



# ASR Nederland

**Interim results 2009**

*ASR Nederland is building a new identity*

*Strong solvency level, net profit of EUR 77 million*

### Financial

- Net result of EUR 77 million, compared with EUR 291 million in June 2008
- Operational costs at EUR 290 million (+6%), due to one-offs, mainly disentanglement
- Gross written premiums down 19% to EUR 2,8 billion
- Claims ratio increased to 68.8% from 61.3% in June 2008

### Solvency

- Buffer capital at 287%, up from 233% in December 2008
- Restructuring of the balance sheet, sensitivities reduced

### Operational

- Building a new identity as a stand-alone company after disentanglement
- First results cost reduction programme: EUR 8 million

**Update on strategic goals**

**Interim financial results 2009**

**Concluding remarks**

## Focus on clients

### **Building a new identity as a stand-alone company after disentanglement**

- Start of a new marketing campaign to (re)introduce ASR brand
- Focus on service level to customers
- New Non-Life products to be released
- New external provider for funding of mortgages
- Disentanglement from Fortis Group almost concluded

## Financially stable

### **Buffer capital further strengthened to 287%**

- Derisking of investment portfolio
- Derisking of the life book
- Restructuring Tier 1 capital

**ASR Nederland and its subsidiaries have not received any capital support from the Dutch State**

## Efficient market player

### **Cost efficiency programme on track**

- Cost efficiency programme started company-wide
- Management of back offices centralised
- Integration of Falcon Life
- Concentration of business activities at one location
- Decrease of total workforce

## *ASR Nederland is re-positioning itself on the Dutch market*

### Measures taken:

- Start of a new marketing campaign to (re)introduce the ASR brand: *'We are ASR. And who are you?'*
- ASR Verzekeringen and De Amersfoortse Verzekeringen focus on service level to customers
- New generation of Non-Life products to be released in the second half of 2009
- New external provider for funding of mortgages
- Disentanglement from Fortis Group has almost been concluded. Disentanglement operation is largely confined to supporting activities, e.g. HR, IST

## Buffer capital further strengthened to 287%



### *Focus on derisking the balance sheet and improve solvency*

*ASR Nederland and its subsidiaries have not received any capital support from the Dutch State*

#### Measures taken:

- Derisking of investment portfolio
  - Interest rate risk has been decreased by using swaptions and a change in the duration of assets
  - Further lowering of equity investments in the investment portfolio
  - Sensitivities of the investment portfolio:

Sensitivities	June 2009	Effect on DNB solvency
Equities	-20%	-13%
Interest	-1%	-3%
Credit spread	0.75%	-20%
Real estate (excluding rural and own use)	-15%	-25%

- DNB solvency for ASR Nederland: 227%
- DNB solvency for ASR Levensverzekering: 390% (after a planned dividend of EUR 790 million to ASR Nederland, DNB solvency will be at 297%)
- ASR Nederland entered in a 50% Life Quota Share agreement with a leading reinsurer
- On 10 August, ASR Nederland successfully exchanged its outstanding Tier 1 capital securities for new capital securities issued directly by ASR Nederland

### *Efficiency programme announced to lower costs by EUR 100 million before mid-2010*

#### Measures taken:

- Cost efficiency programme started to lower costs structurally company-wide
- Management of back-offices of ASR Verzekeringen and De Amersfoortse centralised
- Falcon Life (unit-linked) will be integrated before 1 November 2011 with ASR Verzekeringen. The integration will result in discontinuation of the Falcon, Interlloyd and VSB Leven brands
- Concentration of business activities in one location in the Utrecht area from the current nine locations before 2015, except for De Europeesche (travel insurance, Amsterdam) and Ardanta (funeral insurance, Enschede)
- Decrease of total workforce with 230 jobs (target: 700 jobs per 2010)

# Agenda



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## Key figures

in EUR million



	1st half 2009	2nd half 2008	1st half 2008
• Gross written premium	2,812	2,264	3,494
• Net result	77	-931	291
• Operating cost	290	319	272
• Cost premium ratio (net)	14.1%	16.8%	12.8%

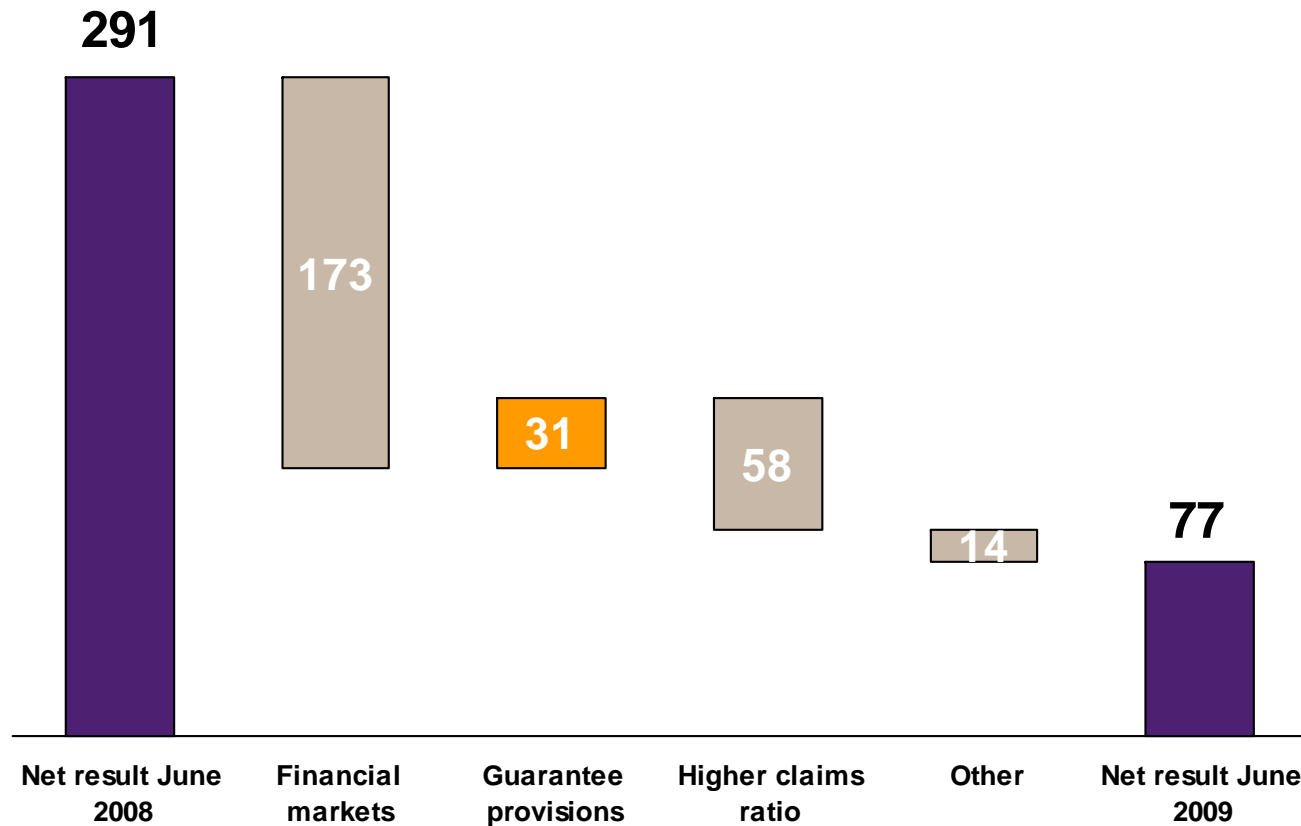
	30 June 2009	31 December 2008
• Total technical provision	30,037	29,413
• Total equity (including revaluation of real estate) *	1,907	1,757
• Buffer capital **	287%	233%
• Number of FTE	4,530	4,540

\* The presented total equity is a combination of shareholders' equity stated per June 2009 of EUR 745 million and the real-estate revaluation (difference between market value and cost price minus write-downs) of EUR 1,162 million. Per 31 December 2008, shareholders' equity amounted EUR 529 million and the real-estate revaluation EUR 1,228 million

\*\* Calculation of buffer capital is based on several additions such as the real estate revaluation, capital securities and overvalue in the technical provisions according to the IFRS adequacy test

## Net result 1st half 2009 versus 1st half 2008

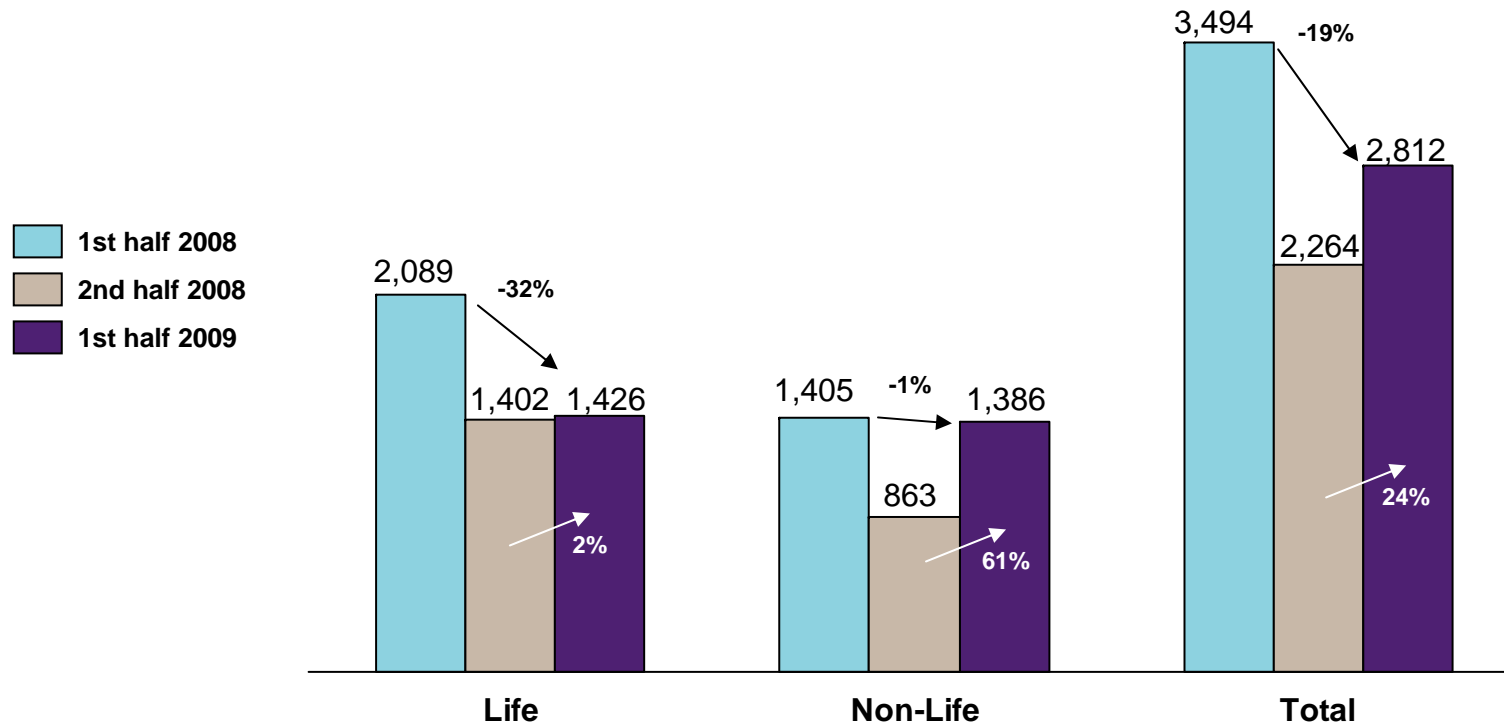
in EUR millions



**Net result** in 2009 decreased compared to the first half of 2008, mainly because of:

- Lower investment income compared with the first half of 2008 and a release of guarantee provision
- Increased claims at Non-Life in 2009 compared with 2008

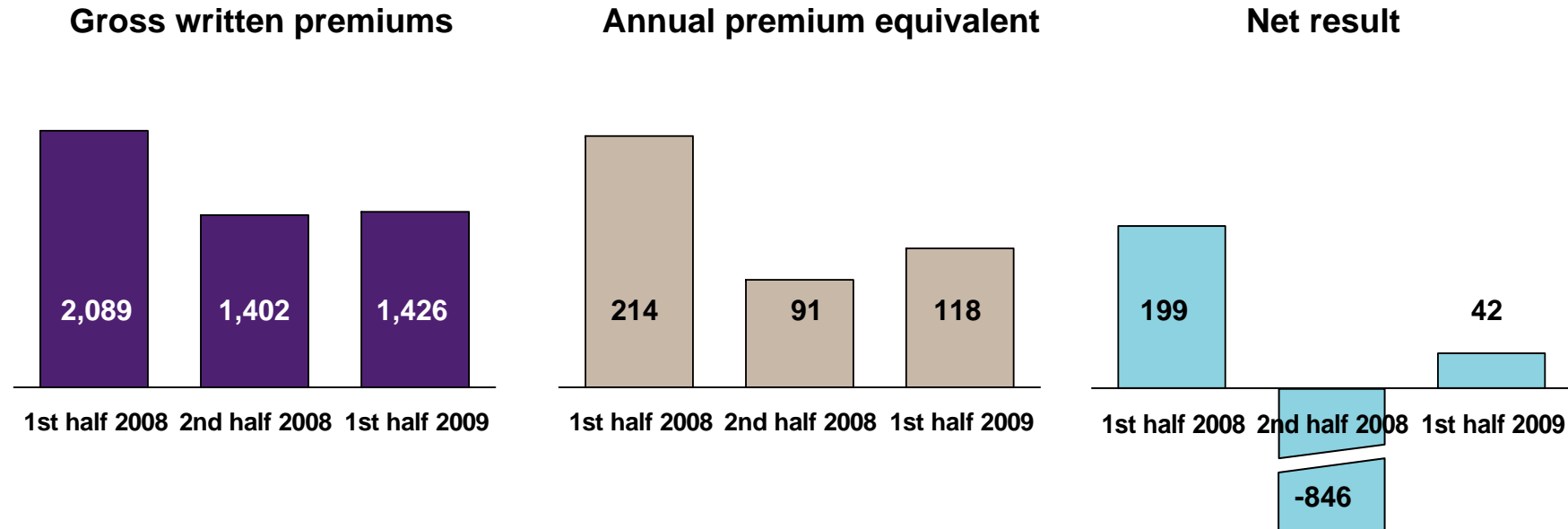
# ASR Nederland gross written premiums in EUR millions



- Life GWP down 32% compared with the first half of 2008, mostly due to a standstill of the group Life single-premium market
- Non-Life GWP showed a slight decrease of 1% compared to the first half of 2008, in deteriorating market circumstances

# Life insurance operates in difficult market circumstances

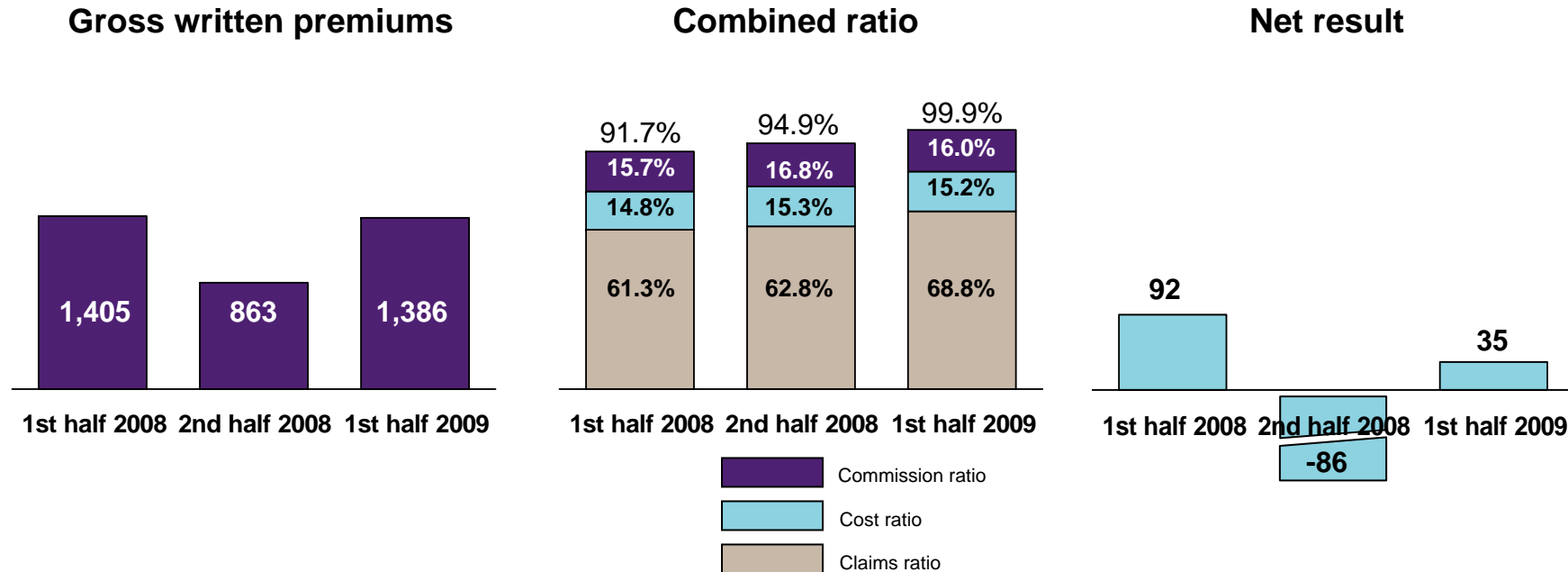
in EUR millions



- GWP down mainly due to a standstill of the group Life single-premium market, while ASR Nederland decided not to enter into a price erosion of individual single-premium products
- Stagnating house and mortgage markets and deteriorating economic circumstances resulted in a lower APE
- The drop in net result was mainly caused by lower investment income and capital gains

# Non-Life insurance shows stable GWP, while claims ratio increases

in EUR millions



- GWP: All product lines, except disability, achieved an increase
- A higher claims frequency, combined with higher claims made the claims ratio increase, while premiums were under pressure
- Net result fell mainly because of higher claims ratio

# Investment portfolio ASR Nederland

in EUR billions



Assets (EUR billion)	June 2009	%	%	Dec. 2008	%	%
Fixed income	16.1	66%	42%	16.6	65%	43%
Equities	1.2	5%	3%	1.4	5%	4%
Real estate	3.7	15%	10%	3.7	15%	10%
Mortgages	2.1	9%	6%	2.2	9%	6%
Cash and deposits	1.2	5%	3%	1.6	6%	4%
<b>Asset management portfolio (fair value) *</b>	<b>24.3</b>	<b>100%</b>	<b>64%</b>	<b>25.5</b>	<b>100%</b>	<b>66%</b>
Unit linked portfolio	7.7		20%	7.5		20%
Other assets **	6.2		16%	5.4		14%
<b>Total assets ASR Nederland (fair value)</b>	<b>38.2</b>		<b>100%</b>	<b>38.4</b>		<b>100%</b>
Real estate adjustment	-1.6			-1.7		
<b>Total balance sheet ASR Nederland</b>	<b>36.7</b>			<b>36.7</b>		

\* Including separated accounts

\*\* The "other assets" item consists of other liquid assets (0.3), accounts receivable (2.4), accrued assets (1.8), and other (1.7)

# Fixed income portfolio per June 2009

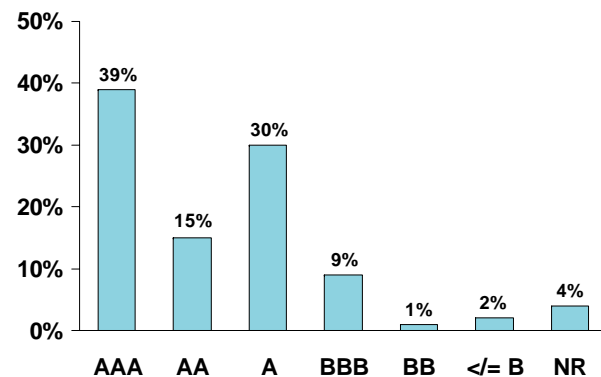
in EUR millions

Sector (EUR million)	June 2009	%
Governments	6,495	40%
Financials	6,740	42%
Structured Instruments	711	4%
Corporates	2,149	13%
<b>Total fixed income</b>	<b>16,095</b>	<b>100%</b>

Financials (EUR million)	June 2009	%
Senior	3,369	50%
Tier 2	2,160	32%
Tier 1	1,211	18%
<b>Total financials</b>	<b>6,740</b>	<b>100%</b>

Financials portfolio		
Rating	Fair value	%
AAA	917	14%
AA	1,050	16%
A	3,132	46%
BBB	975	14%
BB	111	2%
B	227	3%
CCC	55	1%
CC	0	0%
C	13	0%
D	6	0%
NR	254	4%
<b>Total</b>	<b>6,740</b>	<b>100%</b>

Rating division fixed income portfolio



Structured (EUR million)	June 2009	%
CDO	281	40%
CLO	109	15%
RMBS	312	44%
Subprime	9	1%
<b>Total structured</b>	<b>711</b>	<b>100%</b>

Structured portfolio		
Rating	Fair value	%
AAA	383	54%
AA	102	14%
A	119	17%
BBB	7	1%
BB	29	4%
B	18	2%
CCC	10	1%
CC	1	0%
C	1	0%
NR	41	6%
<b>Total</b>	<b>711</b>	<b>100%</b>

- The structured instruments portfolio decreased with about EUR 200 million in the first half of 2009 due to circumstances including the active selling of positions
- The second quarter brought a recovery after the first quarter saw further pressure on credit spreads, especially in subordinated bonds issued to financial institutions
- Investments in the fixed-interest portfolios were made mainly in government and high-quality corporate bonds
- Total market value of the swaptions portfolio is EUR 239 million (fair value), with a nominal value of EUR 10.8 billion

# Equity and real estate portfolio per June 2009

in EUR millions

## Equities

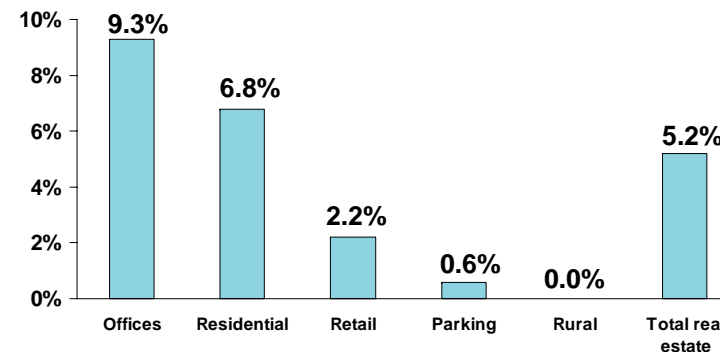
Equities	June 2009	%
Shares	875	71%
Private equities	88	7%
Hedge funds	177	14%
Other funds	85	7%
<b>Total equities</b>	<b>1,226</b>	<b>100%</b>

- On 30 June 2009, the equity exposure amounted to EUR 1,221 million, excluding derivatives. The value of put options at 30 June 2009 was EUR 121 million nominal, with a market value of EUR 5 million

## Real estate

Real estate	June 2009	%
Offices	543	15%
Residential	1,231	34%
Retail	973	27%
Parking	60	2%
Rural	772	21%
Projects	82	2%
<b>Total real estate</b>	<b>3,661</b>	<b>100%</b>

Vacancy rates real estate



- The real estate portfolio consists of direct real estate and is strongly diversified in Rural, Residential, Retail, Offices, Parking and Projects
- Offices: approximately 45% is occupied by ASR Nederland



# Agenda



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**Concluding remarks**

- **Buffer capital at 287%**
- **Reduction of sensitivity of the investment portfolio**
- **Net result of EUR 77 million**
- **Building a new identity as a stand-alone company after disentanglement**
- **Cost efficiency programme on track**

## Disclaimer



Cautionary note regarding forward-looking statements.

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