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a.s.r. sets new ambitious goals for 2022-2024. Focus on sustainable value creation for all stakeholders

Today, a.s.r. will give an update on its strategy and new medium-term goals for 2022-2024 at a virtual meeting for investors and analysts. A key element in the strategy and the new (non-)financial targets is sustainable value creation for all stakeholders.

a.s.r. expects to realise the goals as have been set in 2018 to a significant extent this year. In the coming years, a.s.r. will build on the successful strategy of 2019-2021 with new ambitious financial and non-financial targets, which should contribute to a.s.r. being among the most sustainable insurers in Europe.

a.s.r.'s new financial targets for the coming period are:

- Organic capital creation (OCC) cumulative € 1.7-1.8 billion in the period 2022-2024.
- Introduction of progressive ('slightly increasing') dividend as from 2022, based on 2021 dividend of at least €2.40 per share; minimum 18% increase of the 2021 dividend compared to the 2020 dividend.
- Share buyback programme¹ (SBB) to be continued for three years for at least € 100 million per year.
- Solvency II ratio (standard formula) comfortably above the management target of 160%.
- Operating return on equity of 12-14%.

The new non-financial targets are:

- 65% reduction in CO₂ footprint² of the investment portfolio, including the real estate investments and mortgage portfolio, by 2030.
- At least € 4.5 billion impact investments on the balance sheet by 2024.
- Net Promoter Score - relational (NPS-r) above market average in 2024.
- Employee engagement³: >85%.
- Reputation measurement sustainable insurer: >40%.

The new 'business' financial targets

- Combined ratio of the Non-Life segment (excl. Health) of 93-95%.
- Organic growth of gross written premiums of the Non-Life segment (excl. Health) of 3-5%.
- Operating result of the Life segment at least € 700 million until 2024.
- Operating costs of the Life segment between 40-50 basis points of basic Life provision.
- Combined operating result of fee-based⁴ business units exceeds € 80 million by 2024.

a.s.r. CEO Jos Baeten: 'We are very satisfied with the sustainable value creation we have achieved in recent years. Thanks to a disciplined execution of our strategy, we expect to be able to achieve and possibly even exceed our medium-term goals. Our strong balance sheet enables us to successfully realise organic growth and expand through

¹ Provided Solvency II ratio (SF) > 175%, value-creating M&A transactions are prioritised

² Base year 2015

³ Annual survey by Denison

⁴ Asset Management and Distribution & Services

targeted acquisitions. Customer and intermediary satisfaction have both improved further, as has employee engagement. In addition, we are taking active steps to contribute to a more sustainable society, for example through our impact investments as well as through a.s.r. Vitality with which we encourage daily exercises and a healthy lifestyle. We are pleased with the recognition we have received for this. It fits our ambition to be one of the most sustainable insurers in Europe.

Our strong performance in recent years and our confidence in our strategy form the basis for both the ambitious financial and non-financial targets for the 2022-2024 period. For the years ahead we will tighten the current successful strategy, but it is rather an evolution as opposed to a revolution.

We see specific opportunities for profitable growth in Non-life, Disability, Asset Management and Pension DC. We have stepped up the target for the combined ratio to 93-95%, and expect to achieve an annual 3-5% growth in the premiums for Non-life and Disability. In the Life segment, we forecast a stable operating result in excess of € 700 million for the coming years, in which we have factored in the effect of the gradual runoff of the Individual Life portfolio. In addition, we expect our fee-based business to continue to perform strongly and to achieve more than € 80 million operating result in 2024.

The target for organic capital creation shows a clear increase. For the 2022-2024 period we expect to create € 1.7 – 1.8 billion organic capital. We can use this capital to fund further organic growth, acquisitions, optimisation of the investment portfolio and, of course, dividend payments. In this context, we will be introducing a progressive dividend with effect from next year. This will be based on the dividend for 2021, with the intention that it will increase slightly from that level in accordance with the dividend policy. The 2021 dividend will amount to at least € 2.40 per share, an increase of at least 18% compared to 2020. This is thanks to the strong performance of our businesses, driven partly by developments arising from Covid-19, which drives the operating result for 2021 significantly higher than last year.

We aim to use our sustainable investment portfolio to make an active contribution to the energy transition. We have set ourselves the target of reducing the carbon footprint of our investments in 2030 by at least 65% compared with 2015. a.s.r. is a member of the Net Zero Asset Managers initiative and aims to create a low carbon investment portfolio in order to help meet targets set by the Paris Climate Agreement. Our impact investment policy focuses on investments with a social return, with a view to boosting our positive contribution to society. In 2024 we aim to have at least € 4.5 billion in impact investments on the balance sheet. To further underline our role as a sustainable insurer, we have recently joined the Net Zero Insurance Alliance (NZIA), committing ourselves in so doing to bring the carbon footprint of our insurance commitments down to net zero by 2050.

These goals are challenging in the Dutch market and strike a good balance between sustainable value creation and profitable growth.

In implementing our strategy, we adhere closely to a strict financial discipline in which value over volume is a key principle. A focus on cost and upholding financial solidity is essential for a continuation of our strong performance. Maintaining a strong balance sheet with financial flexibility offers scope for profitable growth. We will continue to invest capital responsibly. Building on the successful acquisitions of recent years, we will continue to actively pursue opportunities for acquisitions, particularly of small and medium-sized insurers, as well as the consolidation of life insurance portfolios. If there are no opportunities for a profitable deployment of capital, we will, subject to conditions, return it to shareholders.'

The Investor Update will be broadcast live today from 10:00 CET on the website www.asrnederland.nl.

During the broadcast, CEO Jos Baeten will discuss a.s.r.'s intention to generate sustainable value for all stakeholders in more detail. Also presenting will be Ingrid de Swart (COO/CTO) and Ewout Hollegien (CFO). All the presentations will be available today from 07:00 CET on: www.asrnederland.nl.

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About a.s.r.

ASR Nederland N.V. (a.s.r.) ranks among the top 3 insurers in the Netherlands. a.s.r. offers products and services in the fields of insurance, pensions and mortgages for consumers and SMEs. In addition, a.s.r. is active as an asset manager for third parties. a.s.r. is listed on Euronext Amsterdam and is included in the AEX Index. For more information, please visit www.asrnederland.nl.

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