2020

Interim Report

For the first half year

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

ASR Nederland N.V.

Archimedeslaan 10
P.O. Box 2072
3500 HB Utrecht
The Netherlands

www.asrnl.com

2020

Interim Report

For the first half year

This page has intentionally left blank.

Contents

ASR Nederland N.V. and its group companies are hereinafter referred to as 'a.s.r.' or 'the Group', except when referring to the legal entity ASR Nederland N.V.

Report of the Executive Board

1 Report of the Executive Board

1.1 Financial and business performance HY 2020

ASR Nederland N.V.

a.s.r. key figures

(in € millions, unless stated otherwise)	HY 2020	HY 2019	Delta (%)
Operating result[1]	**446**	**464**	**-3.9%**
- Non-life	124	123	0.7%
- Life	361	370	-2.5%
- Asset Management	15	11	27.3%
- Distribution and Services	13	12	15.0%
- Holding and Other / Eliminations	-67	-53	27.7%
Incidental items (not included in operating result)	**-149**	**217**	**-168.8%**
- Investment related	2	170	-98.7%
- Incidentals	-151	47	-422.3%
Profit/(loss) before tax	**296**	**680**	**-56.4%**
- Non-life	112	173	-35.3%
- Life	236	465	-49.3%
- Asset Management	14	11	27.3%
- Distribution and Services	12	11	11.2%
- Holding and Other / Eliminations	-77	21	-469.1%
Income tax expense	-62	-126	-51.1%
Profit/(loss) for the period from continuing operations, after tax	235	554	-57.6%
Profit/(loss) for the period from discontinued operations, after tax	-1	-15	-91.8%
Non-controlling interest	1	-	-397.3%
Profit/(loss) for the period attributable to holders of equity instruments	**233**	**540**	**-56.9%**
Organic capital creation[2]	**298**	**299**	**-0.3%**
Operating return on equity	**14.8%**	**17.0%**	**-2.2%-p**
Return on equity	8.0%	22.2%	-14.2%-p
Earnings per share			
Operating result per share (€)	2.25	2.30	-2.2%
Dividend per share (€)	0.76	0.70	8.6%
Basic earnings per share on IFRS basis (€)	1.59	3.79	-58.2%
Gross written premiums	**2,978**	**2,576**	**15.6%**
- Non-life	2,128	1,791	18.8%
- Life	1,009	849	18.8%
- Eliminations	-159	-64	148.5%

1 The comparative figures have been restated for an adjustment in the definition of the operating result. The depreciation of the VOBA and intangible fixed assets of business combinations are from now on incidental. Due to the definition change the operating result in HY 2019 was restated from € 459 million to € 464 million (segment Non-life € +1 million, Life € +2 million and Distribution and Services € +1 million).
2 As from 2020, the OCC definition is more aligned with market practice and based on the new definition, OCC for HY 2019 was restated from € 189 million to € 299 million. The main adjustment relates to the long term investment margins. The excess returns for fixed income have been changed to market observable spreads, while the post-tax total return assumptions for equities have been set at 5% and for real estate to 4.1%. Furthermore, refinements have been made to the new business strain in Non-life, the run-off of market risk from the Life book and the addition of the time value of options and guarantees (TVOG).

(in € millions, unless stated otherwise)	HY 2020	HY 2019	Delta (%)
Operating expenses	**-337**	**-304**	**10.7%**
- Non-life	-124	-112	10.7%
- Life	-89	-92	-3.4%
- Asset Management	-47	-41	13.6%
- Distribution and Services	-33	-27	19.9%
- Holding and Other / Eliminations	-45	-32	39.8%
Operating expenses associated with ordinary activities	-309	-282	9.6%
Provision for restructuring expenses	-4	-7	-38.3%

	30 June 2020	31 Dec. 2019	Delta (%)
Number of internal FTEs	3,934	3,906	0.7%
Capital management			
Solvency II ratio (standard formula, post proposed (interim) dividend)[1]	199%	194%	5%-p
Financial leverage	28.4%	29.2%	-0.8%-p
Double leverage	98.9%	102.0%	-3.1%-p
Total equity attributable to holders of equity instruments (IFRS-based)	6,309	6,093	3.5%

Operating result

The operating result decreased by € 18 million to € 446 million (HY 2019: € 464 million) with on aggregate limited impact of COVID-19 (approx. € -3 million). The decrease reflects an increase in Holding cost, which includes higher interest expense.

The operating result benefitted from continued growth of the businesses, as reflected in higher gross written premiums and assets under management, offset primarily by higher costs in the Holding, negative non-recurring items in the Life segment and higher provisioning in the Non-life segment.

The underlying drivers for the operating result in the major segments continued to perform well in the first six months of this year. The combined ratio (P&C and Disability) improved to 92.9% from 93.5% last year, reflecting better claims, cost and commission ratios this year. In the Life segment, the investment margin rose by € 6 million to € 318 million despite challenging financial markets.

Loyalis, which was acquired in May 2019, contributed € 32 million to the operating result in the first half of 2020, compared to € 8 million in the same reporting period last year.

The total impact of COVID-19 on the operating result in the first half this year was limited and reflected offsetting impacts within and across the various business segments. With approx. € 23 million, the impact on the Non-life segment was positive, while the Life segment showed a negative impact of € 25 million. The other segments remained relatively unaffected. Within the Non-life segment, a considerably favourable impact from lower claims frequency in P&C was partially offset by higher claims and provisioning in Disability.

Gross written premiums

Gross written premiums increased by 15.6% or € 402 million to € 2,978 million (HY 2019: € 2,576 million). This increase was driven by an increase of € 337 million in the Non-life segment and € 65 million in the Life segment (including eliminations). Loyalis contributed € 215 million to gross written premiums in the first half in 2020, compared to € 32 million in the same reporting period last year.

Gross written premiums in the Non-life segment increased by 18.8% to € 2.128 million (HY 2019: € 1,791 million), including an organic growth of P&C and Disability combined of 6.9%. Growth in Health was mainly due to the introduction of the benefit in kind policy.

Gross written premiums in the Life segment amounted to € 1,009 million (HY 2019: € 849 million). The increase was driven by growth of the 'Werknemers Pensioen' (WnP) and the addition of Loyalis, partly offset by a decline in the existing DB portfolio. The gross written premiums of Individual life decreased slightly and remained reasonably stable in Funeral.

1 After proposed dividend, exclusive of financial institutions.

Operating expenses
Operating expenses increased by € 32 million to € 337 million (HY 2019: € 304 million). Excluding the costs related to acquired businesses (€ 19 million), operating expenses showed an increase of € 13 million. This increase was due to an increase of € 13 million in Holding and Other, reflecting an increase in current net service costs, higher incidental costs related to the implementation of IFRS17 and the introduction of a.s.r. Vitality. Higher costs related to business growth, such as the mortgage portfolio in the Asset Management segment, were offset by lower IT-related costs due to the reduction of applications and system rationalisation at Individual life.

The impact of acquisitions (€ 19 million) mainly relates to Loyalis (€ 16 million). VvAA Life, Veherex and various smaller acquisitions in the Distribution and Services segment (Melching Group and ArGon Group) led to an additional increase of € 4 million.

Profit before tax
Profit before tax decreased to € 296 million (HY 2019: € 680 million). This decline was the result of lower indirect investment income (€ 168 million) and lower incidental income (€ 198 million). In addition, the contribution from the operating result also decreased (€ 18 million).

The lower Incidental income reflects the purchase gain from the acquisition of Loyalis in the previous year (€ 88 million) and an impairment of goodwill in the Life segment (€ 90 million) in the first half this year driven by the COVID-19 developments.

The decrease in indirect investment income was mainly due to the COVID-19 related impact on the financial markets including real estate. Impairments rose by € 32 million, mainly related to equities. Compared to the first half last year, realised capital gains decreased by € 82 million. Fair value gains and losses decreased by € 54 million, mainly due to the revaluation of retail and office investment property (directly owned and in the real estate equity funds).

The net IFRS result declined to € 233 million (HY 2019: € 540 million).

Operating return on equity
The operating return on equity decreased by 2.2%-point to 14.8% (HY 2019: 17.0%) and was well above the medium-term target range of 12-14%. IFRS return on equity decreased to 8.0% (HY 2019: 22.2%). The decline primarily reflects the increase in shareholders' equity, including the proposed but postponed final dividend for 2019 amounting to € 166 million.

Solvency II ratio and Organic capital creation
The Solvency II-ratio as at 30 June 2020 amounted to 199% using the standard formula. This is after 8% points deduction for the special dividend (€ 166 million), the regular interim dividend (€ 105 million) and the buyback of shares (€ 75 million). The Solvency II ratio as at 31 December 2019 stood at 194%.

The organic capital creation (OCC) amounted to € 298 million and remained fairly stable compared to last year (HY 2019: € 299 million). Solid operational performance and higher contribution from the investment portfolio offset the negative impact from the increased UFR drag due to lower interest rates.

Dividend and capital distribution
In April 2020, a.s.r. temporarily postponed its share buyback programme (SBB) and dividend payment following the recommendations issued by the European Insurance and Occupational Pensions Authority (EIOPA) and the Dutch regulator (DNB) to do so in light of the COVID-19 crisis. In August 2020 a.s.r. announced, after careful consideration, its intention to resume the postponed dividend payment and SBB following the announcement of DNB to resume the review of dividend proposals under its normal supervision. a.s.r. announced to pay a dividend[1] of € 1.20 per share, which equals the postponed final dividend of 2019. This dividend will be made payable on 4 September 2020. a.s.r. will also restart the SBB for the remaining € 24.3 million of the original € 75 million in September 2020.

a.s.r. will pay a regular interim dividend of € 0.76 per share, equal to 40% of the original proposed dividend for 2019.

1 Whilst the dividend payment was described as 'extraordinary' in the press release, the dividend is in fact an interim dividend and is consistent with the company's dividend policy.

Medium-term targets

The table below shows the targets and the performance of a.s.r.

Medium-term targets (2019-2021)[1]

Group	HY 2020	Medium-term target
Solvency II-ratio (standard formula)	199%	> 160%
Operating return on equity	14.8%	12% - 14%
Organic capital creation (2021)*	€ 298 million	> € 500 million
Financial leverage	28.4%	< 35%
S&P rating (insurance entities)	Single A	Single A

Business	HY 2020	Medium-term target
Non-life combined ratio (P&C and Disability)	92.9%	94% - 96%
Non-life gross written premium (P&C and Disability), annual growth	6.9%	3% - 5%
Life operating result	€ 361 million	>€ 633 million
Life operating expenses (of basic Life provision)	47 bps	45 – 55 bps
Combined operating result fee based business (Asset Management, Distribution and Services)*	€ 28 million	€ 40 million

Non-financial targets	HY 2020	Medium-term target
Net Promoter Score*	47	> 44
Carbon footprint measured of the total investment portfolio*	91%	95%
Impact sustainable investments (for own account)*	€ 1.2 billion	€ 1.2 billion
Employee contribution to local society (hours), annual growth	-63%	5%

Group and Business targets

a.s.r. is ahead or well on track to achieve the medium-term targets. S&P confirmed the Single A rating in June 2020.

Non-financial targets

The Net Promoter Score (NPS), which measures customer satisfaction, increased by 3 points to 47 (2019: 44). Despite the COVID-19 lockdown, a.s.r. employees have been able to further strengthen their relationship with customers and the intermediaries.

The measurement of the carbon footprint of the investments for a.s.r.'s own account, including real estate and mortgages, increased further to 91% of the total investment portfolio. This represents almost € 50 billion in assets.

Impact investments increased to almost € 1.2 billion (2019: € 0.9 billion) and consists mainly of government and corporate 'impact bonds'.

The lockdown measures and social distancing rules resulted in the cancellation of events and social initiatives, which led to a significant decrease of the hours spent by employees to contribute to local society. In the meantime, a number of projects are being cautiously restarted or new initiatives are emerging, however, it is expected that the target for 2020 will not be achieved.

1 Targets marked by * are 2021 targets, others are annual targets applicable during the medium term period.

Non-life segment

Key figures, Non-life segment

(in € millions, unless stated otherwise)	HY 2020	HY 2019	Delta
Gross written premiums	2,128	1,791	18.8%
Operating expenses	-124	-112	10.7%
Provision for restructuring expenses	-	-3	-107.8%
Operating result	**124**	**123**	**0.7%**
Incidental items (not included in operating result)	**-12**	**50**	**-123.6%**
- Investment related	-6	67	-108.4%
- Incidentals	-6	-17	-63.0%
Profit/(loss) before tax	112	173	-35.3%
Profit/(loss) for the period attributable to holders of equity instruments	**94**	**139**	**-31.8%**

	HY 2020	HY 2019	Delta
Combined ratio P&C and Disability	**92.9%**	**93.5%**	**-0.7%-p**
- Commission ratio	19.0%	19.1%	-0.1%-p
- Cost ratio	7.9%	8.2%	-0.3%-p
- Claims ratio	66.0%	66.2%	-0.2%-p
Combined ratio			
- P&C	87.8%	97.4%	-9.7%-p
- Disability	99.4%	87.4%	12.0%-p
- Health	98.3%	98.0%	0.3%-p

Operating result

The operating result of the Non-life segment increased by € 1 million to € 124 million. COVID-19 had a considerable and partly offsetting impact on the various product lines, favourably for P&C and negatively impacting Disability. Health showed a small positive impact. Overall, COVID-19 had a positive impact of € 23 million on the operating result in the first six months of this year.

In Disability, COVID-19 resulted in higher claims for individual disability and sickness leave, and in reserve strengthening. The lockdown and social distancing measures impede effective claims management due to limitations on physical checks and visits by our physicians and vocational experts. This causes delays in recovery and reintegration into work-processes. The COVID-19 outbreak in February this year resulted in a sharp rise in claims relating to sickness leave which have gradually reverted back to more normal levels.

In P&C, the lockdown measures resulted in significantly lower claims, particularly in motor and fire, more than offsetting the negative impacts from storm Ciara (€ 11 million) and reserve strengthening (€ 8 million) related to the sector-wide lowering of the actuarial interest rate for personal injury following a court-ruling earlier this year.

The operating result for Health decreased slightly compared to the first half of the previous year. COVID-19 had a small positive impact on Health due to decline in demand for elective care. The introduction of the benefit in kind insurance led to a positive impact, offset by some reserve strengthening on account of prior years' experience.

Combined ratio

The combined ratio of P&C and Disability improved by 0.7% point to 92.9%. The decline in the combined ratio reflects an improvement in claims (0.2%), costs (0.3%) and commissions (0.1%). COVID-19 had approx. a 2% points positive impact on the combined ratio. Even excluding this impact, the combined ratio would still be well within the target range of 94-96%.

The combined ratio of Disability rose by 12.0% points to 99.4% (HY 2019: 87.4%). In P&C, the combined ratio improved by 9.7% points to 87.8% (HY 2019: 97.4%). The combined ratio of Health increased by 0.3% point to 98.3% (HY 2019: 98.0%). This slight deterioration mainly concerned a.s.r. health basic, whereas the ratio at a.s.r. health supplementary improved.

Gross written premiums

Gross written premiums amounted to € 2,128 million, € 337 million higher than HY 2019 due to the acquisition of Loyalis in May 2019 (€ 153 million), Veherex (€ 10 million) and growth in all product lines. The organic growth of Disability and P&C combined was 6.9%. The organic growth of Disability (€ 78 million) was driven by more sales as well as a pricing adjustment in the sickness leave portfolio. In P&C, growth (€ 19 million) was supported by all distribution channels and showed limited impact from COVID-19. The growth in Health (€ 88 million) mainly relates to the basic health insurance and was up by 94,000 policies due to the introduction of the benefit in kind policy in addition to the restitution policy.

Operating expenses

The operating expenses increased by € 12 million to € 124 million, of which € 11 million relating to the acquisition of Loyalis. The organic growth has been absorbed on the existing platform without an increase in expenses. Cost synergies were realised as IT systems from Generali Nederland were switched off after completion of the migration. As a result, the cost ratio of P&C and Disability improved to 7.9% (HY 2019: 8.2%).

Profit before tax

The profit before tax decreased by € 61 million to € 112 million (HY 2019: € 173 million). This decrease was mainly due to a lower indirect investment income, driven by lower realised capital gains (€ 55 million) compared to HY 2019, which contained a one-off benefit from the sale of equities, and higher impairments (€ 17 million). The gain (€ 4 million) relating to the acquisition of Veherex is directly recognised in the income statement.

Life segment

Key figures, Life segment

(in € millions, unless stated otherwise)	HY 2020	HY 2019	Delta
Recurring premiums	780	747	4.4%
Single premiums	229	103	123.3%
Gross written premiums	1,009	849	18.8%
Operating expenses	-89	-92	-3.4%
Provision for restructuring expenses	-4	-3	11.9%
Operating result	**361**	**370**	**-2.5%**
Incidental items (not included in operating result)	**-125**	**95**	**-231.9%**
- Investment related	-2	101	-102.4%
- Incidentals	-123	-6	1817.7%
Profit/(loss) before tax	236	465	-49.3%
Profit/(loss) for the period attributable to holders of equity instruments	**182**	**349**	**-47.8%**
Cost-premium ratio (APE)	8.3%	9.4%	-1.1%-p
Life operating expenses on basic life provision (bps)	47	52	-5
New business (APE)	66	40	65.0%

Operating result

The operating result in the Life segment decreased by € 9 million to € 361 million (HY 2019: € 370 million). The negative impact of COVID-19 was € 25 million, which is mainly driven by a lower investment income from dividends on equities and from rental income. Despite the impact of COVID-19 on direct investment income, the investment margin improved by € 6 million due to the positive effect from the derivatives portfolio, the additional contribution of acquisitions (Loyalis and VvAA) and a lower amount of required interest. The improvement of the investment margin as well as the improvement on the result on costs are offset by a modest increase in the unit linked provision due to the market effects from COVID-19 (€ 5 million), various other smaller non-recurring incidentals and a relatively strong mortality result in HY 2019.The COVID-19 impact on the underwriting result was limited, due to diversification effects.

Gross written premiums

Gross written premiums amounted to € 1,009 million (HY 2019: € 849 million), an increase of 18.8%, driven by both recurring premiums (up € 33 million to € 780 million) and single premiums (up € 127 million to € 229 million). The 'Werknemers Pensioen' product (WnP) continued its success in the first six months of this year as contributions increased by € 67 million (+42%) to € 225 million and the AuM increased to € 1.5 billion (FY 2019: € 1.3 billion). The number of active participants is now 100,000 (FY 2019: 80,000).

The growth in WnP and the addition of Loyalis and VvAA compensated for the decrease in the existing DB/DC Pension portfolio (€ 29 million lower) and the decline in Individual life (€ 5 million lower). The persistently low interest rates led to more redemptions in savings mortgages and the level of surrenders of nominal policies increased to 1.01% (FY 2019: 0.79%). Funeral remained reasonably stable (€ +1 million).

The increase in premiums was partly due to additional contribution from Loyalis (€ 31 million) and from VvAA (€ 7 million). The increase in single premiums includes the indexation single premiums of the own pension scheme for an amount of € 93 million (last year this premium was paid in the fourth quarter). Single premiums of WnP and the variable pension product, which was introduced Q4 2019, also increased.

Operating expenses

The operating expenses decreased by € 3 million to € 89 million (HY 2019: € 92 million). Excluding the additional cost base from acquisitions (Loyalis and VvAA), the decrease was € 5 million.

The integration of the Generali Nederland portfolio into the a.s.r. platform (Software as a Service) was completed in the first six months of 2020. In addition, as a result of the COVID-19 outbreak, commercial campaigns were postponed, resulting in lower marketing costs.

Operating expenses in relation to the premiums (measured in APE) improved, which was reflected in a 1.1% point improved cost-premium ratio (APE) of 8.3% (HY 2019: 9.4%). Life operating expenses, expressed in basis points of the basic life provision, also further improved to 47 bps (HY 2019: 52 bps), fully in line with the target of 45-55 bps for 2019-2021.

Profit before tax

The profit before tax decreased by € 229 million to € 236 million (HY 2019: € 465 million). In the first half of 2020, the contribution of investment related incidental items decreased by € 104 million. This reflects lower realised capital gains and fair value through P&L (€ 81 million lower) compared to HY 2019, which contained a one-off benefit from sale of equities, and increased impairments on equities (€ 23 million lower).

The remainder mainly relates to lower income from incidental items including an impairment of goodwill in the Life segment (€ 90 million), driven by the low interest rate environment, as well as an impact from a refinement of the calculation methodology of disability insurance in the Pension portfolio (€ 33 million), other incidental items (€ +6 million) and the decrease in operating result (€ 9 million).

Asset Management segment

Key figures, Asset Management segment[1]

(in € millions, unless stated otherwise)	HY 2020	HY 2019	Delta
Assets under Management for third parties (€ bn) (2019 as at 31 December)	21.2	20.7	2.4%
Operating expenses	-47	-41	13.6%
Provision for restructuring expenses	-1	-1	25.2%
Operating result	**15**	**11**	**27.3%**
Incidental items (not included in operating result)	**-1**	**-1**	**27.8%**
- Investment related	-	-	-
- Incidentals	-1	-1	25.2%
Profit/(loss) before tax	14	11	27.3%
Tax	-3	-3	17.4%
Profit/(loss) for the period from continuing operations, after tax	**10**	**8**	**31.0%**
Profit/(loss) for the period from discontinued operations, after tax	-1	-15	-91.8%
Profit/(loss) for the period attributable to holders of equity instruments	**9**	**-7**	**-234.6%**

Operating result
The operating result of the Asset Management segment increased by € 3 million to € 15 million (HY 2019: € 11 million), mainly driven by the inflow of external assets under management which increased to € 21.2 billion (FY 2019: € 20.7 billion). The impact of COVID-19 amounts to € 1 million in the first half of this year. The segment comprises the activities of two entities: a.s.r. asset management and a.s.r. real estate.

a.s.r. asset management
The operating result of a.s.r. asset management increased by almost € 4 million to € 9 million. Despite the COVID-19 impact on financial markets, overall fee income increased. This was mainly due to increased fee income from the mortgage fund and the launch of the ASR Separate Account Mortgage Fund (SAM). Mortgage origination amounted to € 2,349 million in the first half of 2020 of which € 1,109 million was placed in the ASR Hypotheekfonds.

The total external AuM increased compared to HY 2019 by € 1.7 billion to € 19.2 billion. The inflow into the recently established SAM Fund was € 0.5 billion. Due to the declining equity values, the net asset value, and consequently the fee income, of the various mix funds was under pressure.

a.s.r. real estate
The operating result of a.s.r. real estate remained stable at € 6 million (HY 2019: € 6 million). The external AuM rose by € 0.2 billion compared to HY 2019 and remained more or less unchanged at € 1.9 billion compared to FY 2019. The commercial pipeline for the residential fund Dutch Core Retail Fund (DCRF) is well filled, but the growth of the retail and office fund was affected by COVID-19.

The COVID-19 outbreak did not have a negative impact on mortgage production nor did it have an impact on payment arrears. Payment arrears of more than 90 days on the mortgage portfolio amounted to 0.03% (FY 2019: 0.05%) and have been decreasing for years reaching the lowest level recorded so far. Given the 90 days arrears period there is a delay in reporting. Credit losses on mortgages reduced substantially and amounted to 0.009 bps (FY 2019: 0.28 bps). Despite the unfavourable economic conditions, payment arrears and credit losses remain well below our limits.

Operating expenses
The operating expenses increased by € 6 million to € 47 million (HY 2019: € 41 million), driven by the growth and expansion of the various (third party) funds. The management cost ratio for a.s.r. mortgages per HY 2020 improved to 10.3 bps (FY 2019: 11.2 bps).

1 The Asset Management segment involves all activities related to asset management including investment property management, and the discontinued banking activities. These activities include amongst others ASR Vermogensbeheer N.V., ASR Financieringen B.V., ASR Real Estate B.V., ASR Hypotheken B.V. and a.s.r. bank. As of October 2018, all activities of a.s.r. bank are classified as discontinued, most of these activities were sold during 2019, and the remaining activities will be finalised this year.

Assets under management

The AuM for third parties of a.s.r. asset management and a.s.r. real estate increased by € 0.5 billion to € 21.2 billion (FY 2019: € 20.7 billion). The € 0.4 billion increase of a.s.r. asset management to € 19.2 billion (FY 2019: € 18.8 billion) was primarily driven by € 0.7 billion net inflow and negative € 0.2 billion from market effects, with equity and mixed funds in particular being affected by falling equity values. The inflow into the mortgage fund (including SAM fund) of € 1.4 billion was partly offset by an outflow of some participants in various other funds, amongst which in mandates of local government (€ -0.2 billion) as a result of specific regulation 'schatkistbankieren' (to bank with the treasury). The external AuM at a.s.r. real estate remained stable at € 1.9 billion (FY 2019: € 1.9 billion).

After the last savings transfers in June 2020, the bank no longer has any banking activities. The procedure for returning the banking licence has now been initiated and, subject to the approval of the Dutch regulator (DNB) and ECB, the banking licence will be returned.

Distribution and Services segment

Key figures, Distribution and Services segment[1]

(in € millions)	HY 2020	HY 2019	Delta
Total income	48	41	15.0%
Operating expenses	-33	-27	19.9%
Provision for restructuring expenses	-	-	-
Operating result	**13**	**12**	15.0%
Incidental items (not included in operating result)	**-1**	**-1**	58.3%
- Investment related	-	-	-
- Incidentals	-1	-1	58.0%
Profit/(loss) before tax	12	11	11.2%
Tax	-3	-2	74.6%
Profit/(loss) for the period attributable to holders of equity instruments	**9**	**9**	**-0.9%**

Operating result

The operating result of the Distribution and Services segment increased by € 2 million to € 13 million (HY 2019: € 12 million) reflecting the growth in various portfolios. The segment was unaffected by COVID-19. In the first half of 2020 a.s.r. further strengthened its presence in the distribution landscape by adding several (smaller) service providers in addition to the acquisitions performed in the past years.

Operating expenses

The operating expenses increased by € 5 million to € 33 million (HY 2019: € 27 million) and are mainly related to the additional cost base of acquisitions (Melching Group and ArGon Group) and organic business growth.

1 The Distribution and Services segment includes the activities related to distribution of insurance contracts and include amongst others the financial intermediary business of Poliservice, Van Kampen Groep (VKG), Dutch ID, Supergarant Verzekeringen, Corins and ANAC.

Holding and Other segment (including eliminations)

Key figures, Holding and Other segment / Eliminations[1]

(in € millions)	HY 2020	HY 2019	Delta
Operating expenses	-45	-32	39.8%
Provision for restructuring expenses	-	-	-
Operating result	**-67**	**-53**	**27.7%**
Incidental items (not included in operating result)	**-10**	**73**	**-113.4%**
- Investment related	10	2	516.3%
- Incidentals	-20	72	-127.8%
Profit/(loss) before tax	-77	21	-469.1%
Tax	16	28	-43.2%
Non-controlling interest	1	-1	-207.4%
Profit/(loss) for the period attributable to holders of equity instruments	**-62**	**50**	**-224.2%**

Operating result

The operating result decreased by € 15 million to € -67 million (HY 2019: € -53 million). The decrease was mainly the result of an increase in the interest expenses (€ 6 million) on the newly issued € 500 million Tier 2 subordinated loan in May 2019, and higher current net service costs (CNSC) (€ 9 million) related to the a.s.r. pension scheme due to a lower discount rate.

Operating expenses

The operating expenses increased by € 13 million to € 45 million (HY 2019: € 32 million), primarily as a result of the higher CNSC costs (€ 9 million) and incidental costs (€ 3 million).

The incidental cost items amounted to € 24 million (HY 2019: € 21 million). This increase was due to higher regulatory costs related to the IFRS17/9 implementation and the a.s.r. Vitality programme. This increase was partly offset by lower advisory costs related to M&A activities. Integration costs remained stable as the integration of Loyalis started after the completion of the integration of Generali Nederland in 2019.

Profit before tax

The total contribution of incidental items to the IFRS result amounted to € -10 million (HY 2019: € 73 million). This decrease was mainly due to the purchase gain of € 88 million as a result of the Loyalis acquisition in the first half of 2019.

The lower contribution from incidental items was also reflected in profit before tax, which decreased to € -77 million (HY 2019: € 21 million).

1 The segment 'Holding and Other' consists primarily of the holding activities of ASR Nederland N.V. (including the group related activities), other holding and intermediate holding companies, the real estate development business (ASR Vastgoed Projecten B.V.) and the activities of ASR Deelnemingen N.V.

Capital management

- The Solvency II ratio (standard formula) continues to be robust at 199% (FY 2019: 194%) after an 8% points deduction for the special dividend (€ 166 million), the regular interim dividend (€ 105 million) and the buyback of shares (€ 75 million), and meets our target of above 160%.
- Organic capital creation (OCC) amounted to € 298 million (HY 2019: € 299 million), which is 7.3% of the required capital.
- Equity attributable to holders of equity instruments (IFRS-based Equity) increased by € 216 million to € 6,309 million.
- Financial leverage was 28.4% (FY 2019: 29.2%), which is well below our maximum threshold of 35%.
- Double leverage was 98.9% (FY 2019: 102.0%).

Solvency II

Solvency II

(in € millions)	HY 2020	FY 2019	Delta
Eligible Own Funds	8,193	7,828	4.7%
Required capital	4,118	4,035	2.1%
Solvency II ratio (post dividend)	**199%**	**194%**	**5%-p**

The Solvency II ratio was 199% (FY 2019: 194%). The Solvency II ratio improved 5% points and benefited from OCC (+7% points), which was partly offset by market and operational developments (-2% points). The increase in OCC was mainly driven by the excess return on investments over the risk-free return (6% points), taking into account current spreads and VA, in addition to the positive contribution of the P&C and Funeral product lines. The market and operational developments were driven by, inter alia, the UFR decrease (-4% points), the SBB and interim dividend (-4% points) and the impact of the acquisition of Veherex and VvAA (-1% point) which neutralised the positive impact of market developments (+11% points).

Eligible Own Funds

The eligible own funds increased to € 8,193 million (31 December 2019: € 7,828 million). The drivers of this increase were an increase in the VA and lower interest rates. This was partly offset by lower equity markets, a widening of credit spreads and a negative real estate performance.

Required Capital

The required capital stood at € 4,118 million (31 December 2019: € 4,035 million). This increase was mainly due to the acquisitions of VvAA and Veherex and lower interest rates increasing the required capital for Life and Health SLT risk.

P&C risks have increased due to portfolio developments. This was partly offset by a decrease in equity risk due to lower equity markets, an increase of the VA and a decrease in spread risk.

Equity

Breakdown of total equity

in € millions	HY 2020	FY 2019	Delta
Share capital	23	23	-
Share premium reserve	976	976	-
Unrealised gains and losses	894	937	-4.6%
Actuarial gains and losses (IAS19)	-925	-1,016	-8.9%
Retained earnings	4,394	4,179	5.1%
Treasury shares	-57	-9	544.1%
Equity attributable to shareholders	**5,303**	**5,089**	**4.2%**
Other equity instruments	1,004	1,004	-
Equity attributable to holders of equity instruments	**6,307**	**6,093**	**3.5%**
Non-controlling interest	2	-	
Total equity	**6,309**	**6,093**	**3.5%**

Statement of changes in total equity

in € millions	HY 2020	FY 2019
Beginning of reporting period - total equity	**6,093**	**5,479**
Profit / loss for the period	233	972
Unrealised gains and losses	-43	351
Actuarial gains and losses (IAS19)	91	-381
Dividend	-	-252
Hybrid capital costs	-12	-60
Other equity instruments (Tier 2 capital)	-	3
Non-controlling interest	2	-
Treasury shares	-49	-9
Other changes	-6	-9
End of reporting period - total equity	**6,309**	**6,093**

Total equity attributable to holders of equity instruments (IFRS-based) increased by € 216 million to € 6,309 million (FY 2019: € 6,093 million). This increase was mainly the result of the addition of the HY 2020 net result (€ 233 million) and a change in the actuarial gains and losses (IAS 19) on the a.s.r. own pension scheme (€ 91 million) due to an increase in the discount rate (from 1.04% at the end of 2019 to 1.16%) and indexation. Several other factors partly offset this increase including the decrease of unrealised revaluations (€ 43 million including shadow accounting) mainly due to price decreases in the equity portfolio, a decline in treasury shares as a result of the share buyback programme (€ 51 million) and sale of own shares to employees (€ 2 million) and the net cost of hybrid capital (€ -12 million). The other changes (€ -6 million) include the buy-out of a minority interest.

a.s.r. took notice of the recommendations issued by the European Insurance and Occupational Pensions Authority (EIOPA) and the Dutch regulator (DNB) to the (European) insurance sector on 2 April 2020, to temporarily postpone any dividend payments and SBB programmes until the financial and economic impact over the COVID-19 outbreak becomes clear. In the first half year 2020, a.s.r., in compliance with this recommendation, postponed its final dividend for 2019 and has also postponed its current SBB programme. Therefore the payment of the final dividend for 2019 did not have an effect on the changes in equity as would normally have been the case.

Financial leverage

Financial leverage

(in € millions)	HY 2020	FY 2019	Delta
Basis for financial leverage (Equity attributable to shareholders)	5,303	5,089	4.2%
Financial liabilities	2,099	2,099	-
of which hybrids	1,004	1,004	-
of which subordinated liabilities	990	990	-
of which senior debt	105	105	-
Financial leverage (%)	**28.4%**	**29.2%**	**-0.8%-p**
Interest coverage ratio (IFRS)	**7.0x**	**12.9x**	**-5.9x**

The financial leverage of a.s.r. improved by 0.88% point to 28.4% in HY 2020 (FY 2019: 29.2%), which is well below the maximum level of 35%. This is the result of an increase in shareholders' equity (€ 214 million) during the first half of the year, while the debt position remained unchanged.

The interest coverage ratio (ICR), based on the IFRS result before tax, decreased to 7.0x (HY 2019: 12.9x). The ICR decreased due to a relatively strong decrease in the IFRS result, mainly due to COVID-19, compared to the limited decrease in interest expense. This was due to the issue of a new Tier 2 loan in May and the repayment of two grandfathered Tier 1 loans in September and October. On balance, this resulted in a decrease in interest coverage compared to the situation as at FY 2019, but this is still at the upper end of the target range (4-8).

Double leverage

Double leverage

(in € millions)	HY 2020	FY 2019	Delta
Total value of associates	7,218	7,222	-0.1%
Equity attributable to shareholders	5,303	5,089	4.2%
Hybrids and subordinated liabilities	1,994	1,994	-
Equity attributable to holders of equity instruments	**7,297**	**7,083**	**3.0%**
Double leverage (%)	**98.9%**	**102.0%**	**-3.1%-p**

The double leverage decreased by 3.1% points to 98.9% (FY 2019: 102.0%). The decrease was due to the fact that shareholders' equity of the holding company increased by € 214 million, while shareholders' equity of the participating interests (associates) remained virtually unchanged (€ -4 million).

The difference of € 218 million decrease in local leverage was mainly attributable to the increase in shareholders' equity of the holding company, including the result of the holding company (€ 217 million), a.s.r. pension scheme (IAS19) changes in actuarial provisions and revaluation of investments (€ 85 million). This was partly offset by the buyback of shares (€ 49 million), the acquisition of VvAA life insurance (€ 22 million), the acquisition of Veherex (€ 30 million) and coupon interest paid on equity instruments (€ 12 million).

Payment of the final dividend 2019 has been postponed and therefore did not have a dampening effect on the increased equity of the holding company in HY 2020 as would normally have been the case.

1.2 Risk management

Financial markets

The outbreak of the COVID-19 pandemic in early 2020 has had a profound impact on the world economy and financial markets. Stock markets in particular were greatly affected: the first quarter of 2020 was the worst quarter for stocks since the recession of 2008-2009. While stock markets recovered during the second quarter, the overall impact over the first half year of 2020 was negative. At the same time, from January to mid-March sovereign bond yields trended lower as the impact of the ‘corona crisis’ became clearer, but have staged a partial recovery since then. Overall, yields on 10-year sovereign bonds of ‘core’ European countries (e.g. Germany and the Netherlands), declined by approximately 25 basis points over the first half year of 2020.

Besides the direct impact of the COVID-19 pandemic on the world economy, policy responses by both governments and central banks have also greatly impacted financial markets. Announcements of large-scale government expenditures, cushioning the negative impact of the ‘corona crisis’ on the world economy but also leading to higher budget deficits, have had a positive impact on stock markets and other ‘risky’ asset classes. The overall impact on sovereign bond yields was less pronounced, as higher government expenditures were matched by large-scale asset purchases by central banks, marking the return of the ‘quantitative easing’-programmes which had been downscaled during the late 2010’s.

Operational risk

The operational risk profile of a.s.r. remained stable in the first half of 2020, and is not materially impacted by COVID-19. This qualification also applies to the execution and monitoring of the internal control framework, which remains effective. COVID-19 related strategic and operational risks are being closely and explicitly monitored and reported upon in the Business Risk Committees and Non Financial Risks Committee. Furthermore, the impact on client related processes, strategy execution and mitigation actions are reported upon in the business Corona dashboard.

The IT&C department ensured that some 4,000 colleagues were able to switch seamlessly from one day to the next to all the programs necessary for service provision in the online environment. This has also helped to increase customer satisfaction in recent months. The Net Promoter Score rose by no less than 3 points to over 47, which is well above the medium term target of >44. The motivation and vitality of the employees have so far not suffered from the COVID-19 crisis. Every week, a so-called Mood Monitor measures the mood of the a.s.r. colleagues. An average score between 7 and 8 proves that 'the new normal' has been accepted among everyone. And although working from home is still the standard at the moment, to a limited extent it is allowed colleagues to return to the office.

Developments in solvency

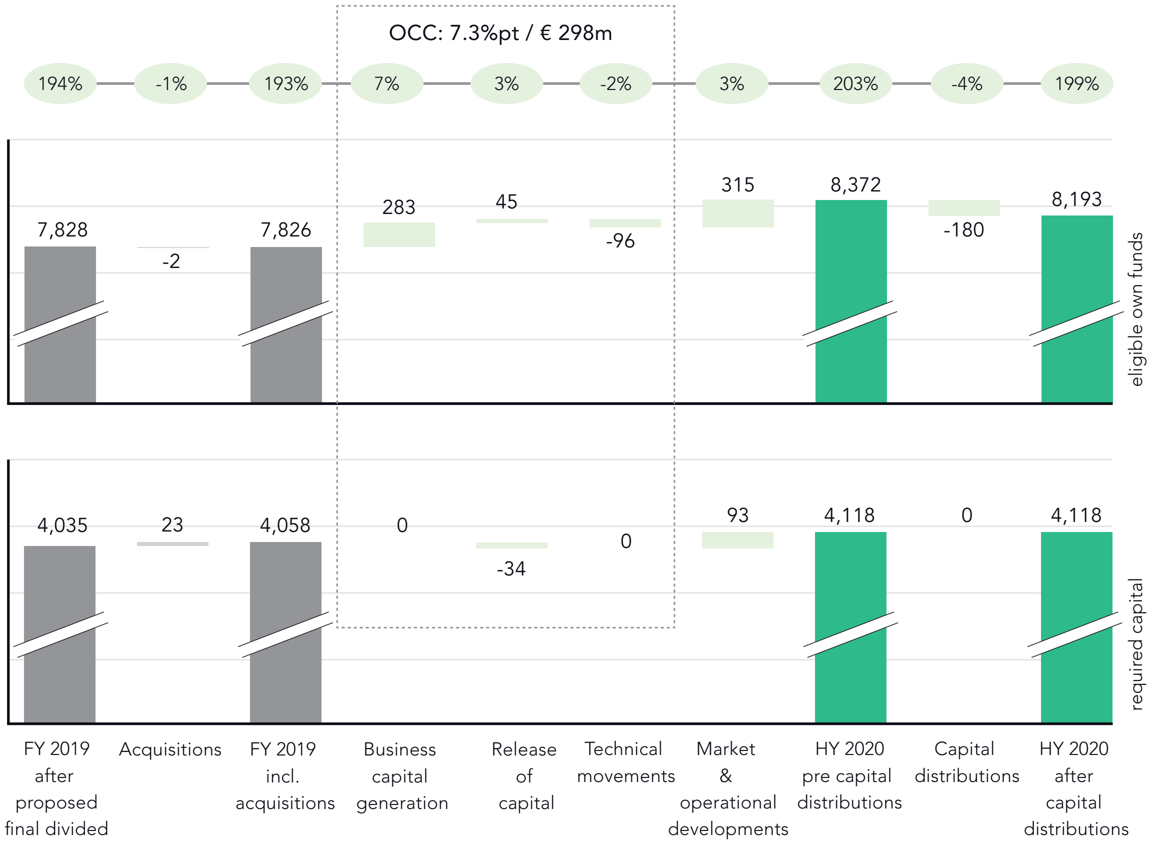
The Solvency II ratio stood at 199% following the proposed interim dividend at 30 June 2020 (31 December 2019: 194%). Eligible equity increased to € 8,193 million at 30 June 2020 (31 December 2019: € 7,828 million). This was due to a combination of organic growth and the increase of the VA. These effects were partially offset by a lower UFR, the interim dividend and share buyback programme and business developments. Capital requirement stood at € 4,118 million at 30 June 2020 (31 December 2019: € 4,035 million). This increase was mainly due to lower interest rates and the acquisition of Veherex and VvAA Life.

Based on the knowledge and insights we have today we expect both positive as well as negative impact on the business and financial performance from the COVID-19 crisis. However, this has had a limited impact on the solvency position of a.s.r.

Capital generation

Within a.s.r., the definition of organic capital creation (OCC) covers Technical Movements, Net release of Capital and Business Capital Generation. It gives an indication of the capital created during the regular course of business. The figure below shows the OCC as part of the overall movement of the solvency ratio.

Movement solvency



Sensitivities

The sensitivities of the Solvency II ratio as at 30 June 2020 expressed as an impact on the Group solvency ratio (in percentage points) are as follows:

Sensitivity scenario (%-points)

	Available capital	Required capital	Ratio
UFR -1% (UFR 2.75%)	-27%	-2%	-29%
Interest rate +1% (incl. UFR 3.75%)	-6%	18%	11%
Interest rate -1% (incl. UFR 3.75%)	9%	-11%	-3%
Spread +75 bps/VA +18 bps	12%	4%	16%
Government spread +50 bps / VA +18 bps	7%	3%	10%
Equity prices -20%	-9%	7%	-3%
Property values -10%	-8%	3%	-5%

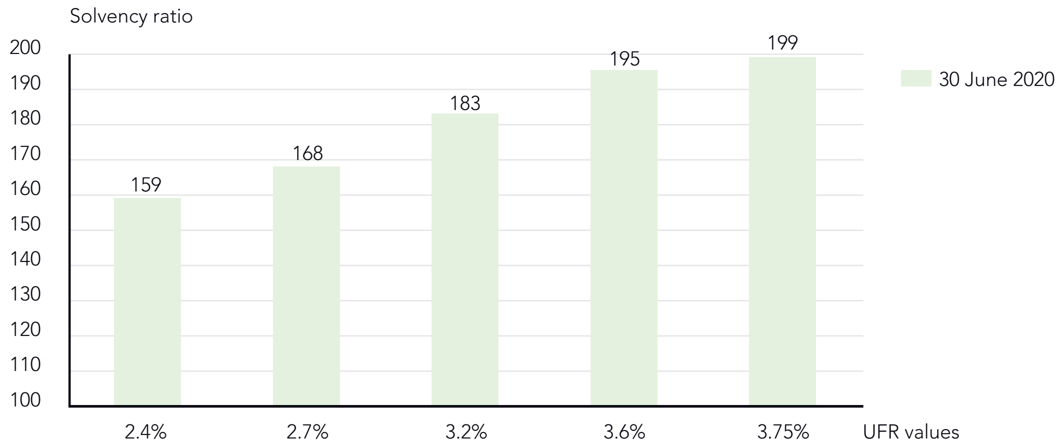
Risk	Scenario
UFR	Measured as the impact of a lower UFR -1%. For the valuation of liabilities, the extrapolation to the UFR of 2.75% after the last liquid point of 20 years remained unchanged.
Interest rate risk	Measured as the impact of a parallel 1% upward and downward movement of interest rates. For the liabilities, the extrapolation to the UFR of 3.75% after the last liquid point of 20 years remained unchanged.
Spread risk (including impact of spread movement on VA)	Measured as the impact of an increase of spread on loans and corporate bonds of 75 bps. At the same time, it is assumed that the Volatility Adjustment will increase by 18 bps. In this spread scenario the interest up shock becomes dominant which result in more diversification than in the actuals.
Government spread	Measured as the impact of an increase of spread on Government bonds of 50 bps. At the same time, it is assumed that the Volatility Adjustment will increase with 18 bps.
Equity Risk	Measured as the impact of a 20% downward movement in equity prices. Equity prices sensitivity impact on Solvency II ratio is limited due to the offsetting effect of the equity dampener on the required capital.
Property risk	Measured as the impact of a 10% downward movement in the market value of real estate.

Our exposure to other sectors, heavily impacted by COVID-19 such as Leisure, Travel and Transportation is very small. In terms of sensitivity to a potential rating migration: if 20% of the entire corporate and financials credit portfolio would experience a full letter downgrade (3 notches) this would result in approximately 4%-point impact on our Solvency II ratio, based on the required capital for spread risk, concentration risk and counterparty risk.

Expected development ultimate forward rate

The European Insurance and Occupational Pensions Authority (EIOPA) will reduce the ultimate forward rate used to extrapolate insurers' discount curves to better reflect expected inflation and real interest rates. The UFR will decrease to 3.5%, phasing in by 15 basis points per year. The impact on the solvency ratio of various UFR levels is shown below.

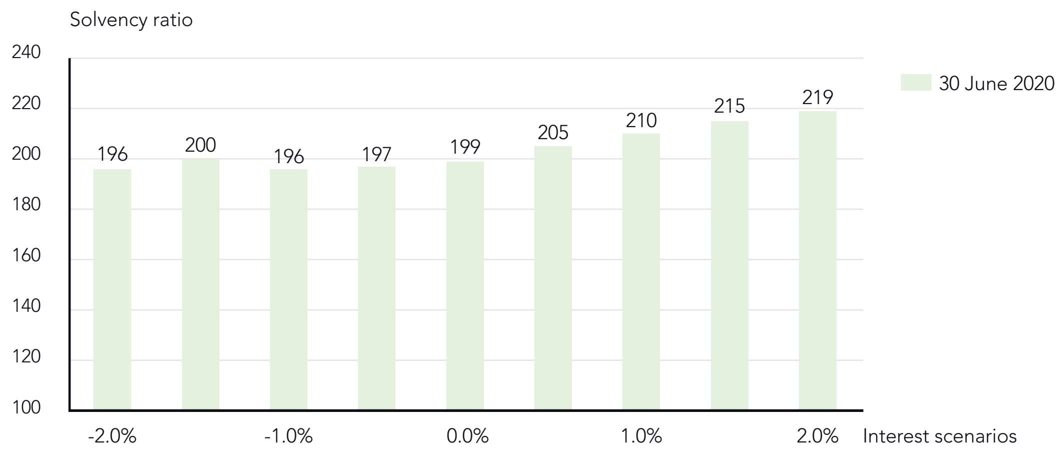
UFR sensitivities



Interest rate sensitivity of solvency II ratio

The impact of a parallel movement of the interest rate on the Solvency II ratio, including the UFR effect, is shown below. The UFR methodology has been applied to the shocked interest rate curve. If the interest rate decreases by 1.5% or more, the interest up shock becomes dominant which results in more diversification.

Interest sensitivity UFR 3.75%



Capital management

Management

Overall capital management is administered at group level. a.s.r. currently intends to consider investing capital above the management target Solvency II ratio (calculated based on the standard formula) of 160%, as long as the investment is value accretive for its shareholders. If and when a.s.r. operates at a certain level (which may change over time) that is considerably above the management target, and it assesses that it cannot invest this capital in value-creating opportunities for a prolonged period of time, a.s.r. may decide, but is not obliged, to return (part of this) capital to its shareholders.

If a.s.r. chooses to return capital, it plans to do so in a form that is efficient for shareholders at that time. a.s.r. actively manages its in-force business, which is expected to result in free capital generation over time. Additionally, business improvement and balance sheet restructuring should improve the capital generation capacity while advancing the risk profile of the company. The legal entities are individually capitalised and excess capital over management's targets for the legal entities is intended to be up-streamed to the holding company as far as is needed for amongst others covering external dividend and coupon payments on hybrids/senior financing.

Objectives

The group is committed to maintain a strong capital position in order to be a robust and sustainable insurer for its policyholders and other stakeholders. The objective is to maintain a solvency ratio well above the minimum levels as defined in the risk appetite statements and above the relevant management threshold levels. Sensitivities are periodically performed for principal risks and annual stress tests are performed to test a.s.r.'s robustness to withstand moderate to severe scenarios. An additional objective is to achieve a combination of a capital position and a risk profile that is at least in line with a 'single A' rating by Standard & Poor's. The SCR is reported on a quarterly basis and proxies are made on both a monthly and weekly basis. The internal minimum solvency ratio for a.s.r. as formulated in the risk appetite statement is 120%. The lower limit solvency target is 140%. The management threshold level for the solvency ratio is above 160%. The solvency ratio stood at 199% at 30 June 2020, which was comfortably above the internal requirement of 120% and the management threshold level of 160%. In accordance with a.s.r.'s dividend policy, the liquidity of the underlying entities is not taken into account for the liquidity position of the group. However, the capital is recognised in the capital position of the group, since a.s.r. has the ability to realise the capital of this OTSO, for example by selling the entity.

Capital management actions

a.s.r. closely monitors the development of its capital position in relation to the capital management policy and, in line with capital policy, has increased the frequency and thoroughness of the monitoring in the light of the market turbulence resulting from COVID-19 in the first half of 2020. The close monitoring showed a continuing robust solvency position during the peak of the market turbulence and the period thereafter throughout the first half of 2020, owing to strong risk management and effective hedging strategies. a.s.r. made some small and continuing improvements to the portfolio and the hedging positions to further improve the resilience and profitability of the investment portfolio and to align its investment portfolio with the outcomes of the Strategic Asset Allocation Study. a.s.r. will continue to closely monitor the solvency position in the future.

In the first half of 2020, Veherex (acquisition finalised on 1 January 2020) has been merged into ASR Schadeverzekering N.V.

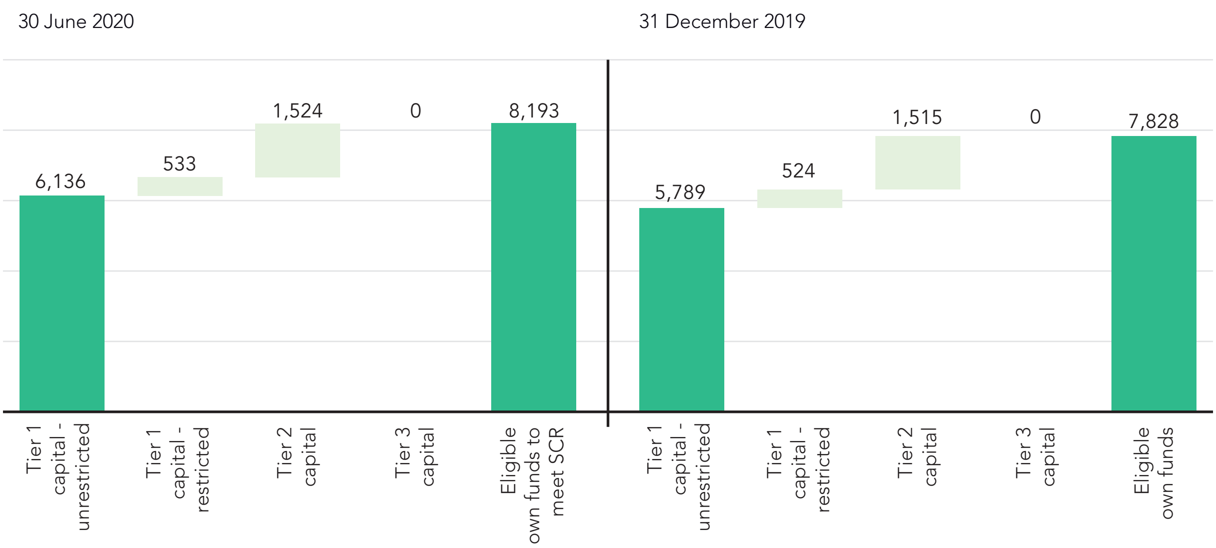
In the light of COVID-19, on 2 April 2020 EIOPA and DNB have requested European insurers to temporarily suspend capital payments and/or distributions. On 5 April 2020, a.s.r. issued a press release stating it would follow EIOPA's and DNB's request and temporarily suspend the payment of its final dividend over 2019 (€ 1.20 per share) and the share buyback programme of in total € 75 million (of which € 50.7 million had already been repurchased). On 4 August 2020, a.s.r. announced its intention to resume the postponed dividend payment and SBB following the announcement of DNB to resume the review of dividend proposals under its normal supervision. a.s.r. announced to pay a dividend[1].

Please note that due to the share repurchases in the first half of 2020 and maintaining the dividend per share at € 1.20, the total amount of the dividend payment decreased from € 168.9 million to € 166.4 million. This is based on the decrease in number of outstanding shares from 140.7 million as per year end 2019 to 138.7 million as per half year 2020, execute the remaining € 24.3 million of its share buyback programme and pay a regular interim dividend over 2020 of € 105 million (€ 0.76 per share, equal to 40% of the interim dividend over 2019 and the original proposed dividend over 2019). The dividend payments and share buyback will be fully funded by the available cash buffer which stood at € 608 million at half year 2020.

Tiering

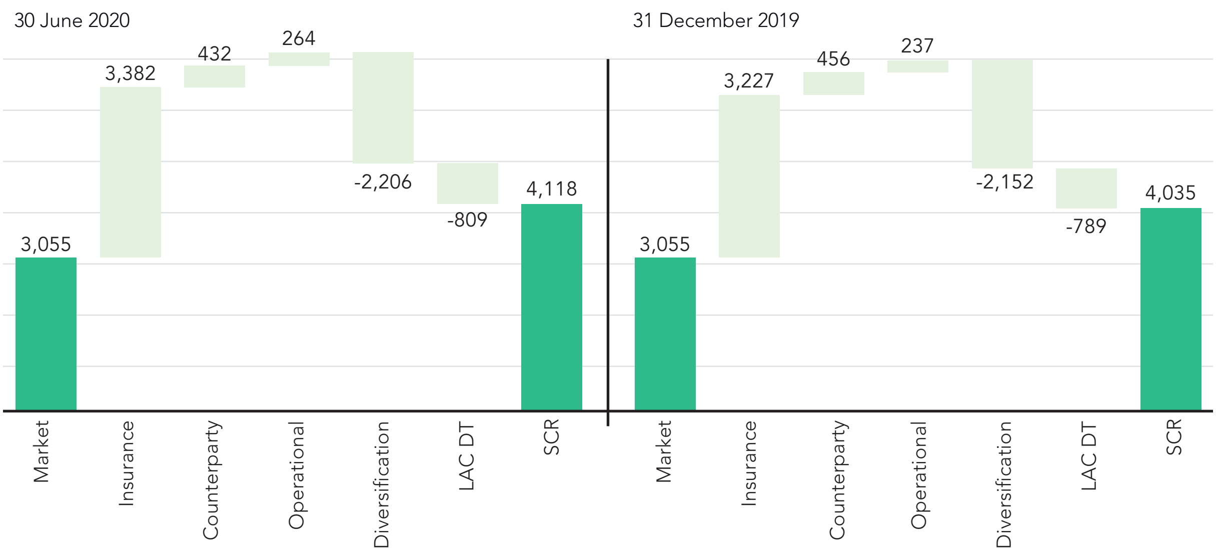
With respect to the capital position, Solvency II requires the insurers to classify their equity into Tiers. The figure below shows a.s.r.'s capital position.

Eligible own funds



1 Whilst the dividend payment was described as 'extraordinary' in the press release, the dividend is in fact an interim dividend and is consistent with the company's dividend policy of € 1.20 per share, which equals the postponed final dividend of 2019. This dividend will be made payable on 4 September 2020. a.s.r. will also restart the SBB for the remaining € 24.3 million of the original € 75 million in September 2020.

SCR



Standard & Poor's confirmed the BBB+ rating and stable outlook of ASR Nederland N.V. and the single A rating and stable outlook of ASR Levensverzekering N.V. and ASR Schadeverzekering N.V. on 22 June 2020.

Ratings per legal entity

Ratings Standard & Poor's	Type	Rating	Outlook	Since
ASR Nederland N.V.	CCR	BBB+	Stable	15 May 2014
ASR Levensverzekering N.V.	CCR	A	Stable	23 August 2012
ASR Levensverzekering N.V.	IFSR	A	Stable	23 August 2012
ASR Schadeverzekering N.V.	CCR	A	Stable	23 August 2012
ASR Schadeverzekering N.V.	IFSR	A	Stable	23 August 2012

Rating reports can be found on the corporate website at http://asrnl.com/investor-relations/ratings.

1.3 Conformity statement

As required by section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht), the undersigned declare that, to the best of their knowledge:

1. The condensed consolidated interim financial statements for the period ended 30 June 2020 give a true and fair view of the assets, liabilities, financial position and earnings of ASR Nederland N.V. and its consolidated entities; and

2. The interim report of the Executive Board for the period ended 30 June 2020 includes a fair review of the information required pursuant to article 5:25d, paragraph 8 and 9 of the Dutch Financial Supervision Act regarding ASR Nederland N.V. and its consolidated entities.

Utrecht, the Netherlands, 25 August 2020

Jos Baeten (CEO)
Annemiek van Melick (CFO)
Ingrid de Swart

2020

Condensed consolidated interim financial statements

For the first half year 2020

2 General information

ASR Nederland N.V. (a.s.r.) is a leading insurance company in the Netherlands. In 2020, a.s.r. sells insurance products under the following labels: a.s.r., De Amersfoortse, Ardanta, Europeesche Verzekeringen, Ditzo and Loyalis. a.s.r. has a total of 3,934 internal FTEs (FY 2019: 3,906 internal FTEs).

a.s.r. is a public limited company under Dutch law having its registered office located at Archimedeslaan 10, 3584 BA in Utrecht, the Netherlands. a.s.r. has chosen the Netherlands as 'country of origin' (land van herkomst) for the issued share capital and corporate bonds, which are listed on Euronext Amsterdam and the Irish Stock Exchange (Ticker: ASR NL). These condensed consolidated interim financial statements of a.s.r. for the period ended on 30 June 2020 are impacted by the acquisitions of VvAA Levensverzekeringen N.V. (VvAA Life) and Veherex Schade N.V. (Veherex) in the first quarter of 2020. Information on the acquisitions of VvAA Life and Veherex, the acquisition accounting under IFRS and the impact on the financial information is included in chapter 5.2.

The condensed consolidated interim financial statements are presented in euros (€), being the functional currency of a.s.r. and all its group entities. All amounts quoted in the tables contained in these interim financial statements are in millions of euros, unless otherwise indicated. Calculations in the tables are made using unrounded figures. As a result rounding differences can occur.

The condensed consolidated interim financial statements were approved by the Supervisory Board (SB) on 25 August 2020. The Executive Board (EB) released the financial statements for publication on 26 August 2020.

The condensed consolidated interim financial statements have not been audited, but the independent auditor conducted a review.

3 Condensed consolidated interim financial statements

3.1 Consolidated interim balance sheet

Consolidated interim balance sheet

(In € millions and before profit appropriation)	Note	30 June 2020	31 December 2019 (restated)[1]
Intangible assets		379	466
Property and equipment	6.2	189	189
Investment property	6.2	1,966	1,940
Associates and joint ventures at equity method		99	99
Investments	6.3	36,382	34,707
Investments on behalf of policyholders	6.3	9,305	9,571
Loans and receivables	6.3	14,371	12,332
Derivatives	6.3	8,918	5,959
Deferred tax assets		109	197
Reinsurance contracts		530	571
Other assets		667	722
Cash and cash equivalents	6.3	2,824	2,905
Assets held for sale		31	61
Total assets		**75,769**	**69,721**
Share capital		23	23
Share premium reserve		976	976
Unrealised gains and losses		894	937
Actuarial gains and losses		-925	-1,016
Retained earnings		4,394	4,179
Treasury shares		-57	-9
Equity attributable to shareholders		**5,303**	**5,089**
Other equity instruments		1,004	1,004
Equity attributable to holders of equity instruments		**6,307**	**6,093**
Non-controlling interests		2	-
Total equity		**6,309**	**6,093**
Subordinated liabilities		990	990
Liabilities arising from insurance contracts	6.4	41,638	38,555
Liabilities arising from insurance contracts on behalf of policyholders		12,323	12,477
Employee benefits	6.5	3,746	3,860
Provisions		39	54
Borrowings	6.3	50	47
Derivatives	6.3	1,362	676
Due to customers	6.3	500	686
Due to banks	6.3	8,037	5,520
Other liabilities		774	729
Liabilities relating to assets held for sale		-	33
Total liabilities		**69,459**	**63,628**
Total equity and liabilities		**75,769**	**69,721**

1 Comparative figures for 2019 have been restated. For details see chapter 4.2

The numbers following the line items refer to the relevant chapters in the notes. For the impact of COVID-19 on the balance sheet items see chapter 6.1.

3.2 Consolidated interim income statement

Consolidated interim income statement

(in € millions)	Note	HY 2020	HY 2019
Continuing operations			
Gross written premiums		2,978	2,576
Change in provision for unearned premiums		-310	-220
Gross insurance premiums		**2,668**	**2,356**
Reinsurance premiums		-55	-56
Net insurance premiums		**2,613**	**2,300**
Investment income		755	724
Realised gains and losses		138	189
Fair value gains and losses		-18	184
Result on investments on behalf of policyholders		-372	971
Fee and commission income		67	66
Other income		49	125
Share of result of associates and joint ventures		1	-
Total income		**3,234**	**4,560**
Insurance claims and benefits		-2,050	-3,160
Insurance claims and benefits recovered from reinsurers		28	30
Net insurance claims and benefits		**-2,022**	**-3,130**
Operating expenses		-337	-304
Restructuring provision expenses		-4	-7
Commission expenses		-250	-229
Impairments	6.1	-141	-11
Interest expense		-166	-170
Other expenses		-18	-28
Total expenses		**-915**	**-749**
Result before tax		**296**	**680**
Income tax (expense) / gain		-62	-126
Result after tax from continuing operations		**235**	**554**
Discontinued operations			
Result after tax from discontinued operations		-1	-15
Net result		**234**	**539**
Attributable to:			
Non-controlling interests		1	-
- Shareholders of the parent		221	535
- Holders of other equity instruments		12	5
Result attributable to holders of equity instruments		**233**	**540**

The number following the line item refers to the relevant chapter in the notes. For the impact of COVID-19 on the income statement items see chapter 6.1.

Basic earnings per share

(in €)	HY 2020	HY 2019
Basic earnings per ordinary share from continuing operations	1.59	3.89
Basic earnings per ordinary share from discontinued operations	-0.01	-0.10
Basic earnings per share	**1.59**	**3.79**

Diluted earnings per share

(in €)	HY 2020	HY 2019
Diluted earnings per ordinary share from continuing operations	1.45	3.60
Diluted earnings per ordinary share from discontinued operations	-0.01	-0.09
Diluted earnings per share	**1.44**	**3.51**

3.3 Consolidated interim statement of comprehensive income

Consolidated interim statement of comprehensive income

(in € millions)	HY 2020	HY 2019
Net result	**234**	**539**
Remeasurements of post-employment benefit obligation	121	-447
Income tax on items that will not be reclassified to profit or loss	-30	112
Total items that will not be reclassified to profit or loss	**91**	**-336**
Unrealised change in value of available for sale assets	310	1,611
Realised gains/(losses) on available for sale assets reclassified to profit or loss	-112	-100
Shadow accounting	-240	-1,103
Segregated investment pools	14	-11
Income tax on items that may be reclassified subsequently to profit or loss	-15	-110
Total items that may be reclassified subsequently to profit or loss	**-43**	**288**
Total other comprehensive income for the year, after tax	**48**	**-48**
Total comprehensive income	**281**	**491**
Attributable to:		
Non-controlling interests	1	-
- Shareholders of the parent	269	486
- Holders of other equity instruments	12	5
Total comprehensive income attributable to holders of equity instruments	**281**	**492**

Shadow accounting allows a recognised but unrealised gain or loss on an asset to be transferred to liabilities arising from insurance contracts. Further information related to shadow accounting is disclosed in the 2019 consolidated financial statements in chapter 6.3.4 (accounting policy I).

3.4 Consolidated interim statement of changes in equity

Consolidated interim statement of changes in equity

(in € millions)	Share capital	Share premium reserve	Unrealised gains and losses	Unrealised actuarial gains and losses (Pension obligations)	Retained earnings	Treasury shares	Equity attributable to shareholders	Other equity instruments	Non-controlling interest	Total equity
At 1 January 2019	**23**	**976**	**586**	**-635**	**3,528**	**-**	**4,478**	**1,001**	**-**	**5,479**
Net result	-	-	-	-	540	-	540	-	-	539
Total other comprehensive income	-	-	287	-335	-	-	-48	-	-	-48
Total comprehensive income	**-**	**-**	**287**	**-335**	**540**	**-**	**492**	**-**	**-**	**491**
Discretionary interest on other equity instruments	-	-	-	-	-5	-	-5	-	-	-5
Dividend paid	-	-	-	-	-154	-	-154	-	-	-154
Other movements	-	-	-	-	-2	-	-2	-	-	-2
At 30 June 2019	**23**	**976**	**873**	**-970**	**3,907**	**-**	**4,809**	**1,001**	**-**	**5,810**
At 1 January 2020	**23**	**976**	**937**	**-1,016**	**4,179**	**-9**	**5,089**	**1,004**	**-**	**6,093**
Net result	-	-	-	-	233	-	233	-	1	234
Total other comprehensive income	-	-	-43	91	-	-	48	-	-	48
Total comprehensive income	**-**	**-**	**-43**	**91**	**233**	**-**	**280**	**-**	**1**	**281**
Discretionary interest on other equity instruments	-	-	-	-	-12	-	-12	-	-	-12
Dividend paid	-	-	-	-	-	-	-	-	-	-
Treasury shares acquired (-)/sold	-	-	-	-	-	-49	-49	-	-	-49
Other movements	-	-	-	-	-6	-	-6	-	1	-5
At 30 June 2020	**23**	**976**	**894**	**-925**	**4,394**	**-57**	**5,303**	**1,004**	**2**	**6,309**

The actuarial gains and losses increased in HY 2020 by € 91 million after tax and € 121 million before tax (HY 2019: decreased by € 335 million after tax and € 447 million before tax). Further information related to employee benefits is disclosed in chapter 6.5.

In February 2020, a.s.r. announced the repurchase of ordinary shares for an amount of € 75 million as an additional capital distribution. In April 2020, a.s.r. announced to temporarily postpone the share buyback programme until the financial and economic impact over the COVID-19 outbreak becomes clear. During the HY 2020 a.s.r. repurchased 2,110 thousand shares under an open market share buyback programme for an amount of € 51 million (average share price € 24.05). As part of the employee share purchase plan a.s.r. sold 61 thousand shares for an amount of € 2 million, leading to a decrease of € 0 million in retained earnings. The amount of treasury shares held as at HY 2020 of € 57 million (2019: € 9 million) represents 2,300 thousand treasury shares (2019: 251 thousand).

In August 2020, a.s.r. announced to resume its postponed share buyback programme. For more information see chapter 6.1.

3.5 Consolidated interim statement of cash flows

The table below represents the cash flows from continuing and discontinued operations.

Consolidated interim statement of cash flows

(in € millions)	2020	2019
Cash and cash equivalents as at 1 January	**2,955**	**4,018**
Cash generated from operating activities		
Result before tax	295	680
Adjustments on non-cash items included in profit:		
Revaluation through profit or loss	4	-131
Retained share of result of associates and joint ventures	-	2
Amortisation of intangible assets	16	9
Depreciation of property and equipment	8	9
Amortisation of investments	103	74
Amortisation of subordinated debts	1	-
Impairments	141	11
Changes in operating assets and liabilities:		
Net (increase) / decrease in investment property	-15	-29
Net (increase) / decrease in investments	-1,341	-3,439
Net (increase) / decrease in investments on behalf of policyholders	445	-814
Net (increase) / decrease in derivatives	-2,272	-2,103
Net (increase) / decrease in amounts due from and to customers	-1,328	-202
Net (increase) / decrease in amounts due from and to credit institutions	1,784	2,056
Net (increase) / decrease in trade and other receivables	-140	-19
Net (increase) / decrease in reinsurance contracts	41	18
Net increase / (decrease) in liabilities arising from insurance contracts	2,513	2,263
Net increase / (decrease) in liabilities arising from insurance contracts on behalf of policyholders	-332	992
Net (increase) / decrease in other operating assets and liabilities	182	-234
Income tax received (paid)	-89	-54
Net (increase) / decrease in assets and liabilities relating to held for sale	-18	70
Cash flows from operating activities	**-2**	**-841**
Cash flows from investing activities:		
Investments in associates and joint ventures	-1	-34
Proceeds from sales of associates and joint ventures	1	6
Purchases of property and equipment	-7	-4
Purchases of group companies (less acquired cash positions)	-26	-251
Proceeds from sales of property and equipment	-	1
Cash flows from investing activities	**-33**	**-282**
Cash flows from financing activities:		
Issue of subordinated debts	-	492
Repayment of loans	-1	-8
Repayment of lease liabilities	-3	-3
Dividend paid	-	-154
Discretionary interest to holders of equity instruments	-12	-7
Purchase/ sale of treasury shares	-49	-
Cash flows from financing activities	**-65**	**320**
Cash and cash equivalents as at 30 June	**2,855**	**3,215**

(in € millions)	2020	2019
Further details on cash flows from operating activities:		
Interest received	745	691
Interest paid	-162	-171
Dividend received	41	56
Further details on lease payments:		
Total cash outflow for leases	-3	-3

All cash and cash equivalents are freely available. The cash components include € 1,949 million (HY 2019: € 2,167 million) related to cash collateral received on derivative instruments and is managed separately from other cash equivalents.

4 Accounting policies

4.1 General

The condensed consolidated interim financial statements of a.s.r. for the first half year ended 30 June 2020 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted for use within the European Union (EU). They do not contain all of the information required for complete consolidated financial statements and must therefore be read in conjunction with the 2019 consolidated financial statements of a.s.r.

a.s.r. has prepared its condensed consolidated interim financial statements in accordance with the same principles for financial reporting, presentation and calculation methods used for the 2019 consolidated financial statements. These are prepared in accordance with International Financial Reporting Standards (IFRS) – including the International Accounting Standards (IAS) and Interpretations – as adopted for use within the European Union (EU).

4.2 Changes in presentation: restatement

The current presentation differs from last year's presentation in some aspects. Where applicable, in accordance with IFRS, comparative figures have been included in the new presentation format, including related disclosures, to ensure comparability. This restatement mainly concerns investment property reclassified to investments classified at fair value through profit or loss amounting to € 56 million as at 31 December 2019 (1 January 2019: nil) for rural property contracts with a repurchase option issued after 1 January 2019. These changes in presentation have no impact on net result nor equity.

4.3 Changes in EU endorsed published IFRS Standards and Interpretations effective in 2020

The following changes effective in 2020, which are all endorsed by EU, are relevant to a.s.r.

Amendments to IAS 1 and IAS 8: Definition of Material

The IASB issued amendments to IAS 1 and IAS 8: Definition of Material which are relevant to a.s.r. and are effective from 1 January 2020. The amendments ensure a consistent definition of materiality throughout the Conceptual Framework and the IFRSs, clarify the explanation of the definition of material and clarify the meaning of 'primary users' of financial statements. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users (being the existing and potential investors, lenders and other creditors) make based on the a.s.r. financial information provided. a.s.r. deems its previous and current condensed consolidated interim financial statements to be in line with the amended definition of material, including clarifications. As a result, the amendment has no material effect on the presented quantitative and qualitative information.

4.4 Upcoming changes in published IFRS standards and Interpretations

IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments

IFRS 17 Insurance Contracts amendments was issued by the IASB in June 2020 and will replace IFRS 4 Insurance Contracts. The amended IFRS 17 and IFRS 9 will be effective from 1 January 2023.

Since 2017, a.s.r. has been implementing IFRS 17 in combination with IFRS 9 Financial Instruments. a.s.r. has performed the impact assessment and design phase and is currently implementing and testing the actuarial and accounting systems in accordance with the revised planning.

At this moment, given the complexity and options available in IFRS 17, it is too early to quantify the actual impact on IFRS equity and profit for the year. However, a.s.r. expects IFRS 17 in combination with IFRS 9 to have significant changes to its accounting policies and impact on shareholders' equity, net result, presentation and disclosure.

For more detailed information see chapter 6.3.3 of the 2019 consolidated financial statements.

4.5 Estimates and assumptions

The preparation of the condensed consolidated interim financial statements requires a.s.r. to make estimates and assumptions that have an effect on the reported amounts in the financial statements.

Critical accounting estimates and assumptions relate to:

- The fair value and impairments of unlisted financial instruments;
- The estimated useful life, residual value and fair value of property and equipment, investment property, and intangible assets;
- The measurement of liabilities arising from insurance contracts;
- Actuarial assumptions used for measuring employee benefit obligations;
- When forming provisions, the required estimate of existing obligations arising from past events;
- The recoverable amount of impaired assets;
- The fair value used to determine the net asset value in acquisitions.

The estimates and assumptions are based on management's best knowledge of current facts, actions and events. The actual outcomes may ultimately differ from the results reported earlier on the basis of estimates and assumptions.
A detailed explanation of the estimates and assumptions is given in the relevant chapter as included in the 2019 consolidated financial statements.

In HY 2020 a.s.r. made a methodology change in calculating the IBNR for disability for certain pension products resulting in an impact on result before tax of € -33 million.

4.6 Fair value of assets and liabilities

The valuation methodologies used for financial instruments carried at fair value, the policy for determining the levels within the fair value hierarchy, and the significant Level 3 portfolios, including the respective narratives and sensitivities, are described in chapter 6.3.4 of the 2019 consolidated financial statements. No material changes have occurred since this report was published.

5 Segment information and changes in group structure

5.1 Segment information

5.1.1 General

Group structure

See chapters 6.4.1 and 6.7.8 as included in the 2019 consolidated financial statements for the organisation structure and a list of principal group companies and associates in the relevant segments. On 1 January 2020, a.s.r. and a.s.r. non-life completed the acquisitions of VvAA life and Veherex respectively by acquiring all issued and outstanding shares for a total consideration of € 57 million.

VvAA Life offers life insurance to healthcare providers and Veherex offers disability insurance for the railway and other public transportation sector. The acquisitions fit into a.s.r.'s strategy to grow through bolt-on acquisitions.

Segment information

The operations of a.s.r. have been divided into five operating segments. The main segments are Non-life and Life in which all insurance activities are presented. The other activities are presented as three separate segments being Asset Management, Distribution and Services, and Holding and Other.

Following the recent acquisitions, VvAA Life is included in segment Life and Veherex is included in segment Non-life.

Insurance activities

Insurance entities are entities that accept the transfer of insurance risks from policyholders. The Non-life segment consists of Non-life insurance entities and their subsidiaries. These Non-life insurance entities offer Non-life insurance contracts such as disability insurance and property and casualty insurance. The Life segment comprises the life insurance entities and their subsidiaries. These life insurance entities offer financial products such as life insurance contracts and life insurance contracts on behalf of policyholders. The Non-life and Life segments have different levels of profitability and growth opportunities, as well as a different outlook and risk profile.

Other activities

The other activities consist of:

- The Asset Management segment involves all activities related to asset management including investment property management, and the discontinued banking activities. These activities include amongst others ASR Vermogensbeheer N.V., ASR Financieringen B.V., ASR Real Estate B.V., ASR Hypotheken B.V. and ASR bank. As of October 2018, all activities of a.s.r. bank are classified as discontinued, most of these activities were sold during 2019, and the remaining activities will be finalised this year;
- The Distribution and Services segment includes the activities related to distribution of insurance contracts and include amongst others the financial intermediary business of PoliService B.V., Van Kampen Groep Holding B.V. (VKG) (and as of September 2019 Melching Groep B.V.), Van Kampen Geld B.V., Dutch ID B.V., Supergarant Verzekeringen B.V. (and ZZP Nederland Verzekeringen B.V.), Corins B.V., ANAC, All-Finance Nederland Advies-Combinatie B.V., ANAC Verzekeringen B.V., Loyalis Kennis & Consult B.V. and ASR Vitaliteit & Preventieve Diensten B.V (Vitality); and
- The segment 'Holding and Other' consists primarily of the holding activities of a.s.r. (including the group related activities), other holding and intermediate holding companies, the real estate development business (ASR Vastgoed Projecten B.V.) and the activities of ASR Deelnemingen N.V.

The eliminations applied in the reconciliation of the segment information with the consolidated interim balance sheet and the consolidated interim income statement are separately presented in chapter 5.1.2 and 5.1.3.

The a.s.r. segment reporting shows the financial performance of each segment. The purpose is to allocate all items in the balance sheet and income statement to the segments that hold full management responsibility for them.

Segment information has been prepared in accordance with the accounting principles used for the preparation of a.s.r.'s consolidated interim financial statements.

Intersegment transactions are conducted at arm's length conditions. In general, cost related to centralised services are allocated to the segments based on the utilisation of these services.

The segments are assessed on their operating result.

The operating result is calculated by adjusting profit before tax for continuing operations reported in accordance with IFRS, as adjusted for the changes in accounting policies and for the following:

1. Investment related:
   investment income of an incidental nature (including capital gains and losses, impairments and fair value changes) on financial instruments for own account, net of applicable shadow accounting and net of additional provisions recognised for realised gains and losses on financial assets backing the insurance liabilities ('compensation of realised capital gains') impact;
2. Incidental items:
   - model- and methodological changes with a substantial impact;
   - results of non-core operations;
   - and other non-recurring or one-off items, which are not directly related to the core business and/or ongoing business of a.s.r., restructuring costs, regulatory costs not related to business activities, changes in the own pension arrangements and expenses related to mergers and acquisitions (M&A) activities and start-ups.

5.1.2 Segmented balance sheet

Segmented balance sheet

As at 30 June 2020	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	125	69	8	178	-	-	379
Property and equipment	-	147	-	13	230	-201	189
Investment property	256	1,710	-	-	-	-	1,966
Associates and joint ventures at equity method	-	23	-	1	75	-	99
Investments	7,187	28,894	-	-	3,558	-3,257	36,382
Investments on behalf of policyholders	-	9,305	-	-	-	-	9,305
Loans and receivables	910	13,676	27	35	82	-358	14,371
Derivatives	204	8,714	-	-	-	-	8,918
Deferred tax assets	-7	-	-	-2	118	-	109
Reinsurance contracts	367	163	-	-	-	-	530
Other assets	161	449	-	2	58	-4	667
Cash and cash equivalents	337	1,940	90	70	386	-	2,824
Assets held for sale	-	-	29	-	-	2	31
Total assets	**9,539**	**65,088**	**154**	**296**	**4,509**	**-3,817**	**75,769**
Equity attributable to holders of equity instruments	1,999	5,190	123	201	-1,079	-127	6,307
Non-controlling interests	-	-	-	-	2	-	2
Total equity	**1,999**	**5,190**	**123**	**201**	**-1,077**	**-127**	**6,309**
Subordinated liabilities	19	-	-	-	990	-19	990
Liabilities arising from insurance contracts	7,010	37,505	-	-	-	-2,877	41,638
Liabilities arising from insurance contracts on behalf of policyholders	-	12,323	-	-	-	-	12,323
Employee benefits	-	-	-	-	3,746	-	3,746
Provisions	1	4	-	1	34	-	39
Borrowings	-	30	6	10	507	-503	50
Derivatives	65	1,297	-	-	-	-	1,362
Deferred tax liabilities	85	-141	4	3	88	-39	-
Due to customers	62	620	-	44	-	-226	500
Due to banks	167	7,766	-	-	105	-	8,037
Other liabilities	132	495	22	36	116	-27	774
Liabilities relating to assets held for sale	-	-	-	-	-	-	-
Total liabilities	**7,540**	**59,898**	**31**	**95**	**5,585**	**-3,690**	**69,459**
Total equity and liabilities	**9,539**	**65,088**	**154**	**296**	**4,509**	**-3,817**	**75,769**

Segmented balance sheet

As at 31 December 2019	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	125	155	8	179	-	-	466
Property and equipment	-	149	-	12	232	-205	189
Investment property	257	1,683	-	-	-	-	1,940
Associates and joint ventures at equity method	-	24	-	1	74	-	99
Investments	6,814	27,825	-	-	3,245	-3,176	34,707
Investments on behalf of policyholders	-	9,571	-	-	-	-	9,571
Loans and receivables	644	11,871	29	42	82	-337	12,332
Derivatives	120	5,839	-	-	-	-	5,959
Deferred tax assets	-8	-	-	-2	206	-	197
Reinsurance contracts	405	166	-	-	-	-	571
Other assets	154	591	4	1	-26	-2	722
Cash and cash equivalents	232	2,056	85	46	485	-	2,905
Assets held for sale	-	-	63	-	-	-2	61
Total assets	**8,744**	**59,931**	**189**	**280**	**4,299**	**-3,721**	**69,721**
Equity attributable to holders of equity instruments	1,912	5,298	117	192	-1,357	-69	6,093
Non-controlling interests	-	1	-	-	-	-1	-
Total equity	**1,912**	**5,299**	**117**	**192**	**-1,357**	**-70**	**6,093**
Subordinated liabilities	19	-	-	-	990	-19	990
Liabilities arising from insurance contracts	6,337	34,954	-	-	-	-2,735	38,555
Liabilities arising from insurance contracts on behalf of policyholders	-	12,477	-	-	-	-	12,477
Employee benefits	-	-	-	-	3,860	-	3,860
Provisions	-	4	-	1	50	-	54
Borrowings	-	27	6	11	492	-489	47
Derivatives	40	636	-	-	-	-	676
Deferred tax liabilities	85	-204	3	3	132	-19	-
Due to customers	86	932	-	23	-	-356	686
Due to banks	87	5,328	-	-	105	-	5,520
Other liabilities	178	478	30	49	27	-33	729
Liabilities relating to assets held for sale	-	-	33	-	-	-	33
Total liabilities	**6,833**	**54,632**	**72**	**87**	**5,656**	**-3,651**	**63,628**
Total equity and liabilities	**8,744**	**59,931**	**189**	**280**	**4,299**	**-3,721**	**69,721**

5.1.3 Segmented income statement and reconciliation to operating result

Segmented income statement

HY 2020	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Continuing operations							
Gross written premiums	2,128	1,009	-	-	-	-159	2,978
Change in provision for unearned premiums	-310	-	-	-	-	-	-310
Gross insurance premiums	**1,818**	**1,009**	**-**	**-**	**-**	**-159**	**2,668**
Reinsurance premiums	-55	-1	-	-	-	-	-55
Gross premiums - Direct insurance - Transfer	-	-	-	-	-	-	-
Net insurance premiums	**1,764**	**1,008**	**-**	**-**	**-**	**-159**	**2,613**
Investment income	76	680	-1	-	4	-4	755
Realised gains and losses	11	127	-	-	-	-	138
Fair value gains and losses	14	-27	-	-	-	-5	-18
Result on investments on behalf of policyholders	-	-372	-	-	-	-	-372
Fee and commission income	12	3	72	35	-	-55	67
Other income	6	18	1	12	13	-	49
Share of result of associates and joint ventures	-	-1	-	-	2	-	1
Total income	**1,882**	**1,436**	**71**	**48**	**19**	**-223**	**3,234**
Insurance claims and benefits	-1,373	-853	-	-	-	176	-2,050
Insurance claims and benefits recovered from reinsurers	26	2	-	-	-	-	28
Net insurance claims and benefits	**-1,347**	**-850**	**-**	**-**	**-**	**176**	**-2,022**
Operating expenses	-124	-89	-47	-33	-74	29	-337
Restructuring provision expenses	-	-4	-1	-	-	-	-4
Commission expenses	-268	-6	-	-	-	24	-250
Impairments	-22	-128	-	-	9	-	-141
Interest expense	-6	-115	-	-	55	-99	-166
Other expenses	-3	-9	-10	-3	-2	9	-18
Total expenses	**-423**	**-350**	**-58**	**-36**	**-13**	**-36**	**-915**
Result before tax	**112**	**236**	**14**	**12**	**6**	**-83**	**296**
Income tax (expense) / gain	-17	-54	-3	-3	-5	21	-62
Result after tax from continuing operations	**94**	**182**	**10**	**9**	**1**	**-62**	**235**
Discontinued operations							
Result after tax from discontinued operations	-	-	-1	-	-	-	-1
Net result	**94**	**182**	**9**	**9**	**1**	**-62**	**234**
Attributable to:							
Non-controlling interests	-	-	-	-	1	-	1
- Shareholders of the parent	94	182	9	9	-11	-62	221
- Holders of other equity instruments	-	-	-	-	12	-	12
Result attributable to holders of equity instruments	**94**	**182**	**9**	**9**	**-**	**-62**	**233**

Segmented income statement

HY 2019	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Continuing operations							
Gross written premiums	1,791	849	-	-	-	-64	2,576
Change in provision for unearned premiums	-220	-	-	-	-	-	-220
Gross insurance premiums	**1,571**	**849**	**-**	**-**	**-**	**-64**	**2,356**
Reinsurance premiums	-52	-3	-	-	-	-	-56
Gross premiums - Direct insurance - Transfer	-	-	-	-	-	-	-
Net insurance premiums	**1,518**	**846**	**-**	**-**	**-**	**-64**	**2,300**
Investment income	65	651	4	-	5	1	724
Realised gains and losses	59	130	-	-	1	-	189
Fair value gains and losses	15	157	-	-	-	13	184
Result on investments on behalf of policyholders	-	971	-	-	-	-	971
Fee and commission income	18	2	62	34	-	-49	66
Other income	-	31	-	8	96	-10	125
Share of result of associates and joint ventures	-	-1	-	-	1	-	-
Total income	**1,675**	**2,786**	**65**	**41**	**102**	**-110**	**4,560**
Insurance claims and benefits	-1,157	-2,087	-	-	-	84	-3,160
Insurance claims and benefits recovered from reinsurers	24	5	-	-	-	-	30
Net insurance claims and benefits	**-1,133**	**-2,082**	**-**	**-**	**-**	**84**	**-3,130**
Operating expenses	-112	-92	-41	-27	-58	26	-304
Restructuring provision expenses	-3	-3	-1	-	-	-	-7
Commission expenses	-243	-7	-	-	-	21	-229
Impairments	-4	-7	-	-	-	-	-11
Interest expense	-4	-120	-	-	-24	-21	-170
Other expenses	-3	-9	-13	-3	-9	9	-28
Total expenses	**-369**	**-239**	**-55**	**-31**	**-91**	**35**	**-749**
Result before tax	**173**	**465**	**11**	**11**	**11**	**10**	**680**
Income tax (expense) / gain	-34	-115	-3	-2	31	-3	-126
Result after tax from continuing operations	**139**	**350**	**8**	**9**	**42**	**7**	**554**
Discontinued operations							
Result after tax from discontinued operations	-	-	-15	-	-	-	-15
Net result	**139**	**350**	**-7**	**9**	**42**	**7**	**539**
Attributable to:							
Non-controlling interests	-	-	-	-	-	-	-
- Shareholders of the parent	139	349	-7	9	37	8	535
- Holders of other equity instruments	-	-	-	-	5	-	5
Result attributable to holders of equity instruments	**139**	**349**	**-7**	**9**	**42**	**8**	**540**

Operating result

HY 2020	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Result before tax	**112**	**236**	**14**	**12**	**6**	**-83**	**296**
minus: investment related	-6	-2	-	-	9	2	2
minus: incidentals	-6	-123	-1	-1	65	-85	-151
Operating result	**124**	**361**	**15**	**13**	**-68**	**1**	**446**

Operating result

HY 2019 (restated)	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Result before tax	**173**	**465**	**11**	**11**	**11**	**10**	**680**
minus: investment related	67	101	-	-	1	1	170
minus: incidentals	-17	-6	-1	-1	65	7	47
Operating result	**123**	**370**	**11**	**12**	**-55**	**2**	**464**

Besides the indirect investment income, the incidentals in 2020 are mainly related to the a.s.r. post-employment benefit plans, integration costs and project implementation regulatory costs for, amongst others, project IFRS17/9 in segment Holding and Other. The incidental related to life (€ -123 million) considers the impairment of goodwill (for details see chapter 6.1) and a methodology change in calculating the IBNR of disability, see chapter 4.5.

In 2019, a.s.r. has changed the definition of the operating result. Due to the definition change the operating result of HY 2019 is restated from € 459 million to € 464 million. More information regarding the definition change is disclosed in the 2019 consolidated financial statements in chapter 6.10.

5.1.4 Non-life ratios

Non-life segment combined ratio

	HY 2020	HY 2019
Claims ratio	73.5%	72.7%
Commission ratio	14.5%	14.8%
Expense ratio	6.8%	7.2%
Combined ratio	**94.8%**	**94.7%**

	HY 2020	HY 2019
Property & Casualty (P&C)	87.8%	97.4%
Disability	99.4%	87.4%
P&C and Disability	92.9%	93.5%
Health	98.3%	98.0%

The claims, commission and expense ratios can be calculated based on the following information:

Claims, commission and expenses

	HY 2020	HY 2019
Net insurance premiums Non-life	**1,764**	**1,518**
Net insurance claims and benefits	-1,347	-1,133
Adjustments:		
- Compensation capital gains (Disability)	2	-5
- Interest accrual on provisions (Disability)	43	33
- Prudence margin (Health)	7	1
Total adjustments	**51**	**29**
Net insurance claims and benefits (after adjustments)	**-1,296**	**-1,103**
Fee and commission income	12	18
Commission expenses	-268	-243
Commission	**-256**	**-225**
Operating expenses	-124	-112
Corrections made for investment charges	4	3
Operational expenses (after adjustments)	**-120**	**-109**

5.2 Acquisitions

Acquisitions 2020

On 1 January 2020, a.s.r. and a.s.r. non-life completed the acquisitions of VvAA life and Veherex respectively by acquiring all issued and outstanding shares for a total consideration of € 57 million.

VvAA offers life insurance to healthcare providers and Veherex offers disability insurance for the railway and other public transportation sector. The acquisitions fit into a.s.r.'s strategy to grow through bolt-on acquisitions. The closing for both transactions took place on 1 January 2020. As a result, a.s.r. fully included the results and the balance sheet positions in the a.s.r. condensed consolidated interim financial statements from that date. The full integration of the activities of VvAA Life and Veherex into a.s.r. will take place in phases and is likely to be completed by the end of 2020. The legal mergers of VvAA Life with a.s.r. life is expected to take place in the second half of this year. The legal merger of Veherex with a.s.r. non-life was finalised in the first half of this year.

Given the recent closings, the initial accounting for the acquisitions is ongoing, and as such the combined opening balance sheet presented below is provisional. This concerns primarily the insurance liabilities as well as the related VOBA. a.s.r. has accounted for the acquisition using the provisional values disclosed below and will recognise any adjustments to these provisional values within a twelve-month period from the acquisition date as amendments to the initial accounting.

The provisional balance sheet is based on fair value and uses the following techniques and assumptions:
- Financial assets and liabilities (including investments and loans and receivable) were remeasured to fair value at the closing date;
- Liabilities arising from insurance contracts were remeasured to fair value as defined in IFRS, this resulted in an increase predominately resulting from applying a different market consistent discount rate assumption and risk adjustment using a cost of capital approach at the closing date. For Non-life, this remeasurement resulted in recognising an intangible asset (Value of Business Acquired or VOBA).

No significant acquisition intangibles (other than VOBA) were recognised and no significant adjustments were made to the valuation of assets and liabilities other than insurance liabilities.

Provisional acquisition date fair values of the assets and liabilities acquired

	Acquisition date
	Balance sheet based on fair value
Intangible assets	10
Property and equipment	-
Investments	331
Investments on behalf of policyholders	178
Loans and receivables	38
Derivatives	-
Deferred tax assets	-
Reinsurance contracts	-
Other assets	3
Cash and cash equivalents	30
Total assets	**590**
Liabilities arising from insurance contracts	330
Liabilities arising from insurance contracts on behalf of policyholders	178
Employee benefits	-
Provisions	-
Borrowings	-
Derivatives	-
Deferred tax liabilities	6
Due to customers	16
Due to banks	-
Other liabilities	8
Total liabilities	**539**

	Acquisition date
	Balance sheet based on fair value
Net assets and liabilities	**52**
Less consideration paid	57
Preliminary excess purchase consideration	**-5**

The consideration paid for Veherex includes a contingent consideration with a fair value of € 7 million to be paid over a period of 5 years. The preliminary excess purchase consideration consists of an excess purchase consideration of € 9 million related to VvAA Life, which is not tax deductible, and a gain on the acquisition of Veherex amounting to € 4 million, which is tax exempt. The provisional gain related to the purchase of Veherex is directly recognised as other income in the income statement on the acquisition date. The goodwill recognised for VvAA Life is fully allocated to the cash generating unit Life, and was subsequently impaired, see chapter 6.1. The reassessment of the gain on the purchase of Veherex is ongoing.

Cash and cash equivalents related to the acquisition

	Acquired date
Consideration paid in current year	57
Acquired cash and cash equivalents	30
Decrease in cash and cash equivalents at acquisition date	**26**

The condensed consolidated interim statement of comprehensive income of a.s.r. for the first half year includes € 16 million revenue and € -1 million result after tax relating to VvAA Life and Veherex for the period commencing 1 January 2020. The acquisition-related costs recognised as expense amount to € 0.4 million and are included in line item other expenses in the income statement.

Acquisitions 2019

Loyalis
In May 2019 a.s.r. acquired 100% of the shares of Loyalis N.V. (hereafter Loyalis). a.s.r. established the final acquisition balance sheet of Loyalis in December 2019.

Other acquisitions
In September 2019, Certitudo Investments B.V. acquired 100% of the shares of Argon Groep B.V. and Van Kampen Groep Holding B.V. acquired 100% of the shares of Melching Groep B.V.

6 Notes to the condensed consolidated interim financial statement

6.1 Impact of COVID-19

Introduction

In December 2019, a pneumonia outbreak of COVID-19 was reported in China which in 2020 rapidly developed into what is now commonly referred to as the coronavirus. The virus has resulted in a significant number of confirmed cases of infections globally, including the Netherlands. Governments have taken and are still taking significant measures to contain the outbreak and to mitigate its impact on the economy. In the Netherlands, the Dutch government issued a series of far reaching measures to stop the spread of COVID-19. Both the virus and the countermeasures have a significant impact on Dutch society and economics. The government has also presented a significant economic relief programme to support both companies and individuals that are financially impacted by the corona outbreak.

In these extraordinary times our prime concern is the personal well-being of our customers and our employees, their partners and their families. As a leading Dutch insurer, a.s.r. is committed to help its customers through this challenging period and to do everything in its power to help overcome the COVID-19 crisis in the Netherlands. Despite the abrupt switch to working completely from home, we are genuinely pleased to see that all of our business units have continued delivering their services to our customers uninterrupted and even have been able to further strengthen the relationship with our customers and our intermediaries.

As published in this report, a.s.r. is financially healthy and its capital position is solid and these interim financial statements have been prepared on a going concern basis. Based on the various scenarios of the Netherlands Bureau for Economic Policy Analysis (CPB), we too have calculated scenarios on the impact of COVID-19 on our results and capital position. What the ultimate effect of COVID-19 on our results will be, is impossible to predict exactly right now. This depends, among other things, on how long and to what extent the COVID-19 crisis will continue and on a number of uncertain external factors, such as developments on the financial markets. We continue to monitor the potential impact of COVID-19 on our businesses.

In this paragraph we specifically address several COVID-19 related topics which impact the first half of 2020 and refer to other chapters where more detailed disclosure is included.

High level impact COVID-19

The impact of COVID-19 on the operating result in the first half this year was limited with a small negative impact, reflecting offsetting impacts within and across the various business segments. The impact on Non-life was positive for an amount of € 23 million, whereas the Life segment showed a negative impact of € 25 million. The other segments have been relatively unaffected. Within the Non-life segment, a considerably favorable impact from lower claims frequency in P&C was partially offset by higher claims in Disability.

The IFRS result was affected by the movements of the financial markets which lead to a lower contribution of indirect investment income (down € 168 million). This relates to a lower level of realised capital gains, fair value gains and increased impairments. COVID-19 led to the impairment of goodwill in the Life segment (€ 90 million).

Impairments on non-financial assets

Goodwill

Goodwill has an indefinite useful life and is not amortised. a.s.r. performs an impairment test annually, or more frequently if events or circumstances warrant so, to ascertain whether goodwill has been subject to impairment. The outbreak of COVID-19 has a significant negative impact on the economy, which qualifies as an indication for such an additional impairment test. The results of this goodwill impairment test are as follows:

Segments Non-life, Asset Management and Distribution and Services
Additional goodwill impairment tests were conducted for the cash generating unit's (CGU) within the Non-life, Asset Management and Distribution and Services segments. The results of these tests, using updated multiples and discount rates, do not materially differ from the results of the latest annual impairment test as disclosed in the annual report 2019. The tests show excess recoverable values over the book values. No goodwill impairment is recognised.

A deterioration within reasonable limits on one of the assumptions in isolation would not lead to an impairment. The buffer is also capable of absorbing a combination of negative factors. However, should circumstances on multiple factors deteriorate significantly, it could lead to a negative outcome for the buffer (the difference between the recoverable value and the book value).

Management believes that any reasonable possible change in the key assumptions on which all CGU's recoverable amounts are based would not cause the carrying amounts to exceed their recoverable amounts.

Segment Life
The goodwill impairment test was conducted for the CGU a.s.r. life. The outcome of the step 1 impairment test, based on trading multiples of various international peers, showed that the difference between the recoverable amount and the carrying value was negative. The impact of COVID-19 on the underlying insurance activities is limited however, the valuation was affected by changing market circumstances as a result of the COVID-19 outbreak.

Due to this outcome, a step 2 impairment test has been performed, which is a more sophisticated analysis (dividend discount model) that better addresses the specific characteristics of the business and market circumstances of the CGU a.s.r. life. The main assumptions used in this internal value-in-use model are:
- The future cash flows are based on the specific portfolio characteristics and expected market developments for the life insurance market in which the CGU operates;
- To reflect the long-term character of the life insurance business, the expected decrease of the SCR is used to extrapolate cash flow projections up to 40 years;
- The lower limit solvency target is used to calculate future dividends, which are discounted with a 7.35% discount rate.

The second step of the impairment test shows that there is no excess recoverable amount over the book value of the CGU. The value in use is not sufficient to support the amount of goodwill allocated to the CGU. As the recoverable value is lower than the carrying value, the amount of goodwill allocated to the CGU (€ 90 million) is charged to the income statement as an impairment loss.

Other non-financial assets
COVID-19 has no material impact on the measurement of other intangible assets, property for own use, and associates and joint ventures. For the impact on the fair value of the investment property portfolio, see chapter 6.2.

Impairments on financial instruments
At each balance sheet date, a.s.r. assesses whether objective evidence exists whether financial assets are impaired. In the case of equity investments available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment. a.s.r. considers a significant or prolonged decline to have occurred if the fair value:
- Has fallen 25% or more below cost; or
- Has fallen below cost for an uninterrupted period of twelve months or longer.

Fixed-income financial assets available for sale are tested for impairment if objective evidence exists that the counterparty will default.

Changes in impairments of investments available for sale

	2020	2019
At 1 January	-350	-430
Increase in impairments through profit or loss	-59	-20
Reversal of impairments through profit or loss	1	3
Reversal of impairments due to disposal	11	96
At 30 June (31 December 2019)	**-397**	**-350**

The increase in impairments through profit or loss are mainly related to impairments on equities. The reversal of impairments due to disposal are mainly related to the disposal of other debt securities which were impaired in previous years. There is a high degree of uncertainty about the repayment of the remaining collateral debt obligations.

Loans and receivables are tested for impairment if objective evidence exists that the counterparty will default.

Changes in impairments of loans and receivables

	2020	2019
At 1 January	-102	-110
Increase in impairment through profit and loss	-6	-8
Reversal of impairment through profit and loss	13	13
Reversal of impairment due to disposal	-	5
Other	-	-1
At 30 June (31 December 2019)	**-96**	**-102**

The increase in impairments through profit and loss mainly relates to increases in impairments of trade receivables, partly due to COVID-19 in the Non-life segment. The reversal of impairment relates to a commercial loan for which payments were received during the year.

The mortgage loan portfolio consists of high quality mortgages with a relatively fixed return, limited impairments and arrears. The mortgage loan portfolio consists only of Dutch mortgages with a limited counterparty default risk. The default percentage (i.e. the percentage of mortgages which is in arrears for over three months) has decreased from 0.05% at FY 2019 to 0.03% at HY 2020.

Impairments in the income statement

Summary of impairments

	HY 2020	HY 2019
Intangible assets	-90	-3
Investments available for sale	-57	-9
Loans and receivables	6	1
Total impairments	**-141**	**-11**

Changes in impairments of investments available for sale

	HY 2020	HY 2019
Equities	-59	-9
Reversal of impairments on collateralised debt obligations	1	-
Total changes in impairments of investments available for sale	**-57**	**-9**

Shareholders' equity

a.s.r. took notice of the recommendations issued by The European Insurance and Occupational Pensions Authority (EIOPA) and the Dutch Central Bank (DNB) to the (European) insurance sector on 2 April 2020, to temporarily postpone any dividend payments and share buyback programs until the financial and economic impact over the COVID-19 outbreak becomes clear.

In the first half year 2020, a.s.r. complied with this recommendation and postponed its final dividend for 2019. The dividend proposal amounted to € 1.90 per share of which € 0.70 was paid as interim dividend in 2019, thereby postponing the final dividend of € 1.20.

Consequently, a.s.r. has also been postponed its current share buyback programme for an amount of € 75 million with immediate effect. As announced during the publication of the full-year results, a.s.r. executed this share buyback programme as part of its revised capital policy. Until 3 April 2020, a.s.r. bought a total of 2,110 thousand own a.s.r. shares back, for a total of € 50,7 million.

In August 2020, a.s.r. announced to resume its postponed dividend payment and share buyback programme following the announcement of DNB to resume the review of dividend proposals under its normal supervision. a.s.r. will pay € 1.20 per share in dividend, which equals the postponed final dividend of 2019. The dividend will be made payable in September this year at which time a.s.r. also intends to restart the share buyback programme for the remaining € 24,3 million of the original € 75 million.

For more information on shareholders' equity see chapter 3.4.

Distributable items

The calculated available distributable items as at HY 2020 and FY 2019 is as follows.

a.s.r.'s distributable items is an amount equal to (with respect to and as at any interest payment date, without double-counting):

- The retained earnings and the distributable reserves of a.s.r., calculated on an unconsolidated basis, as at the last calendar day of the then most recently ended financial year of a.s.r.; plus
- The profit for the period (if any) of a.s.r., calculated on an unconsolidated basis, for the period from a.s.r.'s then latest financial year end to (but excluding) such Interest Payment Date; less
- The loss for the period (if any) of a.s.r., calculated on an unconsolidated basis, for the period from a.s.r.'s then latest financial year end to (but excluding) such Interest Payment Date, each as defined under national law, or in the articles of association of a.s.r.

Each as defined under national law, or in the articles of association of a.s.r.

Distributable items

	30 June 2020	31 December 2019
Equity attributable to shareholders	5,303	5,090
Non distributable items		
- Share capital[1]	23	23
- Legal reserves	1,809	1,868
Distributable items	**3,472**	**3,199**

Liabilities arising from insurance contracts

The impact on the insurance contracts as a result of the COVID-19 outbreak was limited to the Non-life business. The increase in disability claims was compensated by a decrease in motor. For more information see chapter 1.1. As a result of the limited impact no significant adjustments were made in the underlying assumptions and methodologies for determining the insurance contracts.

Liability adequacy

The liability adequacy was not significantly impacted by the COVID-19 outbreak and was in line with the liability adequacy per year-end 2019. The outcome of the IFRS Liability Adequacy Test (LAT) remained positive.

1 Less the nominal value of treasury shares if applicable

6.2 Property (including land and buildings for own use)

The breakdown of the investment property and land and buildings for own use in accordance with the fair value hierarchy, is as follows:

Fair value of the investment property and land and buildings for own use

30 June 2020	Fair value based on quoted prices in an active market Level 1	Fair Value based on observable market data Level 2	Fair Value not based on observable market data Level 3	Total fair value
Investment property	-	-	1,966	1,966
Land and buildings for own use	**-**	**-**	**148**	**148**
Total	**-**	**-**	**2,114**	**2,114**

31 December 2019	Fair value based on quoted prices in an active market Level 1	Fair Value based on observable market data Level 2	Fair Value not based on observable market data Level 3	Total fair value
Investment property	-	-	1,941	1,941
Land and buildings for own use	**-**	**-**	**150**	**150**
Total	**-**	**-**	**2,091**	**2,091**

The developments surrounding COVID-19 had an impact on the values of investment property (directly owned and through the investments in real estate equity funds DPRF, DCRF and DMOF). The external appraisal valuations are subject to a material valuation uncertainty' clause due to the current economic market developments. This uncertainty encompasses that less certainty and a higher level of prudence is granted to the valuations than under normal circumstances would be the case. Consequently, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case.

As a result of the abovementioned, the first half year showed in general a lower valuation of retail and office property that was compensated by a higher valuation of residential and rural property.

The table below discloses the sensitivities to non-observable market inputs for the property portfolio.

Unobservable and observable inputs used in determination of fair value

30 june 2020									Change in theoretical rental value		
Unobservable and observable inputs used in determination of fair value	**Fair value**	**Valuation technique**	**Gross**	**Gross theoretical rental value (€)**	**Gross**	**Gross yield (%)**	**Change in yield**		**-5%**	**0%**	**5%**
Investment property - Fair value model											
Retail	200	DCF	total	13,330,171	mean	6.7%	-5%		-	11	21
			max	7,650,220	max	15.7%	0%		-10	-	10
			min	44,367	min	2.0%	5%		-19	-10	-
Residential	1	DCF	total	81,000	mean	8.3%	-5%		-	-	-
			max	81,000	max	8.3%	0%		-	-	-
			min	81,000	min	8.3%	5%		-	-	-
Rural	1,561	DCF	total	35,583,612	mean	2.2%	-5%		-	86	173
			max	1,417,765	max	12.3%	0%		-82	-	82
			min	615	min	0.6%	5%		-156	-78	-
Offices	205	DCF	total	14,226,456	mean	7.0%	-5%		-	11	22
			max	4,902,452	max	9.9%	0%		-10	-	10
			min	1,013,871	min	6.0%	5%		-19	-10	-
Land and buildings for own use	148	DCF	total	9,502,139	mean	6.6%	-5%		-	8	15
			max	9,502,139	max	6.6%	0%		-7	-	7
			min	9,502,139	min	6.6%	5%		-14	-7	-
Total	**2,114**										

Unobservable and observable inputs used in determination of fair value

31 December 2019									Change in theoretical rental value		
Unobservable and observable inputs used in determination of fair value	**Fair value**	**Valuation technique**	**Gross**	**Gross theoretical rental value (€)**	**Gross**	**Gross yield (%)**	**Change in yield**		**-5%**	**0%**	**5%**
Investment property - Fair value model											
Retail	215	DCF	total	9,017,576	mean	4.3%	-5%		-	11	23
			max	6,233,163	max	14.0%	0%		-11	-	11
			min	43,152	min	4.2%	5%		-20	-10	-
Residential	1	DCF	total	79,300	mean	7.8%	-5%		-	-	-
			max	79,300	max	7.8%	0%		-	-	-
			min	79,300	min	7.8%	5%		-		-
Rural	1,532	DCF	total	32,693,954	mean	2.1%	-5%		-	84	167
			max	1,988,788	max	30.0%	0%		-79	-	79
			min	862	min	0.5%	5%		-151	-76	-
Offices	192	DCF	total	12,605,176	mean	6.6%	-5%		-	10	20
			max	4,441,288	max	13.5%	0%		-10	-	10
			min	2,591,636	min	5.6%	5%		-18	-9	-
Land and buildings for own use	150	DCF	total	9,257,239	mean	6.3%	-5%		-	8	15
			max	9,257,239	max	6.3%	0%		-7	-	7
			min	9,257,239	min	6.3%	5%		-14	-7	-
Total	**2,090**										

The following table shows the movement in investment property measured at fair value that are categorised within level 3.

Movement in investment property measured at fair value that are categorised within level 3

	2020	2019
At 1 January	1,940	1,889
Changes in value of investments, realised/unrealised gains and losses:		
- Fair value gains and losses	10	53
Purchases	40	85
Issues	-	9
Disposals	-22	-92
Transferred between investments on behalf of policyholders and investment property	-3	-3
At 30 June (31 December 2019)	**1,966**	**1,940**

The significant inputs are the net initial yield and market rental value. These inputs are verified with the following market observable data:

- Market rent per square meter for renewals and their respective re-letting rates;
- Reviewed rent per square meter;
- Investment transaction of comparable objects.

6.3 Financial assets and derivatives

6.3.1 General

Financial assets and derivatives can be broken down as follows:

Financial assets and derivates

	30 June 2020	31 December 2019
Investments		
Available for sale	33,705	31,893
At fair value through profit or loss	2,677	2,815
	36,382	**34,707**
Loans and receivables	14,371	12,332
Derivatives - assets	8,918	5,959
Derivatives - liabilities	-1,362	-676
Cash and cash equivalents	2,824	2,905
	24,750	**20,520**
Investments on behalf of policyholders		
At fair value through profit or loss	9,305	9,571
Total	**70,437**	**64,798**

The increase in investments available for sale is mainly due to an increase in investments in government bonds. Cash collateral received on derivative instruments is reinvested in government bonds and reverse repurchase agreements. Due to decreasing interest rates, derivatives increased and as a result cash collateral on derivative instruments received increased.

Loans and receivables increased mainly due to an increase in the mortgage portfolio and an increase in reverse repurchase agreements paid with cash collateral.

Due to the market impact of COVID-19 the fair value of equity instruments decreased, which was compensated by increasing fair values of fixed interest securities and derivatives due to decreasing interest rates. For impairments see chapter 6.1.

6.3.2 Financial assets and derivatives measured at fair value

The breakdown of financial assets and derivatives measured at fair value in accordance with the level of fair value hierarchy, is as follows:

Breakdown of financial assets and derivatives measured at fair value

30 June 2020	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Investments available for sale				
Government bonds	17,676	24	-	17,700
Corporate bonds	11,695	250	3	11,948
Asset-backed securities	-	-	431	431
Preference shares	-	309	3	312
Equities	2,349	451	164	2,964
Other participating interests	7	-	-	7
Mortgage equity funds	-	-	342	342
	31,727	**1,034**	**944**	**33,705**
Investments at fair value through profit or loss				
Equities	60	-	11	70
Real estate equity funds	-	-	1,946	1,946
Mortgage equity funds	-	-	580	580
Rural property contracts	-	-	81	81
	60	**-**	**2,618**	**2,677**
Derivatives				
Exchange rate contracts	-	28	-	28
Interest rate contracts	-	8,874	-	8,874
Equity index contracts	14	-	-	14
Futures	-	1	-	1
Total derivatives assets	**14**	**8,904**	**-**	**8,918**
Exchange rate contracts	-	-2	-	-2
Interest rate contracts	-	-1,287	-	-1,287
Futures	-18	-12	-	-31
Inflation linked swaps	-	-44	-	-44
Total derivatives liabilities	**-18**	**-1,344**	**-**	**-1,362**
	-4	**7,560**	**-**	**7,555**
Cash and cash equivalents	**2,824**	**-**	**-**	**2,824**
Investments on behalf of policyholders				
Government bonds	1,484	-	-	1,484
Corporate bonds	1,061	-	-	1,061
Derivatives	0	15	-	15
Listed equities	4,995	-	-	4,995
Listed equity funds	1,340	-	-	1,340
Real estate equity funds	-	-	183	183
Mortgage equity funds	-	-	44	44
Investment property	-	-	45	45
Cash and cash equivalents	53	-	-	53
Other investments	10	4	70	84
	8,943	**19**	**342**	**9,305**
Total	**43,549**	**8,613**	**3,904**	**56,066**

Breakdown of financial assets and derivatives measured at fair value

31 December 2019	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Investments available for sale				
Government bonds	15,778	354	-	16,132
Corporate bonds	11,354	234	3	11,590
Asset-backed securities	-	-	524	524
Preference shares	-	317	3	320
Equities	2,374	452	223	3,049
Other participating interests	7	-	-	7
Other investments	-	-	-	-
Mortgage equity funds	-	-	270	270
	29,513	**1,357**	**1,023**	**31,893**
Investments at fair value through profit or loss				
Equities	93	-	17	111
Real estate equity funds	-	-	2,079	2,079
Mortgage equity funds	-	-	569	569
Rural property contracts	-	-	56	56
	93	**-**	**2,721**	**2,815**
Derivatives				
Exchange rate contracts	-	13	-	13
Interest rate contracts	-	5,886	-	5,886
Equity index contracts	5	-	-	5
Futures	35	20	-	55
Total derivatives assets	**40**	**5,919**	**-**	**5,959**
Exchange rate contracts	-	-2	-	-2
Interest rate contracts	-	-642	-	-642
Futures	-	-9	-	-9
Inflation linked swaps	-	-24	-	-24
Total derivatives liabilities	**-**	**-676**	**-**	**-676**
	40	**5,243**	**-**	**5,283**
Cash and cash equivalents	**2,905**	**-**	**-**	**2,905**
Investments on behalf of policyholders				
Government bonds	1,420	-	-	1,420
Corporate bonds	1,103	-	-	1,103
Derivatives	-	12	-	12
Listed equities	5,014	-	-	5,014
Listed equity funds	1,548	-	-	1,548
Real estate equity funds	-	-	233	233
Mortgage equity funds	-	-	44	44
Investment property	-	-	43	43
Cash and cash equivalents	59	-	-	59
Other investments	8	4	83	95
	9,152	**16**	**402**	**9,571**
Total	**41,703**	**6,616**	**4,147**	**52,466**

Reclassifications between categories during the first half year of 2020

2020	To level 1	To level 2	To level 3	Total
From:				
Level 1: Fair value based on quoted prices in an active market	-	17	-	17
Level 2: Fair value based on observable market data	353	-	-	353
Level 3: Fair value not based on observable market data	-	-	-	-

Government bonds are adjusted from level 2 to level 1 (€ 353 million) and corporate bonds from level 1 to level 2 (€ 17 million). Both movements are based respectively on increased and decreased observability of the inputs during the period.

Reclassifications between categories during 2019

2019	To level 1	To level 2	To level 3	Total
From:				
Level 1: Fair value based on quoted prices in an active market	-	262	3	265
Level 2: Fair value based on observable market data	284	-	21	305
Level 3: Fair value not based on observable market data	7	3	-	11

Debt funds are adjusted from level 2 to level 1 (€ 284 million) and from level 1 to level 2 (€ 262 million). Both movements are based respectively on increased and decreased observability of the inputs during the period.

Since 2019 all asset-backed securities are classified as level 3, unless they meet certain requirements, which has led to a movement of € 24 million.

The following tables show the movement in financial assets measured at fair value (recurring basis) including investments on behalf of policyholders that are categorised within level 3.

Changes in financial assets classified as available for sale categorised within level 3

	2020	2019
At 1 January	1,023	253
Changes in value of investments, realised/unrealised gains and losses:		
- Realised gains and losses	10	15
- Recognised in Other comprehensive income (unrealised gains and losses)	-16	8
Purchases	33	273
Repayments	-85	-132
Sales	-95	-217
Amortisation	-	-1
Impairments	1	3
Reclassification of investments from/to Level 3 valuation technique	-	21
Changes in the composition of the group	72	801
At 30 June (31 December 2019)	**944**	**1,023**

Changes in financial assets classified at fair value through profit or loss categorised within level 3

	2020	2019
At 1 January	3,124	2,504
Changes in value of investments, realised/unrealised gains and losses:		
- Fair value gains and losses	-40	208
Purchases	66	431
Sales	-193	-298
Reclassification of investments from/to Level 3 valuation technique	-	-7
Transfer between investments on behalf of policyholders and investment property	3	3
Other	-	-
Changes in the composition of the group	-	284
At 30 June (31 December 2019)	**2,960**	**3,124**
Total revaluations of investments, held at end of period, recognised in the income statement	**-69**	**162**

Unobservable inputs used in determining the fair value for financial assets measured at fair value (recurring basis) that are categorised within level 3.

Available for sale investments
The main non-observable market input for the asset-backed securities and mortgage equity funds are based on quotes published by an independent data vendor. If the quote of the data vendor is not available, values or quotes from other pricing services are obtained, including a check on the validity of the value or quote by an independent third party, to base the fair value on. There is no material difference in the fair value of the asset-backed securities and mortgage equity funds if a quote was used from an alternative data vendor.

The main non-observable market input, for the equities and unlisted equities classified as level 3, is the net asset value of the investment as published by the investee. It is estimated that a 10% increase in valuation of these equities would have no significant impact on net result but would increase equity by € 16 million (2019: € 22 million), being approximately 0.3% (before tax) (2019: 0.4% (before tax)), of total equity. A decrease would have the opposite effect unless the impairment criteria are met.

Investments at fair value through profit or loss
The method of determining the fair value of the mortgage equity funds is similar to that of mortgage loans, however it excludes assumptions for originating cost and is determined within the funds structure. See chapter 6.3.3 for the main non-observable inputs.

The table below discloses the sensitivities to non-observable market inputs for the real estate equity funds and for the investment properties held on behalf of policyholders.

Unobservable and observable inputs used in determination of fair value

30 June 2020	Fair value	Valuation technique	Gross theoretical rental value (€)		Gross yield (%)	Change in yield	Change in theoretical rental value -5%	0%	5%
Investments at fair value through profit or loss									
Real estate equity funds associates	1,644	DCF	71,456,414		4.3%	-5.0%	-	102	205
						-	-97	-	97
						5.0%	-185	-93	-
Real estate equity funds third parties	302								
Total real estate equity funds	**1,946**								
Investments on behalf of policyholders									
Investment property	45	DCF	754,809	Mean	1.7%	-5.0%	-	2	5
			225,615	Max	6.3%	-	-2	-	2
			15,999	Min	2.0%	5.0%	-4	-2	-
Real estate equity funds associates	79	DCF	4,457,602		5.7%	-5.0%	-	4	8
						-	-4	-	4
						5.0%	-7	-4	-
Real estate equity funds third parties	-								
Total real estate equity funds	**79**								

'31 December 2019	Fair value	Valuation technique	Gross theoretical rental value (€)		Gross yield (%)	Change in yield	Change in theoretical rental value -5%	0%	5%
Investments at fair value through profit or loss									
Real estate equity funds associates	1,727	DCF	79,996,466		3.8%	-5.0%	-	109	219
						-	-104	-	104
						5.0%	-198	-99	-
Real estate equity funds third parties	352								
Total real estate equity funds	**2,079**								
Investments on behalf of policyholders									
Investment property	43	DCF	666,969	mean	1.6%	-5.0%	-	2	4
			205,451	max	5.8%	-	-2	-	2
			14,923	min	0.7%	5.0%	-4	-2	-
Real estate equity funds associates	77	DCF	4,646,551		4.4%	-5.0%	-	6	11
						-	-5	-	5
						5.0%	-10	-5	-
Real estate equity funds third parties	30								
Total real estate equity funds	**107**								

The main non-observable market input for the real estate equity funds third parties is the net asset value as published by the investee. An increase or decrease in the net asset value of equities classified as level 3 will have a direct proportional impact on the fair value of the investment.

6.3.3 Financial instruments not measured at fair value and for which the fair value is disclosed

The breakdown of the fair values of financial assets and liabilities not measured at fair value and for which the fair value is disclosed in accordance with the level of fair value hierarchy, is as follows:

Breakdown of financial assets and liabilities not measured at fair value

30 June 2020	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value	Total carrying value
Financial assets					
Due from customers	-	516	8,784	9,299	8,652
Due from credit institutions	1,491	4,508	-	5,999	4,804
Trade and other receivables	-	916	-	916	916
Total financial assets	**1,491**	**5,939**	**8,784**	**16,214**	**14,371**
Financial liabilities					
Subordinated liabilities	-	1,053	-	1,053	990
Borrowings	-	30	20	50	50
Due to customers	-	500	-	500	500
Due to banks	7,932	105	-	8,037	8,037
Other financial liabilities	91	21	-	112	112
Total financial liabilities	**8,023**	**1,709**	**20**	**9,752**	**9,689**

Breakdown of financial assets and liabilities not measured at fair value

31 December 2019	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value	Total carrying value
Financial assets					
Due from customers	2	442	7,830	8,274	7,516
Due from credit institutions	684	4,527	-	5,211	4,036
Trade and other receivables	-	780	-	780	780
Total financial assets	**686**	**5,749**	**7,830**	**14,265**	**12,332**
Financial liabilities					
Subordinated liabilities	-	1,146	-	1,146	990
Borrowings	-	28	19	47	47
Due to customers	-	686	-	686	686
Due to banks	5,415	105	-	5,520	5,520
Other financial liabilities	91	39	-	129	129
Total financial liabilities	**5,506**	**2,004**	**19**	**7,529**	**7,373**

Due from credit institutions Level 2 category concerns primarily savings held related to mortgage loans amounting to a fair value of € 3,878 million (2019: € 4,042 million). Amounts due to customers and due to banks presented as level 1 primarily comprise savings and the liability recognised for cash collateral received. The accrued interest included in other liabilities follows the classification of the underlying assets.

The mortgage loan portfolio is classified as level 3. The valuation method used to determine the fair value of the mortgage loan portfolio is based on the spread of the interest rate curve for discounting the mortgage portfolio cash flows on consumer rates and includes assumptions for originating cost, proposal risk and the options related to early redemption and moving.

6.4 Liabilities arising from insurance contracts

Insurance contracts with retained exposure can be broken down as follows:

Insurance contracts with retained exposure

	Gross		Of which reinsurance	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Provision for unearned premiums	656	347	28	34
Provision for claims (including IBNR)	6,353	5,990	339	371
Non-life insurance contracts	**7,010**	**6,337**	**367**	**405**
Life insurance contracts excluding own pension contracts	**34,628**	**32,218**	**163**	**166**
Total liabilities arising from insurance contracts	**41,638**	**38,555**	**530**	**571**

Changes in liabilities arising from non-life insurance contracts can be broken down as follows:

Changes in liabilities arising from non-life insurance contracts

	Gross		Of which reinsurance	
	2020	2019	2020	2019
Provision for unearned life premiums				
At 1 January	347	353	34	37
Changes in provision for unearned premiums	310	-75	-6	-3
Changes in the composition of the group	-	68	-	-
Provision for unearned premiums as at 30 June 2020 (31 December 2019)	**656**	**347**	**28**	**34**
Provision for claims (including IBNR)				
At 1 January	5,990	4,674	371	378
Benefits paid	-1,138	-2,268	-58	-128
Changes in provision for claims	1,365	2,378	26	52
Changes in shadow accounting through equity	-4	126	-	-
Changes in shadow accounting through income	57	89	-	-
Changes in the composition of the group	83	991	-	68
Provision for claims (including IBNR) as at 30 June 2020 (31 December 2019)	**6,353**	**5,990**	**339**	**371**
Non-life insurance contracts as at 30 June 2020 (31 December 2019)	**7,010**	**6,337**	**367**	**405**

Changes in liabilities arising from life insurance contracts can be broken down as follows:

Changes in liabilities arising from life insurance contracts

	Gross		Of which reinsurance	
	2020	2019	2020	2019
At 1 January	32,222	28,226	168	177
Premiums received / paid	421	766	-	-
Regular interest added	299	626	2	3
Realised gains and losses	62	-93	-	-
Amortisation of realised gains	-144	-299	-	-
Benefits	-755	-1,487	-	-
Technical result	-8	-131	-	-
Release of cost recovery	-68	-138	-	-
Changes in shadow accounting through equity	244	915	-	-
Changes in shadow accounting through income	2,156	2,858	-	-
Other changes	-39	-131	-5	-12
Changes in the composition of the group	247	1,110	-	-
At 30 June 2020 (31 December 2019)	**34,636**	**32,222**	**165**	**168**
Interest margin participation to be written down				
At 1 January	-16	-20	-2	-3
Write-down recognised in profit or loss	4	8	-	-
Other changes	-3	-4	-	-
At 30 June 2020 (31 December 2019)	**-14**	**-16**	**-2**	**-2**
Provision for discretionary profit sharing, bonusses and discounts				
At 1 January	12	11	-	-
Profit-sharing, bonuses and discounts granted in the financial year	-5	-	-	-
Other changes	-	-	-	-
At 30 June 2020 (31 December 2019)	**6**	**12**	**-**	**-**
Total life insurance contracts at 30 June 2020 (31 December 2019)	**34,628**	**32,218**	**163**	**166**

In 2020, the changes in the composition of the group reflect the acquisitions of VvAA Life and Veherex by a.s.r. and a.s.r. Non-life respectively (see chapter 5.2).

In 2020, the other changes in life insurance contracts (€ -39 million) mainly concern the reassessment of insurance contracts to insurance contracts on behalf of policyholders resulting from new product features provided in 2019 to clients.

The insurance liabilities are deemed to be adequate following the performance of the Liability Adequacy Test (LAT) taking into account the UFR of 3.75% for 2020 (2019: 3.90%). The future UFR under Solvency II and therefore also for the LAT is subject to developments in the real interest rate and, based on the in 2017 published EIOPA UFR methodology, would result in an UFR of 3.60% in 2021 with future decreases expected in the coming years.

6.5 Employee benefits

The employee benefits decreased by € 114 million to € 3,746 million (FY 2019 € 3,860 million) primarily through the regular recurring remeasurements of the post-employment benefit obligation. This resulted in a decrease of € 121 million, which is included in the actuarial gains and losses. The remeasurements are primarily due to the increase in the discount rate from 1.04% at FY 2019 to 1.16% at HY 2020.

6.6 Contingent liabilities

Dutch insurers are still subject to insurance policies complaints/claims based on grounds other than cost compensation. Current and possible future legal proceedings could have a substantial financial and reputational impact. The total costs related to compensation for unit-linked insurance contracts have been fully recognised in the financial statements based on management's best knowledge of current facts, actions, claims, complaints and events. Provisions are recognised in the liabilities arising from insurance contracts and legal provisions. Although the financial consequences of the legal developments could be substantial, a.s.r.'s exposures cannot be reliably estimated or quantified at this point. If one or more of these legal proceedings should succeed, there is a risk a ruling, although legally only binding for the parties that are involved in the procedure, could be applied to or be relevant for other unit-linked life insurance policies sold by a.s.r. Consequently, the financial consequences of any of the current and/or future legal proceedings brought upon a.s.r. can be substantial for a.s.r.'s Life insurance business and may have a material adverse effect on a.s.r.'s financial position, business, reputation, revenues, results of operations, solvency, financial condition and prospects.

Further information related to contingent liabilities is disclosed in the 2019 consolidated financial statements in chapter 6.7.6.

6.7 Events after the balance sheet date

In third quarter 2020, a.s.r. has agreed to acquire the remaining 50%-stake in Brand New Day Premiepensioeninstelling N.V. ("BND IORP") and to sell a.s.r.'s 10% stake in Brand New Day Houdstermaatschappij N.V. for a net consideration of € 51 million. Pre-transaction, a.s.r. already owned 50% of the BND IORP.

The BND IORP administers Defined Contribution pension plans on behalf of approx. 5,800 employers and approx. 145,000 active participants.

The acquisition fits into a.s.r.'s strategy to deploy capital for value-adding transactions. With this transaction, a.s.r. strengthens her position in the Dutch pension market, resulting in a joint market share of 15%. Furthermore, this transaction enables a.s.r. to grow in 'capital-light' pension solutions and to improve cost efficiency. The BND IORP predominantly focusses on complementary client segments compared to a.s.r. and brings strong commercial expertise.

The 2019 revenue and net result of the BND IORP amounted to € 8 million and € 2 million respectively. The acquisition has a limited impact on a.s.r.'s profitability and solvency.

The BND IORP acquisition is subject to approval from the Netherlands Authority for Consumers and Markets (ACM) and the sale of the 10% stake is subject to the relevant regulatory approvals. a.s.r.'s works council has already issued a positive advice on the acquisition.

The proposed dividend payment and the announcement to resume the share buyback programme is disclosed in chapter 6.1.

7 Independent auditor's review report

To: the Shareholders and the Supervisory Board of ASR Nederland N.V.

Our conclusion
We have reviewed the accompanying condensed consolidated interim financial statements of ASR Nederland N.V. (hereafter: the "Company") based in Utrecht for the period 1 January 2020 up to and including 30 June 2020. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements for the period 1 January 2020 up to and including 30 June 2020 are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The condensed consolidated interim financial statements comprise:

1. the consolidated interim balance sheet as at 30 June 2020;
2. the following statements for the period 1 January 2020 up to and including 30 June 2020: the consolidated interim income statement, the consolidated interim statements of comprehensive income, changes in equity and cash flows; and
3. the notes, comprising a summary of the significant accounting policies and other explanatory information.

Basis for our conclusion
We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of ASR Nederland N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management and Supervisory Board for the condensed consolidated interim financial statements
Management is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the review of the condensed consolidated interim financial statements
Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding of the company and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- Obtaining an understanding of the internal control, as it relates to the preparation of the condensed consolidated interim financial statements;
- Making inquiries of management and others within the company;
- Applying analytical procedures with respect to information included in the condensed consolidated interim financial statements ;
- Obtaining assurance evidence that the condensed consolidated interim financial statements agrees with, or reconciles to the company's underlying accounting records;
- Evaluating the assurance evidence obtained;
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;
- Considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements; and
- Considering whether the condensed consolidated interim financial statements have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Utrecht, 25 August 2020

KPMG Accountants N.V.

A.J.H. Reijns RA

Other information

Disclaimer / Forward-looking Statements

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 condensed consolidated interim financial statements 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 2019. In preparing the financial information in this document, the same accounting principles are applied as in the 2019 ASR Nederland consolidated financial statements. 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.

Contact details

Contact

We like to receive feedback or questions from our stakeholders on our interim report. If you want to give us feedback, please feel free to contact us.

ASR Nederland N.V.
Archimedeslaan 10
P.O. Box 2072
3500 HB Utrecht
The Netherlands
www.asrnl.com
Commercial register of Utrecht, no. 30070695

Investor Relations
+31 (0) 30 257 86 00
www.asrnl.com/investor-relations

Corporate Communications
Press Officer
+31 (06) 22 790 974
rosanne.de.boer@asr.nl

Publication

Design & Realisation
Cascade - visuele communicatie bv
Tangelo Software B.V.

Photography
Raphaël Drent

Text
ASR Nederland N.V.

www.asrnl.com

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