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

Sustainable taxpayer

Sustainable taxpayer

In line with its mission and CSR policy, a.s.r. wishes to be a sustainable taxpayer

a.s.r. wants to play the following roles in society:
- being an insurer customers can rely on;
- being a stable financial institution;
- being a people-oriented employer; and
- being a valuable participant of society.

a.s.r. has a responsibility towards society at large, its customers in general and vulnerable groups in particular. This is expressed in its personnel policy (for example by employing people with an occupational impairment), investment policy, work environment (Het Nieuwe Werken), and the CSR policy, including a.s.r.'s statement that it wants to be a sustainable taxpayer.

The tax strategy contributes to a.s.r.'s mission

a.s.r.'s tax strategy contributes to a.s.r.'s attainment of its mission and corporate strategy.

a.s.r.'s tax policy contributes to a.s.r.'s ambition to be a financially reliable and stable organisation so that a.s.r.'s short-term as well as its long-term commitments towards customers and stakeholders can be met, thus creating long-term value. In addition, the outcome of its tax policy is that a.s.r., as a member of society, contributes its fair share to enable and maintain the very society it is part of.

a.s.r.'s tax strategy

a.s.r. aims to be a socially responsible taxpayer based on professionally implemented tax compliance. a.s.r. does not adopt any aggressive positions for tax purposes. In optimising the tax burden ("tax planning"), arm's length considerations are always leading.

The tax strategy has been established by the Executive Board. In compliance with the Dutch Corporate Governance Code, a.s.r.'s Audit and Risk Committee supervises the tax policy pursued. In 2018, the tax policy and tax risks were discussed in the Audit and Risk Committee.

Given its tax strategy, a.s.r. has the following objectives:
- a.s.r. ensures the timely payment of tax debts.
- a.s.r. will present to the Tax and Customs Administration the (tax) positions it has taken or will take as soon as possible, and actively allow the Tax and Customs Administration insight into all the relevant facts and circumstances, the positions taken and its views on their possible consequences.
- a.s.r. manages the tax risks proactively. In view of its open, transparent relationship with the Tax and Customs Administration, a.s.r. proactively consults with the Tax and Customs Administration about the tax consequences of the various transactions.
- a.s.r. does not have any products that facilitate customers in evading or avoiding taxes.
- a.s.r. optimises its tax position, thus limiting the tax burden. This occurs within the given context that a.s.r. wishes to make a sustainably contribution to society.
- a.s.r. supports only transactions or products that have a well-documented corporate objective. a.s.r.'s position is that it acts in accordance with the spirit of the law and that no 'tax havens' and suchlike are used.

Tax management

a.s.r.'s Tax Affairs department has a central role in a.s.r.'s tax function, and therefore an important role in embedding the tax strategy in the organisation's day-to-day activities. Tax Affairs is responsible for the establishment, maintenance and testing of the Tax Control Framework, which is part of the Management In Control process.

Tax Affairs is the "single point of contact" with the Tax and Customs Administration for a.s.r. and both periodically and on an ad-hoc basis consults with the Tax and Customs Administration. External tax consultants are only consulted after involvement and/or approval by Tax Affairs.

In case of important agreements, product development, acquisitions, internal reorganisations and suchlike, Tax Affairs is consulted on any relevant points. With this "sign-off", the succession of the tax strategy is safeguarded. In addition, tax topics are regularly discussed with a.s.r.'s CFO.

a.s.r. is actively implementing technological solutions to control tax risks, for example by means of data analysis. a.s.r. will also complete the implementation of a new financial system in 2018, in which financial reporting / consolidation, tax accounting and the corporate income tax return will be integrated.

Relationship with the Dutch Tax Authority

In January 2013, a.s.r.'s Executive Board and the Dutch Tax Authority signed the Horizontal Monitoring covenant. This covenant sets out how a.s.r. and the Tax Authority engage with one another: with mutual trust and in an open, transparent manner. By signing this covenant, a.s.r. undertakes to develop and maintain a system of internal management, together with internal and external controls with regard to taxation; the Tax Control Framework.

Tax rulings

In some cases it is desirable for a.s.r. to obtain certainty from the Tax and Customs Administration in advance about the application of (often complex) tax legislation and regulations. If that is the case a.s.r. will ask the Tax and Customs Administration for a prior tax ruling on a tax position adopted by a.s.r. Any such rulings and other arrangements with the Tax and Customs Administration are always in line with a.s.r.'s tax strategy. Consulting with the Tax and Customs Administration at an early stage ensures that the tax position in the financial statements contains fewer uncertainties, which contributes to the confidence that stakeholders can derive from a.s.r.'s tax position. Because a.s.r. operates almost exclusively in the Netherlands, there are no international tax rulings.

Tax burden and payment of taxes

In countries in which a.s.r. is active, a.s.r. pays taxes on profits realised by the economic activities in those countries, in accordance with the OECD guidelines for multinational companies.

a.s.r. operates almost exclusively in the Netherlands, which means that almost all tax payments are made to the Dutch Tax and Customs Administration. With the exception of:

- payments relating to insurance tax for, in particular, non-life insurance, where the right to tax lies in other countries;
- corporation tax paid to the French tax authorities in 2016, this is related to the sale of real estate located in France;
- taxes at source withheld on foreign investment income.

Tax payments by a.s.r.
(amounts in € million)

	2017	2016
Profit before tax	1,128	855
Corporation tax in p&l	220	201
Nominal tax burden	25.00%	25.00%
Effective tax burden	19.50%	23.50%

The relatively low effective tax burden in 2017 was caused by the result on the sale of Unilever cumprefs, which was not subject to corporation tax as a result of the application of the participation exemption.

Tax payments

The Netherlands

	2017	2016
Corporation tax and taxes at source	231 (*)	199
Dividend tax withheld on dividends received	5	7
Dividend tax	29	28
Withholding taxes on Benefits	247	232
Withholding taxes employees	124	118
Insurance premium tax	134	121
Turnover tax	1	2
Total tax payments the Netherlands	772	707
Deferred tax asset as at year-end	226	595

(*) In 2015, a total of 521 million euro corporation tax was paid. In 2017, 238 million euro corporation tax was reclaimed that was paid in 2015. For a balanced picture, this reclaimed amount has not been included in this overview. This also partly explains the lower deferred tax asset as at year-end 2017 relative to the situation as at year-end 2016.

Abroad

	2017	2016
Corporation tax France	0	2
On investment income withheld foreign taxes at source	6	6
Foreign insurance premium tax	1	1
Total tax payments abroad	7	9

Number of employees

	2017	2016
Number of employees in FTEs, all employed in the Netherlands	3,493	3,461

a.s.r. as an investor and taxes

Direct investments

For the investments (equities and corporate bonds) in companies, a.s.r. makes use of ESG (environment, social, governance) research from the research firm Vireo Eiris. The assessment of companies also includes tax criteria, in particular on the basis of (inter)national guidelines. In this way, a.s.r. avoids any ESG risks in its investment portfolio in relation to taxi havens, offshore financial centres and the like. More information on this can be found on a.s.r.'s website: www.asrnl.com

Investments via external funds

Investments via external funds are never prompted by tax considerations. A business case is assessed on the basis of the strategy of the investment fund and the quality of the asset manager. The tax assessment from an a.s.r. perspective serves only to avoid any possible double and/or unnecessary taxation.

a.s.r. has a preference for regulated funds in the European Union because of the relevant expertise for institutional investors combined with a responsible and transparent tax policy. In addition, a.s.r. can invest in funds offered from other OECD countries, provided the legislation and regulations are comparable to those in the EU, and the fair-share principle is met. a.s.r. avoids investments in countries that have a reputational risk as far as tax is concerned, a legally weaker position and insufficient regulation and/or transparency.

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39688_0119