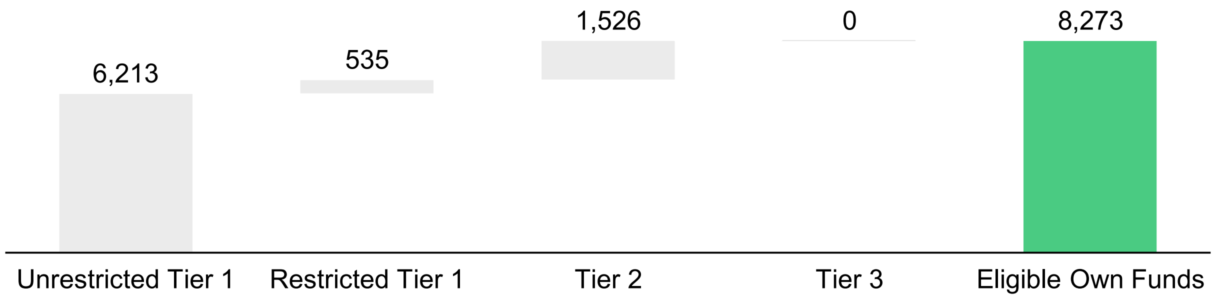
[1] Market capitalisation as at 31 December 2020
[2] SBB announced at FY19, FY20 results and to be executed in 2020, 2021 respectively
[3] Special dividend of €1.20 per share equals the postponed final dividend for FY19

Solvency and capital position

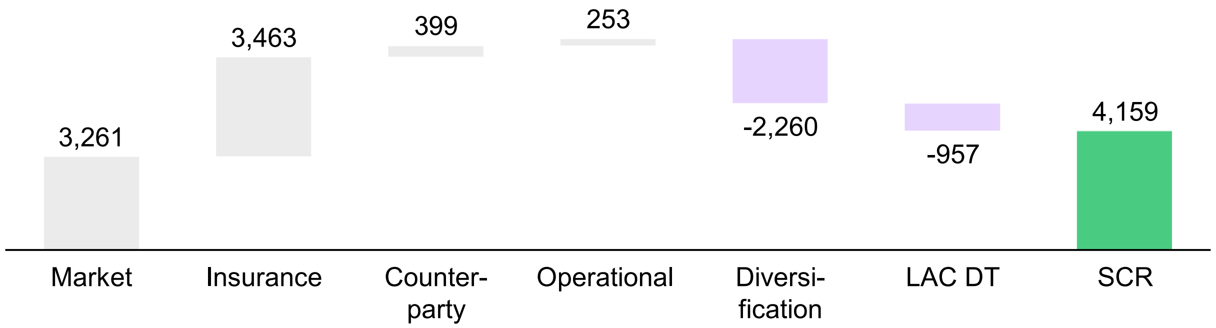
Annemiek van Melick, CFO

Solvency II: high quality balance sheet

Eligible Own Funds (in €m)



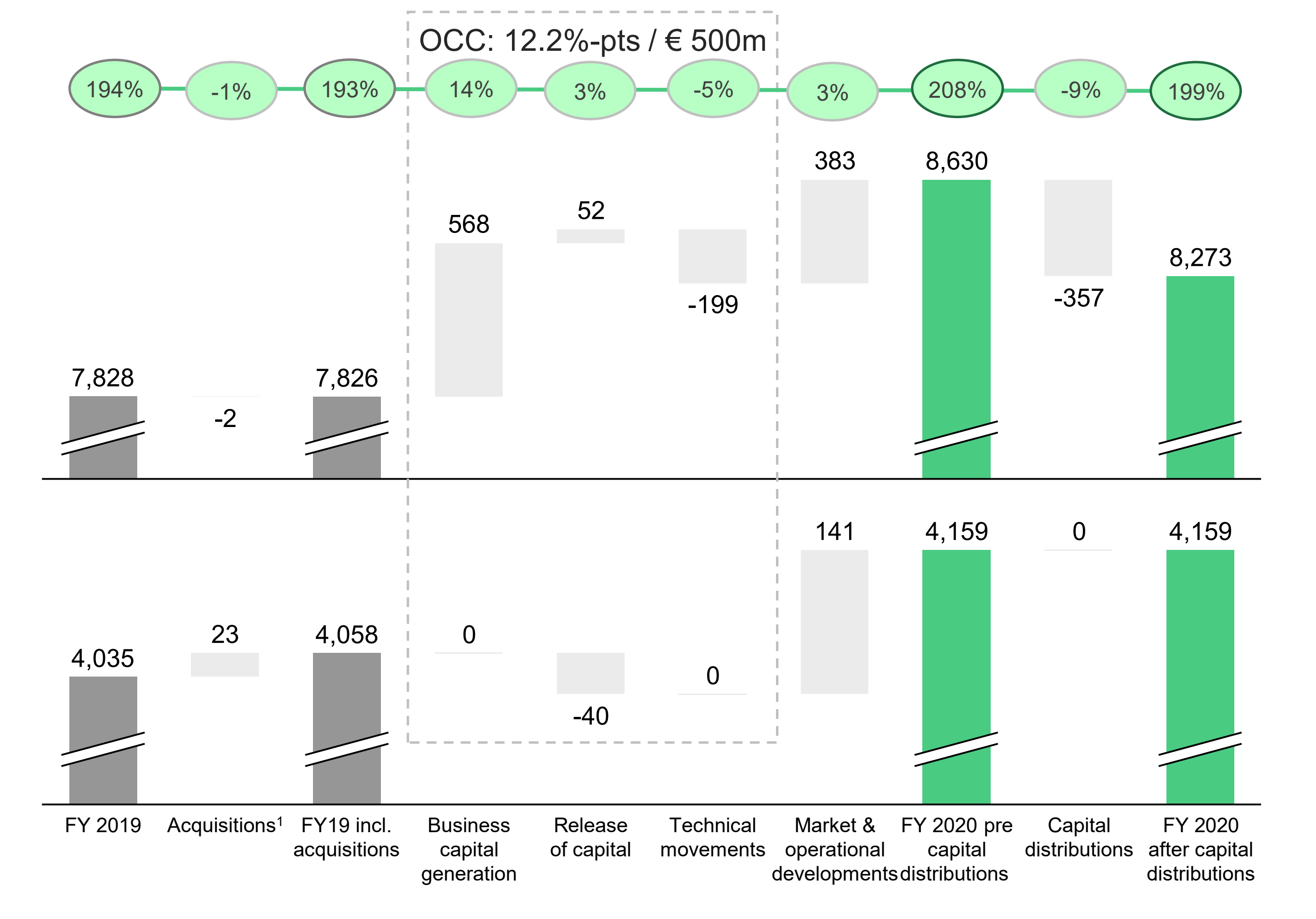
Required Capital (in €m)



SII 199%

- Solvency II ratio is 199% based on standard formula (FY 2019: 194%)
- Unrestricted Tier 1 capital increased by € 425m, to € 6,213m: 75% of total own funds and 149% of SCR, absorbing the reduction of the UFR to 3.75% (-4%-pts)
- Ample headroom available within SII framework:
  - RT1: € 1,019m
  - T2 & T3: € 554m
- 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), leaving room for asset optimisation
- An increase in insurance and market risk was partially mitigated by increased positive impact of diversification and the LAC DT
- Both market and insurance SCR increased due inorganic and organic growth of Non-life segment, lower interest rates partly offset by maturing Individual life book

Solvency II ratio movements in 2020



- Solvency II ratio increased 5%-pts to 199%, on standard formula and after capital distributions, 208% before capital distributions
- Robust organic capital creation of € 500m or 12.2%-pts of required capital. Higher business capital generation as well as release of capital make up for € 79m higher UFR drag
- Market & operational developments are positive, mainly due to higher LAC DT benefit[2] and adjustment of mortality assumptions, partially mitigated by the reduction of the UFR
- Capital distributions reflect € 282m FY20 dividend (€ 105m interim dividend, € 177m proposed final dividend) and € 75m share buyback executed in 2020

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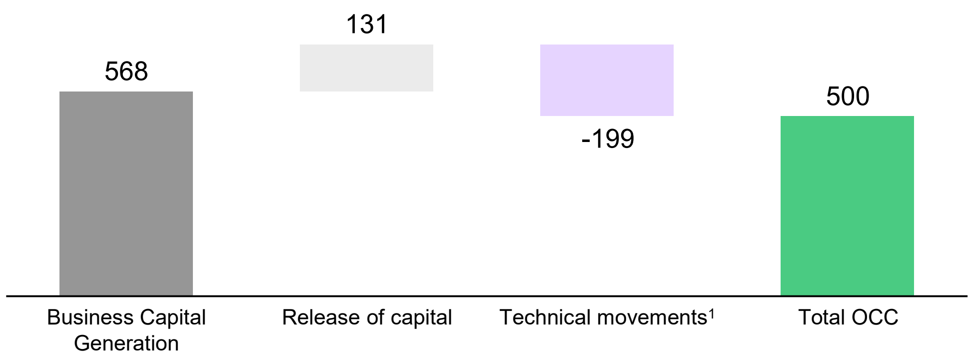
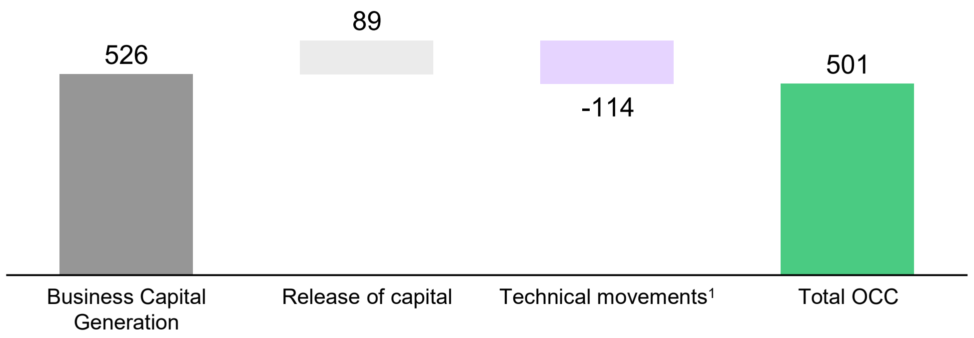
[1] Includes the closing of the Veherex and VvAA acquisitions
[2] Reversal of previously expected corporate tax lowering incorporated in LACDT and DTA/DTL positions, as corporate tax rate remains 25%

OCC development

OCC 2020



OCC 2019



Business Capital Generation (+€ 42m)

- Excess returns higher due to spread widening and shift to higher yielding assets
- Higher income from fee-based business

Release of capital (+€ 42m)

- Higher contribution from Loyalis (acquisition 2019)
- Lower interest rates lead to higher release of capital

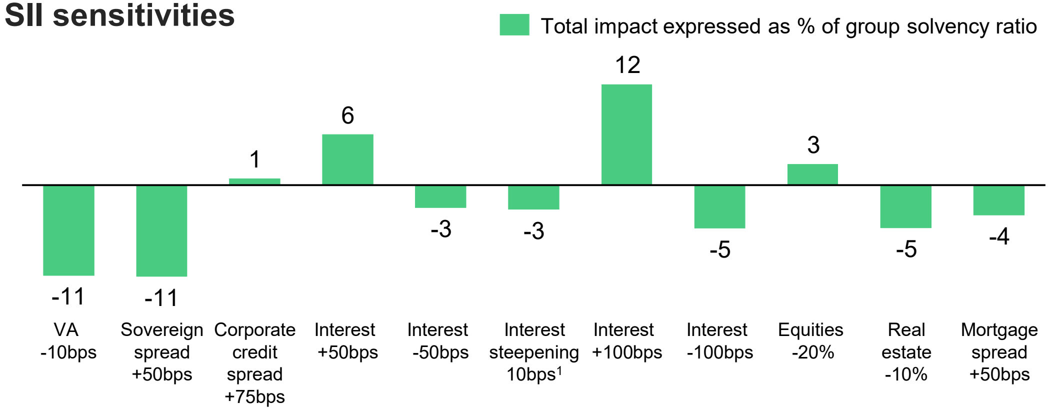
Technical movements (-€ 85m)

- Decreasing interest rates led amongst others to an increase of the UFR drag of € 79m
- For 2021 an echo of UFR drag of € 37m is starting point for 2021 due to the averaging methodology, leaving ample ambition in 2021 target of € 500m

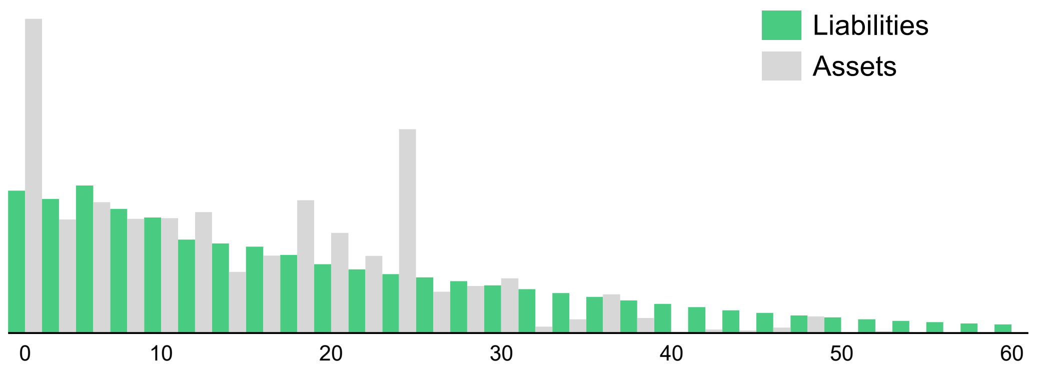
[1] UFR drag contains averaging methodology, i.e. taking avarage of € 161m UFR drag at rates at 1/1/2020 and € 247m UFR drag at rates at 31/12/20.
This results in a UFR drag echo of € 37m in 2021 if rates would remain unchanged in 2021 (half of the impact of interest rate movements in 2020, taking into account lowering of UFR to 3.6% as of 1/1/2021).

Manageable Solvency sensitivities

SII sensitivities



Cashflow pattern[2]

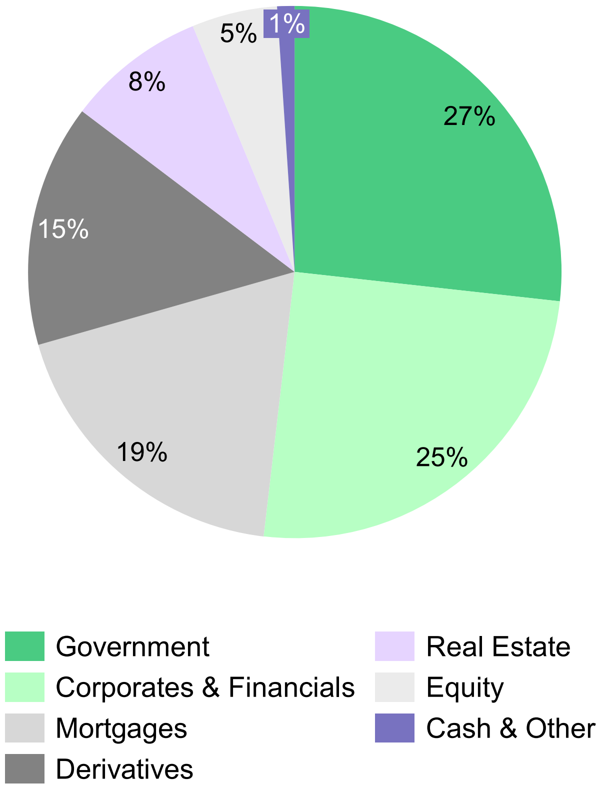


- Limited impact of parallel and non-parallel interest rate shocks on SII ratio
- a.s.r. uses a combination of cash flow hedging and duration hedging to manage interest rate risk
- For the longer maturities, a.s.r. applies duration hedging of the liabilities, including the risk margin, based on parallel as well as non-parallel interest rate shocks. This is done trough a combination of bonds and derivatives, which allows for accurate hedging of optionality in liabilities (e.g. profit sharing) as well as assets (e.g. mortgages)
- For its hedging strategy a.s.r. uses a limit of 100bps parallel shift on sensitivity of SII ratio to a maximum 15%-pts
- Impact non-parallel curve shocks managed by sensitivity of duration buckets
- Sovereign and corporate spread sensitivities are stated excluding VA impact[3]

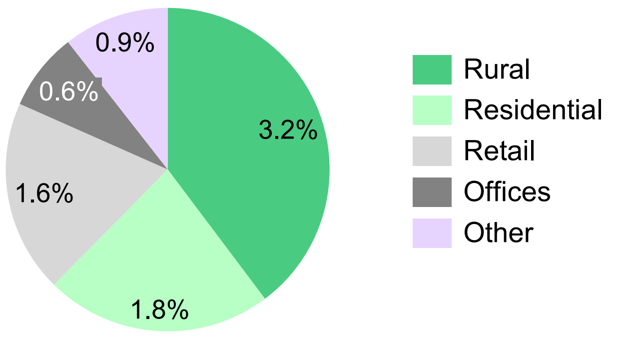
[1] Steepening of the curve of 10bps between 20Y and 30Y
[2] Bars represent a period of 2 years
[3] Note that at FY20, a corporate spread widening of 75bps corresponded with c. 15bps of VA increase. A 50bps of sovereign spread widening corresponded with c. 10bps VA increase

Robust and diversified investment portfolio

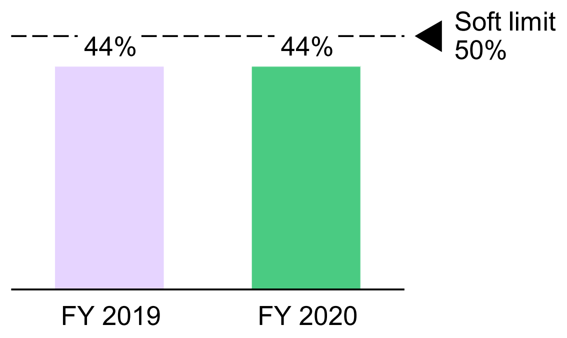
Breakdown investment portfolio[1] € 52.9bn (in %)



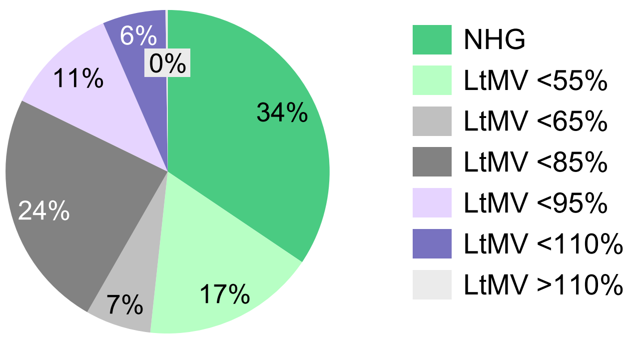
Breakdown real estate portfolio (€ 4.5bn) as % of total Investment Portfolio (in %)



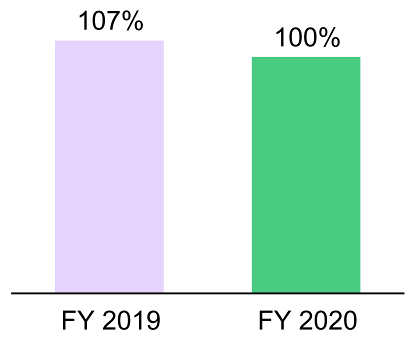
Market risk as % of total BSCR[3]



Breakdown mortgage portfolio[2] (€ 9.5bn) with average LTV of 73% (in bps)



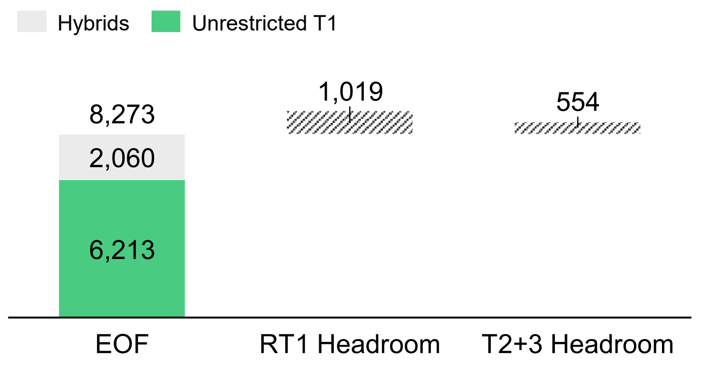
Risky assets[4] as % of Unrestricted Tier 1



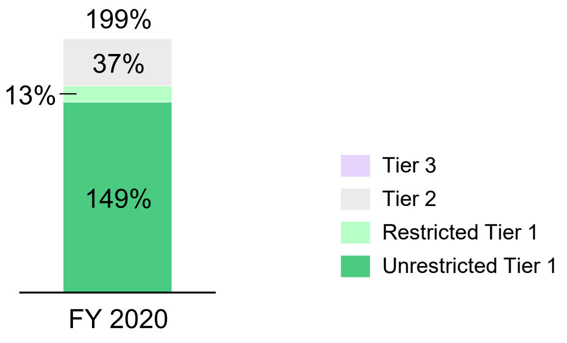
[1] Investment portfolio distinguishes different investment categories from an asset management perspective. Therefore, this breakdown differs from the financial statement presentation based on IFRS
[2] Excluding the other (external) mortgage funds (€ 0.4bn), for which no LtMV data is provided
[3] In % of required capital excl. LAC DT and diversification between Market, Life, Non-life and Health risks
[4] For calculation of risky assets, see appendix P

Strong balance sheet with ample financial flexibility

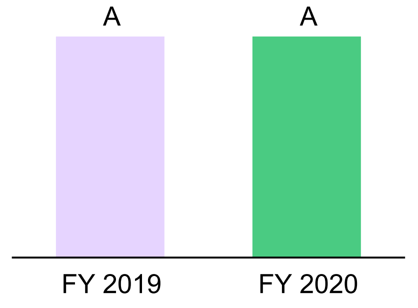
Financial flexibility (in €m)



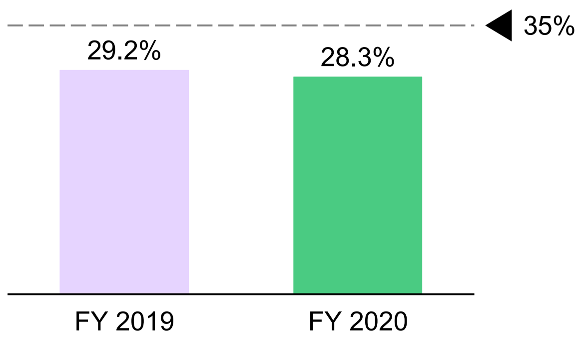
Solvency II composition (in % pts)



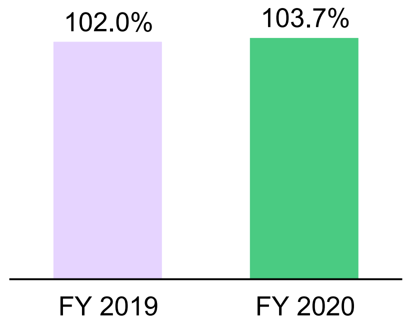
S&P IFS rating



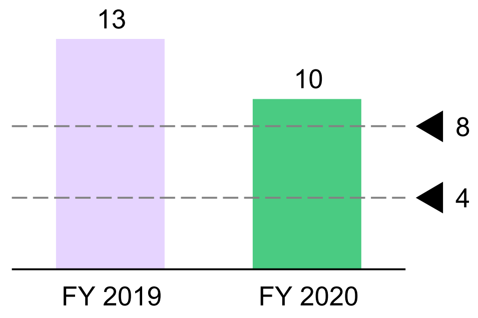
Financial leverage (in %)



Double leverage (in %)

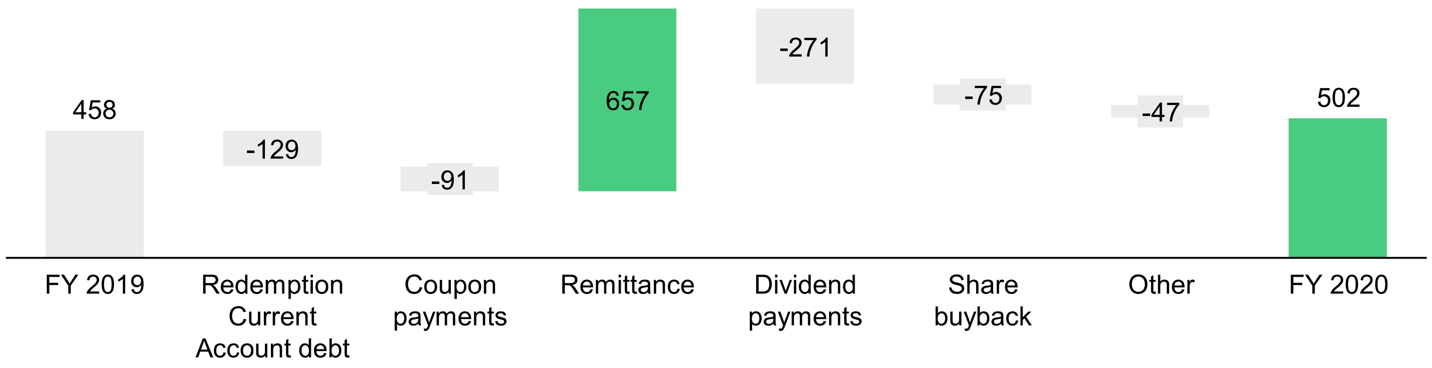


Interest coverage ratio (IFRS, multiple)

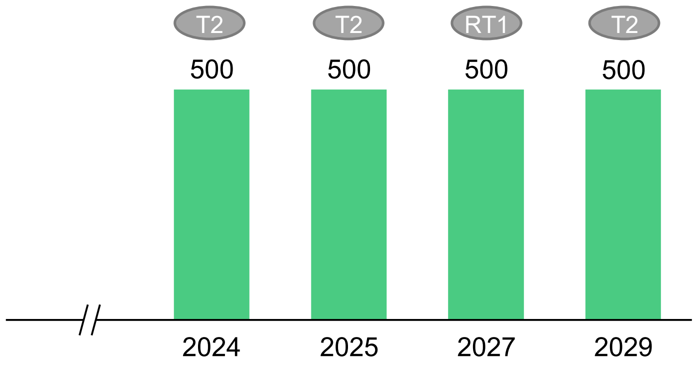


Robust solvency and cash support our businesses and dividends

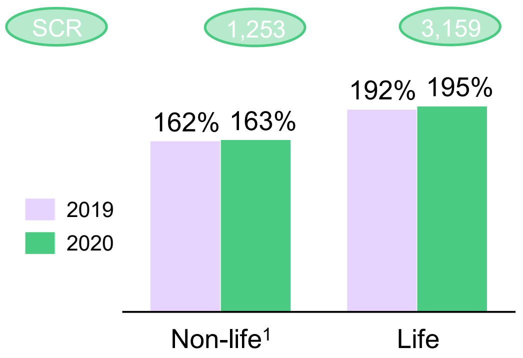
HoldCo Liquidity (in €m)



Debt maturity profile (in €m)



Solvency II ratio entities (in % pts)



- HoldCo Liquidity at FY 2020 stood at € 502m, 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 mainly from the Life entity

[1] Non-life ratio excludes a.s.r. Health

Wrap-up

Jos Baeten, CEO

Key take-aways

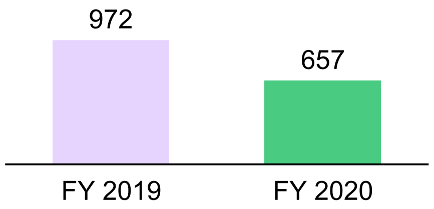
- Strong business performance in all segments
- Solid progress in executing our strategy, on track to meet medium-term targets
- Strong balance sheet, robust solvency with ample financial flexibility
- Solid track record in rational capital management

Appendices

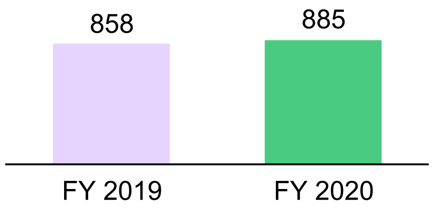
Appendices

A. Financial ratios

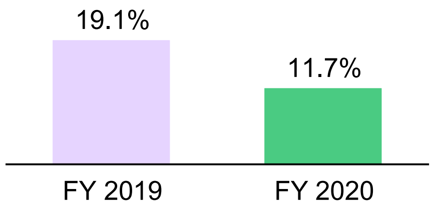
Net result (€m)



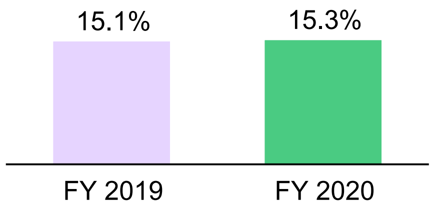
Operating result (€m)



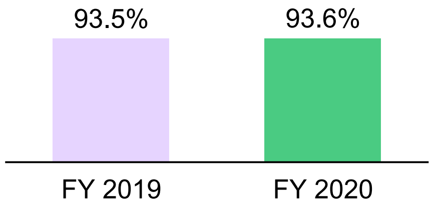
ROE (in %)



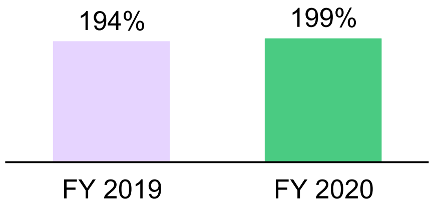
Operating ROE (in %)



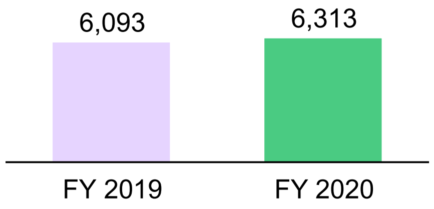
Combined ratio[1] (in %)



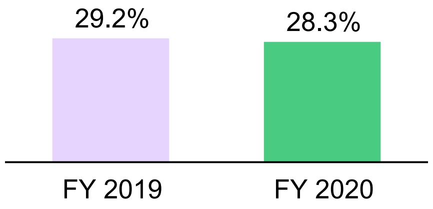
Solvency II[2] (in %)



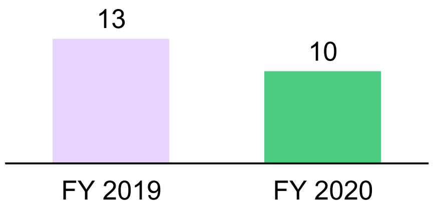
Total IFRS equity (€m)



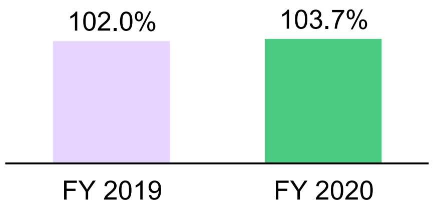
Financial leverage (in %)



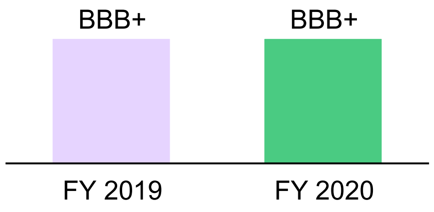
Interest coverage ratio (IFRS multiple)



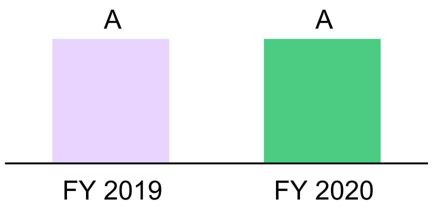
Double leverage (in %)



S&P holding rating



S&P IFS rating



a.s.r.

[1] P&C and Disability
[2] Calculation based on standard model

B. Combined ratio per product line

		FY 2019	FY 2020
Property & Casualty	Net earned premiums (in €m)	1,466	1,492
	Claims ratio	62.4%	58.2%
	Expense ratio	8.2%	8.1%
	Commission ratio	26.3%	26.2%
	Combined ratio	**96.9%**	**92.5%**
Disability	Net earned premiums (in €m)	981	1,182
	Claims ratio	70.2%	77.4%
	Expense ratio	8.6%	8.1%
	Commission ratio	9.5%	9.5%
	Combined ratio	**88.3%**	**95.1%**
P&C & Disability	Net earned premiums (in €m)	2,447	2,674
	Claims ratio	65.5%	66.7%
	Expense ratio	8.4%	8.1%
	Commission ratio	19.6%	18.8%
	Combined ratio	**93.5%**	**93.6%**
Health	Net earned premiums (in €m)	712	894
	Claims ratio	93.9%	92.7%
	Expense ratio	3.5%	3.1%
	Commission ratio	1.6%	1.9%
	Combined ratio	**99.0%**	**97.7%**
Non-life segment[1]	Net earned premiums (in €m)	3,159	3,568
	Claims ratio	72.1%	73.6%
	Expense ratio	7.4%	7.0%
	Commission ratio	15.5%	14.6%
	Combined ratio	**95.0%**	**95.2%**

[1] Note that the Non-life CoR calculation differs from the sum of the three product lines due to elements that affect the overall segment (i.e. amortisation of intangible assets)

C. Calculation of operating ROE

(in €m)	FY 2018	FY 2019	FY 2020
Operating result (before tax, annualised)	749	858	885
Minus: Interest on hybrid instruments through equity[1]	59	60	48
Operating result after hybrid costs (before tax, annualised)	689	798	837
Tax effect (25% tax rate)	172	203	209
Operating result after hybrid costs (net of taxes)	**517**	**595**	**628**
(in €m)	FY 2018	FY 2019	FY 2020
Equity attributable to shareholders	4,478	5,089	5,309
Minus: Unrealised gains and losses reserve[2]	586	937	1,137
Minus: IFRS equity discontinued[3]	115	54	56
Adjusted IFRS equity	3,777	4,098	4,116
Average adjusted IFRS equity	**3,607**	**3,937**	**4,107**
Operating ROE	**14.3%**	**15.1%**	**15.3%**

a.s.r.

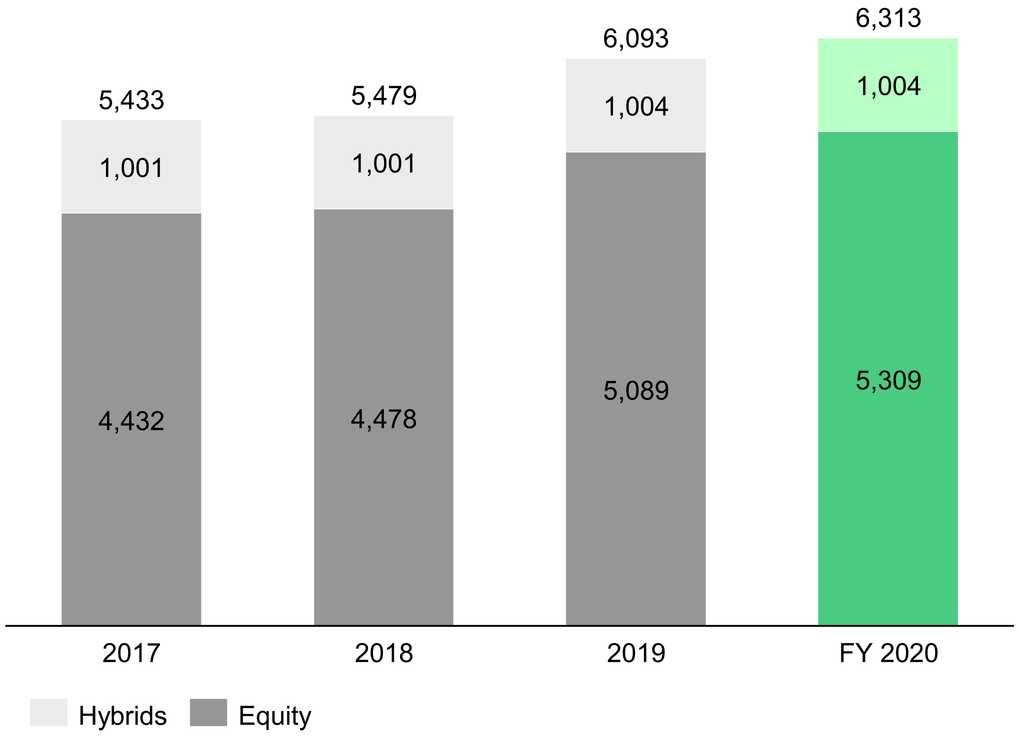
[1] Interest on hybrid instruments is deducted to show the return to equity shareholders after hybrid costs
[2] Unrealised revaluation reserves are excluded as the operating result adjusts all capital gains and losses
[3] Discontinued equity (Real Estate development and Bank) is excluded from the calculation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

D. IFRS profit vs. operating result per segment

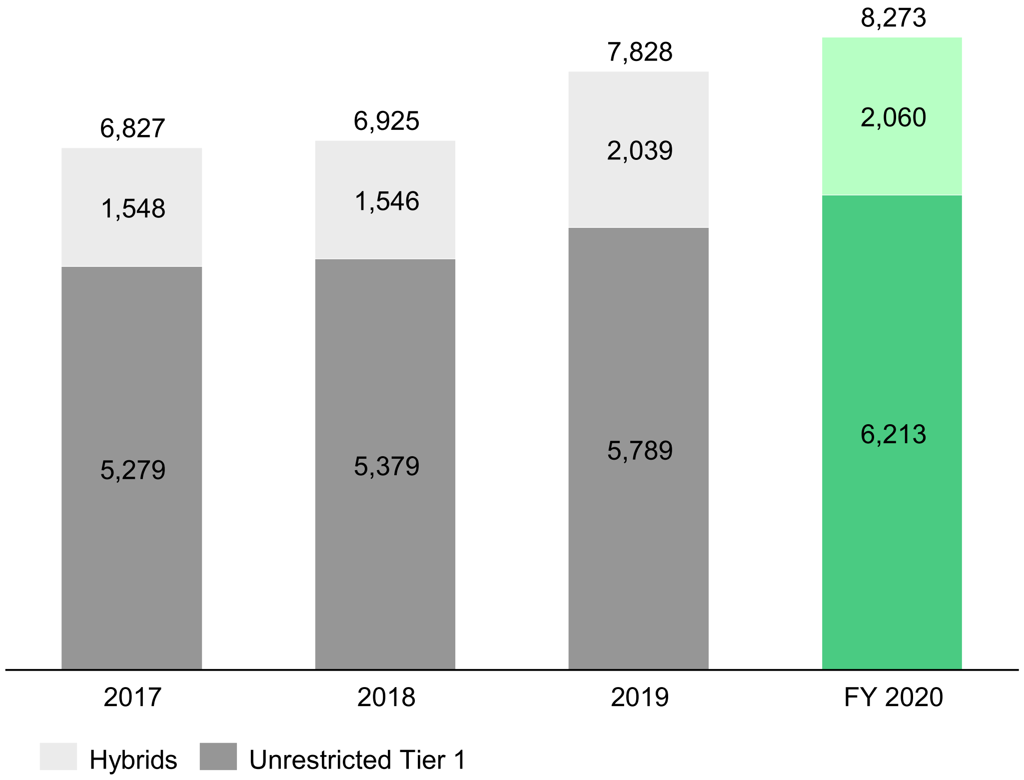
	IFRS profit before tax	Investment related	Incidentals	Operating result	IFRS profit before tax	Investment related	Incidentals	Operating result
	FY 2019 (in €m)				**FY 2020** (in €m)			
Non-life	292	102	-37	226	261	38	-18	241
Life	913	243	-27	696	747	139	-122	730
Asset Management	24	0	-1	24	30	0	-1	31
Distribution and Services	21	0	-2	23	-6	0	-31	25
Holding and Other / Eliminations	-39	-3	76	-112	-203	8	-68	-143
Total	**1,210**	**343**	**10**	**858**	**829**	**185**	**-241**	**885**

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

IFRS equity (in €m)

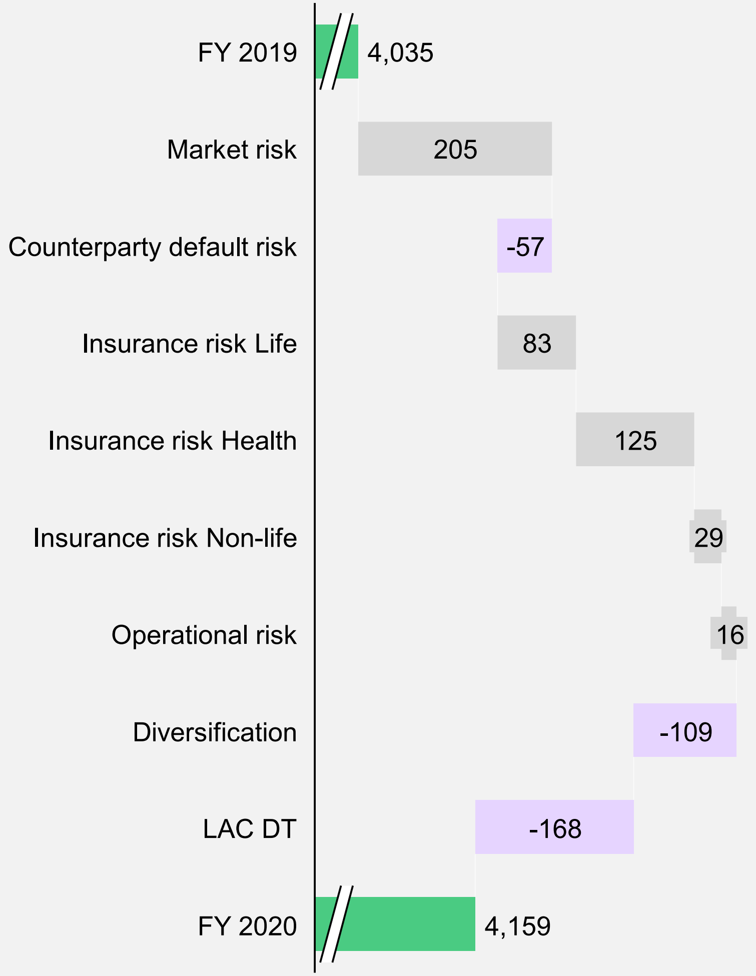


Solvency II Eligible Own Funds[1] (in €m)



1 After deduction of proposed (interim) dividend payments

F. SCR movement in 2020 (in €m)



SCR decreases in

Market risk:
- Concentration risk
- Spread risk
- Currency risk

Counterparty default risk

Insurance risk Life:
- Mortality risk
- Lapse risk
- Expense risk
- Catastrophe risk

Diversification

LAC DT

SCR increases in

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

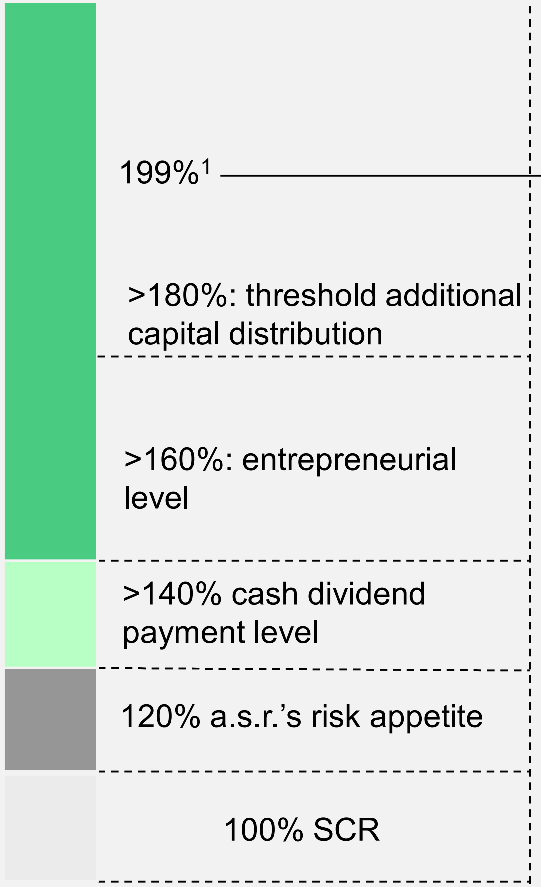
Insurance risk Life:
- Longevity risk

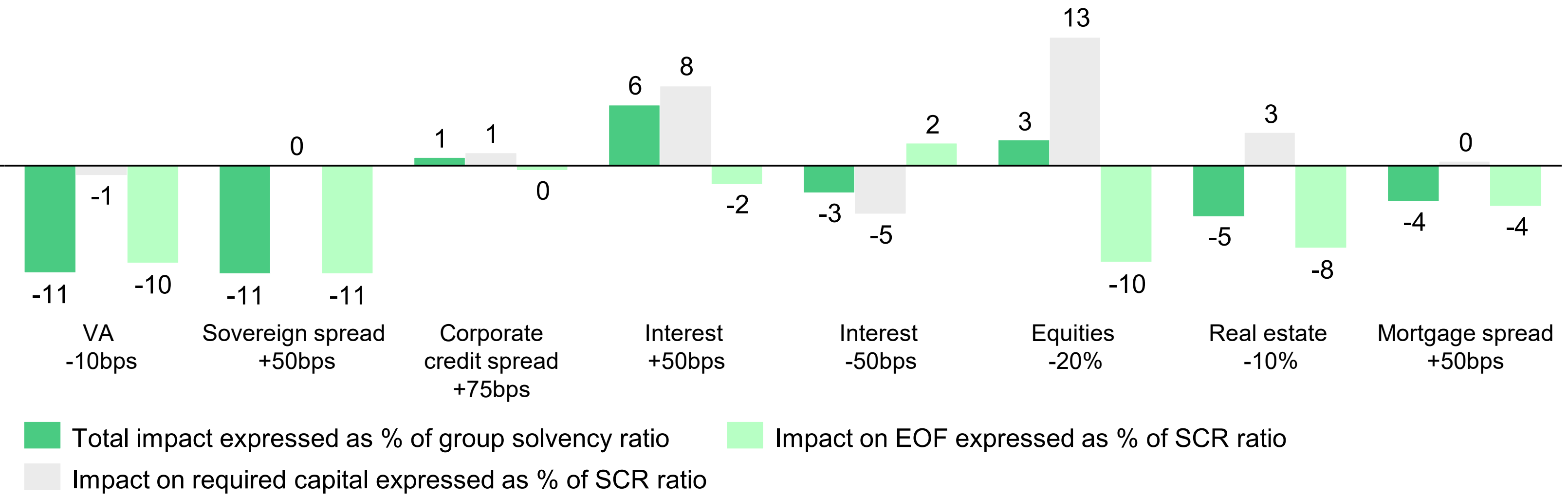
Insurance risk Health:
- HSLT risk and HNSLT risk

Insurance risk Non-life:
- Premium reserve risk

Operational risk

G. Sensitivities Solvency II ratio





- The dominant interest rate scenario (down) does not change in these parallel interest rate sensitivities
- Sovereign and corporate spread sensitivities are stated excluding VA impact[2]. Corporate spread sensitivity includes impact of spread widening on IAS19 pension provision
- Limited impact of equity shocks due to dampening impact of equity dampener
- Current solvency level enables a.s.r. to potentially absorb multiple downward adjustments

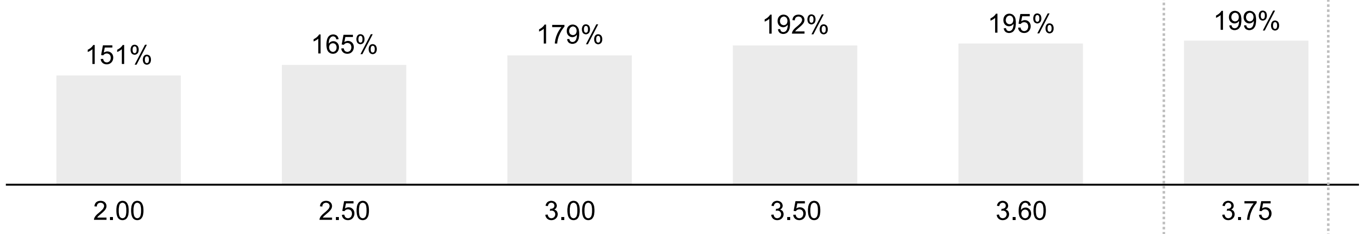
a.s.r.

[1] Calculation based on standard model

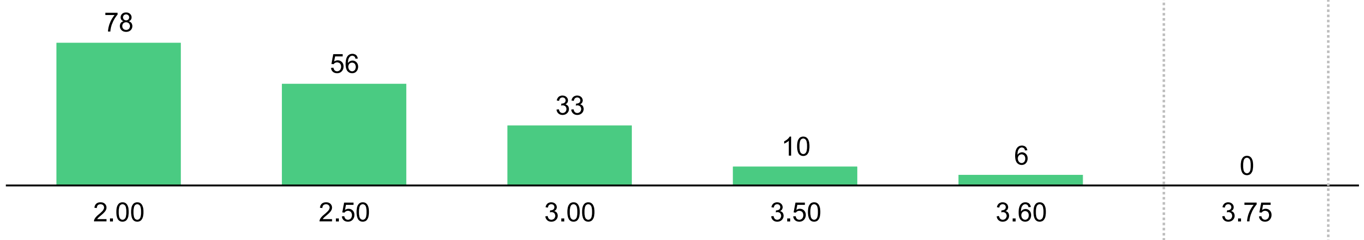
[2] Please note that spread widening will lead to a VA increase. At FY20, a corporate spread widening of 75bps corresponded with c. 15bps of VA increase. A 50bps of sovereign spread widening corresponded with c. 10bps VA increase

H. Sensitivities Solvency II ratio – to UFR

Stock of Solvency II (in %)



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



Eligible Own Funds (in €m)

6,356	6,941	7,503	8,023	8,124	8,273
2.00	2.50	3.00	3.50	3.60	3.75

- EIOPA intends to lower the UFR towards the current target[1] of 3.5% 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

[1] As reported by EIOPA on 17 July 2020 'report on the calculation of the UFR for 2021'

I. Investment portfolio

Assets (in €bn, fair value)[1]	**FY 2019**	**FY 2020**	**Delta**	**% of total**
Fixed income[2]	32.0	35.2	3.2	67%
Equities	2.6	2.7	0.1	5%
Real estate	4.4	4.5	0.1	8%
Mortgages / other loans	8.7	9.9	1.2	19%
Cash (equivalents) for investments	1.7	0.5	-1.3	1%
Other[3]	0.1	0.1	0.0	0%
Total investments	**49.5**	**52.9**	**3.4**	**100%**
Investments on behalf of policyholders	9.6	10.2	0.6	
Other assets[4]	10.6	14.1	3.5	
Total balance sheet a.s.r.	**69.7**	**77.2**	**7.5**	

Note: This table 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

- Increase in fixed income was mainly due to market effects
- Solid fixed income portfolio with AAA/AA rating and corporates and financial with A rating
- Acquisitions of VvAA and Veherex added € 0.4bn of assets to the portfolio
- Increase in real estate portfolio was mainly the result of acquisitions in rural real estate portfolio and positive revaluations
- Mortgages also include exposure of € 2.1bn through (fixed income) mortgage funds
- Mortgage exposure further increased. High quality mortgage portfolio with stable credit performance, small arrears positions and foreclosure losses incurred < 0.1bps

[1] Rounding differences occur
[2] Consists of Government, Corporates, Financials, Structured and Derivatives
[3] "Other" represents mainly equity associates
[4] 'Other assets' mainly represents loans and receivables (mainly due from credit institutions), cash and cash equivalents

J. Details of fixed-income portfolio

- The core of the FI portfolio consists of AAA and AA government bonds, with selective peripheral sovereign exposure
- The increase in value of the fixed income portfolio was mainly due to revaluations of € 3.0bn. Increase in the credits portfolio driven by transactions and spreads tightening in 2nd half of the year
- Limited defaults and downgrades in actively managed credit portfolio
- Our mortgage portfolio is well protected as 33% is NHG (government guarantee) and the average loan-to-value improved to c. 73% due to increased value of collateral
- Also, mortgage portfolio is very stable, with <0.1bps credit losses
- Mortgages also include exposure of € 2.1bn through (fixed income) mortgage funds

Fixed income (in €m)	**FY 2019**	**FY 2020**	***Delta***	**% of total**
Government	13,671	14,166	*3.6%*	40%
Financials	6,862	6,619	*-3.5%*	19%
Structured	529	409	*-22.8%*	1%
Corporate	5,694	6,262	*10.0%*	18%
Derivatives	5,223	7,711	*47.6%*	22%
Total	**31,979**	**35,167**	***10.0%***	**100%**

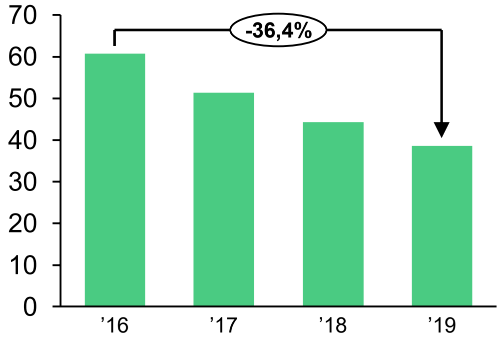
Mortgages (€m)	**FY 2019**	**FY 2020**	***Delta***	**% of total**
NHG	3,380	3,278	*-3.0%*	33%
LtMV < 55%	1,450	1,645	*13.4%*	17%
LtMV < 65%	434	625	*43.8%*	6%
LtMV < 85%	1,479	2,280	*54.2%*	23%
LtMV < 95%	705	1,072	*52.2%*	11%
LtMV < 110%	900	598	*-33.5%*	6%
LtMV > 110%	52	20	*-60.9%*	0%
Subtotal	**8,401**	**9,519**	***13.3%***	**96%**
Other mortgage funds[1]	270	393	*45.6%*	4%
Total	**8,671**	**9,912**	***14.3%***	**100%**

Governments (in €m)	**FY 2019**	**FY 2020**	***Delta***	**% of total**
Netherlands	2,856	2,943	*3.0%*	21%
Germany	3,031	2,678	*-11.7%*	19%
France	1,297	1,137	*-12.4%*	8%
Belgium	1,432	1,392	*-2.8%*	10%
Supranationals	865	1,429	*65.2%*	10%
Austria	988	1,083	*9.6%*	8%
Spain	788	787	*-0.1%*	6%
Ireland	603	684	*13.5%*	5%
United States	479	452	*-5.7%*	3%
Other	1,332	1,580	*18.7%*	11%
Total	**13,671**	**14,166**	***3.6%***	**100%**

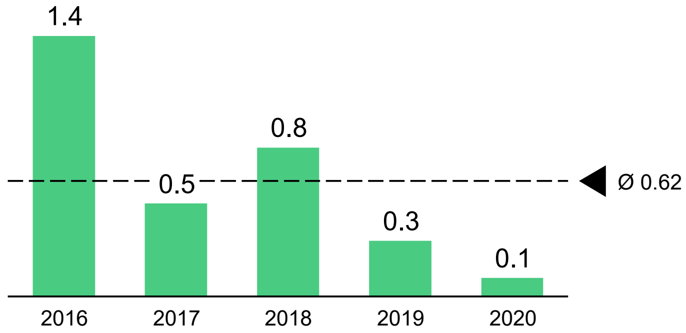
[1] LtMV not provided for these (external) funds

K. Dutch mortgage portfolio, strong return with low risk

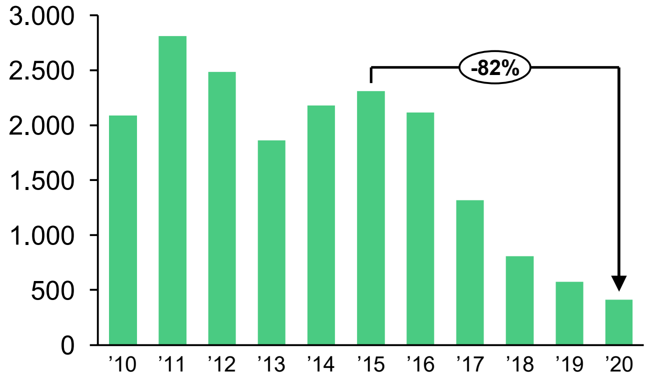
Borrowers with arrears in mortgage payments[1] in NL market (in '000)



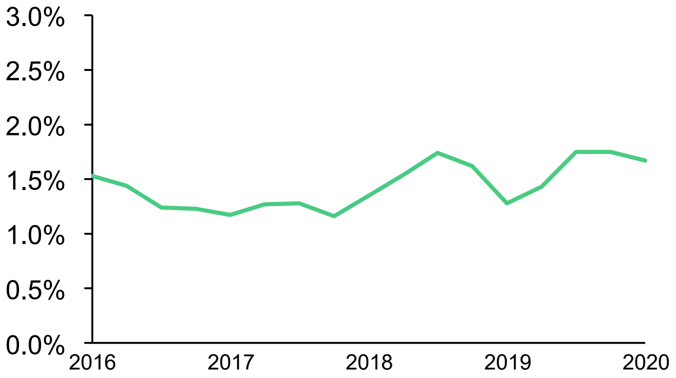
History of credit losses a.s.r. portfolio (in bps)



Foreclosures[2] in NL market



Mortgage spread[3] (in %)



- Historic credit losses were very low. In general, there is a high payment morale and social security is usually enough to pay the mortgage[4]
- 3.8m households in the Netherlands with a mortgage loan, end of 2019 there were 39k arrears, which is c. 1.0%
- Total payment arrears for a.s.r. portfolio was 0.4% at FY20
- Number of market foreclosures in 2020 was 0.01%
- 72k clients in a.s.r. portfolio, of which c. 7% is self-employed
- 33% of total a.s.r. mortgage portfolio is backed by the state (NHG)
- Quality of the mortgages have improved over the last decade (i.e., cap on LTV, changes in dual income etc.)

[1] Source: National Mortgage Guarantee
[2] Source: Bureau of Credit Registration (BKR) Netherlands
[3] a.s.r. mortgage rate versus swap rate (weighted average)
[4] Source: National Institute for Family Finance Information (NIBUD)

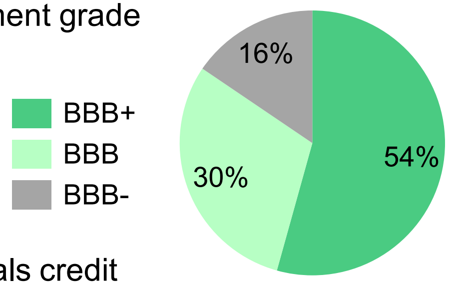
L. Details of Corporates and Financials bond portfolio

Comments on Corporates portfolio

- The increase of € 325m in the Corporates and Financials portfolio was mainly due to transactions and positive revaluations
- Investments were made mostly in Retail and Consumer Goods
- The acquisition of Veherex added € 23m of Corporates to the portfolio

Portfolio quality

- > 97% of the Corporates and Financials portfolio, excluding fixed income funds and preferred shares, is rated investment grade or higher
- BBB category is skewed towards BBB+



- If 20% of the entire Corporates and Financials credit portfolio would experience a full letter downgrade (3 notches) it would result in approximately 4%-point impact on our Solvency II ratio due to higher SCR.
- Due to our strict ESG criteria, exposure to Oil & Gas (included in Energy) was limited. Exposure to other sectors heavily impacted by COVID-19 such as Leisure (& Travel) and Transportation was also limited

Corporates portfolio (in €m)	**FY 2019**	**FY 2020**	**Delta**	**% of total**
Automotive	482	488	6	4%
Basic industry	496	458	-38	4%
Capital goods	449	473	24	4%
Consumer goods	564	705	141	5%
Energy	326	365	39	3%
Healthcare	531	618	87	5%
Leisure	0	0	0	0%
Media	88	40	-48	0%
Real estate	60	30	-30	0%
Retail	101	226	125	2%
Services	407	420	13	3%
Technology & electronics	171	190	19	1%
Telecommunications	355	367	12	3%
Transportation	263	358	95	3%
Utility	831	793	-38	6%
Other Corporates	569	732	163	6%
Subtotal	**5,694**	**6,262**	**568**	**49%**
Financials	6,862	6,619	-243	51%
Total	**12,556**	**12,881**	**325**	**100%**

M. Fixed Income portfolio government credit rating

Market value governments (in €m)	0-1	1-2	2-3	3-5	5-10	10-20	20-30	30+	Total	Delta[1]	% of total
AAA	679	173	285	348	1,042	1,635	2,617	184	**6,964**	80	49%
AA	836	175	106	314	993	926	839	1,371	**5,560**	126	39%
A	130	15	44	141	198	37	0	17	**582**	270	4%
BBB	213	145	329	193	178	0	0	0	**1,058**	21	7%
BB	0	0	0	0	0	0	0	0	**0**	0	0%
B or below	0	0	1	0	0	0	0	0	**1**	0	0%
Not rated	0	0	0	0	0	1	0	0	**1**	1	0%
Total	**1,858**	**509**	**765**	**995**	**2,411**	**2,600**	**3,456**	**1,572**	**14,166**	**498**	**100%**

a.s.r. [1] Delta with FY19

N. 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[2]	% of total
AAA	368	55	47	46	131	58	0	0	**705**	-410	6%
AA	85	184	174	176	370	126	0	0	**1,116**	-248	9%
A	377	689	837	1,217	1,810	298	0	0	**5,228**	189	43%
BBB	635	563	706	1,461	1,279	204	0	0	**4,848**	497	40%
BB	143	3	37	91	15	0	0	0	**290**	37	2%
B or below	3	0	0	0	13	0	0	0	**16**	-2	0%
Not rated	23	17	1	1	1	0	0	0	**42**	-28	0%
Total	**1,635**	**1,511**	**1,802**	**2,992**	**3,618**	**687**	**0**	**0**	**12,244**	**36**	**100%**

Table contains Financials, Structured and Corporates from slide J.
Details of fixed-income portfolio totalling € 13,290m. Excluded are:

- Preference shares € 316m
- Fixed income funds € 729m

Fixed income funds contain, on a look through basis:

- Investment grade (>BB) € 267m
- Not rated € 259m[1]
- High yield € 203m

a.s.r.

[1] Management estimates 50% of "Not rated" bonds and 50% of derivatives
[2] Delta with FY19

O. Details of equities and real estate portfolio

Highlights

Equities

- During H1 2020, equity markets declined sharply due to COVID-19 and subsequently bounced back in H2, resulting in an overall increase in equity exposure
- Continuation of the active hedging policy for the illiquid part of the portfolio

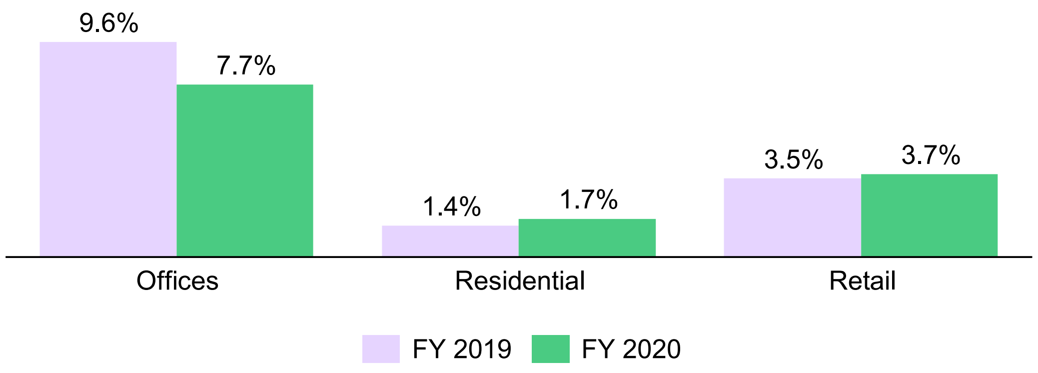
Real estate

- Total increase of 2.8% in real estate portfolio mainly as a result of acquisitions in rural real estate portfolio and offices and as well as positive revaluations
- COVID-19 effects are mainly in the Retail portfolio. Vacancy rates remain low and relatively stable. In H2 vacancy rates for offices and residential improved

Equities (in €m)	**FY 2019**	**FY 2020**	***Delta***
Equities	2,059	2,288	*11.1%*
Private equities	99	147	*48.2%*
Hedge funds	0	0	*-98.3%*
Other funds	443	288	*-35.0%*
Derivatives	5	13	*162.7%*
Total	**2,607**	**2,736**	***5.0%***

Real estate (in €m)	**FY 2019**	**FY 2020**	***Delta***
Offices	138	175	*26.8%*
Retail	215	164	*-23.7%*
Rural	1,588	1,717	*8.1%*
Parking & other	55	64	*16.4%*
Total real estate (excluding funds & own use)	**1,996**	**2,119**	***6.2%***
ASR Dutch Prime Retail Fund	664	649	*-2.3%*
ASR Dutch Core Residential Fund	983	976	*-0.7%*
ASR Dutch Mobility Office Fund	80	110	*37.5%*
Other Funds	480	464	*-3.3%*
Total real estate (excluding own use)	**4,203**	**4,318**	***2.7%***
Offices in own use	147	154	*4.8%*
Total real estate	**4,350**	**4,473**	***2.8%***

Real estate vacancy rates (%)[1]



[1] Excluding Other Funds and Offices in own use

P. Calculation of asset leverage

Risky assets (€m)	FY 2019	FY 2020
Equities	2,607	2,736
Real estate[1]	2,615	2,601
BB bonds or below	341	350
Preference shares	320	316
Fixed income funds (not rated & high yield)	265	333
Mortgages with LtMV >110%	52	20
Total risky assets	**6,200**	**6,357**
Unrestricted Tier 1	5,789	6,326
Asset leverage	**107%**	**100%**

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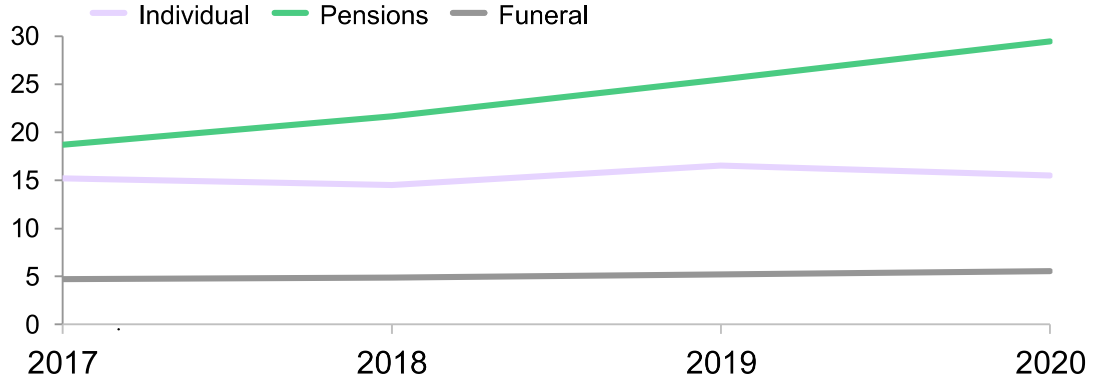
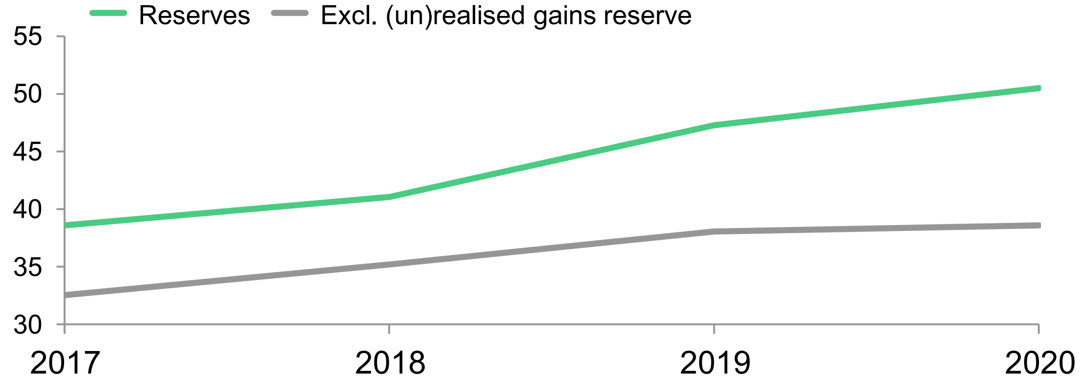
[1] Excluding Rural real estate and Offices in own use

Q. Life segment book development

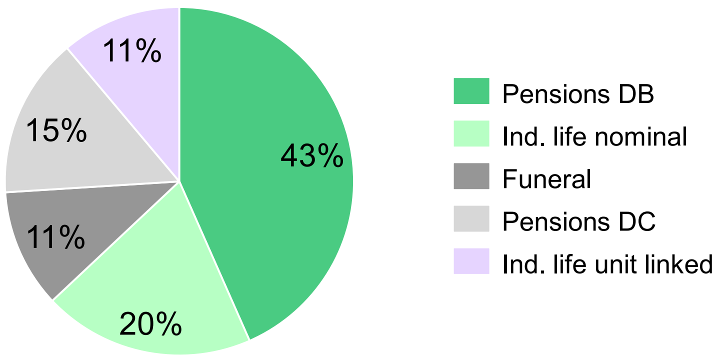
Life reserves development (in €bn)



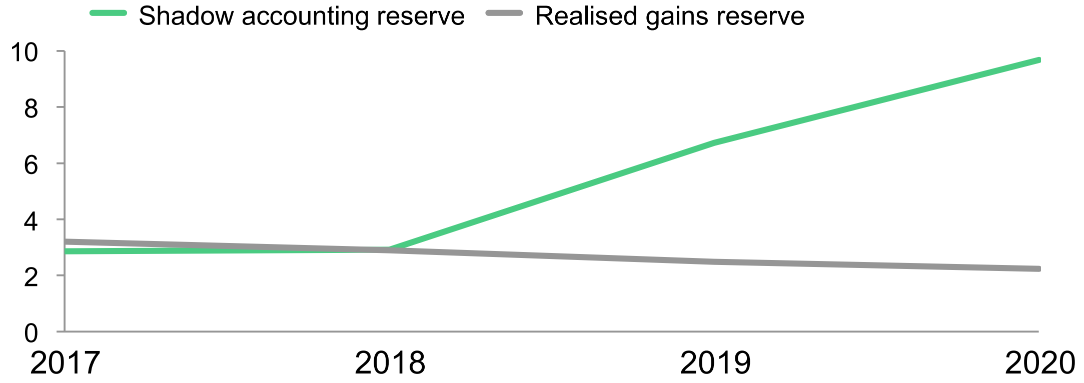
Life reserves (in €bn)



Total Life reserves – FY 2020 (€ 50bn)



(Un)realised gains reserves development (in €bn)



R. Life segment investment contribution

(in €m)	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020	H2 2020
Direct investment income[1]	529	519	535	527	562	528
Amortisation of realised gains reserve	155	159	161	137	132	145
Total investment contribution	**684**	**678**	**696**	**664**	**694**	**673**
Required interest on liabilities[2]	-404	-420	-384	-394	-376	-371
Investment margin	**280**	**258**	**312**	**270**	**318**	**302**
Shadow accounting reserve (Life)	2,841	2,914	6,018	6,719	9,156	9,672
Realised gains reserve (Life)	3,083	2,897	2,906	2,483	2,398	2,241
Basic nominal provision (Life)		24,179		24,988		24,890

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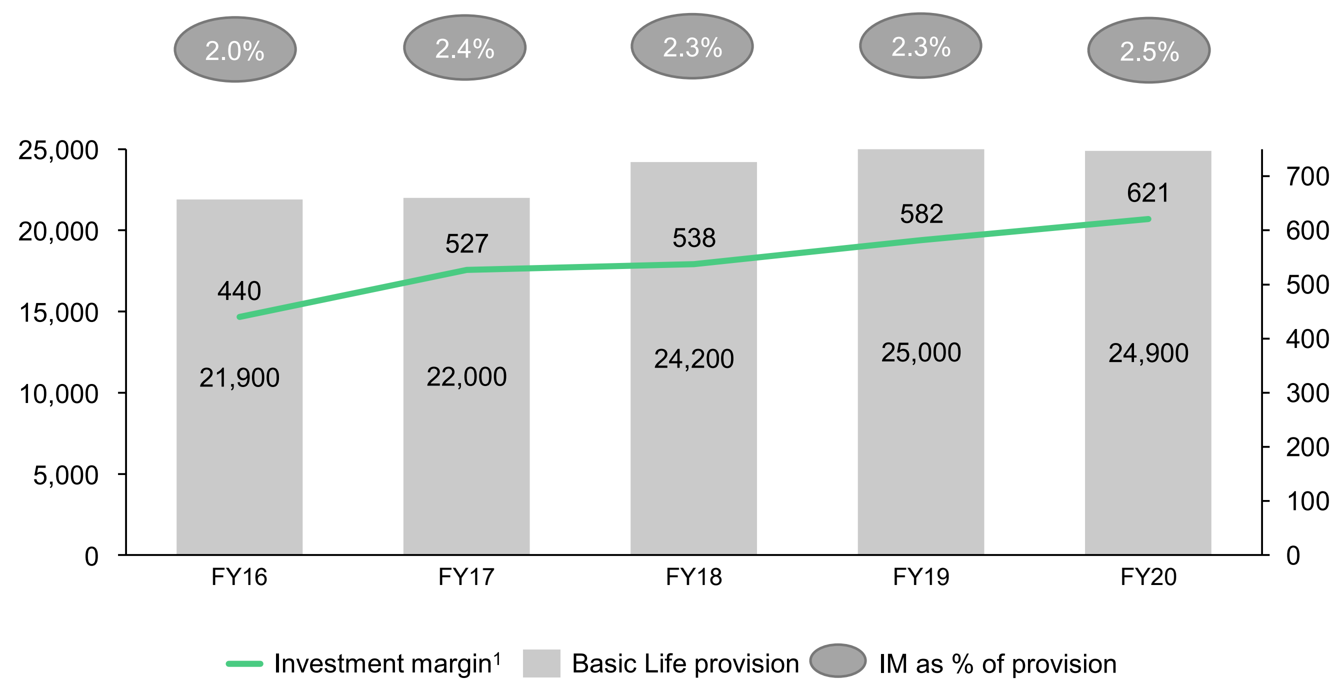
[1] This line item differs from ''investment income'' in the Annual Report due to (i) interest expenses on derivatives and (ii) savings mortgages (offset by technical provisions)
[2] Including other components, such as profit sharing

S. Track record in stable investment margin

Investment margin (rhs) vs. Basic nominal Life provision (lhs), in €m



- Investment margin has been stable over past years
- Additional margin realised by optimising exposure to illiquidity premium (e.g. mortgages)
- Successful bolt-on M&A strategy has increased basic provision and investment margin in recent years. Strategy will be continued
- Required interest decreasing over time due to maturing Life book
- Projected decline of Best Estimate Liabilities[2] equals c. -2.7% CAGR for upcoming 10 years
  - Gradual decline; No cliff pattern
  - No acquisitions / management actions included

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[1] Direct investment income + Amortization Realised Gains - Required interest divided by Basic Life Provision. See also appendix R
[2] Note that BEL represents Liabilities discounted against Solvency II discount curve and does not equal Basic nominal Life provision on IFRS standards

T. 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

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[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

U. 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

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

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

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