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

2020 half-year results

Delivery on ambitious targets

Jos Baeten, CEO
Annemiek van Melick, CFO

ANALYST CONFERENCE CALL
26 August 2020

Solid operational performance and robust solvency in H1 2020

- Strong operating result with a small decrease of € 18m (-3.9%), with limited impact of COVID-19 (c. € -3m)
- Combined ratio[3] at 92.9%. GWP organic growth of 6.9%, exceeds target of 3-5%
- Operating expenses increased by € 34m, mainly driven by acquisitions, holding costs and growth of fee-based business
- IFRS net result down to € 233m due to COVID-19 impact on financial markets and one-offs
- Robust Solvency II ratio increased to 199%
- Stable OCC reflects strong business performance despite higher UFR drag because of lower interest rates
- Special interim dividend of € 1.20 per share to make up for postponed final FY19 dividend; SBB programme resumed
- Regular interim dividend per share for 2020 up to € 0.76

Operating result[1]	Solvency II (SF)[2]	Interim div. per share
€ 446m	199%	€ 0.76
-3.9%	**+5% pts**	**+8.6%**
(H1 2019: € 464m)	(FY 2019: 194%)	(H1 2019: € 0.70)

Operating RoE[1]	Financial leverage	Operating expenses
14.8%	28.4%	€ 337m
Target **12-14%**	**max. 35%**	**+10.7%**
(H1 2019: 17.0%)	(FY 2019: 29.2%)	(H1 2019: € 304m)

IFRS net result	Organic capital creation	Combined ratio[3]
€ 233m	€ 298m	92.9%
-56.9%	**-0.3%**	Target **94-96%**
(H1 2019: € 540m)	(H1 2019[4]: € 299m)	(H1 2019: 93.5%)

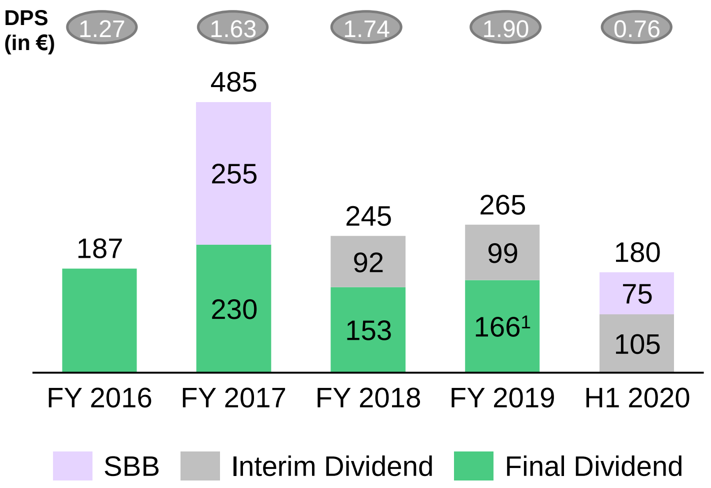
a.s.r.

[1] The comparative figures have been restated for a refinement in the definition of the operating result
[2] After interim dividend and buyback programme (€ 75m), excluding financial institutions
[3] P&C and Disability
[4] OCC H1 2019 restated for new OCC definition

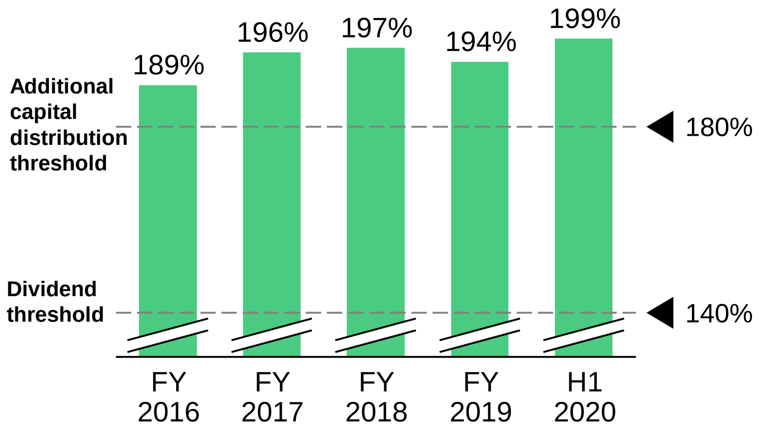
Robust solvency supports continued capital return

- Postponed final dividend for FY2019 and share buyback programme are being resumed
- 2020 regular interim dividend amounts to € 0.76 per share, 40% of originally proposed FY 2019 dividend
- 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, if above 180% room for additional capital returns. Rational allocation of targeted OCC of > € 500m in 2021 towards organic growth, bolt on M&A and/or rerisking, regular dividend and additional capital returns, starting with € 75m buy back in 2020
- Since IPO total capital return amounts to € 1.4bn (35% of market cap[2])

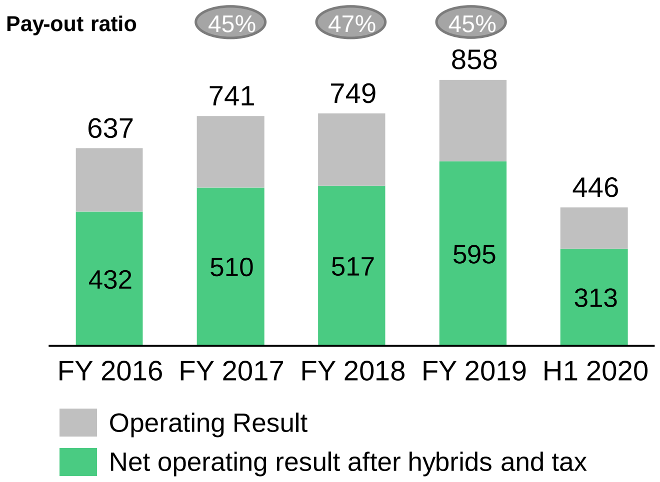
Ample capital return since IPO (in €m)



Solvency Ratio safely above return thresholds



Dividend pay-out ratio



[1] Special dividend of €1.20 per share equals the postponed final dividend for FY19
[2] Market capitalisation as at 30 June 2020

a.s.r. delivers on 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	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.
H1 2020: 47	H1 2020: 91%	H1 2020: € 1.2bn	H1 2020: -63%[1]

MSCI: BBB Global industry average: BB	vigeo eiris: 60 Global industry average: 39	ISS ESG: C (Prime) Global industry average: D	Dow Jones Sustainability Indexes: 73 Global industry average: 47
SUSTAINALYTICS: 16.1 Ranking: #6 of 254	VBDO: #1 Dutch Association of Investors for Sustainable Dev.	CDP (Disclosure Insight Action): B Global industry average: B-	Eerlijke Verzekeringswijzer: #1 Dutch Fair Insurance Guide

[1] Due to social distancing, it is expected that the target for 2020 will not be achieved

Overall limited impact of COVID-19

Customers

- First focus on seamless transition to full customer support from home and efficiently dealing with increased client contact requests in specific business lines
- Rapid development and uniform application of client solutions for clients directly or indirectly impacted by COVID-19 demonstrating we are there for clients when they need us
- Despite 100% working from home our NPS increased with 3 points to 47
- Intermediary channel appreciation also increased and a.s.r. was the first insurance company to restart live contact with intermediary again

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' motivation and vitality, scored between 7 and 8 out of 10
- Predominantly working from home, but HQ office was adjusted to social distancing measures to ensure a safe working place for the limited number of people allowed to work at the office

Financial results

- COVID-19 impact on operating result limited – c. € -3m. Negative impact at Life (c. € -25m) and AM (c. € -1m) was roughly offset by Non-life (c. € 23m)
- Disability experienced unfavourable claims experience, limited visitation by vocational experts and delay in reintegration process
- P&C experienced tailwinds from COVID-19 restrictions due to less traffic and fewer burglaries
- Unfavourable market conditions have lowered dividend income and rental income in the Life business
- IFRS net result significantly lower due to a decrease in indirect investment income and a goodwill impairment in life both due to financial markets impact of COVID-19

Solid progress in executing our strategy in H1 2020

Portfolio matrix

A Non-life business domains with growth potential

- Combination of Loyalis, Veherex and Vitality partnership strengthened client proposition in business domain of sustainable employability. With 16,000 paying customers, Vitality was positively received
- In-house execution of reintegration activities of Keerpunt will expand expertise on sustainable employment
- Loyalis showed better than expected performance

C Asset management related growth business

- Assets under Management (“AuM”) for third parties increased by € 0.5bn to € 21.2bn, mainly driven by growth in the mortgage funds
- With strong mortgage pipeline, mortgage origination is expected to exceed € 5bn in FY20
- Acquisition of Brand New Day (BND) IORP[1] contributes to growth in DC pension market, resulting in #2 position in IORP market and DC AuM increases to € 2.5bn

B Robust and predictable service books

- Successful lowering of IT costs due to reduction of the number of applications and system rationalisation within Individual Life
- Part of Loyalis portfolio successfully migrated to Pension portfolio. In Q3, remainder of portfolio will be migrated
- Ongoing focus on cost efficiency, supported by acquisition of VvAA Life

D Divestments

- Remaining investment accounts in the process of divestment of a.s.r. Bank transferred to Van Lanschot Kempen

[1] Institution for Occupational Retirement Provision refers to Dutch abbreviation “PPI”

a.s.r. announces acquisition of remaining stake in Brand New Day IORP[1]

- a.s.r. expands its stake in BND IORP and becomes the full owner
- DC market share is expanded to c. 15%
- BND IORP is originated in 2011, has 145k participants and employs 52 FTEs
- € 1bn DC AuM will be added to a.s.r. portfolio
- Transaction set to deliver >12% ROI, based on net operating result and invested capital. This includes:
    - Migration in 2021-2023
    - Expected transfer of AM activities in 2022
- Capital investment of € 55m reflects net purchase price and migration costs
- Cost synergies lead to net operating result and OCC of € 8m in 2024

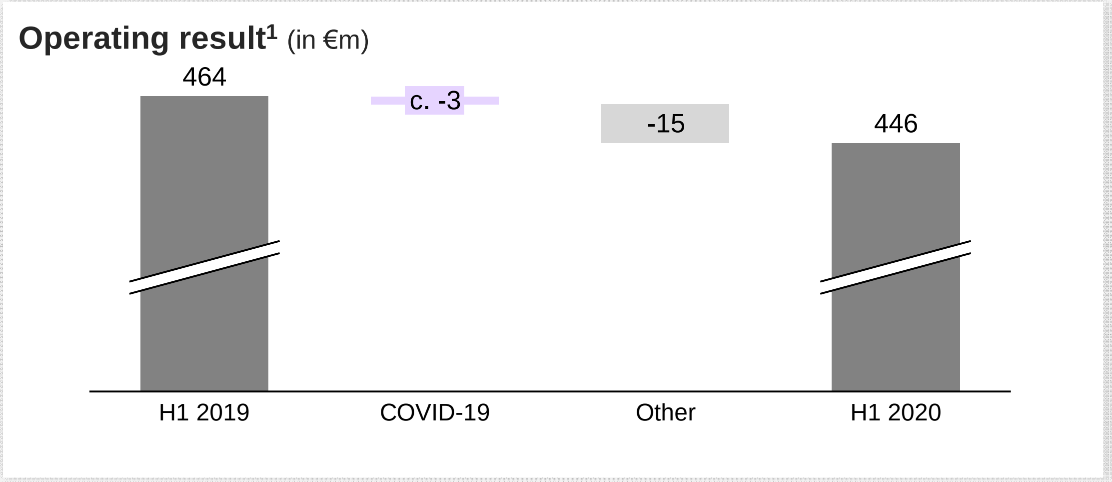
Net purchase price	Net operating result
€ 51m Funded with cash	€ 8m After synergies, in 2024

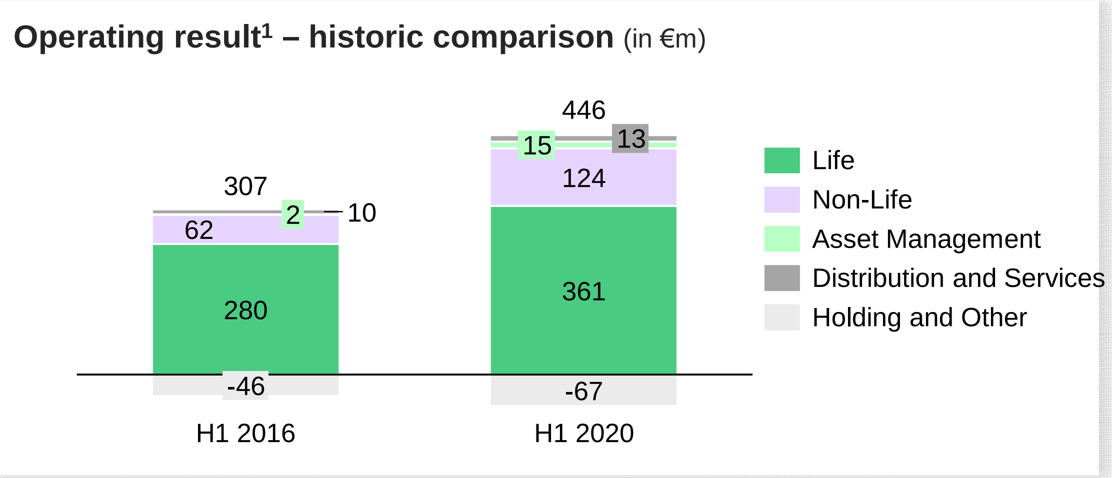
Fungible capital inv.	Cost synergies
€ 55m Purchase price adjusted for migration costs	€ 2m In 2024 pre-tax per annum

ROI	OCC
>12% On invested capital as at 2023	€ 8m Equals net operating result

[1] Institution for Occupational Retirement Provision, refers to Dutch abbreviation 'PPI'
[2] Based on no. of employers

Strong series of operating results, driven by balanced business mix



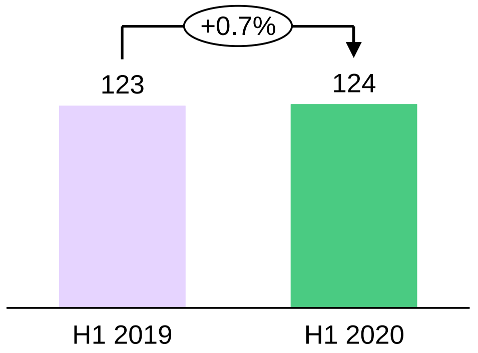


- Whilst focusing on improving efficiency within its Life business a.s.r. has also further diversified its business model by increasing fee income from Asset Management and Distribution and Services (from € 10m in H1 2016 to € 28m in H1 2020) and growth, both organically and inorganically in its Non-life business (from € 62m in H1 2016 to € 124m H1 2020)
- This increased diversification of the operating result lead to an almost neutral COVID-19 impact on an aggregated level of € - 3m, whilst leading to a negative impact of approximately € 25m on Life, largely compensated by a positive impact at Non-life
- Excluding COVID-19 total operating result decreased by € 15m, mainly driven by higher holding costs (mainly related to higher CNS pension costs and projects like IFRS 17)
- Business lines demonstrated strong underlying results, despite COVID-19 and some non-recurring items in Live and additional reserve strengthening in Non-Life

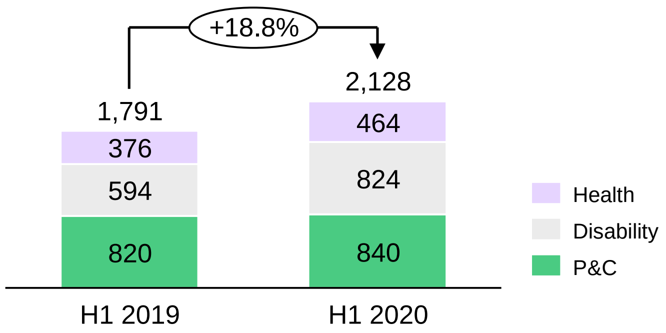
[1] The comparative figures have been restated for a refinement in the definition of the operating result

Non-life: stable operating result and strong organic growth

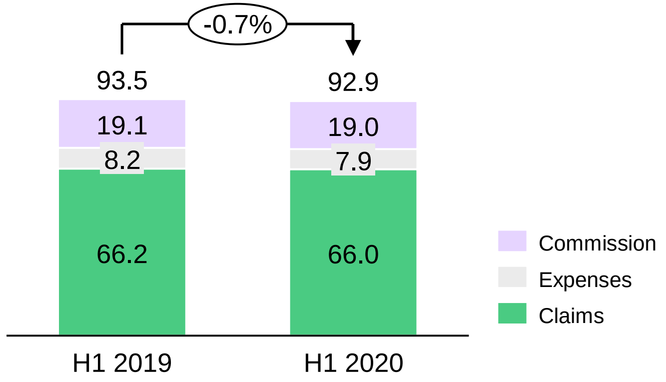
Operating result[1] (in €m)



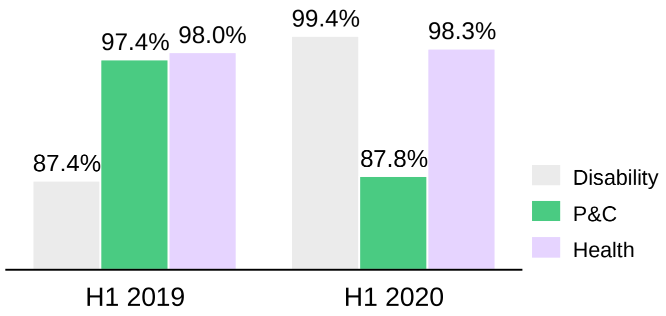
Gross written premiums (in €m)



Combined ratio[2] (in %)



Combined ratio by product line (in %)

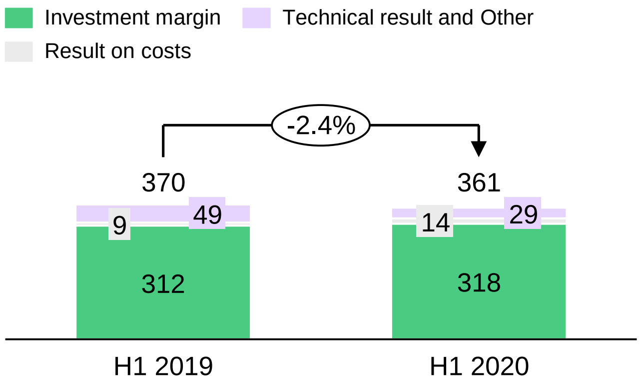


- Non-life operating result remained stable at € 124m, including € 23m positive COVID-19 effects
- Disability business impacted by COVID-19 related claims in individual disability and sickness leave, as well as reserve strengthening
- P&C benefitted from lower claims in motor and fire due to COVID-19, more than offsetting Ciara storm impact (€ -11m) and reserve strengthening related to lower actuarial interest rate for personal injury (€ - 8m)
- Combined ratio[2] of 92.9% including c. 2%-pts effect of COVID-19
- Improvement in expense ratio from 8.2% to 7.9% reflects stable cost level whilst increasing GWP, driven by realised cost synergy from Generali NL IT migration
- Organic growth of P&C and Disability combined 6.9%, exceeding target of 3-5% growth p.a.
- Significant inorganic growth in Disability GWP due to Loyalis (€ 153m) and Veherex (€ 10m)
- Increase in Health GWP reflects strong interest in the newly introduced benefit in kind insurance product

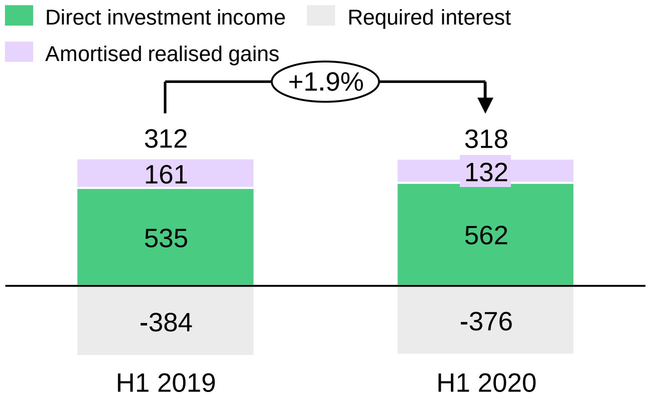
[1] The comparative figures have been restated for a refinement in the definition of the operating result
[2] P&C and Disability

Life: solid operating result and strong growth in Pensions DC

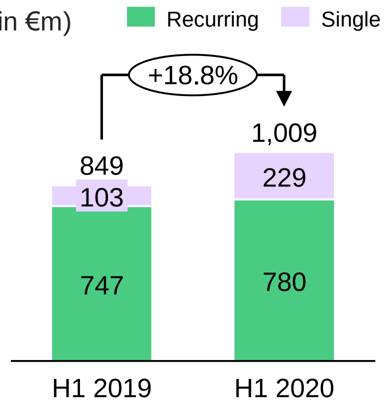
Operating result[1] (in €m)



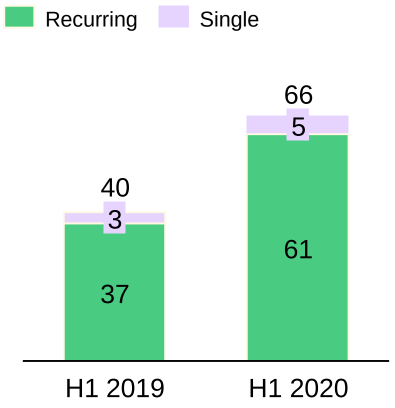
Investment margin[1] (in €m)



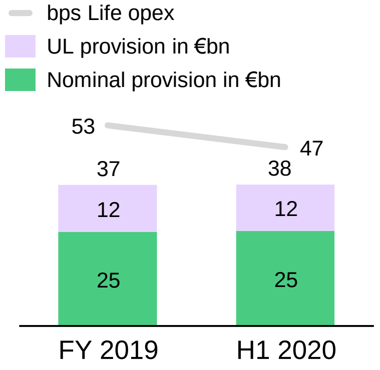
Gross Written Premiums (in €m)



New business (APE) (in €m)



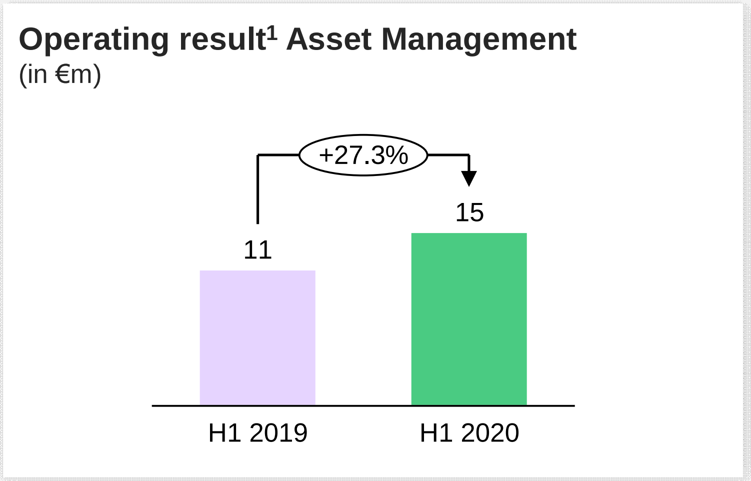
Life operating expenses (in bps of basic Life provision)

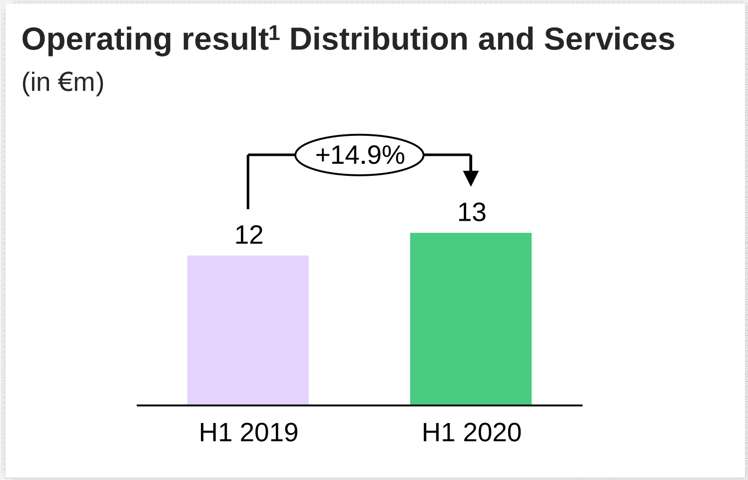


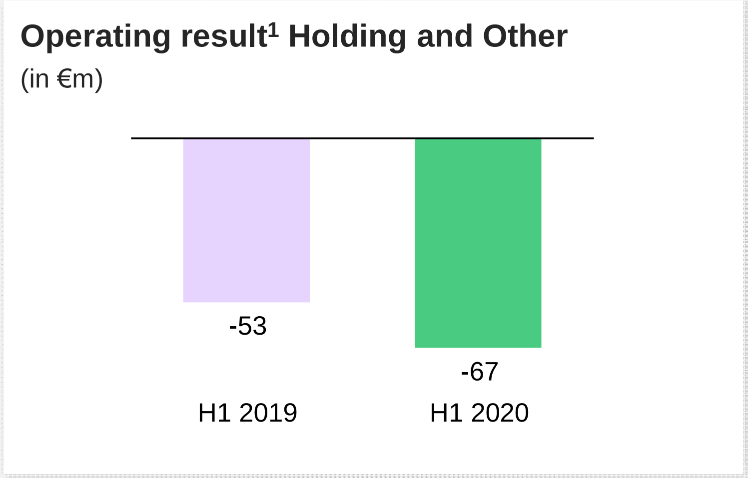
- Operating result of Life segment decreased by only € 9m to € 361m despite € 25m negative impact from COVID-19
- Investment margin rose by € 6m despite € 20m impact from COVID-19 on direct investment income.
- The € 5m positive result on costs was more than offset by increase in UL provision due to COVID-19 (€ 5m), various other smaller non-recurring incidentals and high mortality results in HY2019
- Limited impact of COVID-19 on mortality result
- Higher investment margin driven by higher direct investment income from acquired portfolios and income from derivatives portfolio, partly offset by lower dividends on equities
- Amortised realised gains were lower due to swap recouponning programme in H2 2019 (offset within direct investment income)
- Required interest decreased by € 8m due to run-off of Individual Life
- GWP increased 18.8%, driven by an increase in Pensions DC and acquisitions (Loyalis and VvAA), partly offset by a decline in Pensions DB
- Life operating expenses dropped to 47bps, which is at the lower end of target range 45-55bps

[1] The comparative figures have been restated for a refinement in the definition of the operating result

Operating result fee-based businesses delivering on ambitious targets







- Fee-based business operating result amounts to € 28m for H1 2020 (H1 2019: € 23m). Increase of 21% exceeds the target of 5% growth per annum
- Operating result of Asset Management increased c. € 3m, driven by an increase in fee income from higher asset base and external mandates, mainly driven by mortgage funds, partly offset by € 1m negative COVID-19 related impact
- Third-party assets increased to € 21.2bn (H1 2019: €19.3bn, FY19: € 20.7bn)
- Operating result of Distribution and Services increased c. € 2m[2], 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 (€ 9m) and the additional interest expenses from the € 500m Tier 2 subordinated liability placed in April 2019 (€ 6m)

a.s.r.

[1] The comparative figures have been restated for a refinement in the definition of the operating result
[2] Rounding differences occur

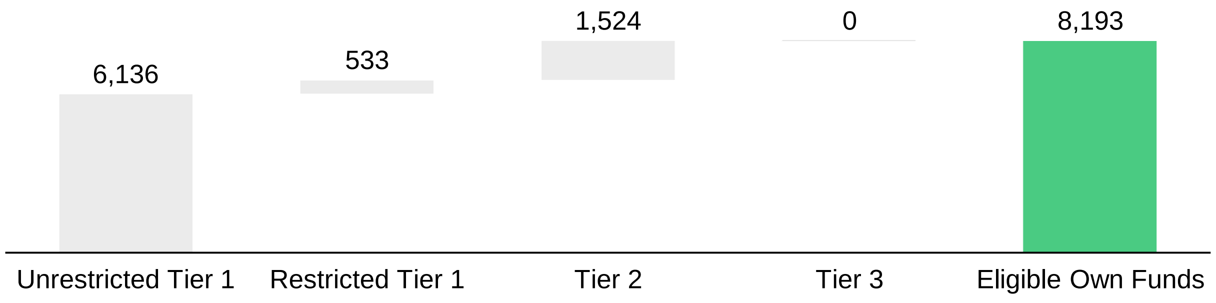
Solvency and capital position

Annemiek van Melick, CFO

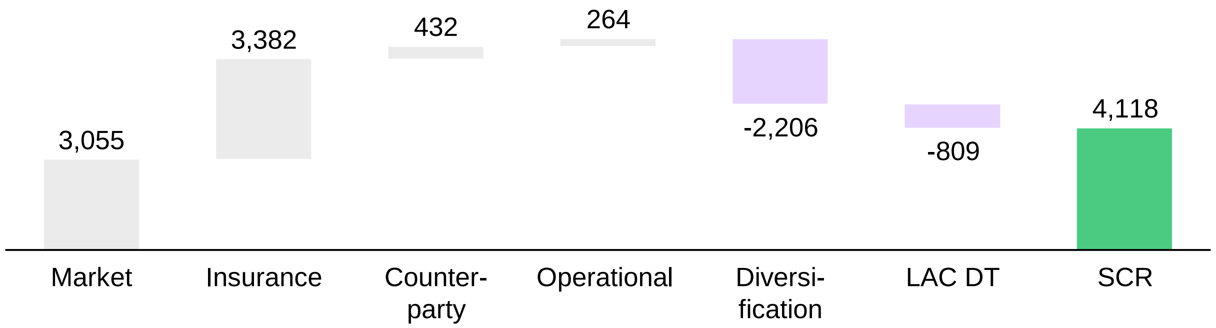
Solvency II: high quality balance sheet

SII 199%

Eligible Own Funds (in €m)



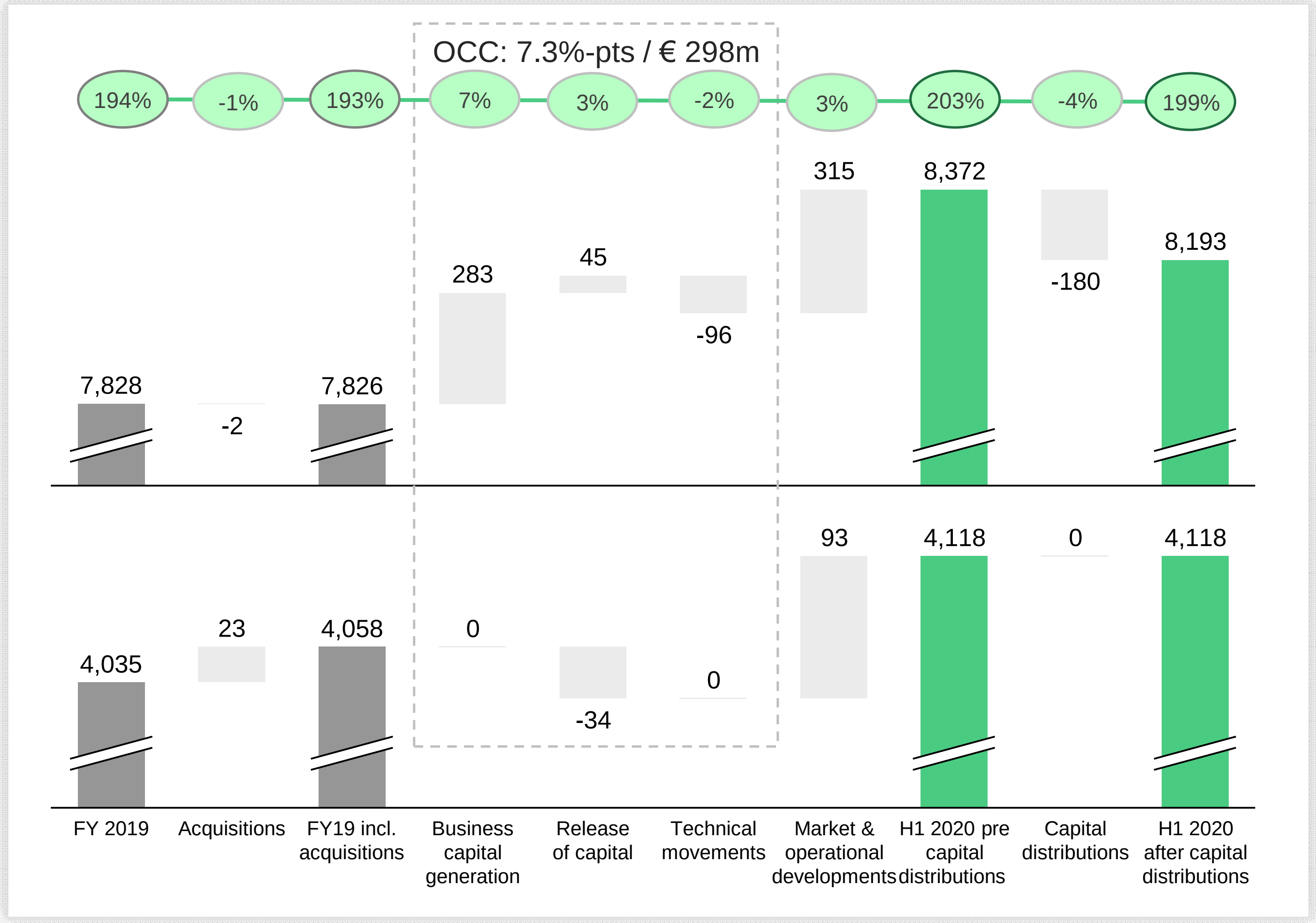
Required Capital (in €m)



- Solvency II ratio 199% based on standard formula[1] (FY 2019: 194%)
- Solvency II ratio at UFR 2.4% increased to 159% (FY 2019: 153%)
- Unrestricted Tier 1 capital increased by € 347m to € 6,136m: 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: € 1,001m
  - T2 & T3: € 535m
- No use of Tier 3 capacity
- Market risk at 43%, well under the soft limit of 50% of required capital (pre-diversification and LAC DT), leaving room for asset optimisation

[1] Excluding financial institutions

Solvency II ratio[1] movements in H1 2020

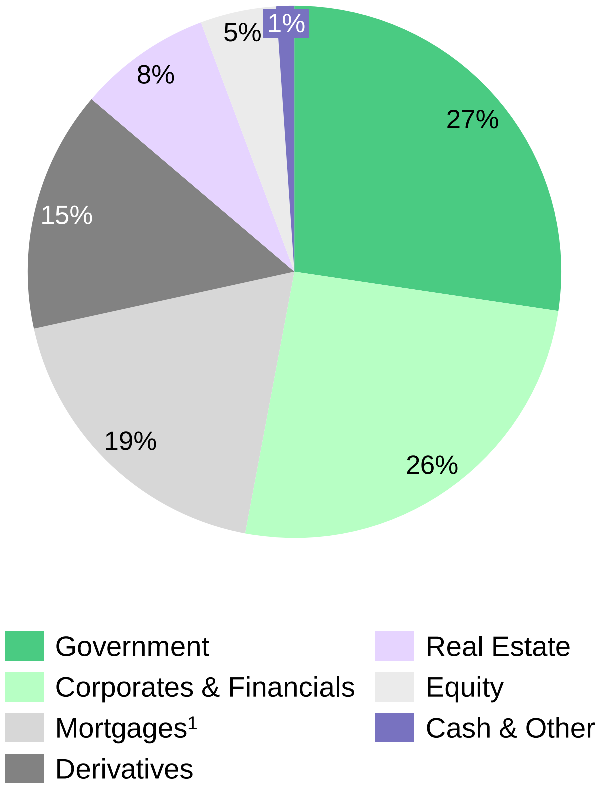


- Solvency II ratio remained robust at 199% after capital distributions
- Robust organic capital distribution of € 298m or 7,3%-pts of required capital (HY19: € 299m) driven by increased business capital generation and to a lesser extent release of capital, despite € 38m increased UFR drag
- Closing of VvAA and Veherex on 1 January, 2020 has an impact of c. -1%-pt
- Market developments benefited from the widening VA (12bps), partially mitigated by the reduction of the UFR, spread widening, real estate and increased operational SCR
- Capital distributions reflect € 75m SBB and € 105m regular interim dividend, Solvency II ratio amounted to 203% before these distributions
- Final dividend for 2019 (c. € 166m) was already deducted in the FY19 194% Solvency II ratio and was not added back

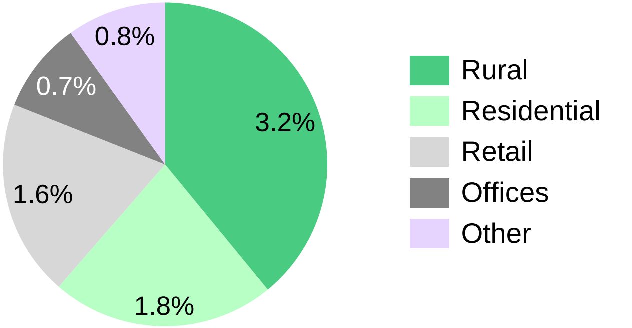
[1] Excluding financial institutions

Robust and diversified investment portfolio

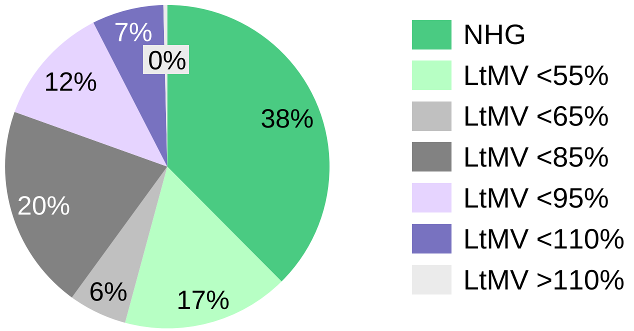
Breakdown investment portfolio € 52.0bn (in %)



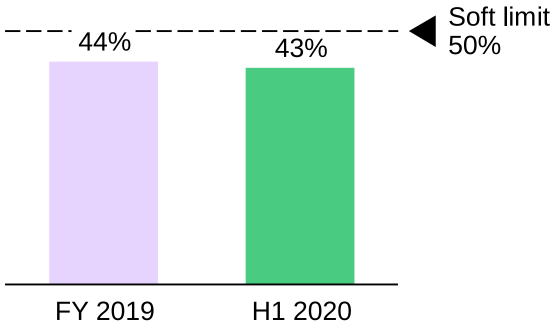
Breakdown real estate portfolio (€ 4.2bn) as % of total Investment Portfolio (in %)



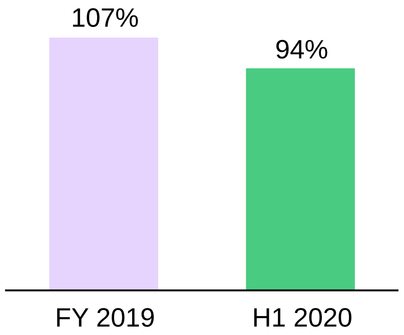
Breakdown mortgage portfolio[2] (€9.4bn) with average LTV of 74% (in bps)



Market risk as % of total BSCR[3]



Risky assets[4] as % of Unrestricted Tier 1

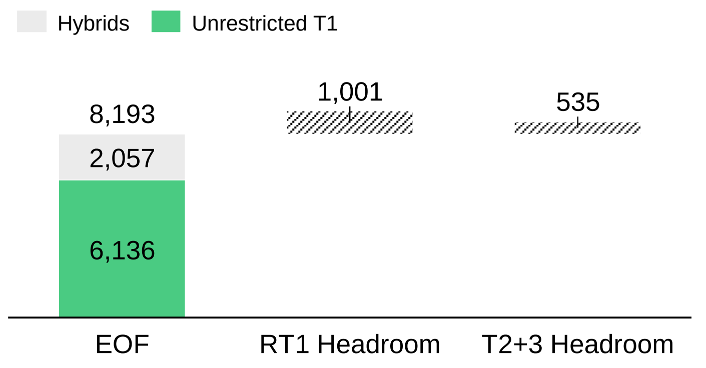


a.s.r.

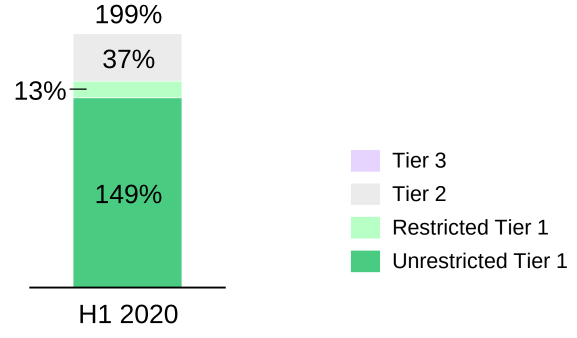
[1] Mortgages also include fixed income mortgage funds
[2] Excluding the other (external) mortgage funds (€ 0.3bn) for which no LtMV data is provided, for details see appendix J
[3] In % of required capital excl. LAC DT and diversification
[4] For calculation of risky assets, see appendix P

Strong balance sheet with ample financial flexibility

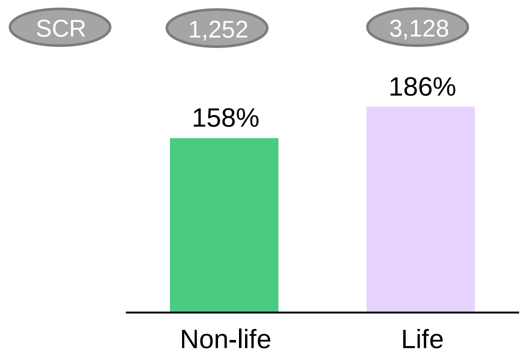
Financial flexibility (in €m)



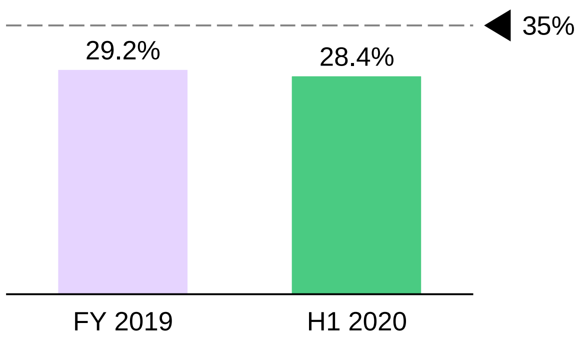
Solvency II composition (in % pts)



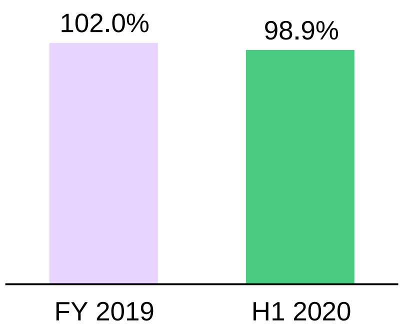
Solvency II ratio entities[1] (in % pts)



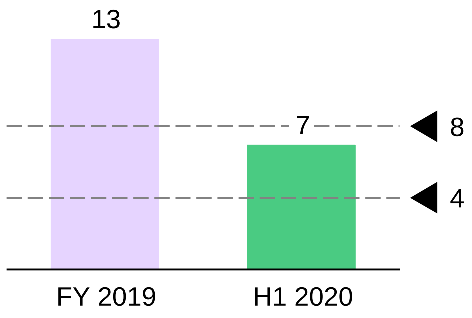
Financial leverage (in %)



Double leverage (in %)

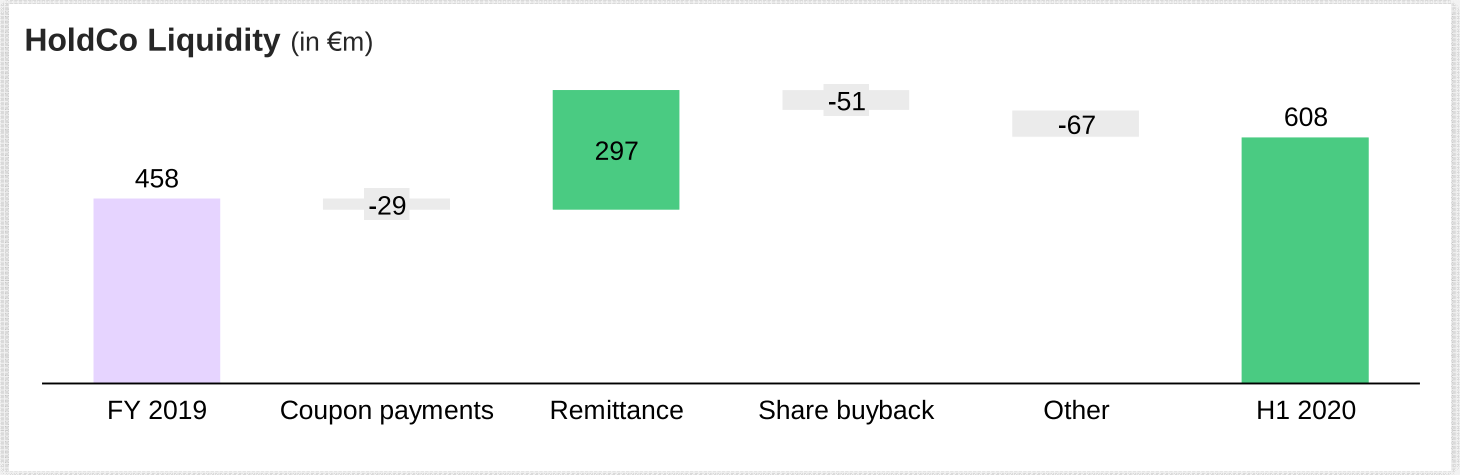


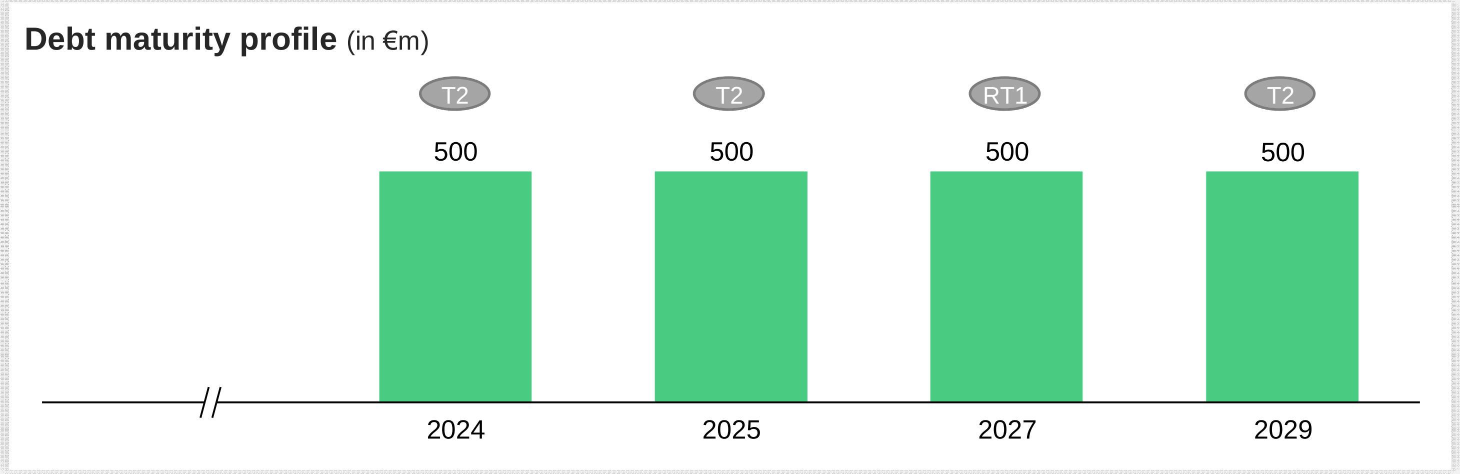
Interest coverage ratio (IFRS, multiple)



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

Robust solvency and cash supports our businesses and dividends





- HoldCo Liquidity at HY 2020 stood at € 608m, 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
- HoldCo liquidity was elevated compared to FY 2019, due to the postponement of the final dividend payment (c. € 166m) and share buyback (c. € 24m)
- Cash remittance mainly from the Life entity

Wrap-up

Jos Baeten, CEO

Key take-aways

- Wellbeing of employees and customer service have top priority
- Strong performance absorbing COVID-19 impact and continuing dividend payments
- Solid progress in executing our strategy, demonstrating financial discipline
- Strong balance sheet, robust solvency with ample financial flexibility

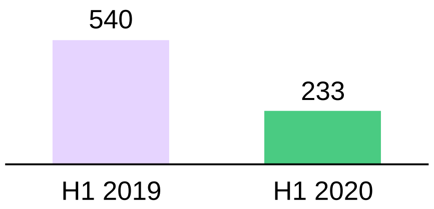
Appendices

Appendices

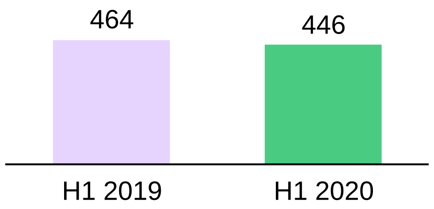
A. Financial ratios
B. Combined ratio per product line
C. Calculation of operating ROE
D. IFRS profit vs. operating result per segment
E. IFRS equity and SII EOF multi-year development
F. SCR movement in H1 2020
G. Sensitivities Solvency II ratio
H. Sensitivities Solvency II ratio - UFR
I. Investment portfolio
J. Details of fixed-income portfolio
K. Dutch mortgage portfolio, strong return with low risk
L. Details of Corporates and Financials bond portfolio
M. Fixed Income portfolio government credit rating
N. Fixed Income portfolio Corporates and Financials credit rating
O. Details of equities and real estate portfolio
P. Calculation of asset leverage
Q. Life segment book development
R. Life segment investment contribution
S. Medium-term group targets (2019 – 2021)
T. Medium-term business targets (2019 – 2021)
U. Medium-term non-financial objectives (2019 – 2021)

A. Financial ratios

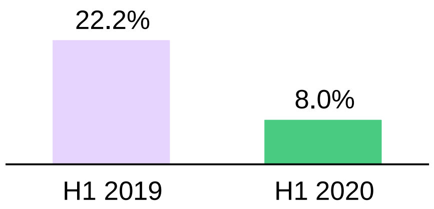
Net result (€m)



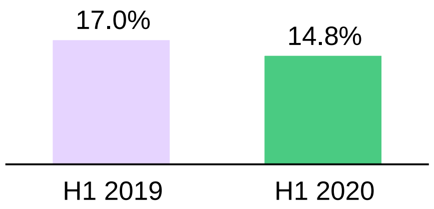
Operating result[1] (€m)



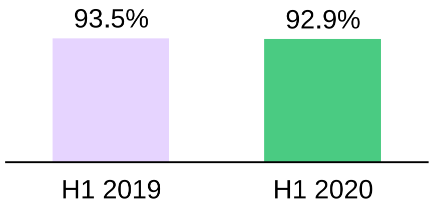
ROE (in %)



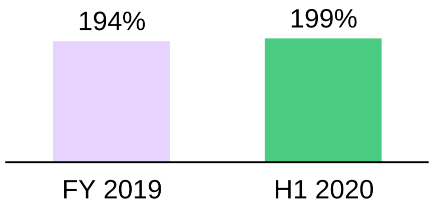
Operating ROE[1] (in %)



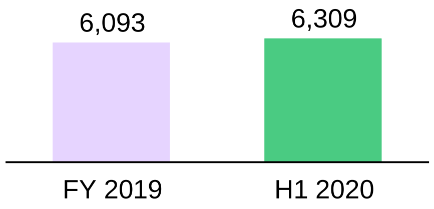
Combined ratio[2] (in %)



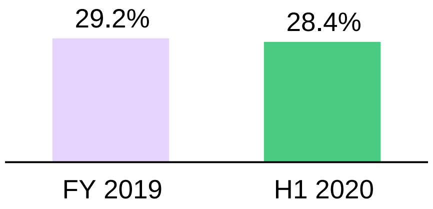
Solvency II[3] (in %)



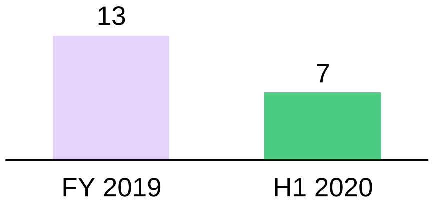
Total equity (€m)



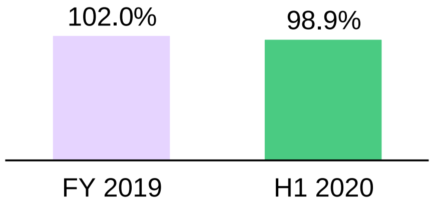
Financial leverage (in %)



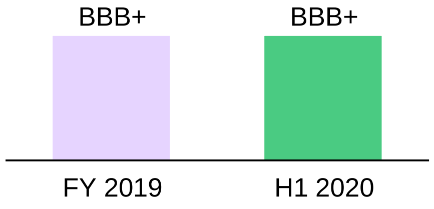
Interest coverage ratio (IFRS multiple)



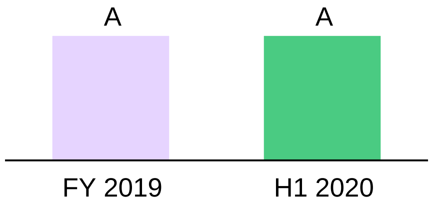
Double leverage (in %)



S&P holding rating



S&P IFS rating



a.s.r.

[1] The comparative figures have been restated for a refinement in the definition of the operating result
[2] P&C and Disability
[3] Calculation based on standard model, excluding financial institutions

B. Combined ratio per product line

		H1 2019	H1 2020
Property & Casualty	Net earned premiums (in €m)	712	743
	Claims ratio	63.6%	53.7%
	Expense ratio	8.3%	7.7%
	Commission ratio	25.5%	26.3%
	Combined ratio	**97.4%**	**87.8%**
Disability	Net earned premiums (in €m)	452	585
	Claims ratio	70.4%	81.5%
	Expense ratio	8.0%	8.0%
	Commission ratio	9.0%	9.8%
	Combined ratio	**87.4%**	**99.4%**
P&C & Disability	Net earned premiums (in €m)	1,164	1,328
	Claims ratio	66.2%	66.0%
	Expense ratio	8.2%	7.9%
	Commission ratio	19.1%	19.0%
	Combined ratio	**93.5%**	**92.9%**
Health	Net earned premiums (in €m)	355	436
	Claims ratio	93.8%	94.7%
	Expense ratio	3.4%	3.0%
	Commission ratio	0.8%	0.6%
	Combined ratio	**98.0%**	**98.3%**
Non-life segment	Net earned premiums (in €m)	1,518	1,764
	Claims ratio	72.7%	73.5%
	Expense ratio	7.2%	6.8%
	Commission ratio	14.8%	14.5%
	Combined ratio	**94.7%**	**94.8%**

C. Calculation of operating ROE

(in €m)	H1 2019[4]	H1 2020
Operating result (before tax, annualised)	927	891
Minus: Interest on hybrid instruments through equity[1]	59	48
Operating result after hybrid costs (before tax, annualised)	868	843
Tax effect (25% tax rate)	220	217
Operating result after hybrid costs (net of taxes)	**648**	**627**

(in €m)	FY 2018	H1 2019	FY 2019	H1 2020
Equity attributable to shareholders	4,478	4,809	5,089	5,303
Minus: Unrealised gains and losses reserve[2]	586	873	937	894
Minus: IFRS equity discontinued[3]	115	99	54	51
Adjusted IFRS equity	3,777	3,837	4,098	4,359
Average adjusted IFRS equity	**3,607**	**3,807**	**3,937**	**4,228**
Operating ROE	**14.3%**	**17.0%**	**15.1%**	**14.8%**

[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] H1 2019 restated (operating result IMVA incidental)

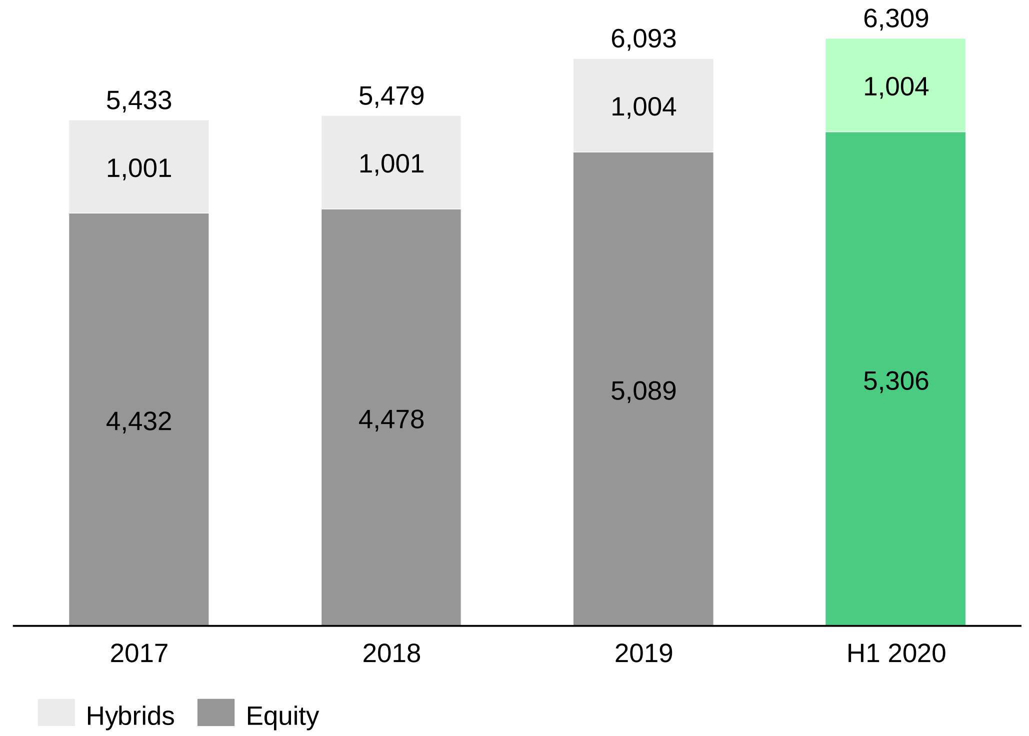
D. IFRS profit vs. operating result per segment

	H1 2019 (restated)[1] (in €m)				H1 2020 (in €m)			
	IFRS profit before tax	Investment related	Incidentals	Operating result	IFRS profit before tax	Investment related	Incidentals	Operating result
Non-life	173	67	-17	123	112	-6	-6	124
Life	465	101	-6	370	236	-2	-123	361
Asset Management	11	0	-1	11	14	0	-1	15
Distribution and Services	11	0	-1	12	12	0	-1	13
Holding and Other / Eliminations	21	2	72	-53	-77	10	-20	-67
Total	**680**	**170**	**47**	**464**	**296**	**2**	**-151**	**446**

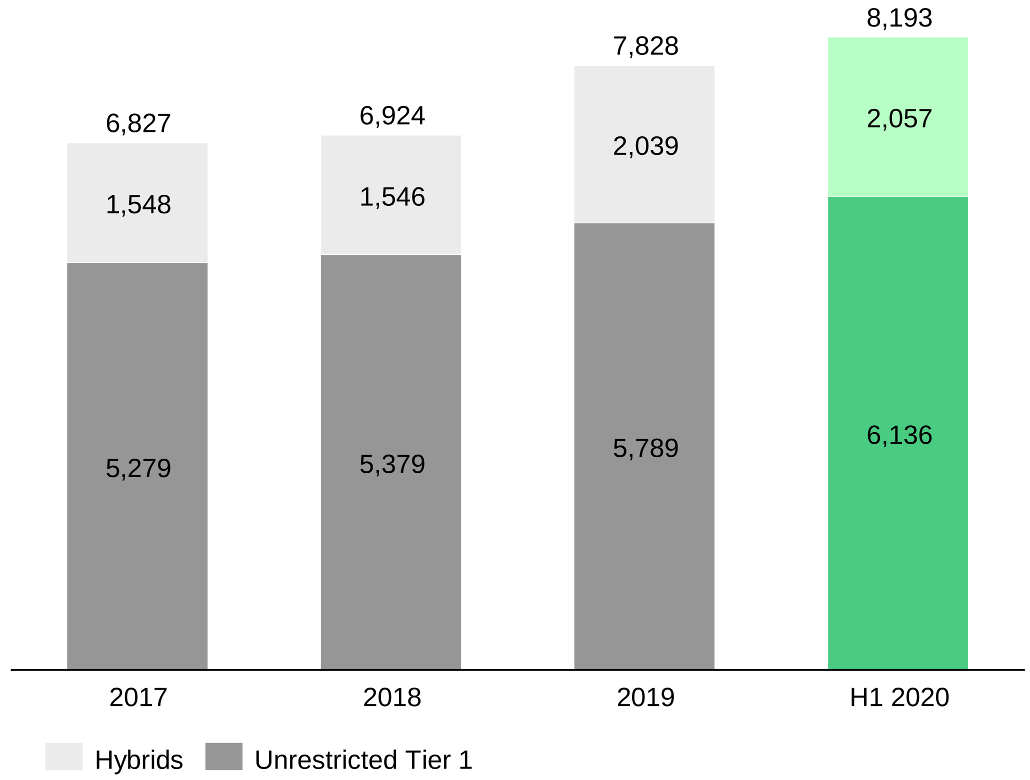
[1] The comparative figures have been restated for a refinement in the definition of the operating result

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

IFRS equity (in €m)

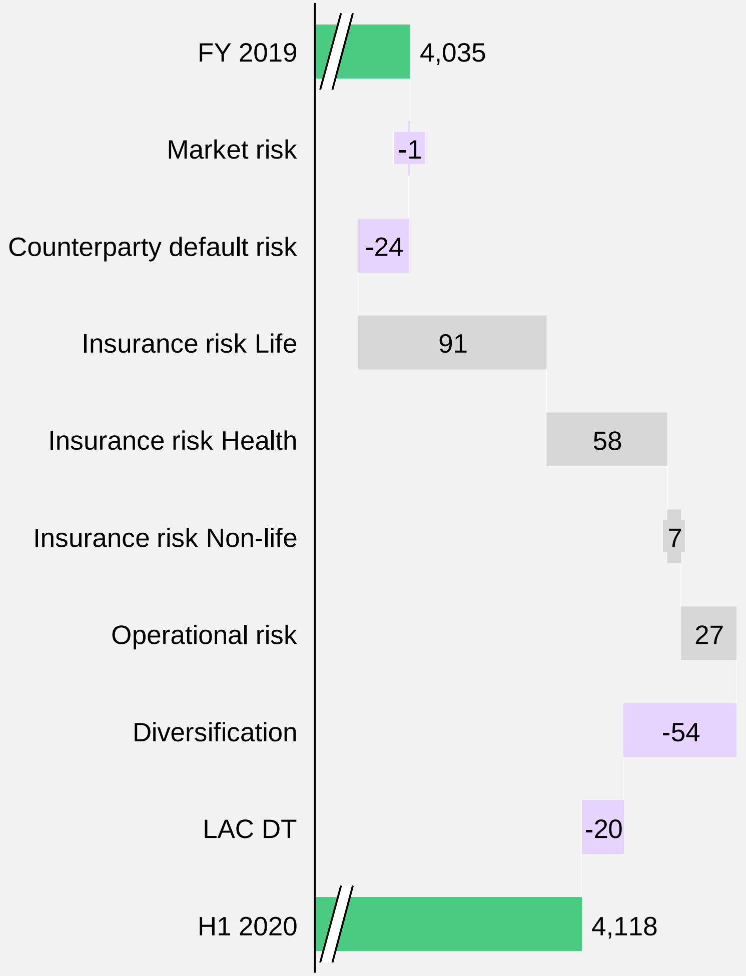


Solvency II Eligible Own Funds[1] (in €m)



[1] After deduction of proposed (interim) dividend payments

F. SCR movement in H1 2020[1] (in €m)



SCR decreases in

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

Counterparty default risk

Insurance risk Life:
- Mortality risk
- Lapse risk

Insurance risk Non-life:
- Lapse risk

Diversification

LAC DT

SCR increases in

Market risk:
- Interest rate risk

Insurance risk Life:
- Longevity risk
- Expense risk
- Catastrophe risk

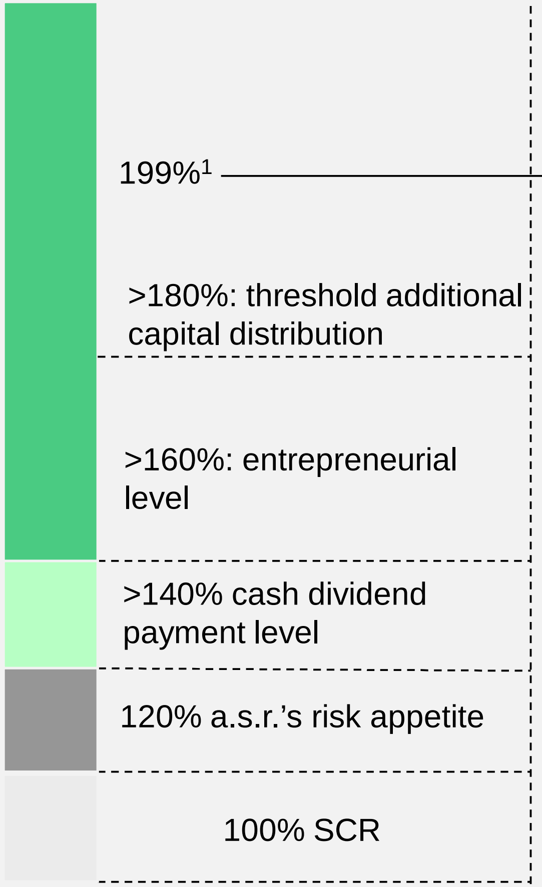
Insurance risk Health:
- HSLT risk and HNSLT risk

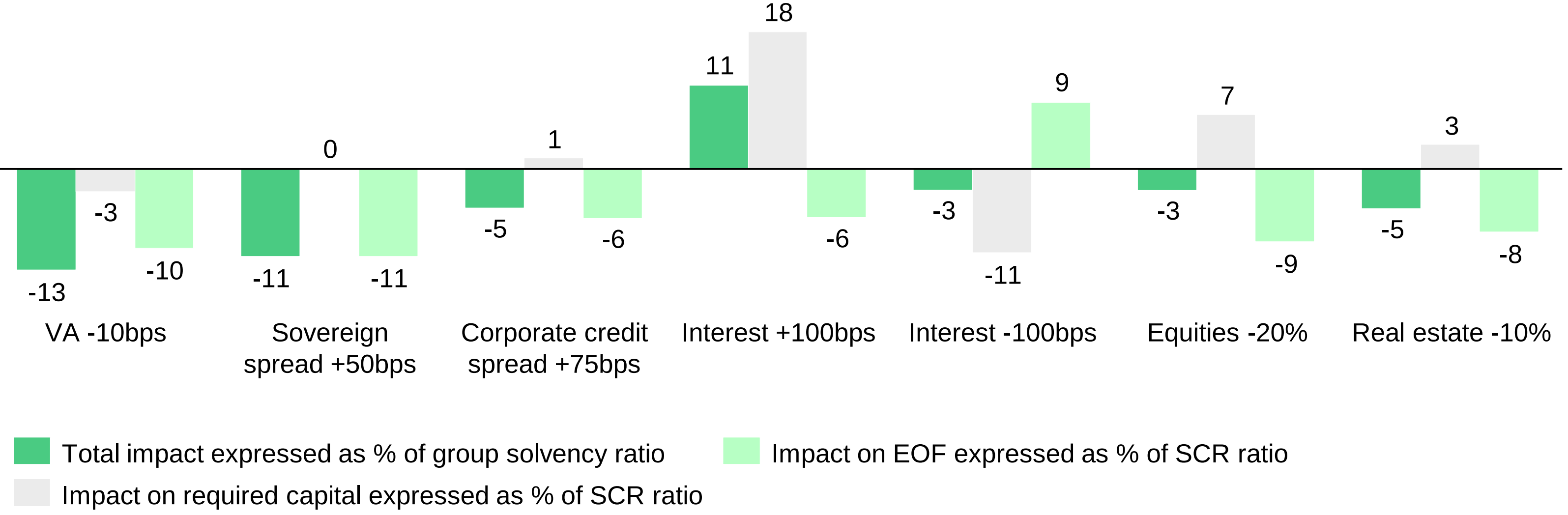
Insurance risk Non-life:
- Premium reserve risk

Operational risk

[1] Excluding financial institutions

G. Sensitivities Solvency II ratio



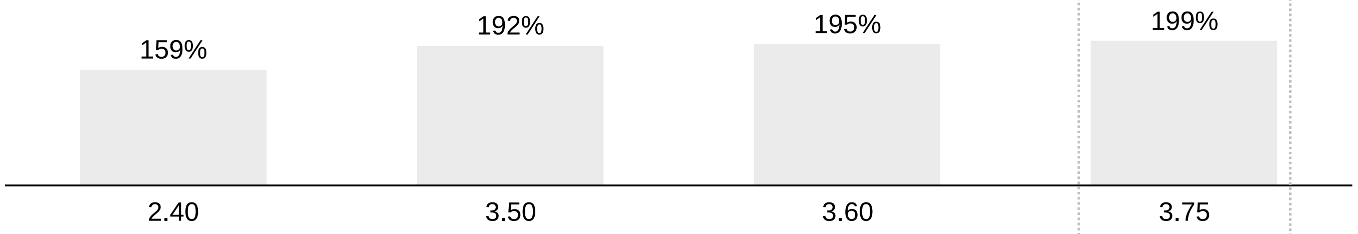


- The dominant interest rate scenario (down) does not change in these parallel interest rate sensitivities
- Sovereign and corporate spread sensitivities are stated excluding VA impact
- VA sensitivity slightly increased due to lower interest rates
- Equity sensitivity changed due to changing stock price levels
- Other sensitivities were in line with the sensitivities presented at year-end 2019
- Current solvency level enables a.s.r. to potentially absorb multiple downward adjustments

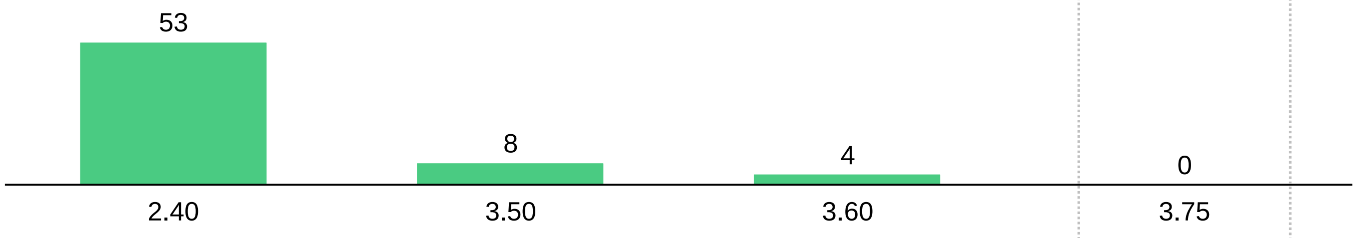
[1] Calculation based on standard model, excluding financial institutions

H. Sensitivities Solvency II ratio[1] – to UFR

Stock of Solvency II (in %)



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



Eligible Own Funds (in €m)

6,633	7,925	8,033	8,193
2.40	3.50	3.60	3.75

- 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 3.5% 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
- Solvency II ratio at UFR 2.4% amounted to 159% at H1 2020 (FY 2019: 153%), whereas our OCC would increase by € 53m

[1] Excluding financial institutions

I. Investment portfolio

Assets (in €bn, fair value)[1]	**FY 2019**	**H1 2020**	**Delta**	**% of total**
Fixed income[2]	32.0	35.1	3.1	68%
Equities	2.6	2.4	-0.2	5%
Real estate	4.4	4.2	-0.2	8%
Mortgages / other loans	8.7	9.7	1.0	19%
Cash (equivalents) for investments	1.7	0.5	-1.2	1%
Other[3]	0.1	0.1	-0.0	0%
Total investments	**49.5**	**52.0**	**2.5**	**100%**
Investments on behalf of policyholders	9.6	9.3	-0.3	
Other assets[4]	10.6	10.9	0.3	
Total balance sheet a.s.r.	**69.7**	**72.2**	**2.6**	

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
- Acquisitions of VvAA and Veherex added € 0.4bn of assets to the portfolio
- Decrease in real estate portfolio was mainly the result of redemptions in both listed and non-listed residential funds
- Mortgages also include exposure of € 1.7bn through (fixed income) mortgage funds
- Mortgage exposure further increased. High quality mortgage portfolio with stable credit performance, small arrears positions and foreclosure losses incurred < 1bps
- Defaults, equity impairments and revaluations (i.e. real estate) in our investment portfolio may occur, but were limited in H1 2020

[1] Rounding differences occur
[2] Consists of Government, Corporates, Financials, Structured and Derivatives
[3] "Other" mainly represents 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 €2.5bn. Increase in the credits portfolio driven by transactions
- The decreased exposure to structured instruments was due to repayments and revaluations
- Our mortgage portfolio is well protected as 38% is NHG (government guarantee) and the average loan-to-value improved to c. 74% due to increased value of collateral
- Increase in cash collateral due to the effect of lower interest rates on derivatives

Fixed income (in €m)	**FY 2019**	**H1 2020**	***Delta***	**% of total**
Government	13,671	14,245	*4.2%*	41%
Financials	6,862	6,706	*-2.3%*	19%
Structured	529	436	*-17.6%*	1%
Corporate	5,694	6,196	*8.8%*	18%
Derivatives	5,223	7,545	*44.4%*	21%
Total	**31,979**	**35,127**	***9.8%***	**100%**

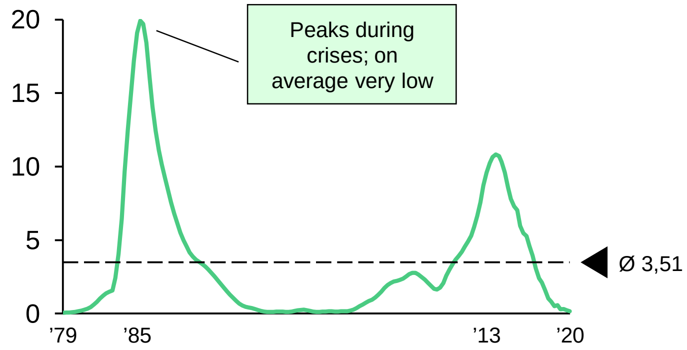
Mortgages (€m)	**FY 2019**	**H1 2020**	***Delta***	**% of total**
NHG	3,380	3,521	*4.1%*	38%
LtMV < 55%	1,450	1,559	*7.5%*	17%
LtMV < 65%	434	547	*25.8%*	6%
LtMV < 85%	1,479	1,919	*29.7%*	20%
LtMV < 95%	705	1,122	*59.3%*	12%
LtMV < 110%	900	671	*-25.4%*	7%
LtMV > 110%	52	35	*-33.4%*	0%
Subtotal	**8,401**	**9,374**	***11.6%***	**100%**
Other mortgage funds[1]	270	342	*26.8%*	
Total	**8,671**	**9,716**	***12.0%***	

Governments (in €m)	**FY 2019**	**H1 2020**	***Delta***	**% of total**
Netherlands	2,856	3,014	*5.5%*	21%
Germany	3,031	2,587	*-14.6%*	18%
France	1,297	1,577	*21.5%*	11%
Belgium	1,432	1,544	*7.8%*	11%
Supranationals	865	1,138	*31.5%*	8%
Austria	988	1,064	*7.7%*	7%
Spain	788	691	*-12.3%*	5%
Ireland	603	653	*8.3%*	5%
United States	479	568	*18.7%*	4%
Other	1,332	1,409	*5.8%*	10%
Total	**13,671**	**14,245**	***4.2%***	**100%**

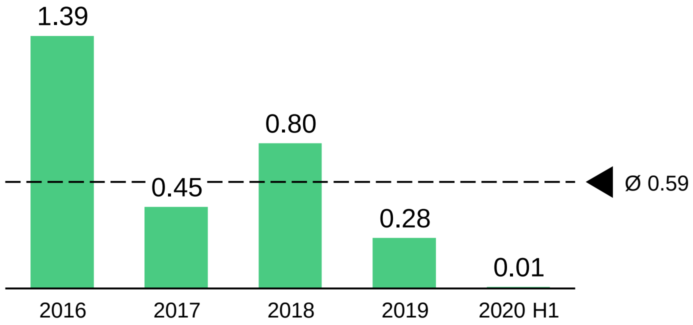
[1] LtMV not provided for these (external) funds

K. Dutch mortgage portfolio, strong return with low risk

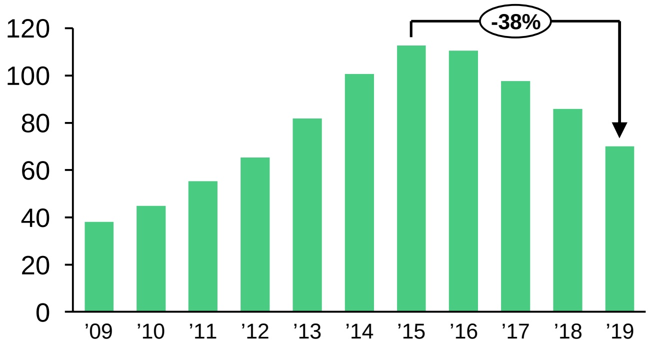
History of credit losses on guaranteed mortgages market[1] (in bps)



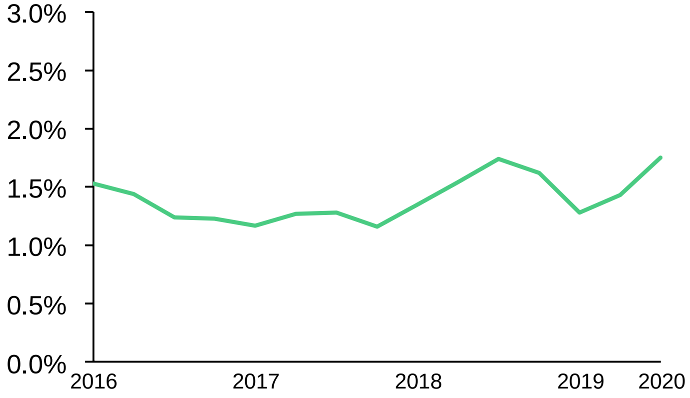
History of credit losses a.s.r. portfolio (in bps)



Borrowers with arrears in mortgage payments (> 90 days)[2] **in NL market** (in '000)



Mortgage spread[4] (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[3]
- 4.8m households in the Netherlands with a mortgage loan, end of 2019 there were 70k arrears, which is c. 1.5%. For a.s.r. portfolio this was c. 0.05% per H1 2020
- Number of market foreclosures in 2019 was 0.01%
- 65k clients in a.s.r. portfolio, c. 7% of which is self-employed
- 38% of 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] Source: National Institute for Family Finance Information (NIBUD)
[4] a.s.r. mortgage rate versus swap rate (weighted average)

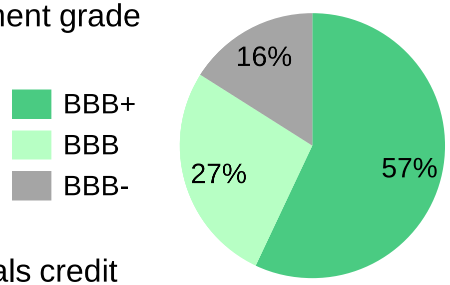
L. Details of Corporates and Financials bond portfolio

Comments on Corporates portfolio

- The increase of € 346m in the Corporates and Financials portfolio was comprised of € 509m of transactions and € -163m of revaluations
- Investments were mostly made in Capital Goods 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[1] 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**	**H1 2020**	**Delta**	**% of total**
Automotive	482	490	8	3.8%
Basic industry	496	552	56	4.3%
Capital goods	449	508	59	3.9%
Consumer goods	564	637	73	4.9%
Energy	326	367	41	2.8%
Healthcare	531	563	32	4.4%
Leisure	0	0	0	0.0%
Media	88	103	15	0.8%
Real estate	60	14	-46	0.1%
Retail	101	185	84	1.4%
Services	407	390	-18	3.0%
Technology & Electronics	171	226	55	1.8%
Telecommunications	355	365	10	2.8%
Transportation	263	307	44	2.4%
Utility	831	806	-25	6.2%
Other Corporates	569	683	114	5.3%
Subtotal	**5,694**	**6,196**	**502**	**48.0%**
Financials	6,862	6,706	-156	52.0%
Total	**12,556**	**12,902**	**346**	**100%**

[1] Based on the required capital for spread risk

a.s.r.

M. 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[2]	% of total
AAA	326	355	297	305	1,304	1,562	2,653	61	6,862	-23	48%
AA	927	422	273	350	984	862	915	1.320	6,051	616	42%
A	5	16	30	125	197	36	0	15	424	112	3%
BBB	198	10	58	404	186	32	0	0	889	-147	6%
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	14	0	1	0	0	15	15	0%
Total	**1,455**	**802**	**658**	**1,198**	**2,670**	**2,494**	**3,568**	**1,397**	**14,241**	**573**	**100%**

[1] Excluding € 3m of preference shares
[2] 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	414	135	58	96	160	70	0	0	933	-181	8%
AA	107	89	186	282	388	144	0	0	1,196	-167	10%
A	330	625	824	1,253	1,769	338	11	0	5,150	112	42%
BBB	520	451	523	1,611	1,335	272	0	0	4,712	362	38%
BB	158	9	19	78	45	0	0	0	308	56	2%
B or below	3	0	0	0	12	0	0	0	15	-3	0%
Not rated	27	1	7	2	1	0	0	0	36	-34	0%
Total	**1,558**	**1,310**	**1,618**	**3,322**	**3,708**	**824**	**11**	**0**	**12,351**	**144**	**100%**

Table contains Financials, Structured and Corporates from slide J.
Details of fixed-income portfolio totalling € 13,337m. Excluded are:

- Preference shares € 309m
- Fixed income funds € 677m

Fixed income funds contain, on a look through basis:

- Investment grade (>BB) € 352m
- Not rated € 142m[1]
- High yield € 182m

[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 the COVID-19 and subsequently bounced back partially, resulting in an overall decrease in equity exposure
- Continuation of the active hedging policy for the illiquid part of the portfolio

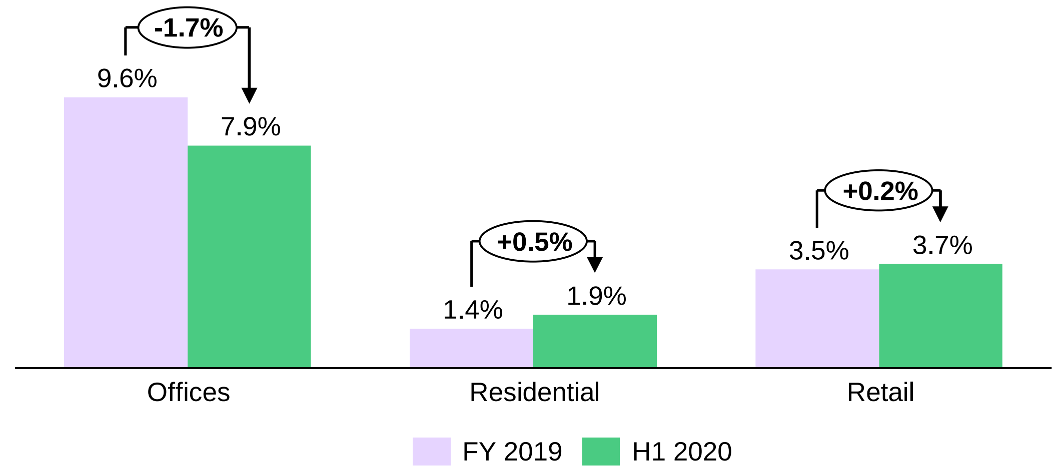
Real estate

- Total decrease of -3.4% in real estate portfolio mainly as a result of the redemptions in listed and non-listed real estate funds and as a result of quarterly external valuations, offset by acquisitions of Rural Real Estate and Offices
- COVID-19 effects are mainly expected in the Office and Retail portfolio. During H1 2020, a limited increase in Retail vacancy was observed

Equities (in €m)	FY 2019	H1 2020	*Delta*
Equities	2,059	1,968	*-4.4%*
Private equities	99	129	*30.1%*
Hedge funds	0	0	*-98.3%*
Other funds	443	267	*-39.8%*
Derivatives	5	14	*170.4%*
Total	**2,607**	**2,377**	***-8.8%***

Real estate (in €m)	FY 2019	H1 2020	*Delta*
Offices	138	155	*12.2%*
Retail	215	199	*-7.4%*
Rural	1,588	1,642	*3.4%*
Parking & other	55	53	*-2.3%*
Total real estate (excluding funds & own use)	**1,996**	**2,050**	***2.7%***
ASR Dutch Prime Retail Fund	664	625	*-5.8%*
ASR Dutch Core Residential Fund	983	936	*-4.8%*
ASR Dutch Mobility Office Fund	80	83	*3.2%*
Other Funds	480	362	*-24.6%*
Total real estate (excluding own use)	**4,203**	**4,056**	***-3.5%***
Offices in own use	147	145	*-1.6%*
Total real estate	**4,350**	**4,201**	***-3.4%***

Real estate vacancy rates (%)[1]



[1] Excluding Other Funds and Offices in own use

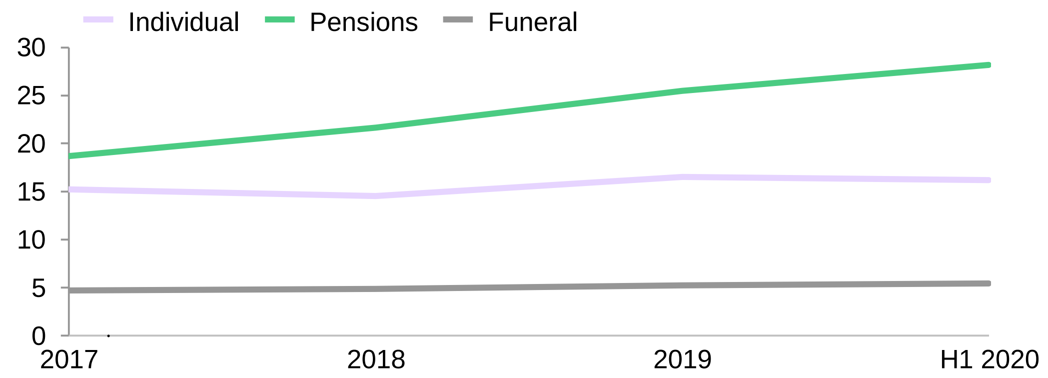
P. Calculation of asset leverage

Risky assets (€m)	FY 2019	H1 2020
Equities	2,607	2,377
Real estate[1]	2,615	2,414
BB bonds or below	341	375
Preference shares	320	312
Fixed income funds (not rated & high yield)	265	254
Mortgages with LtMV >110%	52	35
Total risky assets	**6,200**	**5,766**
Unrestricted Tier 1	5,789	6,136
Asset leverage	**107%**	**94%**

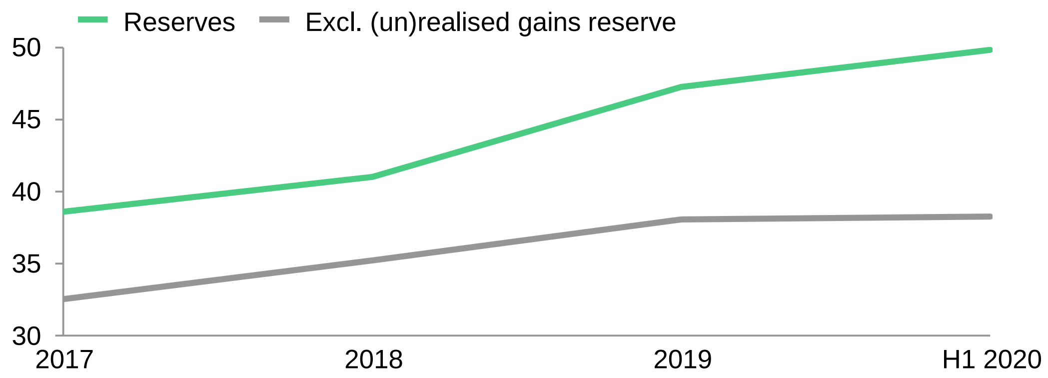
[1] Excluding Rural real estate and Offices in own use

Q. Life segment book development

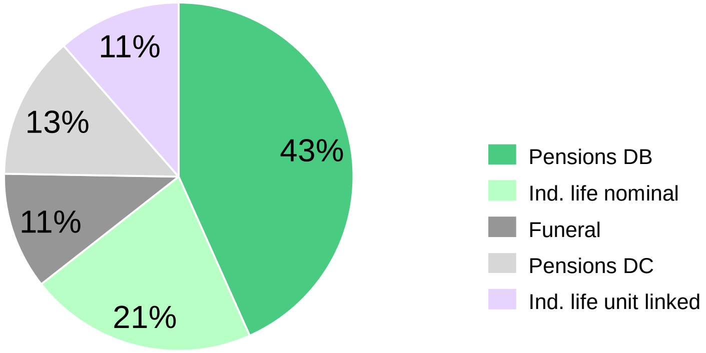
Life reserves development (in €bn)



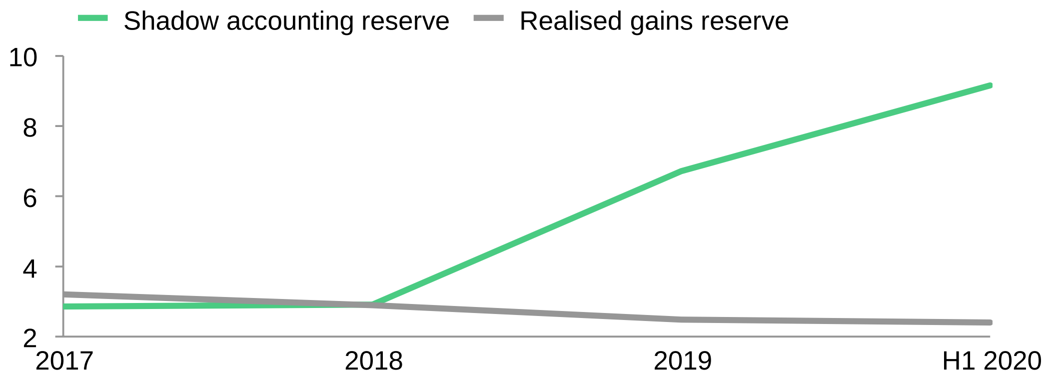
Life reserves (in €bn)



Reserves – H1 2020 (€ 50bn)



(Un)realised reserves development (in €bn)



R. Life segment investment contribution

(in €m)	H1 2017	H2 2017	H1 2018	H2 2018	H1 2019	H2 2019	H1 2020
Direct investment income[1]	513	479	529	519	535	527	562
Amortisation of realised gains reserve	161	161	155	159	161	137	132
Total investment contribution	**674**	**640**	**684**	**678**	**696**	**664**	**694**
Required interest on liabilities[2,3]	-411	-376	-404	-420	-384	-394	-376
Investment margin[3]	**263**	**264**	**280**	**258**	**312**	**270**	**318**
Shadow accounting reserve (Life)	2,507	2,858	2,841	2,914	6,018	6,719	9,156
Realised gains reserve (Life)	3,437	3,203	3,083	2,897	2,906	2,483	2,398
Basic provision (Life)		22,020		24,179		24,988	25,242

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

S. 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

a.s.r.

[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

T. 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

U. 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

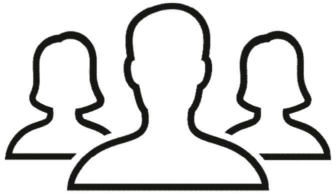
95%

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

IR contact details

Email: ir@asr.nl

Tel: +31 (0)30 257 86 00

Disclaimer

Cautionary note regarding forward-looking statements

The terms of this disclaimer ('Disclaimer') apply to this document of ASR Nederland N.V. and all ASR Nederland N.V.'s legal vehicles and businesses operating in the Netherlands ('ASR Nederland'). Please read this Disclaimer carefully.

ASR Nederland's consolidated annual accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and with Part 9 of Book 2 on the Netherlands Civil Code. In preparing the financial information in this document, the same accounting principles are applied as in the 2018 ASR Nederland consolidated annual accounts. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not (historical) facts but are forward looking statements ('Statements'). These Statements may be identified by words such as 'expect', 'should', 'could', 'shall' and similar expressions. The Statements can change as a result of possible events or factors. The Statements are based on our beliefs, assumptions and expectations of future performance, taking into account information that was available to ASR Nederland at the moment of drafting of the document.

ASR Nederland warns that the Statements could entail certain risks and uncertainties, so that the actual results, business, financial condition, results of operations, liquidity, investments, share price and prospects of ASR Nederland could differ materially from the Statements.

Factors which could cause actual results to differ from these Statements may include, without limitation: (1) changes in general economic conditions; (2) changes of conditions in the markets in which ASR Nederland is engaged; (3) changes in the performance of financial markets in general; (4) changes in the sales of insurance and/or other financial products; (5) the behavior of customers, suppliers, investors, shareholders and competitors; (6) changes in the relationships with principal intermediaries or partnerships or termination of relationships with principal intermediaries or partnerships; (7) the unavailability and/or unaffordability of reinsurance; (8) deteriorations in the financial soundness of customers, suppliers or financial institutions, countries/states and/or other counterparties; (9) technological developments; (10) changes in the implementation and execution of ICT systems or outsourcing; (11) changes in the availability of, and costs associated with, sources of liquidity; (12) consequences of a potential (partial) termination of the European currency: the Euro or the European Union; (13) changes in the frequency and severity of insured loss events; (14) catastrophes and terrorist related events; (15) changes affecting mortality and morbidity levels and trends and changes in longevity; (16) changes in laws and regulations and/or changes in the interpretation thereof, including without limitation Solvency II, IFRS and taxes; (17) changes in the policies of governments and/or regulatory-or supervisory authorities; (18) changes in ownership that could affect the future availability of net operating loss, net capital and built-in loss; (19) changes in conclusions with regard to accounting assumptions and methodologies; (20) adverse developments in legal and other proceedings and/or investigations or sanctions taken by supervisory authorities; (21) risks related to mergers, acquisitions, and divestments (22) other financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results and (23) the other risks and uncertainties detailed in the Risk Factors section contained in recent public disclosures made by ASR Nederland.

The foregoing list of factors and developments should not exhaustive. Any Statements made by or on behalf of ASR Nederland speak only as of the date they are made and, except as required by applicable law, ASR Nederland disclaims any obligation to publicly update or revise and/or publish any Statements, whether as a result of new information, future events or otherwise. Neither ASR Nederland nor any of its directors, officers, employees do give any statement, warranty or prediction on the anticipated results as included in the document. The Statements in this /document represent, in each case, only one of multiple possible scenarios and should not be viewed as the most likely or standard scenario.

ASR Nederland has taken all reasonable care in the reliability and accurateness of this document. Nevertheless, information contained in this document may be incomplete or incorrect. ASR Nederland does not accept liability for any damages resulting from this document in case the information in this document is incorrect or incomplete.

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