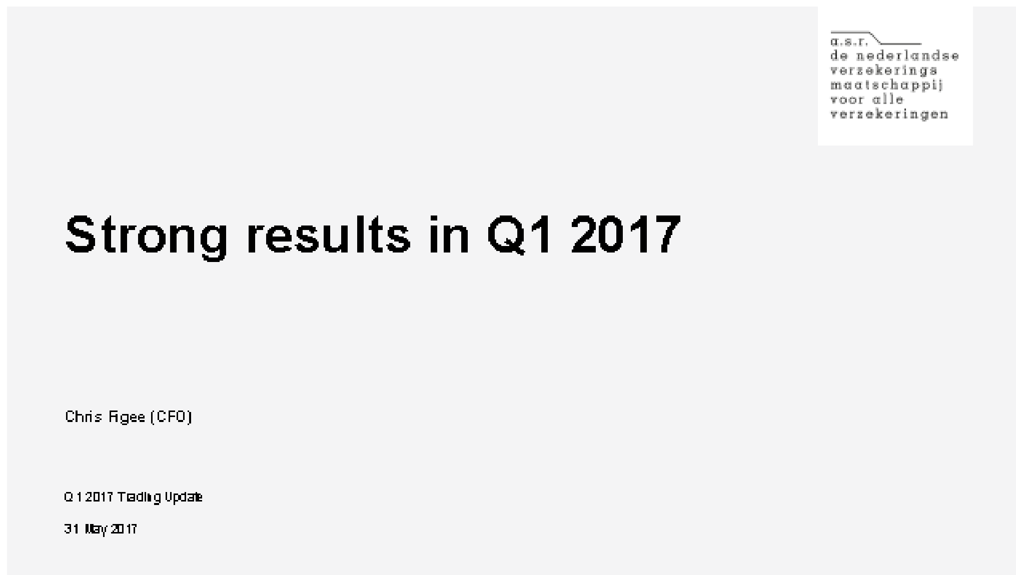
a.s.r.
de nederlandse
verzekerings
maatschappij
voor alle
verzekeringen



[00.00.18]
Mr. **Hülters**: Good afternoon and good morning to those of you listening in from the US. Thank you for joining this conference call on a.s.r.'s first quarter 2017 results.

With me here today is Chris Figee, CFO. He will talk you through the numbers that we have published this morning. He will be happy to take all the questions you have after that.

Before I give the floor to Chris, I would like to point out the disclaimer that we have at the back of the presentation. We would appreciate it if you would take a minute or two to review that after the presentation.

Having said that, Chris, it's yours!

[00.00.52]
Mr. **Figee**: Good afternoon and good morning everyone on the call. I will be very pleased to walk you through the first quarter results of a.s.r. in 2017. We have provided you with a small presentation and I will walk you through that slide by slide with some further colour and comments. Of course, there will be time for questions afterwards.

Strong financial performance and improvement in earnings quality in Q1 2017

Financial results driven by strong operating performance

- Results up in terms of quantity and quality: driven by improvement in underwriting results and increase in direct cash investment income
- Operating result up 38.4% to € 191m, mainly due to strong combined ratio in Non-life and higher investment income in Life both from direct cash returns and a higher release of the realized gains reserve
- Operating ROE at 17.3%, well above target of up to 12%

Robust Solvency II ratio absorbing additional market risk and share buyback

- Strong underlying accretion of capital, own funds up € 240m
- Absorbed investment in market risk (~ 5% pts) and share buyback in January (~ 2% pts) as part of government selldown

Profitable growth and underwriting skills drive market-leading combined ratio

- Strong combined ratio of 92.1% as a result of expertise and continuous pursuit of profitable growth, benefitting from favourable weather conditions and absence of large claims

Operating result	Operating ROE
€ 191m	17.3%
+38.4%	Target up to 12%
(Q1 2016: € 138m)	(Q1 2016: 13.3%)

Solvency II (SF)	Combined ratio
188%	92.1%
-1%pt	Target < 97%
(full year 2016: 189%)	(Q1 2016: 96.0%)

Gross written premiums	Operating expenses
€ 1,383m	€ 137m
-14.9%	+6.2%
(Q1 2016: € 1,625m)	(Q1 2016: € 129m)

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[00.01.15]
As you are aware, we are only giving a trading update. Insurance is a long-term business and we have a long-term strategy, so we believe that in the interim quarters it is only appropriate to give trading updates and fully audited figures and full numbers as per half-year basis.

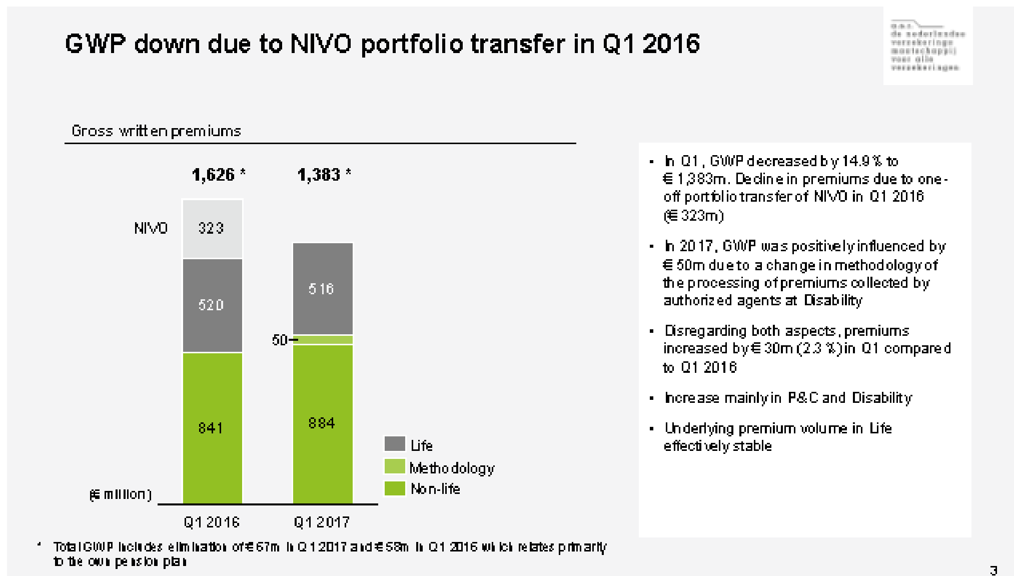
In the current quarter trading was good. We had a very solid and benign quarter behind us with a strong financial performance and improvement in earnings in the first quarter. Let me talk you through the key figures.

Our operating result in the first quarter was € 191 million. The operating results is the result before taxes, but also before capital gains and before incidentals. Up 38% versus the first quarter of last year, corresponding to a very attractive 17.3% operating ROE.

So, operating result € 191 million, operating ROE 17.3%, and well above the targets that we set ourselves at the IPO.

We have a Solvency 2 ratio according to the standard formula of 188%, down 1 percentage point versus the end of last year, but please note that in that delta we have absorbed a share buyback in January as part of the government sell-down of 2% and we allocated capital to market risk, about 5 percentage points as well. So, the delta in the solvency assumes full absorption of 2 percentage points, 2 ratio points share buyback and about 5 ratio points additional market risk allocation. If you adjust for that, the underlying accretion, the underlying growth in our solvency was about 6 percentage points. So, that is a very decent number.

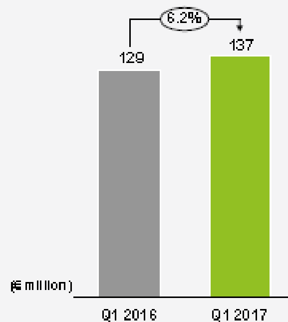
This is a trading update and the business was trading well, as was evidenced by our combined ratio of 92.1% in our Non-life business, ahead of target and ahead of last year. So, we believe that the quality and the quantity of earnings has further improved in the first quarter.



[00.03.31]
Let me walk you through the details and talk about the premium levels. In understanding the premium development versus last year you have to adjust for a few factors. One is that last year we had the results for the premiums from NIVO. We had a portfolio transfer of a funeral business called NIVO of € 333 million. That was a one-off transfer. That was in those numbers last year, so for comparison purposes you take it out. This year, we have a slightly different methodology of recognising premiums in Disability, especially premiums in the mandatory agent channel where we change the recognition of those premiums. That is a delta of about € 50 million. That is estimated € 50 million. That one has to adjust for in comparing premium to premiums. If you look through those adjustments you find that the Life premiums effectively stayed stable at € 516 million and that our Non-life went up from € 841 million to € 884 million. So, a premiums growth of about 2.9% compared to last year, mainly in Property & Casualty and premiums in Life remained effectively stable.

Acquisitions and investments drive increase in expenses

Operating expenses associated with ordinary activities
(excluding provision for restructuring expenses)



- Operating expenses were up 6.2% to € 137m compared to € 129m in Q1 2016
- This increase is driven by the additional cost base of acquired companies SuperGarant, Corins and BNG Asset Management as well as investments in the Banking and Asset Management segment in order to gain traction in third-party asset management. The increase was mainly attributable to the cost of attracting third-party investors in the recently launched Dutch Mobile Office Fund (DMOF)
- Additional pension costs due to a lower discount rate as a result of lower interest rates
- Underlying cost development fully aligned with LT cost reduction objectives

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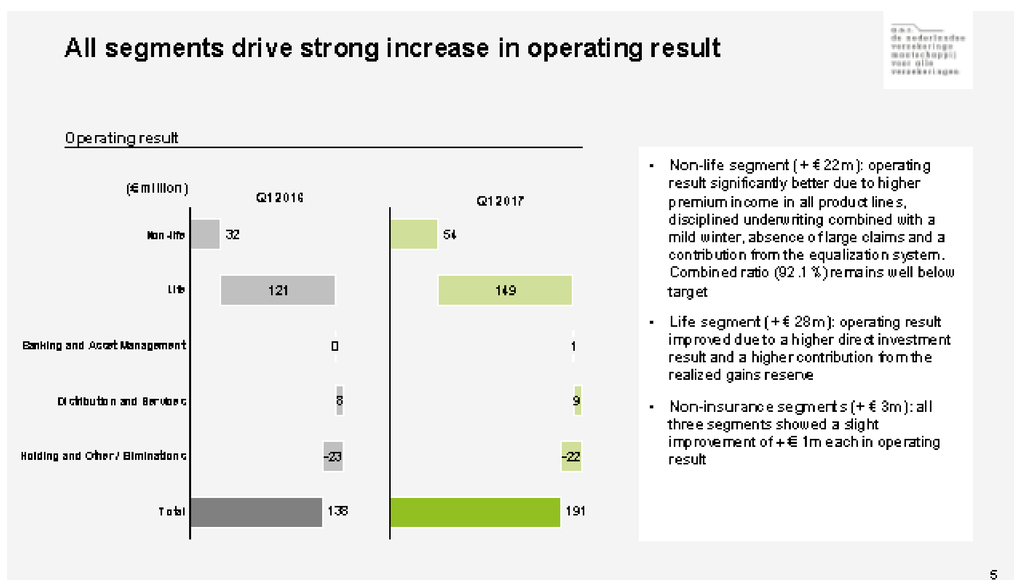
[00.04.50]
On the cost side, we see an increase in our cost base from € 129 million to € 137 million, 6.2% up. There are a couple of points to note here. The increase in cost is to one part driven by additional cost basis of acquired companies. Last year we acquired SuperGarant, Corins and BNG Asset Management. They were not in last year's cost base, but they are in this year's cost base, so the acquired cost bases explain part of the cost increase. Some cost increases are linked to the build-up of our asset management business, most notably the Dutch Mobile Office fund. Last year we acquired the portfolio of the Dutch Railways and this year we went to the effort of marketing and equity raising. I will talk a bit more about it during the page on asset allocation, but there is a cost to launching and raising that fund.
Finally, additional pension charges due to the fact that we have an annual pension cost. The official term is the 'current net service cost'. That went up because of the interest rates that were used last year. We fixed the current net service cost at the end of last year. They are lower rates than the year before, which means that this year we have to deal with a higher regulator contribution to our pension obligations. That could be a temporary phenomenon if rates stay where they are this year. Then, in 2018 that increase will be reversed and the current net service cost will decline again. So, it is a function of fluctuation in interest rates.

The underlying cost development in the group was still effective, in line with our long-term cost reduction objectives. To give you a bit of colour of what we are doing on the cost side, in the first quarter, we have started to consolidate a number of head office functions, a reduction of jobs in our head office by bundling together service-oriented functions. We are on the way and will go further in integrating our P&C platforms. Remember, we have a broker-based P&C platform with a travel and leisure insurance platform, we have a direct insurance platform and on the back end of those platforms, we have started to integrate and will integrate further to further save costs.

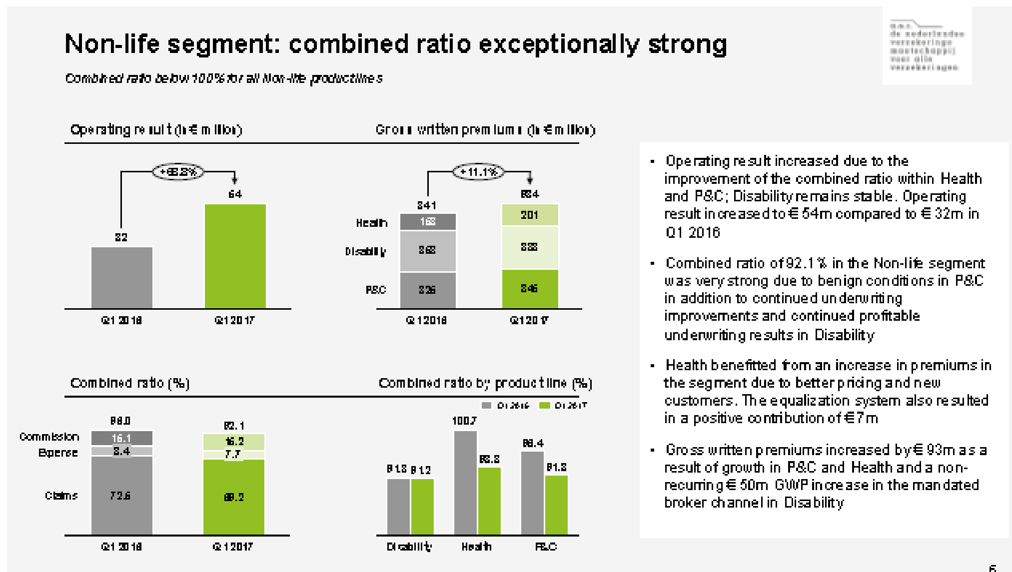
Finally, the Life migration plans are still progressing according to plan. We have once more completed a pretty challenging migration, so the 2018 completion time table still looks realistic.

In Funeral, we have commenced the integration of this NIVO book. We added the portfolio last year. We first finalised the integration of Axent and now we have commenced the integration of the NIVO operations.

So underlying, the operational cost developments are in line with plans and a number of additional initiatives have been taken.



[00.07.50]
We are pleased to report that all segments witnessed an increase in operating results. Non-life, Life, also the smaller ones, banking, asset management, and distribution, all went up to an operating result of € 191 million. This is a pretty safe and stable number. It is not a profit-before-trouble type of metric; it is all included in capital gains, excluding incidentals, but there were hardly any incidentals during the quarter. We do not report an IFRS profit number; we do not report a net profit number during the quarter, but if we had to produce one, think of a number of around the 180-ish mark for net profit. So again, an operating profit number that in our view is stable and robust, although there were some slight headwinds in the first quarter that caused it to be very attractive.



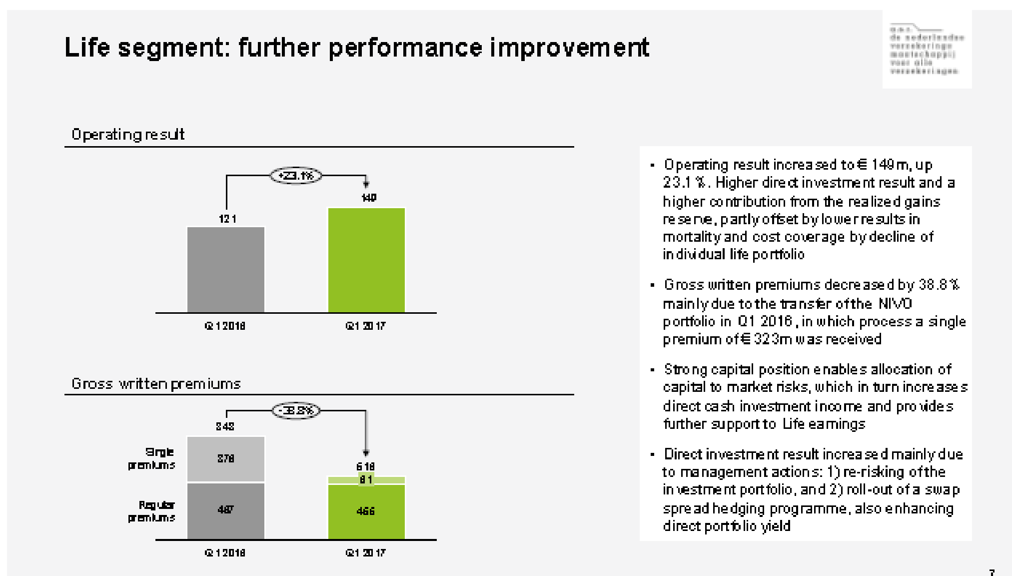
[00.08.50]
Those tailwinds bring me to our Non-life business. In Non-life the operating result went up from € 32 million to € 54 million in the quarter compared to the first quarter last year. Premiums went up, most notably we observed an underlying premium increase in P&C of about 6%, from € 325 million to € 345 million. In Disability the increase that you are witnessing is to some extent adjusted or affected by the different calculations or recognition of our mandatory agent premiums. If you adjust for that the € 50 million, which is what we estimate to be the effect of the different recognition pattern, there is a stable to slight decline in the Disability book. This is the function of the Bezava-products. Last year, we announced that the government would attempt to privatise part of the social security system, but the UWV, the government agency is still active and we have seen some of our clients moving back into the public sector, which ultimately cost us some premium in the beginning of the year, but we believe that in the long run it will all flow back to the private sector, as the advantage of the government has effectively run out in a couple of years' time.

What we are actually more interested in is the combined ratio as we steer our business on value-over-volume, on margins-over-volume. In Disability we are able to hold on or even improve, a tiny bit, the combined ratio, at 91.2%. So, we continue to be strong.

In Health the combined ratio improved to 93.3%. There was a small benefit from the Health equalisation system of about € 7 million. Excluding that, the Health combined ratio would be around the 96-mark, which I think is a slightly normal representative of the underlying performance in the Health business.

Finally, in Property & Casualty our combined ratio moved to 91.8%. There is an internal competition between P&C and Disability who will have the lowest combined ratio. The P&C guys are catching up, so let's see what the next quarter will bring. We are very pleased with a 91.8% combined ratio in Property & Casualty.

Honestly, we need to give a bit more colour to this. In the first quarter, everything that went well or could have gone well actually went well. It was Murphy's Law revenged. We had no storms, no frost, no snow and also no large calamities or claims. So, the 91% is an actual number. We booked in 91.8%, but again, we have to be honest here ourselves. We were just having a bit of tailwind as well. Had we had the normal set of storms, the normal set of large claims, so the stuff we budget for, the underlying combined ratio of P&C would have been around the 95% mark. So, we are very pleased with a very strong quarter in Non-life. Operating profit from € 32 million up to € 54 million. If you look at the underlying performance, I think it was between € 10 million and € 15 million of additional results that we actually booked in Health and in P&C that may have a one-off nature or may have a temporary nature. At some point larger claims will kick in, but that is something we will have to see during the year. For us, we look back at a very strong quarter with continued strong and uniquely strong combined ratios in Disability, improving combined ratio in Health with some support from the Equalisation system, and a significant improvement in the combined ratio in P&C, possibly one of the better ones in the country with some tailwinds from the benign winter. Overall, premiums increased as well and we want to take note of the fact that in P&C our volumes grew by 6% and the combined ratio improved to 91.8%. So, we see that as a very healthy development in our Non-life business.



[00.13.05]
In Life we saw a further improvement in performance. The operating result went up from € 121 million to € 149 million. Premium levels were down a bit, because of the second last year there was a one-off, a portfolio transfer that did not reoccur. If you correct for that, premiums have actually remained stable and profits were up, mostly from higher investment results, both really direct results and increased contributions from the capital gains reserves a.k.a. shadow accounting capital gains release.

The direct results from the investment portfolio were at group level across all businesses – Life and Non-life – about € 44 million increased direct results, € 18 million cash income, coupons, dividends and what have you, € 5 million reduced depreciation on the swaptions prices and an additional increase in the capital gains reserve release of € 21 million. As a group level, € 44 million of increased direct investment income. So again, € 18 million in direct yields, € 5 million from less depreciation of swaptions and cost price and € 21 million increase in the capital gains reserve. The bulk of this is reflected in the Life insurance business, as most of the assets are in Life.

So, our Life insurance profit went up due to increased direct investment results, offset to a small extent by lower mortality results and lower cost results. On the mortality side, as you will remember we have a significant funeral book and there was a wave of influenzas in the first quarter that caused an increased amount of casualties and deaths, increasing our funeral pay-out. So, we had lower mortality costs in Q1 this versus Q1 last year due to increasing influenza observations in the first quarter and gradually some pressure on the cost result in our Life business, as the volumes gradually decline. We are very pleased with the investment income, the direct cash investment come definitely held up and overcame any downward pressure on mortality results. This gives us a very solid handle to the Life insurance profitability.

Well-diversified and robust investment portfolio – strong capital position offers opportunity for re-risking

Assets (€ billion, fair value)	2016	Q1 2017	Delta
Fixed income	26.0	24.8	-1.2
Equities	2.2	2.5	0.3
Real estate	3.2	3.2	-
Mortgages / other loans	7.2	7.5	0.3

- Rise in interest rates in Q1 impact fair value of fixed-income securities
- Re-allocation of market risk budget to equities, mortgages and other loans; allocation to real estate stable at the current level
- Further increase in mortgage exposure. High-quality mortgage portfolio further improved the credit performance with better arrears positions and incurred foreclosure losses at < 2 bps
- In Q4, the office portfolio of Basisfonds Stationslocaties C.V. was transferred to the ASR Dutch Mobility Office Fund in anticipation of third-party mandates. a.s.r. warehoused this portfolio over the year end. The offices that did not meet the fund criteria were sold in January 2017
- Lower swap spread exposure under the Solvency II regime by exchanging long-dated core government bonds for a combination of short-duration instruments and receiver swaps

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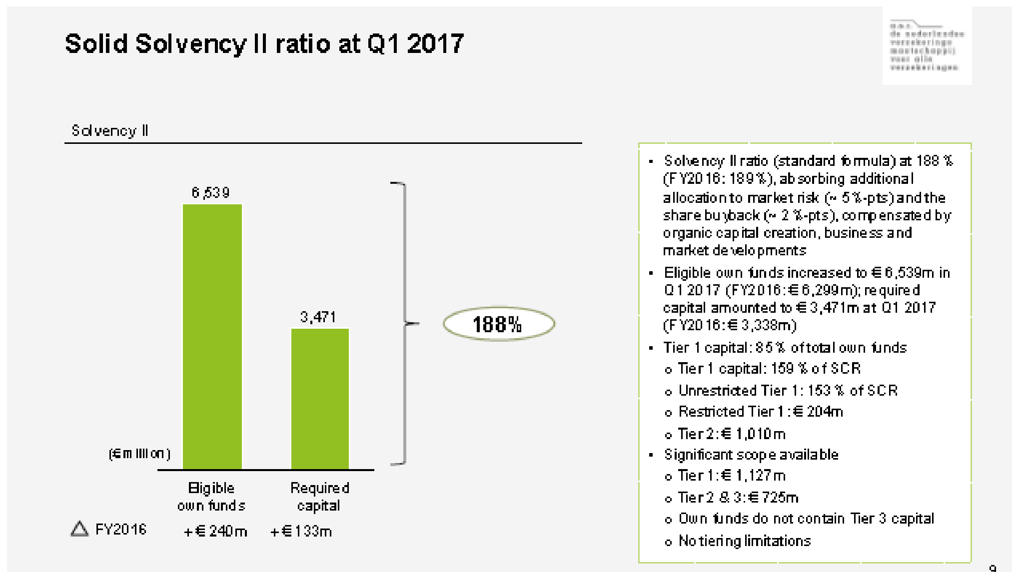
[00.15.30]
We added more capital to our market risk, as we said in our opening. On this page we show you a bit more on that market risk development. In January, we kicked of a review after our annual strategic asset allocation, whether we were optimally using the capital base that we have. We initiated a small, but meaningful reallocation of capital to market risks. Effectively, we allocated more to equities. We allocated a bit more to real estate and we allocated more to mortgages and credits at the expense of government bonds.

The equity re-risking program is basically complete. We have done that and that has run its course. We are where we want to be.

On real estate last year we acquired an office portfolio of the Dutch Railways. At that point in time, it was accounted for as a small overweight in real estate. The reallocation of capital now shows that it is actual the level of capital where we want to be. So, the overrate in real estate became the target rate in real estate. We allocated more to mortgages and credits. The mortgage reallocation is about 70% underway and the credit reallocation about 60% - 70% executed. That means we are nearly done on re-risking. Some small activities still flew over into the second quarter.

On the real estate portfolio, as you remember last year we added € 275 million of equity, of real estate capital. That was in a funds on offices. In January we sold € 60 million of non-core assets and during the first half we have been very busy signing up external customers. Without giving undue information I would not be surprised if at the end of the second quarter we show you that we will be sold out on this fund as well, because there appears to be significant interest from institutional investors that participated in this fund.

In summary, re-allocation of assets towards more risky assets. On equities € 300 million done, on real estate last year's overweight is now our target weight, which will be reduced a bit if new customers sign up, mortgages and credits about 60% to 70%, underway in achieving our target rate. To pre-empt one of your questions on how French government bonds fed into our solvency, we did have a portfolio of small government bonds, about € 1.1 billion in OATs, but French government bonds tend to be smaller with a short duration so the spread-widening in the run-up to the French election had a very small impact on our valuations and on our solvency. So we were not concerned about that at all. Also, we continued or we rounded off the swap spread trade that we announced last year. We traded about € 400 million in government bonds and moved them to long-dated swaps to finalise the hedging of our swaps exposure. All in all, the reallocation of the more risky assets and the completion of the swap spread trade will in the long run support the annual capital generation. Think of a number around € 15 million to €20 million on an annualised basis. In terms of your models, we believe it is fair to have that additional number kick in in the course of the year, so not so much per 1st January, but in the course of the year the run rate capital generation will go up. Think about an annualised number of about € 15 million to € 20 million because of this re-risking, of course depending on your return and spread assumptions.



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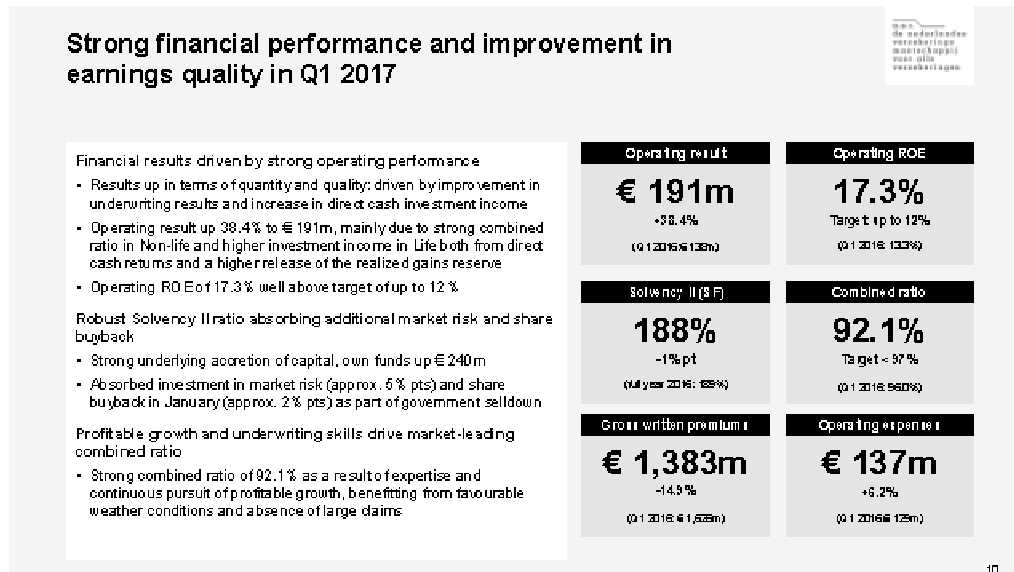
Eligible own funds and required capital both increased for a net delta in our solvency ratio from 189% to 188%. The required capital up € 133 million. That is made up off roughly € 144 million increase in market risk, € 33 million in insurance risk and € 21 million in counter party risk. It shows your market risk is up. Insurance risk up because of portfolio growth, counter party risk up due to mortgage allocation and you subtract of that diversification benefit and a LACDT-effect of the higher SCR gives you net-net an increase in required capital of € 133 million. But we are very pleased to have against that a very robust and solid increase in the eligible own funds of € 240 million. So, net-net own funds up € 240 million, required capital up € 133 million. We are very pleased that even in a challenging rate environment we were able to continue to grow our own funds and add € 240 million own funds in the quarter. And it is consistent with an underlying increase in solvency of about 6 percentage points in the last quarter.

Please note that Tier 1 capital is very strong, 85% of the own funds. We have no restrictions on tiering. We structured a scope for Tier 1 of over € 1.127 billion, Tier 2 and Tier 3 room of € 725 million. We do not have any tier capital usage. Actually, we ended last year with a small DTA of € 11 million. It has become a DTL in the first quarter, so we are very pleased that our solvency level is strong, the accretion is strong, but also the build-up is strong with a significant portion of Tier 1 capital and no tiering restrictions. Headroom in Tier 1 and Tier 2 and Tier 3, which makes it a very stable and solid number.

For those of you who have a history with a.s.r.: the quarterly solvency numbers. Between the first quarter of 2016 and the first quarter of this year there have been five quarterly numbers. Our solvency ratio actually fluctuated between 186% and 191% in those quarters. So, on a quarterly basis the fluctuations tend to be very small and manageable and have been very stable. If you exclude last year's first quarter, we have put about four quarters in a row at a solvency of between 188% and 191%. It is a very stable and robust set of solvency numbers.



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That brings me to the conclusion and to the end of our presentation, although not before I said that our solvency at a UFR of 2.2%. We have talked about it before as an interesting level of a more economic type of solvency level. That is now 143%. So, at a UFR of 2.2% our solvency ratio would be 143%, so significantly above 100% and significantly above 120%, showing you again a pretty robust solvency level.

To conclude. a strong financial performance in the first quarter, great operating profit, a strong operating ROE, some tailwinds, especially in Non-life, estimating the amount of tailwinds is judgment. I would personally estimate it that if you exclude those tailwinds the underlying operating profit was in the € 175 million mark, which still corresponds to 15.5% to 16% ROE. So, the actual delivery is € 191 million and excluding a bit of luck it is € 175 million. That is a pretty robust and solid underlying number and still an ROE of 15% to 16% and above the quarters of last year, above the first quarter of last year and above the last quarter of last year. So, we feel that Q1 was a strong and solid quarter, in which a.s.r. demonstrated that continued disciplined underwriting will ultimately bear fruit and that the generation of capital also allows us to allocate capital to more risk-bearing assets to support our profits.

We have just come of the AGM this morning, where all resolutions have been accepted, most notably also the fact that we are now allowed to buy back shares up to 10% of the outstanding shares. Now, we have a market conformist buy back mandate. But also all other resolutions have been approved. It took us three hours, but it was three hours well spent.

With that, I would like to end our presentation on the first quarter numbers. I hope to have given you some colour and some feel about what happened and leave the floor open for questions.

QUESTIONS AND ANSWERS

[00.25.05]

- **Cor Kluis – ABN AMRO**

Good afternoon. I have a few questions, first of all about the 10% share buyback approval. Can you remind us of how many share buybacks you could do this year, taking into account the capital return targets that you have mentioned, so which part of the 10% for 2017?

My second question is about P&C, 6% premium growth. It seems that you have earned some market share. Can you indicate on which product lines is? Is that across the board, or Fire, or Motor? Could you give us the comfort that this is high-quality business?

My last question is more to check for understanding on the re-risking and the effect on the earnings/cash flow. I thought you mentioned that the re-risking was around € 18 million positive operating result pre-tax for one quarter. You said that for the full year that was € 15 million to € 20 million, after tax of course. How can we relate those two figures?

Mr. **Figee**: On the share buybacks we have a market consistent mandate of about 10% of the outstanding share capital. This does not mean that we are going to spend it tomorrow, but it is good to have a decent mandate. We always said we think it is fair that especially in a year when a shareholder may be willing to exit and has been demonstrating to be willing to exit, to support sell-downs with share buybacks. We think this is a wise way to allocate capital. We have said also that as a long-term plan it is fair to assume that the maximum capital distribution you do in any year on average could be the annual capital generation. It could be a bit more; it could be a bit less, depending on the circumstances and depending on the year. But that is a good guidance. This means that mentally we have a share buyback budget of up to € 100 million. If and how and where we will spend it, depends. We have the headroom. We think it is fair to assume to spend some of it during the year to support and help manage sell-downs. Especially if they come at a discount we find the ROE on buying our own shares at a discount relatively attractive. But it depends on the time. In the long run we believe that annual capital generation is a good guidance for what you can return to shareholders in the long run. Again, that is on top of that. It depends also on other allocations, other means of deploying capital. But we certainly are not going to be capital hoarders. We will think about what is the best way to spend it.

On Property & Casualty. Indeed, it appears that we have been winning some market share. We do not have full market data, but 6% growth in P&C appears to be ahead of general market growth. Where does it take place? It is very much retail business. It is retail business in brokerage, 50-50 split between the provincial brokers and the mandatory agent. The bulk of the retail growth is actually in packages, so customers sell or acquire Motor – Home – Fire, a combination of products. It is a combi-product that tends to grow pretty well. So, we feel that this is quality business that comes through brokers that we know. Other business come through our provincial intermediary, a retail combi package, which tends to be and historically has been highest quality business.

Please rest assured that every performance we view as the managing board with the P&C team starts with the question about the margin and about the underwriting criteria.

We are comfortable that growth that is coming in is not at the expense of underwriting criteria. The underwriting are as strict as ever. We actually decline more business than we write, than we accept. We only accept business that we feel is value creating.

Finally on the re-risking: what you are alluding to are two different metrics. The € 18 million, is direct cash investment income, so coupons, rents, dividends received in the first quarter, they were up versus last quarter. This is actually when they come in. Dividends tend to take place in the first half of the year rather than the second half of the year. Most of these paid dividends are in Q1 or in Q2, so it is actually upon receipt that you book these results. The € 20 million is the increase in long-term investment results according to the OCC-definition, so in our operational organic capital generation we have a number of long-term spreads that we assume. The € 20 million basically multiplies; the delta in asset location times the long run spreads. So, the first is the actually received coupons, dividends and rental incomes and the latter is really the modelled long-term investment income that we would expect.

Cor Kluis – ABN AMRO: Very clear. Thank you.

[00.30.45]

- **Albert Ploegh – ING Bank**

Good afternoon. My first question is on the Life operating result, which was clearly quite strong. You mentioned to have re-risked the customer portfolio by around 70% to 75%, so something extra could still come. How sustainable is this run rate? Can we start annualising this number or do you think there is still some seasonal element or some underlying pressure that makes that conclusion maybe a bit too optimistic?

My second question is on the individual Life book. Due to the shrinking you have some cost overrun. Does this also make you more eager and willing to look for some small bolt-on's in this space as well?

My final question is on the re-risking budget. Is it fair to assume that in the second quarter there might be a further drag from market risk of around 2 and maybe maximum 3 percentage points?

Mr. **Figee**: On the Life business. we believe the run rate is pretty sustainable. The increase is due to direct investment income and increasing our capital gains reserve. This appears to be a pretty sustainable number. As I said, the tailwind was more in Non-life than in Life. There will always be some fluctuations in your operating investment results in the Life business, due to the fluctuation of when the actual direct investment income will occur. But there is nothing peculiar I mentioned about volatility in this number. So, it appears to be a pretty stable number.

On the cost side in Life there is not so much a cost overrun. We do not have a cost overrun in Life, but we have a positive margin in cost. We make a result on costs, but the result on costs is gradually declining as the book declines and as the cost coverage declines. So, we still have a positive result on costs, but that is less than a year ago. Our response against that is to variabilise our cost base and move cost policies on an external platform or paying on a cost for policy basis. That program will be completed in the beginning of 2018. At this point, the program is ongoing and so we are making program costs, migration costs. So what you are seeing today, is that the cost coverage from the book is gradually declining and the measures to counter that create a number of one-off migration costs that we will have to absorb. Net-net at this point the cost margin, the cost benefit, is actually gradually declining and should be stabilising as of 2018, possibly grow a bit again.

In terms of Life consolidation we think it is good for the industry, good for the Life insurance sector as Life books generally consolidate. This after all is a scale game, so more scale in Life is actually good. It does not mean we are about to go on acquisition spree in Life, but in general, consolidation of the Life book on single platforms to absorb the declining cost base, or the decline coverage basis, is actually a good idea.

In terms of re-risking, there is some small re-risking to be done, as I said mostly on the mortgage side and on the credit side. That will be less of a capital drag. First of all, these are the lesser capital intensive instruments. So, equity and real estate consume much more capital than mortgages and spread products. Secondly, if and when we reduce some of our equity exposure declines, if they participate in the office fund that will create some capital relief. So, in Q2, the amount of additional drag or additional allocation of capital market risk, net-net is expected to be very limited.

Albert Ploegh – ING Bank: And maybe one follow-up on the share buyback programme from Cor earlier. You mentioned clearly to have preference to participate in sell downs. Of course, that depends on your intentions and of your shareholders in the end. So, is it fair to assume that you will first await their decisions and not start normal underlying buyback programs beforehand?

Mr. **Figee**: Yes, that is correct. In terms of our capital policy we want to create value for our shareholders, organically, inorganically or by buying back shares or paying dividends. We believe it is fair that with the ROE that we have today we think we have demonstrated that we are doing good stuff with shareholder funds. If we look at the first quarter the operating ROE was 17%. One can debate the cost of capital, but it is unlikely 17%. So, we think we have created value to shareholders. We believe the sell down of the government created a unique situation to support shareholders and buy back some of the shares. It is a unique situation where of course your existing shareholder wants to reduce overhang, does so at a discount. It is a great moment for a company to support that. So, the sell down of the NLFI is a special situation that actually made it very attractive for us to hand back cash to shareholders through share buybacks. Is this then the ultimate proof that they will last forever? No, this is really centred around the share buyback programme of the government and we are living on the assumption that they are going to sell until the last share is sold, so it is probably wiser to wait for additional capital distribution and participate in their programs than launch anything on top of that.

Albert Ploegh – ING Bank: Okay. Very clear.

[00.37.35]

- **Steven Haywood – HSBC**

Good afternoon. Could you split up on the walkthrough of the Solvency II capital generation? I know that you disclosed the organic capital generation business and market developments, but if you could split that 6 percentage points up between the three or any model adjustment or other assumption changes that would be very helpful.

Then on your 45% to 55% pay-out ratio target range for your dividend. how fixed is this range or are you willing to pay slightly above and below?

Finally, you mentioned your first quarter adjusted operating profit around the € 175 million and maybe € 180 million mark. If you annualise that you get to about € 700 million and then you take away the perpetual coupon and also tax, you get to around € 500 million net operating profit. Is this the run rate we should expect for the rest of the year and ongoing? Maybe you cannot answer that question.

Mr. **Figee**: On your first question, on Solvency II. We believe that the delta in solvency is the most interesting element. Just how much own funds does one create minus how much required capital does one actually absorb? The market is asking to bucket it into an organic capital generation and other. We believe that is something you should not follow not on quarterly basis, more on a semi-annual to an annual basis, because that is more in line with the long-term nature of the insurance industry. If you look at what happened in this quarter – the effective 6% accretion in capital – there were no benefits from actually modelling changes, so we did not model up our solvency. We definitely did not, so there are no changes in there. The 6% is a function of underwriting results, long-term investment results and these in capital gains and capital appreciation of the investment book. We do not really split it. It was formally disclosed into different sectors, but let's assume the 6% divided by 2, half of it is extraordinary market developments in the first quarter, which are good, and the other half is more long-term on the run capital generation that we have based on underwriting and reasonable assumptions on investment returns. But again, there was no modelling benefit. We did not model up the solvency. It really was all own funds based on underwriting results at markets. We have to acknowledge that the markets were pretty good in the first quarter. Splitting those 50-50 is probably a reasonable amount.

In terms of our pay-out ratio we have an official policy that specifies 45% to 55%. The chance of us going below that, I would find that pretty slim. It would actually be real strange if we would be below that number. Above that we think that if we get in the situation we want to distribute more. We would have sufficient flexibility between special dividends or buy backs. So, the ordinary dividends will be between 45% and 55%. It is reasonable to assume that we will stick to that policy. It has just been approved by the AGM. Dropping below that would be highly unlikely. Going above that? We have sufficient means to distribute capital if that is relevant.

In terms of giving guidance for the year: we hear your calculation. It does not seem unreasonable to us, but at the same time, we are only one quarter on the way and we make it a policy not giving guidance, so it is too early for us to give formal guidance. Your numbers are well noted.

Steven Haywood – HSBC: Excellent. Thank you very much for your help.

[00.41.47]

- **Nadine Van Der Meulen – Morgan Stanley**

Good afternoon. The underlying operational ROE that you mentioned of 15% - 16%, can you remind us why you are guiding for an ROE of up to 12%, given your track record so far?

Secondly, to get a bit of a better understanding of the income support from the amortisation of the current realised gains reserve, could you remind or give an update on what the realised gains reserves now are and also what is the shadow accounting reserve. You last disclosed this at the H1 results, when it was over € 6 billion, but if you can give us an indication of how volatile that is and where it is now?

Lastly, given your capital generation and particularly given your comments just now of 3 percentage points longer term I assume that this includes the € 15 million to € 20 million increase of their re-risking. Given that level, if you annualise that it is quite significant and you have a solid Solvency II ratio as it is, can you comment on your plans to grow? In the past you have done successful small-scale acquisitions; what are the areas you are particularly interested in? Is there anything in the pipeline, on the distribution side, funeral and asset management? Do you also consider participating in the Dutch Life consolidation as well?

Mr. **Figee**: On the operating ROE, as said we achieved an ROE of 17% and we believe the underlying ROE given our tailwinds, between 15.5% and 16%. We are aware that at the IPO we guided for something up to 12%. That was the average of what we achieved in the years in the run up the IPO. It was a reasonable mechanical assessment. We understand the challenge of the markets. It is something that we are actually reviewing. It is less than a year since we IPO'ed so it might be early days to give new formal guidance about the ROE. But again, we feel comfortable with the current trading that we have.

In terms of shadow accounting and capital gains reserve, we need to be a bit careful because those are official IFRS-type of numbers and we are not supposed to show IFRS numbers in a trading update. But if you go back to last year's annual report, it is fair to assume that the capital gains reserve stayed remarkably stable from where it was at the end of last year. The shadow accounting reserve, which is the unrealised portion, obviously fluctuates more with the interest rates, but I do not think someone will kill if I say it is still a four-digit number and it still starts with 3. That is about as far as I can go without going too far into the IFRS domain. But again, capital gains reserve. very stable, shadow accounting. fluctuates more with interest rates.

In terms of capital generation. we think about the 6% accretion 50-50, half of it is more longer-term direct-ish, replicable yield. The other half is great capital market runs and they may continue and they may not. In those 3% there is some benefit of the re-risking, but not all of it because the 3% that we realised during the first quarter, so the actual influx of solvency in Q1, and the re-risking we did during Q1 was not completely completed. So, you may see some support going forward from that number.

Finally, how to spend that money. Do we participate in M&A? As said, as part of our strategy we always like to deploy capital in a most effective manner. We of course do look at M&A situations, but in terms of communication, when it comes to M&A, there are two communication regimes. A, there is nothing to say and B, there actually is something to say. We are still very much in regime A mode. If we shift to regime B you will be the first to know. We are very disciplined. We turned down more files than we accepted in the last year, because we held very strict criteria. Operating ROE needs to be met, it needs to be explained to our shareholders that we actually meet or at least can stand up in the face of a share buyback as an alternative. Rest assured, that is something we will apply in any future transaction. Again, there is nothing to say until there is something to say.

Nadine Van Der Meulen – Morgan Stanley: Thank you!

[00.46.52]

- **Benoît Pétrarque – Kepler Cheuvreux**.

Good afternoon, I have a couple of questions. The first will be on the re-risking budget. It sounds like a 2017 budget which has been executed in the first quarter and you will be done in Q2. But what about the long-term re-risking strategy, the long-term asset allocation strategy? Are you going to review that again in January 2018? Is there more re-risking potential beyond what you have done? Linked to that, your solvency. Are you sure that is 190%? [level low leverage] standard formula. As long as you have a good level of Solvency II can we expect more re-risking going forward? Next to that, have you seen any comparison or tightening on the expected investment returns in the first quarter, but also in Q2? Do you see anything special on mortgages, for example and do you see something in other asset classes as well?

My second question will be on the combined ratio. I was just wondering if you have seen any prior years' provision releases in your combined ratio in the first quarter, something unusual?

My last question is on the asset management business. I think you are targeting a growth of your third-party business. You clearly invest a lot to push the business. How much has been the inflow so far in the year and how much do you expect for the rest of the year?

Mr. **Figee**: In terms of re-risking. we run an annual strategic asset allocation process every year. We do that in the autumn of every year. Last year, we ran the asset allocation process and we actually felt in November-December that there was room to do more. So, we continued the analytical work on asset allocation into January, at which point we concluded there was room to allocate a little bit more budget to market risks. At this point we feel very comfortable with the targets allocation.

As said, where there is some room to do, some runway to go in the credit and mortgage side. Then we have an asset allocation that we feel very comfortable with. Will we re-risk more over time? Honestly, I do not know. It depends on how the market develops, how spreads develop and how the available capital develops. We run a process every year. The next run will be in November, in our regular annual strategic asset allocation programme. For now it would be safe to assume that this is the asset allocation is where we want to be in the long run. If our books grow and suppose we grow our asset base, then it will grow in these proportions. Further allocation to market risk. we feel comfortable at where we are.

How do look at spreads in the first quarter? Obviously, on the equity side we have seen a great run. Whether equities are cheap, dear or rich, it is hard to express an opinion. The dividend yields appear to be holding up reasonably well. Credit spreads have been holding up also reasonably well. We have seen some signs of compression on the mortgage market, so competition at the Dutch mortgage market is still pretty strong. So, there is some sign of mortgage compression, but at the same time mortgage losses are nihil. We have a small bank and we run a mortgage book of € 800 million to € 1 billion. I had a chat with the head of our bank and they had literally € 18,000 of foreclosure losses on the entire € 1 billion book last year. So, we are seeing some compression in spreads, but also a complete evaporation of credit losses on the mortgage side. So, net spreads still attract us. We believe that the spreads that we are making and are able to generate are still very safe and sound as compared to our long-term investment assumptions. That gives us some comfort around these numbers.

In terms of combined ratio I can assure you that there were no reserve releases in this book except real regular. when you close a file and you may have reserved a bit more than you need to settle the claim, but certainly no extraordinary reserve releases. Also no dotations. It has been a very clean quarter.

In asset management the inflow of new assets under management was between € 300 million and € 400 million of AuM in the first quarter. We have just launched our mortgage fund, our mortgage product in the first quarter. That is where we expect the inflows. We would expect some inflows in our credit proposition, our credit proposal and we expect to see inflows in the real estate office fund during the year. So we believe that the € 300 million in the first quarter is a good run rate for the year.

Can you multiply it by 4? Ask me again in Q4, but it seems to be ongoing well.

Benoît Pétrarque – Kepler Cheuvreux: Great! Thank you very much.

[00.52.29]

- **Robin van den Broek -- Mediobanca**

Good afternoon. My first question is coming back again to the budget you mentioned for share buybacks. I think the last sell down of NLFI had a 60-day lock-up period. That is going to end soon. If they keep those 60 days intact going forward, they could basically sell down in full probably this year already. Would you then still stick to that € 100 million budget in that scenario? That is roughly only 2.5% of market cap and you just asked and received approval for 10%. To me, also given your statements about your ROE, it is a sensible investment basically, but could you give some more colour on that?

Secondly, on capital generation you mentioned that there is an uplift of re-risking of € 15 million to € 20 million. I guess we should look at the full year 2016 run rate of € 350 million to compare that? Then again, I think you also mentioned that the 3 percentage point in the first quarter is not fully reflecting that re-risking and if I would look at 12 percentage points of capital accrual in the year, you would get to over € 400 million for the full year. So, I am still a little bit in the dark on how I should look at capital generation for a.s.r. this year.

Mr. **Figee**: In terms of the [mental] budget we said that given the dividend that we have paid out and given the shares that we bought back in January, if you link it to the € 350 million capital generation we realised last year, the [mental] budget is between € 80 million and € 100 million. If, how and where we spend it depends on the situation. First of all, I do not know if, when and where the government is going to execute the next sell-down and to what stake. It is really not our decision to make; we are only followers of that. We would like to make sure that we want to participate. You can count on us participating in the next move, but how much, it really depends. Also, we think that a share buyback as part of the government sell-down should be in line with the amount of shares offered. So, if and when the government is selling its entire stake before the summer? We should think carefully how we participate in that. But to be seen at this point, it has a reasonable gradual run down and the number we mentioned is probably fair to assume. There could be upside on that, depending on the situation.

In terms of capital generation indeed 3% in the first quarter times 4 is 12. That would be a significantly high number. At the same time we said that in the first quarter some things went really well. The P&C returns were quite strong and we need to see how sustainable they are. So, it is fair to assume that the € 15 million to € 20 million is an annual run rate. You could compare it to the € 348 million – € 346 million we generated last year. What the actual number will be during the year also depends on whether the exceptional P&C performance will continue. So far, things are looking good. Even the first months in the second quarter appear to be okay but again, we still have eight or nine months to go before the full year is over. But we feel comfortable with the guidance we have given before on capital generation. We feel comfortable that re-risking will contribute to that and we feel comfortable that the first quarter we were actually trading at the level that was above that. If, how and when that will continue we can only tell when the year progresses.

Robin van den Broek – Mediobanca: Thank you.

[00.56.24]

- **Syed Anil Akbar – Kempen & Co**

I have two quick questions. One of them is about the potential share buyback. Will you act in an open market or will you wait for an NLFI-placement?

My second question is on the Non-life market. In the modern insurance market this might be a bit specific but I just wanted some colour on this. In the modern insurance market we have seen that you are the most aggressive when it comes to pricing compared to your peers. What are the chances that you are seeing over there because the market is quite heated up? Do you see this kind of pricing going forward or do you see something else happening over there?

Lastly, on the Tier 1 instruments and the subordinated debt. Are you looking for increasing this part because you have quite a lot of room in this space?

Mr. **Figee**: When it comes to deploying share buyback that would be to return capital to shareholders. We believe that sell-down events should be central here. So, buying back shares in the open market, if you are sure that there will be sell-down events going forward, how many we do not know or what blocks we do not know, but that they will come is pretty sure. So, we think it makes most sense to wait for those events as opposed to buying back in the open markets. It would be a waste of capital and shareholder returns if you would buy some in the open market and if next to that an NLFI selling event would take place.

In terms of Non-life: we actually do not see us as the most aggressive in Motor. Actually, the opposite. I think you compare us to peers we probably have one of the most conservative prices. We have two product lines or brands, two attacker brands that are basing the mandatory agents and that are really focused on internet-only, called Click and Go and Budgio. It is fair to say that those will experience pretty hefty price increases in the coming months. We are going to use the current benign trading environment to focus on margin expansion, so you may see in the second quarter actually that we are going to further strengthen our pricing positioning in the Motor market by halting or changing the pricing on two of our more aggressive channels, although in general we believe we are definitely not the most aggressive in Motor pricing. Again our focus will be further margin expansion over volume.

In Tier 1 instruments we are pretty safe and sound when it comes to capital. We are very pleased with the headroom that we have. Do we look at issuing new restricted capital instruments? Always. We always assess the opportunity to attract capital at very favourable terms and we are very pleased with the fact that we do not have any tiering restrictions. No Tier 2, no Tier 3 restrictions. Those can come in handy in various situations. So, if it comes to raising capital we will make sure that we will always protect the Tier 2 and Tier 3 headroom that we have. So, we are all the time and always looking at capital instruments. We are also aware that there has been no Tier 1 instrument in Euros issued yet, at least not in the public market. I have seen something between a holding company and a life insurance subsidiary, but I am not sure we want to replicate that example. But we do look at instruments out there and if we do something, we will definitely protect and make sure there is a remaining headroom in Tier 2 and Tier 3.

Syed Anil Akbar – Kempen & Co: Thank you very much.

[01.00.49]

- **Arjan van Veen – UBS**

I just have a quick question on the unit-linked mis-selling. There has been a bit more press. Particularly there is an article today about two of the main claimant organisations joining forces, encouraged by one of the ruling against you in Den Bosch last month. I am just curious, could you give us an update as to how you are looking at the situation now and maybe give some numbers around where the number of policies were in 2006 and where they are today, on ongoing outreach programmes, et cetera?

Mr. **Figee**: When it comes to the mis-selling situation there have been a few rulings from Kifid that have generally have been positive for us. There has been one court case in Den Bosch, which has been a negative for us. To be quite frank, when we look at it and when our lawyers look at it we are bewildered by the logic that has been followed and we are still assessing whether we will take it to the Supreme Court. We have not made up our mind yet what and how we deal with it, but we deeply disagree with the outcome and we question the legal logic that has been applied. How we deal with it going forward is something that has not been decided yet. For the rest there are no further cases. Any case we have seen have been postponed so there is nothing coming up in the very short term. Next cases are scheduled for July, but they may be postponed at that time. So, it is too early to say if there is anything meaningfully changing except for this one court case where we are still assessing what to do with that outcome. In terms of the number of policies, the number of active unit-linked policies has fallen back to around 220,000. We started with over a million in 2008 when we had the compensation arrangements and today, there are less than 220,000 policies still active. The rest has either been settled or has been lapsed. But for the rest no real news on this topic, rather than some press articles, but no real material changes.

Arjan van Veen – UBS: And the 220,000 are still active, having an average programme to those to reduce further?

Mr. **Figee**: They will either automatically lapse. Some of them will lapse as part of the compensation programme and finally, for all policies we followed the AFM programme of customer activation. The AFM asked us to activate customers that may have a dysfunctional policy so that they are aware that they make a conscious to either a lapse of the policy or to continue the policy. They were completely in line with AFM regulations.

Arjan van Veen – UBS: Thank you very much.

Mr. **Figee**: As there are no further questions, that leads me to the end of this call. Thank you very much for your interest and for your questions. Again, we look back at a very strong first quarter, actually a record profit and a record ROE. If you strip out some of the tailwinds we still have a record quarter. Whichever way you look at it, a very benign quarter. Again, it is a result without reserve releases, without undue elements. It is by doing honest insurance business. Solvency, underlying growth, about 6 percentage points, we investing back into sharing back with our shareholders in investing into market risk, which will eventually again feed into new capital and feed into new profits and with that, growth in market share in P&C at very favourable underwriting criteria. So, we look back at a good quarter.

We look back at a solid quarter. As you know from us, we do not get carried away by one quarter. So we stay firmly sober and realistic, but the year could not have started better.

Thank you very much for your attention and we hope to see you soon on the road!

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End of call
[01.05.30]

Contact details

Investor Relations	ir@asr.nl
Michel Hülters	T +31 (0)6 15 49 95 69
Barth Scholten	T +31 (0)6 30 44 15 71

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renee@weenareport.com

Contact details

Investor Relations	ir@asr.nl
Michel Hülters	T +31 (0)6 15 49 95 69
Barth Scholten	T +31 (0)6 30 44 15 71

Appendix

A. Financial ratios
B. Combined ratio per product line
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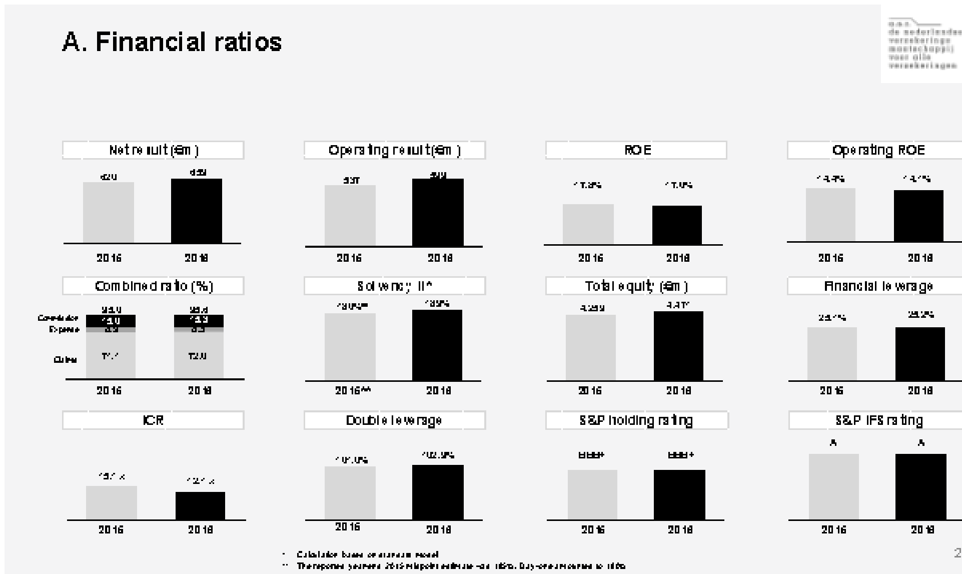
D. Operating result per segment
E. Key metrics breakdown
F. Sensitivities on group solvency ratio
G. SCR movement during 2016
H. Details fixed-income portfolio
I. Details equities and real estate portfolio

renee@weenareport.com



B. Combined ratio per product line

		2016	2015
Segment Non-Life	Claims ratio	72.0%	71.1%
	Expense ratio	8.3%	8.5%
	Commission ratio	15.3%	15.0%
	Combined ratio	95.6%	95.0%
Disability	Claims ratio	69.5%	69.5%
	Expense ratio	8.5%	8.2%
	Commission ratio	9.2%	11.3%
	Combined ratio	88.2%	89.6%
Health	Claims ratio	93.0%	89.4%
	Expense ratio	4.9%	5.3%
	Commission ratio	1.6%	0.9%
	Combined ratio	99.1%	95.5%
Property & Casualty *	Claims ratio	61.5%	60.5%
	Expense ratio	10.3%	11.3%
	Commission ratio	26.7%	26.7%
	Combined ratio	98.5%	98.5%

* Including travel and leisure insurance

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renee@weenareport.com

C. Calculation of operating ROE

(€ in million)	FY 2015	FY 2016
Operating result (before tax)	537	599
Minus: interest on hybrid instruments (1)	45	45
Operating result after hybrid costs (before tax)	492	554
Tax effect (25% tax rate)	123	139
Operating results after hybrid costs (net of taxes)	369	415

(€ in million)	FY 2014	FY 2015	FY 2016
Equity attributable to shareholder	3,022	3,574	3,780
Minus: Unrealized gains and losses reserve (2)	737	683	726
Minus: IFRS Equity Real estate developments and SOS (3)	33	8	25
Adjusted IFRS equity	2,252	2,883	3,029
Average adjusted IFRS equity		2,568	2,956
Operating ROE		14.4%	14.1%

[1] Interest on hybrid instruments is deducted to show the return to equity shareholders after hybrid costs.
[2] Unrealised revaluation reserves are excluded as the operating results exclude all capital gains and losses
[3] Real estate development and SOS's equity are excluded from calculation as they are also excluded from the operating result due to their 'held for sale' classification

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D. Key metrics breakdown

Operating result	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Non-life	32	30	37	37
Life	121	152	127	152
Banking and Asset Management	0	0	2	0
Distribution and Services	8	2	2	0
Holding and Other / Eliminations	-29	-24	-18	-31
Total a.s.r.	132	180	160	167

Operating result	H2 2016	H1 2016	H2 2016
Non-life	55	62	74
Life	219	273	279
Banking and Asset Management	7	0	2
Distribution and Services	-1	10	2
Holding and Other / Eliminations	-23	-53	-49
Total a.s.r.	257	282	307
COR	97.5%	95.4%	94.5%
GWP Life	657	1,303	675
GWP Non-life	975	1,355	1,037

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renee@weenareport.com

E. Operating result per segment

	IFRS profit before tax	Investment related	Incidentals	Operating result	IFRS profit before tax	Investment related	Incidentals	Operating result
	2016				2015			
Segment Non-life	187	30	21	136	217	63	-15	169
Segment Life	642	115	-24	551	716	287	-12	441
Segment Banking and Asset Management	7	6	-1	2	10	-1	-1	12
Segment Distribution and Services	12	-	-	12	4	-	1	3
Segment Holding and Other / Eliminations	5	20	87	-102	-48	62	-22	-88
Segment Real Estate Development	-15	-	-15	-	-93	2	-96	-
Total	838	171	68	599	806	413	-144	537

Operating result: profit before tax adjusted for (i) investment income of an incidental nature (including realized capital gains, impairment losses and realized and unrealized changes in value) and (ii) incidental items not relating to ordinary activities as a result of accounting changes, consulting fees for acquisitions, restructuring expenses, start-up costs, privatization expenses and shareholder-related expenses

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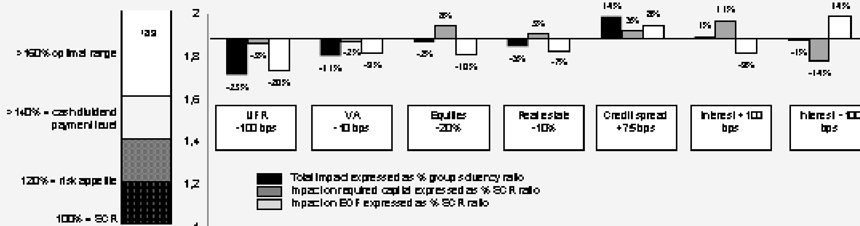
F. Sensitivities group solvency ratio



- Due to the decrease of the interest rates, UFR sensitivity increased in comparison to the beginning of 2016
- The sensitivity to UFR-100bps at the end of 2016 is -23% (-17% as per the beginning of 2016)
- Lowering UFR would also reduce UFR drag in organic capital creation

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renee@weenareport.com

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verzekerings
maatschappij
voor alle
verzekeringen

G. SCR movement during 2016

H1 reduced of SCR	H2 reduced SCR	FY reduced SCR
• Equity risk • LACDT • Currency risk • Diversification • Lapse risk	• Longevity risk • Lapse risk • Cost risk • LACDT • Counterparty risk • Health risk	• Lapse risk • LACDT • Currency risk • Cost risk • Health risk • Equity risk

H1 uses SCR	H2 uses SCR	FY uses SCR
• Spread risk • Counterparty risk • Longevity risk • Cost risk	• Interest risk • Equity risk • Real estate risk • Diversification • Spread risk	• Spread risk • Real estate risk • Longevity risk • Counterparty risk • Health risk • P&C risk
Delta required capital H1: €78 million	Delta required capital H2: €-113 million	Delta required capital FY: €-35 million

H. Details fixed-income portfolio

Key highlights

- The core of our portfolio consists of AAA government bonds, with selective peripheral sovereign exposure. 2016 saw an increase in exposure in Spain and Ireland
- The increase in value of the investment portfolio is mainly the result of an increase in value of the fixed income portfolio and interest rate derivatives, due to the sharp decline in interest rates
- The fall in interest rates resulted in further pressure on solvency levels, which led to lower market risk budget. Measures taken to mitigate the impact:
  - reduction of equity exposure
  - reduction of credits exposure largely in favor of government bonds
  - expansion of the interest rate hedge through long swaps and bonds
  - decision to hedge a part of the swap spread exposure
- Exposure structured instruments decreased mainly due to decreased exposure in MBS
- High quality mortgage portfolio with credit losses < 1 bp

Fixed income (€m)	2015	2016	Delta
Government	12,380	13,032	5%
Financials	4,857	4,752	-2%
Structured	402	205	-49%
Corporate	5,014	5,472	9%
Derivatives	1,788	2,490	39%
Total	24,481	25,881	6%

Mortgages (€m, book value) *	2015	2016	Delta
LtFV < 75%	1,150	1,551	35%
LtFV < 100%	574	753	31%
LtFV < 125%	675	925	37%
LtFV > 125%	72	95	32%
NHG	4,041	3,888	-4%
Total	6,522	7,202	10%

* Loan to Foreclosure Value at origination value, no index applied

Governments (€m)	2015	2016	Delta
Germany	5,205	4,150	-20%
Netherlands	3,584	3,672	2%
France	830	1,381	66%
Belgium	653	1,233	89%
Periphery	636	1,061	67%
Austria	606	693	14%
Supranationals	333	288	-14%
Other	372	404	9%
Scandinavia	171	140	-18%
Total	12,380	13,032	5%

renee@weenareport.com

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I. Details equities portfolio and real estate portfolio

Key highlights

Equities

- De-risking because of lower market risk budget specifically in the first half of 2016 by, amongst others, a reduction of the equity exposure
- Continuation of the active hedging policy for the illiquid part of the portfolio

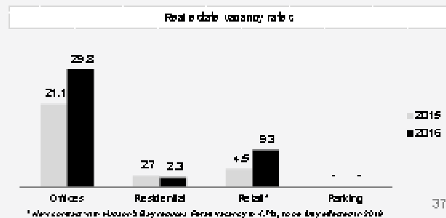
Real estate

- In Q4 the office portfolio of Basisfonds Stationslocaties C.V. (€ 202 million) has been transferred to the ASR Dutch Mobility Office Fund. The offices which did not meet the fund criteria were not transferred to the fund (€59 million) and were sold in January 2017
- The vacancy rate of Retail increases due to bankruptcy V&D, redevelopments. New contracts have been closed with Hudson's Bay
- The increase in the vacancy rate of Offices is mainly due to the relocation of Amersfoort division to the a.s.r. headquarter in Utrecht and the shift from offices own use to the investment portfolio as a consequence
- The net yield after vacancy in 2016 is 4.3%

Real estate (€m)	2015	2016	Delta
Offices	173	410	137%
Residential	681	715	5%
Retail	603	586	-3%
Parking	41	42	2%
Projects	12	54	350%
Total real estate (excl. rural & own use)	1,510	1,807	20%
Rural	1,154	1,248	8%
Total real estate (excl. own use)	2,664	3,055	15%
Offices own use	153	145	-5%
Total real estate	2,817	3,200	14%

Equities (€m)	2015	2016	Delta
Equities	2,278	1,793	-21%
Private equities	76	82	8%
Hedge funds	1	0	-87%
Other funds	321	289	-10%
Derivatives	31	16	-50%
Total	2,707	2,180	-19%

Real estate vacancy rates



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Cautionary note regarding forward-looking statements

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renee@weenareport.com