Press release

Utrecht, 23 March 2010

ASR Nederland sees net result recover

ASR Nederland achieved a net result of EUR 255 million in 2009. Solvency rose to 232%. At the same time, major steps have been taken to realise the strategic priorities: a reduction in balance sheet risks, strengthen our customer focus and lower costs.

Key figures

(EUR million)	**2009**	**2008**
Net result	255	-640
Solvency	232%	170%
GWP	4,860	5,758
Costs	589	591
Total equity *	2,975	1,757
Number of FTEs	4,454 FTEs	4,540 FTEs

* Shareholders' equity including revaluation of real estate.

Progress in realising strategic priorities

- **Focus on customers**
  - New product philosophy in Life and Non-life implemented
  - Central position given to improving customer experience
  - Name recognition improved

- **Financially solid**
  - Equity exposure decreased
  - Interest-rate risk reduced
  - Subordinated bonds restructured to become Tier 1 capital

- **Increase efficiency**
  - Cost savings of EUR 70 million realised, excluding costs of split and reorganisation
  - New cost-saving measures initiated
  - Changes in the organisation implemented

Publication of 2009 annual results on Tuesday, 23 March 2010. Press conference (in Dutch) at 10.00 CET. Conference call for financial market professionals (in English) at 14.00 CET. More information at: www.asrnederland.nl

Commentary by Jos Baeten, Chairman of ASR Nederland Executive Board

“We are satisfied with our financial results in view of what we have been through. Despite challenging market conditions, the recovery of results seen in the first six months was maintained. Our balance sheet position is also much improved. It is important for us that our solvency has improved, both in the light of what we have seen with the credit crisis and with a view to the requirements that will be made by Solvency II.

The disentanglement from Fortis is completed and was a major operation. Our balance sheet now has a different structure. We have launched our new brand names. Corporate staff departments that used to be shared at the Fortis concern level have been reformed to serve ASR Nederland as a separate company. IT is once again being handled entirely in-house. This has all had far-reaching consequences for staff. The consequences are reflected in our figures, for instance in the costs and the change in the number of FTEs. Naturally, our employees have been affected by the process of having to take leave of an international corporate environment, in which we had increasingly become firmly integrated, in combination with uncertainty about the longer-term future. What is more, they too have been personally affected by the shock of the credit crisis and the poor reputation the financial sector has acquired.

Our good performance despite all this demonstrates the resilience of our employees, and accordingly of our company. This gives us the confidence to face the major challenges awaiting us. The financial sector needs to reinvent itself, as it were. In this context, we at ASR have now made some radical choices. However, the general economic trends do not show much sign of a real improvement in the short term. In this regard, the fall of the Government is exceptionally inopportune for our sector. As insurers, we have a particular interest in the shape taken by structural reform processes such as that regarding the Dutch disability system. They will now be subject to delays. Moreover, the political outlook is unclear. Quite apart from that, there are evaluations ongoing that are looking at regulatory aspects and the Financial Supervision Act, for example, that could have an impact in the form of legislation and supervision. These could have far-reaching consequences for our sector. There needs to be time for implementation and thus a certain degree of predictability. That now seems to be further away than ever.”

Financial results

Net result in 2009 was EUR 255 million. This is an enormous improvement when compared with the historical low of 2008 (EUR -640 million). A major factor was the tentative recovery in the financial market from the second quarter onwards. At the same time, it should be noted that one-off factors had a big impact in both these years. In 2008 it was the provision for the settlement regarding investment insurance policies. In 2009 it was the restructuring of subordinated capital and the one-off costs of the split.

Total equity has increased from EUR 1,757 million to EUR 2,975 million, including the revaluation of the real estate. **Solvency** was 232% at year-end 2009. This too is a considerable improvement on 2008 (170%). The sensitivity of solvency to exogenous factors has been reduced substantially by reducing the interest rate risk and exposure to equities.

Net result 2009 attributable to our shareholders will be added to our buffer capital. Therefore ASR Nederland will not pay any dividend over this net result.

A subordinated bond (TOPrS), which had been arranged using an American structure, was restructured halfway through the year. 91% of the investors agreed to the conversion to **hybrid Tier 1 loans** issued directly by ASR Nederland. They are listed on Euronext. Shareholders' capital has been held by the Dutch State since 3 October 2008. The Dutch State does not provide any capital support, guarantees or loans.

The view ASR Nederland takes of market developments and the prospects for the longer term has led the company to aim for a structural, substantial reduction in the ratio of costs to gross written premiums (GWP). A start was made with this last April with the introduction of a **cost-saving programme** designed to save EUR 100 million on the budget for 2009 in the period to mid 2010. Part of the programme involves 700 job redundancies.

The planned cost reduction of EUR 70 million per the year-end was realised. The savings are not fully reflected in the operating costs, because of various one-off costs for the split and the reorganisation. The announced reduction in the workforce is ongoing, but is only partially visible in the 2009 figures. In the meantime, new cost-saving measures have been announced that will have an effect in due course.

GWP

Demand for insurance products was under pressure throughout the market. To a large extent, this is due to the stagnating economy and consumer confidence levels that are still not showing much sign of recovery. That led to a fierce battle for market share, resulting in a fall in premium levels across all product lines. Less demand and lower premiums are reflected in the developments in GWP.

The fall in ASR Nederland's GWP in life insurance (-28%) was primarily due to lower sales of single premiums in addition to the stagnating mortgage and group life markets. Our market share in mortgages has fallen substantially. In addition to the demand-side developments, there was also an adverse effect due to the problems in attracting funding for mortgages. Furthermore, 'bank saving products' were competing increasingly successfully with life insurance products.

Increasing numbers of business rationalisations led to a reduction in the demand for insurance in non-life commercial lines. GWP in non-life personal lines stayed in line with 2008 despite the increased competition. Overall, GWP rose by 3%.

Value Added New Business (Life) and combined ratio (Non-life)

The production in life insurance was under considerable pressure during 2009. This production has a normalised Value Added New Business (VANB) of EUR 9 million. The cost norm was exceeded because of the low production levels. Full cost allocation to the 2009 production gives a VANB of EUR -2 million. At this moment, various operations are implemented to bring production and the associated costs more in line with each other.

The combined ratio for Non-life rose to 102.1%. This was mainly due to higher claims for disability and car insurance and to one-off non-life incidents such as the storm in May and a number of large fires. Measures have been taken to improve the combined ratio. The development of the combined ratio will continue to be a point of interest in 2010.

New identity for ASR in the Netherlands

ASR Nederland aims for a balance between the interests of its stakeholders. The background to this is the new economic reality, the rearrangements within the financial sector, the changes in society and last but not least, the changes in consumer behaviour. The lessons from the past, that is the investment-linked insurance affair, the credit crisis and the fall apart of the former parent company Fortis, also form part of that reference framework.

Products

A new generation of products has been launched for both life and non-life insurance. Their structure, transparency, comprehensibility, costs, contract periods and commissions meet present-day criteria. These are very different from the past. Initial reactions make it clear that this modernisation is seen as a fundamental change. It means a period of familiarisation is required in the sales process. Now campaigns have been initiated aimed at raising awareness among consumers to support distribution via intermediaries.

ASR Nederland was able to introduce a new, competitive mortgage product at the end of the year due to the multi-funding strategy, which was made possible by the split with Fortis. In addition, Fortis ASR Bank was bought back from Fortis Bank Nederland. Consequently, ASR Nederland once again has a bank for investment and savings products that will also be offered through intermediaries.

Customer experience

All kinds of structural and one-off activities have been undertaken to give the customer experience a more central position in the organisation. The end-user with his needs and emotions has been ‘brought inside the organisation’ as it were through dedicated consumer research and customer focus groups. The customer experience has been given a place in the appraisal and remuneration system for management, using the so-called net promoter score.

Distribution

More than 80 percent of ASR Nederland’s product sales are through independent brokers. Brokers are under considerable pressure. Incidents and growing criticism from consumer organisations have generated negative publicity. This has fanned negative attitudes among politicians, which have reached considerable heights, and in turn led to the wave of new legislation. This, together with the stagnating economy, has accelerated the process of rationalisation that was already underway. ASR Nederland believes independent brokers have a role to play and will continue to do so in the future. Many insurance consumers will continue to require expert, personal advice and assistance in a modern form. Consequently, ASR Nederland has, and will continue to have, every interest in ensuring a future-proof system of brokers organised along modern lines. ASR Nederland is making the case for this in the market too. ASR Nederland is putting in an effort to help the individual brokers it works with to modernise their business models. A number of different initiatives have been taken to achieve this. The brokerage sector has named ASR Verzekeringen the best all-round insurer of 2009.

Throughout the market, Internet sales are gaining ground, particularly for routine simple risk non-life personal insurance. As part of its multi-channel strategy, ASR Nederland aims also to serve customers who prefer to arrange their insurance affairs themselves. To achieve this, it launched Ditzo in 2008 with a striking branding campaign. The follow-up turned it into a widely-recognised name. Both the growth in GWP and various awards are an acknowledgement of the innovative concept Ditzo offers customers.

Brand recognition

ASR Verzekeringen was introduced in 2009 as a new brand alongside ASR Nederland. A publicity campaign started mid 2009 with the slogan: “We are ASR. And who are you?” In it, ASR Verzekeringen explains that it is the most personal insurer in the Netherlands and that is precisely why it chooses to work with independent insurance advisors. This campaign was well received. To improve brand recognition, the company took over the sponsorship contract for 2009 with the Feyenoord football club from Fortis. It has recently been announced that ASR Nederland will also be sponsoring Feyenoord for the next two years. This decision is partly based on research into the effects of football sponsorship.

Company reorganisation

The focus in the reorganisation of the company is on creating the right preconditions necessary for optimum implementation of the strategy and realisation of efficiency improvements. ASR Nederland has replaced its label-led organisation with a market-led organisation. The product lines have been dissociated from the three distribution organisations (ASR Verzekeringen, De Amersfoortse and Ditzo). There are also two independent specialists (De Europeesche and Ardanta). There is now a single point of control managing the back offices for both ASR Verzekeringen and De Amersfoortse. Falcon, the unit-linked insurer, will be integrated into ASR Verzekeringen at the end of this year.

With the exception of De Europeesche in Amsterdam and Ardanta in Enschede, the offices will be concentrated at one location. This change will take place in phases. The different labels and business units, which were spread across the country in 15 buildings at 11 different locations, will be housed at one central location in the Utrecht region by 2015 at the latest. At this moment, 3 locations (Amersfoort/Mondriaan, Woerden, Odijk) already have been closed. The operational excellence programme is aimed at ensuring all business processes are certified for quality and efficiency. Additional efficiency programmes have now also been announced. They focus on such matters as a reduction in complexity and a review of support staff activities. It has recently been announced that the board structure dating from the Fortis period will be amended. This includes replacing the Management Board by an Executive Board. The number of Board members has been reduced from six to four.

The future

Since 3 October 2008, ASR Nederland has been wholly owned by the Dutch State. Unlike a number of other financial institutions, ASR Nederland has not received any Government support in the form of capital injections, guarantees or loans. As the Government has said from the very first, the intention is for ASR Nederland to be transferred back to the private sector. Naturally, the way to do this and the timing of the privatisation are the subjects of discussion.

ASR NEDERLAND

(EUR million)	2009	2008	%
Gross written premium: Life	2,528	3,491	-28%
Gross written premium: Non-life	2,332	2,268	3%
Total gross written premium	**4,860**	**5,758**	-16%
Total result for Life before tax	**240**	**-856**	**
Total result for Non-life before tax	**92**	**10**	**
Total result for Other	**-2**	**0**	
Total result before tax	**330**	**-846**	**
Tax	-70	212	**
Result after tax	**260**	**-633**	**
Minority interest	-5	-7	29%
Net result	**255**	**-640**	**
Operating costs	**589**	**591**	0%
Cost premium ratio (net)	14.8%	14.5%	

(EUR million)	31-Dec-09	31-Dec-08	%
Technical provision Life	28,216	26,124	8%
Technical provision Non-life	3,535	3,289	7%
Total technical provision	**31,751**	**29,413**	8%
			**
Total equity (including revaluation of real estate)*	**2,975**	**1,757**	65%
Balance sheet total	**39,291**	**36,714**	7%
Solvency (DNB norm)	**232%**	**170%**	83%p
			**
Number of FTEs	**4,454**	**4,540**	-2%

* Total equity shown is a combination of shareholders' equity and the revaluation of real estate. As per 31 December 2009, shareholders' equity was EUR 1,955 million while the revaluation of the real estate amounted to EUR 1,020 million. As per 31 December 2008, equity was EUR 529 million while the revaluation of the real estate amounted to EUR 1,228 million.

GWP

Against the background of an economic recession that had a clear negative impact on the sale of insurance policies, GWP in 2009 totalled EUR 4,860 million (-16% compared with 2008). This drop was largely due to Life single premiums, as the decision was made to focus on profit rather than GWP. The single premiums in the group life business also underperformed considerably due to an almost stagnant group life market and a large one-off single premium in 2008. The non-life business was able to maintain its position despite increasing numbers of cancellations; it showed a improvement of 3%, primarily due to premium adjustments. The direct distribution channel Ditzo showed clear growth.

Group Embedded Value en VANB

The Group Embedded Value of ASR Nederland is EUR 3,5 billion at year end 2009.[1] The Group Embedded Value was EUR 2,2 billion at year end 2008.

[1] The Group Embedded Value is equal to the MCEV of the Life businesses plus the IFRS equity of the other businesses of ASR Nederland added to the revaluation of real estate and the test margin of non-life businesses. The IFRS equity is lessened by immaterial assets, minority interests and hybrid Tier 1 capital.

The increase of the Group Embedded Value is a result of the improvising economic situation, an increase of the value of investments and a decrease of liabilities.
The production in life insurances was under considerable pressure during 2009. This production has a normalised VANB of EUR 9 million. The cost norm was exceeded because of the low levels of production. Full cost allocation to the 2009 production gives a VANB of EUR -2 million. At this moment, various initiatives are implemented to bring production and the associated costs more in line with each other.
The valuation of the Group Embedded Value and VANB is based on the ECB AAA Government curve. Cost of capital is included.

Gross costs and operating costs

The cost-saving programme was initiated at the start of 2009 in order to reduce the budgeted structural costs for 2009 of EUR 728 million by EUR 100 million. Our target is to realise these savings by mid 2010. The gross costs in 2009 amounted to EUR 658 million, a drop of EUR 70 million with respect to the 2009 budget. The gross costs fell by EUR 55 million when compared with 2008.

The savings made in 2009 are not seen in full in the operating costs because of various one-off costs, including the costs of the disentanglement of Fortis and reorganisation costs as part of the cost-saving programme. This resulted in operating costs that were EUR 2 million lower. The number of employees fell (-2% on an FTE basis) as a result of the cost-saving programme. The reduction in the number of FTEs as a result of the social plan is decelerated visualised in the development of the actual number of FTEs.

The drop in GWP led to cost to premium ratio increasing from 14.5% at year-end 2008 to 14.8% at year-end 2009. If the costs of the split are excluded, the cost to premium ratio would remain about the same at 14.0%.

Net result

There was a substantial recovery in the net result from EUR -640 million in 2008 to EUR 255 million in 2009. The improvement was primarily the result of the recovery in the financial markets. In addition, in 2008 the Life result was negatively affected to a considerable degree by the creation of a provision as a consequence of the agreement with foundations on compensation for investment insurances and the formation of a warranty provision. In 2009 the restructuring of subordinated capital (TOPrS) led to a one-off gain of EUR 96 million after tax while the non-recurring costs for the disentanglement were greater in 2009 than in 2008. The underlying result for Life remained relatively stable, whereas increasing claims payments had a negative impact on the result for Non-life. The contribution to results by the property developer ASR Vastgoed Ontwikkeling was also negative as a consequence of the impact of the financial crisis on the real estate market.

Capital and solvency

In 2009, shareholders' equity increased from EUR 529 million to EUR 1,955 million. Total equity rose by 65% in 2009 to EUR 2,975 million. Total equity includes the unrealised revaluation of the real estate.

The increase in total equity is partly the result of a substantial increase in the value of a revaluation of investments. The conversion of subordinated loans into Tier 1 capital (EUR 515 million) and the addition of net result of EUR 255 million, also contributed to the improvement in total equity.

As a consequence of the subordinated loans (TOPrS) being restructured to become Tier 1 capital, part of the net result has to be allocated to the holders of other equity instruments (EUR 13 million). The remaining part (EUR 242 million) is attributable to shareholders.

The DNB solvency (whereby the available capital is expressed as a percentage of the required minimum capital) of ASR Nederland NV rose to 232%, compared with 170% at year-end 2008. At year-end 2009, the DNB solvency of ASR Levensverzekering NV was 277%.

Buffer capital (solvency percentage according to IFRS standards) of ASR Nederland N.V. was 293% at 31 December 2009. The calculation of buffer capital involves adding not just the revaluation of the real estate to the capital, but other items as well, such as equity securities and the surplus value in the technical provisions as determined using the IFRS adequacy test.

The risks in the balance sheet were reduced to such an extent in 2009 that it can be described as a 'healthy balance sheet'. This was achieved by such measures as reducing interest-rate risk through the use of swaptions, adjusting the duration of investments and reducing the exposure to equities in the investment portfolio. The sensitivity of solvency to interest rates drop, lower share prices or a drop of real estate value has been reduced to a very acceptable level.

Market trends in 2009

The volume of the individual **life insurance market** sharply decreased in 2009. The decrease of the life insurance market was caused partly by a fall in mortgage production. The market for bank saving products grew considerably in the first 18 months after introduction.

In 2009, the brand ASR Verzekeringen was successfully marketed, in part through a branding campaign in combination with the sponsorship of Feyenoord. Since June, brand recognition has risen from 38% to 54%. In addition, new products have been launched such as the MultiZekerpolis and VermogenGarant. These products are a response to the increasing demand for transparency.

ASR Nederland has started an Operational Excellence programme (OpEx) to improve the efficiency and quality of its internal processes. The intermediary sector has named ASR Verzekeringen the best all-round insurer of 2009 (DAK/NVA/NBVA).

2009 was a difficult year for the real estate market in which **ASR Vastgoed** operates. Demand has fallen off sharply in all segments, but particularly in the office segment. Large institutional investors are reluctant to invest and banks have become cautious in providing credit. The recession has led to write down in offices and residential housing.

The arrival of new online players in the market in 2009, marked a further step towards maturity for the direct distribution channel. **Ditzo** doubled its production and portfolio in its second year of existence.

ASR Nederland has chosen a **multi-funding strategy** in 2009 for financing mortgages. Mortgages can be financed by Fortis Bank Nederland or BNP Paribas Personal Finance.

At the end of 2009, Fortis ASR Bank was bought back from Fortis Bank Nederland. This bank will develop new products under the name **ASR Bank**, in combination with ASR insurance products. At present, the bank has about 250,000 savings accounts and investment accounts, primarily held by private account holders.

LIFE

(EUR million)	2009	2008	%
Total gross written premium	**2,528**	**3,491**	-28%
Allocated technical investment income	2,217	-2,622	**
Reinsurance premiums and other income	-21	-69	-69%
Total income	**4,724**	**800**	**
			**
Gross claims	-2,627	-2,538	4%
Change in technical provisions	-1,720	1,186	**
Other technical costs	193	6	**
Total technical costs	**-4,154**	**-1,346**	**
			**
Operating costs	-271	-263	3%
Commissions, change in capitalised policy acquisition costs	-181	-188	-4%
Total costs	**-452**	**-451**	0%
			**
Technical result for Life before tax	**117**	**-998**	**
Allocated results investment sales	-13	54	**
Other non-technical result	136	88	55%
Result before tax	**240**	**-856**	**
Tax	-55	216	**
Result after tax	**186**	**-640**	**
Minority interest	-5	-7	29%
Net result	**181**	**-647**	**
			**
Cost to premium ratio (net)	**14.7%**	**13.4%**	10%
			**
APE	**188**	**305**	-38%

GWP

GWP for Life were under pressure in 2009. They fell from EUR 3.5 billion to EUR 2.5 billion (-28%), in particular due to fewer immediate annuities and single premiums (-54%) and a stagnating group life market. The new Life production, measured in APE, fell by 38% in 2009. The fall in the production of single premiums was largely due to the decision to focus on profitable new production. Mortgage production decreased substantially in 2009. This led to decrease in mortgages linked life insurances.

In 2009, Individual Life benefited from the improvement in the capital markets with rising investment income, which led to a rise in the underwriting result.

In mid 2009, **Banking** was separated from Individual Life, in which it was integrated. The new banking organisation covers both Mortgages and Savings & Investments. Banking has developed a strategy to win back market share for Mortgages and Savings & Investment, by enriching the range of products offered by ASR Nederland and by facilitating the production of life products. The production of mortgages in 2009 decreased strongly compared to 2008, due to a stagnating credit market and falling house sales. The market share halved to 1.8% as ASR Nederland and its funding partner were not able to offer an attractive proposition after the disentanglement from Fortis.

In order to regain market share, a multi-funding strategy was developed in 2009, whereby BNP Paribas Personal Finance acted as a funder alongside Fortis Bank Nederland. A new mortgage product was introduced at the end of 2009: the WoonGerust mortgage.

The impact of the economic situation is also reflected in the production and GWP of **Group Life**. Production fell short as a result of having to deal with large scale redundancies, conversions to paid-up policies and a lack of indexation. Moreover, the hectic situation for the Fortis Group at the end of 2008, also had a negative effect on production.
There is increasing price competition in the funeral market, **Ardanta**'s market, partly spurred by comparison websites. Ardanta introduced a new range of products in the course of 2009 with more competitive premiums.

Operating costs
The effects of the **cost-saving programme** can be seen in our Life businesses. Substantial cost savings have now been realised by reducing the number of subcontracted staff and replacing subcontracted staff by internal staff. These savings cannot yet be seen in the operating costs because they are nullified by such items as the one-off costs due to the disentanglement and reorganisation.

Technical result
All product lines contributed in 2009 to the increase in the **technical result** from EUR -998 million in 2008, to EUR 117 million in 2009. The year 2009 was all about the recovery in the financial markets; as a result of this, the allocated technical investment earnings rose considerably, from EUR -2,622 million to EUR 2,217 million. A significant proportion of this improvement is on behalf of policy holders (resulting in a change in provision in the income statement from EUR 1,186 million to EUR -1,720 million). The improvement in the technical result was even greater, because a substantial allocation had been made in 2008 as a consequence of the agreement with foundations on compensation for investment insurances. The underlying technical result remained relatively stable.

Net result
The Life net result improved in 2009 from EUR -647 million in 2008 to EUR 181 million in 2009, first and foremost due to the improvement in the technical result. Furthermore, the composition of the investments within the investment portfolio was altered in 2009 as part of the risk-reducing measures. There was a big drop in allocated results from sale of investments due to the restructuring of the balance sheet, leading to a reduction in the risks in the fixed-income portfolio and a reduction in the volume of the equity portfolio (particularly at the start of the year). Finally, the net result was improved by the one-off gain on the TOPrS.

NON-LIFE

(EUR million)	**2009**	**2008**	**%**
Gross written premium Health incl. health insurance	1,293	1,260	3%
Gross written premium for other Non-life	1,039	1,007	3%
Total gross written premium	**2,332**	**2,268**	3%
Allocated technical investment income	131	-47	**
Change in provision for unearned and reinsurance premiums	-222	-205	8%
Total income	**2,241**	**2,016**	11%
			**
Gross claims	-1,420	-1,203	18%
Change in technical provisions	-261	-185	41%
Other technical costs (excl. claim handling)	174	107	63%
Total technical costs	**-1,507**	**-1,281**	18%
			**
Operating costs	-316	-328	-4%
Commissions, change in capitalised acquisition costs	-343	-334	3%
Total costs	**-659**	**-662**	0%
			**
Technical result for Non-life before tax	**75**	**74**	2%
Allocated results from sale of investments	-17	-25	-33%
Other non-technical result	33	-39	**
Result before tax	**92**	**10**	**
Tax	-16	-4	**
Result after tax	**76**	**6**	**
Minority interest	0	0	**
Net result	**76**	**6**	**
Claims ratio	71.0%	62.1%	
Cost ratio	14.9%	15.8%	
Commission ratio	16.1%	16.2%	
Combined ratio	**102.1%**	**94.1%**	

GWP

GWP increased by 3% in 2009 to EUR 2,332 million, while the market (excluding health insurance) increased by 1% only. The impact of the recession is becoming increasingly noticeable. This is reflected primarily in a drop in production. New production fell from EUR 328 million in 2008 to EUR 275 million in 2009. The primary contributors to this strong decrease are Disability insurance and Health insurance, both of which sold fewer policies, due to the effects of the recession and a clear drop in the number of self-employed.

The **Disability insurance** market in 2009, was characterised by much fiercer (price) competition due to new entrants and a dwindling market, as a result of the recession and the associated drop in the number of self-employed. GWP is consequently also under pressure. Despite the increased competition, Disability insurance continues to keep firmly focussed on responsible pricing in relation to good service. Furthermore, claims limiting measures were taken to combat the rise in the volume of reported claims in comparison with 2008. There was a strong internal focus on building a single organisation for Disability insurances within ASR Nederland in 2009. Against this background, Disability insurance was still able to strengthen its position as market leader slightly in 2009.

There was an improvement in 2009 in the electronic processing of declarations at **Health Insurance**. This had a positive effect on cost levels. However, claims on supplementary health insurances remain high.

The new production in 2009 at **Other Non-life** (including car insurance and fire insurance) was in line with 2008. All business lines came under pressure due to price competition. The production of the Motor business line was up on 2008, thanks to a bigger contribution from the direct channel Ditzo. This is characteristic of the market trend whereby Internet providers are gaining market share in the non-life personal insurance market. At Fire, the production in the personal market fell due to the worsening housing market. GWP rose in 2009 due to indexations and the premium adjustments implemented over the past year.

De **Europeesche** also felt the effects of the recession in the form of strong decrease in the number of holidays booked. GWP was down by 3% on the previous year. In the past year, De Europeesche also put considerable effort into cost management.

Operating costs
Operating costs decreased by 4% to EUR 316 million in comparison with 2008, while commission expenses remained at the same level as the previous year. The cost-saving programme had the desired effect. This, in combination with the ongoing OpEx projects to make processes more customer-oriented and more efficient, resulted in a cost to premium ratio of 14.9% (2008: 15.8%).

Technical result
The combined ratio rose in 2009 from 94.1% to 102.1%. The main reason was that claims for Disability insurance, Fire and Motor rose substantially, resulting in an 8.9 %-point increase in the claim ratio, which rose to 71.0%. Measures have now been taken in various areas, both with regard to premium rates and with regard to risk assessment.

Despite the substantial rise in the combined ratio, the technical result rose by 2% to EUR 75 million as the allocated investment income improved considerably due to the recovery of the financial markets.

Net result
The net result for Non-life amounted to EUR 76 million, compared with EUR 6 million in the previous year. This increase is attributable to the recovery of financial markets. An improvement in equity market sentiment resulted in a positive change in investment earnings and appraisal.

Note: this press release has not been audited. Rouding differences may appear in the presented tables.