Press release

ASR Nederland continues to improve

- **Net result increased by 24% to € 317 mln (2009: € 255 mln);**
- **DNB solvency rate is strong at 221% (2009: 232%);**
- **Gross insurance premiums decreased by 4% to € 4,738 mln (2009: € 4,914 mln);**
- **Life production (APE) increased by 4%**
- **Targets cost savings programme achieved;**
- **Increased life expectancy fully recognized in 2010;**
- **Reduced complexity in organization and systems;**
- **Introduction Next Generation products in Life and Non-life;**
- **Progress made in customer interest and recovering customer confidence;**
- **Initiatives regarding resolving issues with unit linked insurance, announced in 2011.**

(€ mln)	2010	2009	change
Net result	317	255	24%
Gross insurance premiums	4,738	4,914	-4%
New production Life segment (APE)	196	188	4%
Operating expenses Life and Non-life segment	-541	-572	-5%
Operating expenses segment Other	-131	-80	64%
Employees with permanent contract (FTE)	4,333	4,454	-3%
Total equity *	3,493	2,975	17%
DNB Solvency rate	221%	232%	-11%p
Buffer capital (IFRS principles)	262%	293%	-31%p
Cost-premium ratio	12.7%	13.3%	-0.6%p
Combined ratio	100.3%	101.4%	-1.1%p

** Total equity including net revaluation of the property portfolio.*

Jos Baeten, Chairman of ASR Nederland's Executive Board:

'Our financial performance and strong solvency position are the result of the improvements, which have been initiated in 2009. Our risk profile further decreased, we reduced the complexity of our organization and improved efficiency. We increased the longevity provisions to account for increased life expectancy. Despite a decrease in premiums of 4% the cost-premium ratio improved from 13.3% to 12.7%. Our expenses decreased by 5%. We invested in the banking organization and in early 2011 introduced tax-driven bank savings products.
We took the initiative to offer customers with unit linked insurance contracts the alternative of a modern and transparent product with lower costs. We have reaffirmed our position as a solid financial institution with a strong solvency and a conservative risk profile. With this initiative, we emphasize among others, our focus on acting in the customer's best interest.'

Publication of annual results 2010 on Tuesday 8 March 2011. Press conference (Dutch) at 10:00 CET. Conference call for Financial markets (English) at 14:00 CET. More information on: www.asrnederland.nl

Key developments during 2010

Good result, solid balance sheet, revenue under pressure

In a strongly changing market, ASR increased the net result by 24%. This increase, compared to 2009, was mainly due to the recovery of the financial markets, lower financing costs and the improvement of the Non-life combined ratio. Solvency remained strong at 221%, despite the declined interest rate and increased longevity. Revenues decreased by 4%.

In the Life segment, ASR was cautious with regard to the pensions market, due to the low interest rate. The new production (APE) increased by 4%.For Capital Accumulation, the traditional market moved away from insured savings towards tax-driven bank savings products. ASR was not yet present in this market in 2010. With the investment in ASR Bank, ASR has laid the foundation for a position in this market.

The Non-life segment developed in line with market trends. The distribution of products within this segment shows growth in internet-based distribution.

Lower costs

ASR Nederland's objective to realize a structural cost saving of € 100 mln was fully achieved. The cost-premium ratio has decreased from 13.3% in 2009 to 12.7% in 2010 despite decreasing sales. The increase in operating expenses during 2010 was mainly due to the start-up of ASR Bank.

In order to maintain the profitability at the same level in the future, we need to continue our efforts to structurally decrease costs. This is achieved by gradually replacing obsolete systems by more efficient systems, resulting in a fundamental reduction in operating costs. Furthermore, we are working on permanently improving the efficiency by means of the Operational Excellence (OpEx) programme, based on the lean principle. This focuses on optimizing the organization to prevent waste, which is in the interest of the customers. Furthermore, this has led to standardization of processes and products, increasing the degree of Straight Through Processing (automation of the processing course) and reduction of both the complexity and number of products. Supporting services such as HR and ICT work on attuning the organization to the lean principles.

Location policy

During 2010, ASR Nederland achieved important milestones with respect to centralizing its operating locations. The location policy implies that ASR will move from 15 locations in 2009 to 3 locations in 2015. During the past year, seven locations were closed and over 1,000 employees were moved to a different location.

Furthermore, we worked on the Next Generation Working programme during 2010, with the objective of gradually enabling all ASR employees to work in accordance with this principle. A number of departments already work in accordance with this concept. ASR Nederland expects to reduce the 1.2 work stations per FTE in the traditional office environment to 0.7 work stations per FTE. The Next Generation Working programme will significantly contribute to improving customer value, sustainability, employee involvement and reducing costs.

Progress in strategy

ASR Nederland’s strategy is based on three connected pillars: customer interest, financial solidity and being an efficient market player. In 2010 progress was made in each of these pillars.

Customer interest

- Expansion of Next Generation products, characterized by low costs, transparency and clarity to customers;
- Start to resolve issues relating to unit linked insurance contracts;
- Quicker and more effective assistance to customers via the Customer Contact Centre;
- Customer satisfaction component included in remuneration structure of Executive Board and Senior Management.

New generation products

By late 2009, ASR Nederland introduced Next Generation products in Life and Non-life. This concerns products characterized by very low and transparent costs. During 2010, the number of Next Generation products was expanded by introducing ASR VermogenGarant.

Compensation unit linked insurance contracts

In 2010, we achieved important milestones towards realizing our ambitions. New products were introduced, which show that ASR is more focused on customer interest. During 2010, we conducted customer surveys on various topics, including having discussions with customers. This provided extensive insight into the preferences of our customers, and how we could respond to them. For example, customers do not understand or accept the fact that compensation for unit linked insurance will only be paid out at the end of the insurance contract. At the same time, customers indicated that compensation is self-evident, but that they want an alternative for their current policy. This is why we started discussions with the Foundations to pay out the compensation that the customers are entitled to during 2011, rather than at the end of the insurance contract. Also, we are offering customers with unit linked insurance policies, advice from their intermediary, free of charge, in order to determine the best individual solution for each customer. This may include continuation of the existing unit linked insurance, or transferring to one of the new ASR products, ASR VermogenGarant, ASR VermogenBelegd, or a tax-driven bank savings product. In all cases, no penalties will be charged to the customer following surrenders or transfers.

In order to make the focus on customer interest a more explicit priority, the remuneration criteria for the Executive Board and Senior Management includes this focus. The variable remuneration for the Executive Board and Senior Management is dependent on customer satisfaction, the financial performance of ASR and individual performance. Each of these three factors form one third of the variable remuneration. The variable remuneration is therefore dependent on non-financial criteria for 40% to 60%. The Executive Board intends to include customer interest as a factor in the remuneration structure of all employees. This is currently under negotiations with the unions.

Financial solidity reinforced

- Diversification benefits achieved by legal restructuring;
- DNB solvency rate remains strong at 221% (2009: 232%), buffer capital amounts to 262% (2009: 293%)
- Risks within the investment portfolio further reduced:
    - Investments in PIIGS countries reduced;
    - Investments in financial institutions reduced, in particular in Tier 1 loans;
    - Property investments further reduced;
- New framework implemented for risk management.

Legal restructuring

During 2010, various life insurance entities were merged into a single entity: ASR Levensverzekering N.V. This realizes diversification benefits in mortality and longevity risk for ASR Nederland. ASR Levensverzekering N.V. now sells both mortality risk insurance (short-life risk) and life insurance (longevity risk).

Due to this legal merger, DNB solvency of ASR Levensverzekering N.V. remains virtually unchanged and the increased life expectancy of the Dutch population has a limited impact on the solvency rate.

Continued strong solvency rate
The 11%p decrease in the DNB solvency rate (to 221% at year-end 2010; 2009: 232%), is mainly due to an increase of the value of the insurance obligations as a result of the decreased interest rate during 2010. This fall in interest rate was partially compensated by the related increase in the value of government bonds and swaptions. Due to the low interest rate, the DNB solvency and the buffer capital are more sensitive to interest rate developments, despite risk-limiting measures. The value increase in equities and property made a positive contribution to the solvency.

Reduced risk in investment portfolio
The risks within the investment portfolio further decreased, due to among others, the sale of bonds issued by financial institutions, reducing the investment in PIIGS countries' (Portugal, Italy, Ireland, Greece and Spain) government bonds and disposal of property. The bond exposure in financial institutions was reduced by 11% to € 6.7 bln during 2010. This reduction was mainly realized in Tier 1 loans. The interest in government bonds issued by PIIGS countries was strongly reduced from € 606 mln at year end 2009 to € 164 mln. As a result ASR Nederland mainly reinvested in AAA fixed-interest investments, including long-term German and Dutch government bonds and Dutch mortgages. The ASR Vastgoed Vermogensbeheer property portfolio, was aligned with ASR Nederland's strategic asset mix following the tactical disposals. A total of € 346 mln in property was sold during 2010.

New framework integral risk management
During 2010, a new framework for integral risk management was established. This framework is in accordance with Solvency II, which will become effective as per 2013. This framework includes structures for Control Risk Self Assessment (CRSA) and the ORSA (Own Risk Solvency Assessment). Furthermore, a risk framework was developed for ASR Nederland, designed to determine the economic capital (ECAP) to be reserved for both insurance and investment risks. This ECAP framework, which is based on Solvency II, will be rolled out to the product lines during 2011. This is an important milestone in steering towards value creation in the product lines. Additionally, the strategic investment mix was optimized in accordance with Solvency II for the first time. These steps in the field of risk management constitute major progress in technically preparing the organization for future privatization.

Increased efficiency

- Complexity reduction programme;
- Integration Falcon into ASR Verzekeringen.

Complexity reduction
ASR aims to increase its efficiency with the Complexity reduction programme as one of the instruments to realize this. The programme is important because processes and product variations have become too complex, due to mergers and integrations and the continually changing legislation and changing customer requirements. As a consequence, the costs of product management and system maintenance have increased over the last few years.
The Complexity Reduction programme has provided more insight into the number and degree of overlap between product variations, processes and IT systems. These insights will be used for reducing overlap and will form the starting point for further development of Next Generation products.

Integration Falcon into ASR Verzekeringen

Due to the significant changes in the market for individual life insurance policies and in particular unit linked insurance policies, Falcon Leven was integrated into ASR Verzekeringen as per 1 September 2010. In order to generate an optimal and efficient response to market developments and changing customer requirements, various business units were integrated. This integration is also in line with the strategy of centralization of back-offices for similar products.

Dividend

ASR proposes to add the net results 2010 to Total equity and will not pay out a dividend.

Future perspective

Since 3 October 2008, the Dutch Government is the 100% shareholder of ASR Nederland. Contrary to many other financial institutions, ASR Nederland did not receive any capital relief aid. No guarantees or loans were provided.
As indicated by the shareholder, ASR Nederland made progress to prepare for privatization. The shareholder's considerations primarily focus on an initial public offering, but other forms of disposal are not excluded, keeping all strategic and financial options open.
The manner and timing of privatization is still subject of discussion.

Press contact
Marjolein Bijsterveld
Tel: +31 (0)30 257 2984 / +31 (0)6 2294 3091
Mail: marjolein.bijsterveld@asr.nl
www.asrnederland.nl

Investor relations
Barth Scholten / Paul Emans
Tel: +31 (0)30 257 8661 / +31 (0)30 257 3858
Mail: ir@asr.nl
www.asrnederland.nl

Financial report

ASR Nederland

- Net result increased by 24% to € 317 mln (2009: € 255 mln);
- DNB solvency rate is strong at 221% (2009: 232%);
- Gross insurance premiums decreased by 4% to € 4,738 mln (2009: € 4,914 mln);
- Cost savings programme targets achieved.

Key figures ASR Nederland (€ mln)	2010	2009
Gross insurance premiums Life segment	2,514	2,692
Gross insurance premiums Non-life segment	2,310	2,346
Gross insurance premiums eliminations	-86	-124
Total gross insurance premiums	**4,738**	**4,914**
Net result Life segment	276	248
Net result Non-life segment	104	82
Net result segment Other	-63	-75
Net result [1]	317	255
Operating costs Life and Non-life segments	-541	-572
Operating costs segment Other	-131	-80
Cost-premium ratio Life and Non-life segments	12.7%	13.3%
Liabilities arising from insurance contracts Life	29,305	28,174
Liabilities arising from insurance contracts Non-life	3,535	3,535
Total liabilities arising from Insurance contracts	32,840	31,709
Total equity (including property revaluation) [2]	3,493	2,975
Total balance sheet	40,616	39,249
DNB solvency	221%	232%
Buffer capital (IFRS basis)	262%	293%
Number of employees (FTE)	4,333	4,454

1 Net result attributable to holders of equity instruments

2 Presented Total equity (including property revaluation) is a combination of Total equity and the revaluation of property. Per 31 December 2010, Total equity amounted € 2,451 mln and the revaluation of property €1,042 mln. Per 31 December 2009, Total equity €1,955 mln and the revaluation of property €1,020 mln.

Net result

During the past year, the general economic conditions slowly improved and the financial markets showed some recovery, in spite of continued uncertainty regarding the financial position of some European governments. Consumer confidence in the insurance sector has not yet recovered and the issue concerning unit linked insurance policies, is still in the spotlight.

Due to the modest recovery of the financial markets, resulting in some incidental investment revenue, and due to realizing structurally reduced financing costs, the net result further improved compared to 2009, rising from € 255 mln to € 317 mln. During 2010, the cost savings operation, started in early 2009, was successfully completed.

The total investment result for 2010 was higher than the corresponding 2009 result. This is mainly due to incidental revenue relating to reversed impairments, due to disposals and as a result of the improved situation on the financial markets. Additionally, realized surplus value on equities and property investments increased the 2010 result.
The 2010 result is also characterized by incidental revenue within the property portfolio due to early termination of the lease contract relating to Archimedeslaan 6 in Utrecht (recognized in other revenue) as a preliminary step to transferring this property to the Province of Utrecht in 2011. During 2009, incidental income of € 96 mln after tax was recognized, which arose from the conversion of the hybrid financing instruments.

The recurring direct investment revenues were under pressure during 2010. The main underlying reason was a combination of the de-risking policy, initiated in the previous years and the strong downward pressure of the interest rate. The low interest rate did instigate a compensatory effect in interest costs on ASR Nederland.

During 2010, the net result of the **Life** segment increased from € 248 mln last year to € 276 mln this year. This increase is almost fully due to the higher investment revenues. The operating expenses remained at the same level. During 2010, like in 2009, the provision created in 2008 for compensation of unit linked insurance in connection with the expected higher implementation costs, was increased. Corrected for incidental costs and the incidental increase in investment revenue, the result of the Life segment shows a stable pattern. Within the Life segment, the effects of the increased life expectancy, as evidenced by the recently published mortality tables, is fully recognized in 2010. However, the impact is limited due to the diversified portfolio, between mortality risk and longevity risk, of ASR.

The net result of the **Non-life** segment increased from € 82 mln during 2009 to € 104 mln during 2010. This is predominantly due to lower operating expenses achieved by the cost savings programme. In the Non-life segment, the higher investment revenues also contributed to the improvement of the result. This is off-set by the increased claims ratio for Non-life of 1.4%p. This increase was particularly noticeable in Disability insurance and Motor, whereas an improvement of the claim ratio was visible in Health, Fire and Other Non-life. The increased claims ratio in Disability insurance is caused mainly by an increase in the number of sickness and disability claims among the self-employed group. Other causes of higher claims include the period of heavy snow and frozen roads at the end of the year, with a negative impact on the cost of claims in the Motor segment. The heavy storms in the summer of 2010 also had a negative impact, mainly on the Fire segment (building insurance). The flooding in France and the volcanic ash cloud from Iceland had a negative impact on Travel insurance.

Net result of the segment Other (including eliminations) [3] improved from -€ 75 mln during 2009 to -€ 63 mln during 2010. Last year, the result included the one-off revenue as a result of the conversion of the TOPrS. This was off set by the fact that the related financing costs no longer affect the net result, but is included in the distribution of the result. The improvement of the segment Other result is mainly due to the strong improvement in the results of ASR Vastgoed Ontwikkeling. This was largely compensated by investments in the new banking organization.

Gross insurance premiums

The gross insurance premiums of ASR Nederland decreased by 4% during 2010, from € 4,914 mln during 2009 to € 4,738 mln during 2010.

The Life market experiences the consequences of increased competition from tax-driven bank savings products. In the market for Capital Accumulation, banks are gaining market share compared to insurers. The recovery of the housing market has not yet started. However, ASR Nederland's market share in mortgages increased compared to 2009, although the volume of ASR Nederland's Life production connected to mortgages is not sufficient to off set the decreased production. The Pensions market is also under pressure, although the new Introduction Act PPI (introduction of premium pension institutions) offers possibilities for further expansion of insurer services.

The decrease in gross insurance premiums in the Life segment (from € 2,692 mln to € 2,514 mln)is visible in both sales of non-recurring premium products and periodic premium-based sales. The decrease in periodic premium-based sales is mainly due to lower realized production. In spite of higher sales of products associated with mortgages, the total production of regular products lagged behind last year's figures. This can be attributed mainly to lower production in mortality risk insurance and unit linked insurance, and lower production by Falcon. Premium production faces an increased competition from tax-driven bank saving products. The non-recurring premium production decreased in the second half of 2010 as a result of the choice made to strive for a better return over higher premium volumes.

ASR Nederland's mortgage-related activities that were started up during 2010 have already started to bear fruit. Mortgage production increased significantly during 2010 compared with 2009. In addition to third party mortgages, the new asset mix allows for a limited mortgage production at own risk.

Within the Non-life segment, the decrease in gross insurance premiums was limited, decreasing from € 2,346 mln to € 2,310 mln. This decrease was mainly visible within Disability insurance due to lower production and higher cancellation numbers, partly because of increased competition on price and terms and conditions. The Health revenues also showed a slight decrease. The sales of Other Non-life (including Motor, Fire, Legal Aid etc) and Europeesche Verzekeringen, the specialist label for Travel and Leisure insurance, increased.

Operating expenses

The cost savings programme was completed successfully in 2010. This was one of the reasons for the further decreased in the number of internal staff (FTE) from 4,454 to 4,333. This has not led into a visible decrease in operating expenses during 2010.

The impact of the cost savings programme is predominantly visible in the insurance business, where the cost-premium ratio decreased from 13.3% in 2009 to 12.7% in 2010.

---

[3] As per 2010, ASR Nederland will report the segment Other separately. This includes the banking activities (ASR Bank and Mortgages), Ditzo (distribution organisation), ASR Vastgoed ontwikkeling, SOS International and the holding companies.

Within the Life segment, this cost-premium ratio slightly increased due to lower sales, in spite of cost control. In the face of a slightly lower sales total, the cost-premium ratio of the Non-life segment strongly improved thanks to a further decrease in costs. In segment Other, the operating costs increased due to setting up the new banking organization, but the related costs are mainly of an incidental nature.

Equity and solvency

Including the revaluation of property, equity increased from € 2,975 mln to € 3,493 mln. The equity, excluding the property revaluation, increased from € 1,955 mln to € 2,451 mln in 2010. The increased equity total is a result of adding net result (€ 317 mln) to the reserves and an increase in the revaluation of investments (€ 289 mln). This was partially offset by the interest payment on the Hybrid Tier-1 instruments issued in 2009 (-€ 39 mln). The equity was also reduced by acquiring the shares in the central real estate management company (-€ 72 mln). These shares were transferred from Amlin, formerly Fortis Corporate Insurance.

The DNB solvency ratio, expressing the available capital as a percentage of the required minimum capital, decreased from 232% at year-end 2009 to 221% at year-end 2010. The DNB solvency ratio of ASR Levensverzekering N.V. amounted to 258% at year-end 2010 (year-end 2009: 277%). ASR Schadeverzekering N.V.'s DNB solvency ratio amounted to 325% as at year-end 2010 (2009: 295%).

Solvency	2010	2009
Available DNB solvency	3,412	3,515
Required DNB solvency	1,542	1,512
DNB solvency ratio	**221%**	**232%**
Buffer capital	4,044	4,436
Buffer capital ratio	262%	293%

The solvency rate decreased because the interest rate used for this calculation fell by more than 0.6% during 2010 with respect to periods longer than 20 years. This resulted in an increase of the value of insurance obligations. This was partially offset by the associated increase to the value of bonds and swaptions. Additionally, the value development of equities and property made a positive contribution to the available DNB solvency ratio achieved.

Stress scenario	Stress	Effect on solvency (%)	
		2010	**2009**
Equities	-20.0%	-21%p	-20%p
Interest	-1.00%	-31%p	-9%p
Credit-spread	0.75%	-17%p	-18%p
Property	-10.0%	-17%p	-19%p
Total (undiversified)		**-86%p**	**-66%p**

Due to the lower interest rates the balance sheet’s sensitivity to a fall in interest rates increases. As both the DNB solvency ratio and its sensitivity to the interest rate are acceptable, no measures were taken in order to further decrease this sensitivity. Furthermore, as a consequence of expanding the equities portfolio, the equities risk increased slightly.

Life

- Net result increased by 11% to € 276 mln (2009: € 248 mln);
- Gross insurance premiums lower: € 2,514 mln, a 7% decrease;
- A 4% increase in new production (APE) to € 196 mln.

Key figures Life segment(€ mln)	2010	2009
Periodic premiums	1,753	1,864
Non recurring premiums	761	828
Gross insurance premiums [4]	**2,514**	**2,692**
Operating costs	-281	-280
Result before taxation	**356**	**316**
Tax	-80	-68
Net result for period	**276**	**248**
Net result attributable to minority interests	0	0
Net result	**276**	**248**
Cost-premium ratio	**13.6%**	**12.9%**
New production (APE)	**196**	**188**

Gross insurance premiums

During 2010, the gross insurance premiums decreased for the Life segment from € 2,692 mln to € 2,514 mln (-7%), both due to fewer periodic premiums (-6%) and non-recurring premiums (-8%). The new Life production, measured in APE, increased by 4% to € 196 mln during 2010.

The volume of the Dutch market for Individual Life products significantly decreased for the second consecutive year. Although the market share remained at virtually the same level at 11%, this reduced premium income, which was due to, among others, natural expiration of the existing portfolio. Additionally, the emergence of tax-driven bank savings products, lack of consumer confidence in unit linked insurance and the low sales volume in new mortgages decreased the premium total. Within Individual Life products, the mortgage-related Life production sharply increased in spite of disappointing mortgage production. The non recurring premium production reduced in the second half of 2010 as a result of the choice made to strive for a better return over higher premium volume.

In spite of difficult market conditions during 2010, the total mortgage production increased by 26% to € 1,558 mln. In late September, ASR Nederland started issuing mortgages at its own risk, the so-called WelThuis mortgage. The total production during 2010 was still limited. The associated production for Life showed a strong increase during 2010, with a very good cross-sell percentage.

---

[4] Including premium related to the Company pension plan of €86 mln (2009: € 124 mln).

The difficult circumstances in the pension market, including the discussion on funding ratios and low interest rates, have a visible impact on the sales within the pension business. The 2010 sales were therefore lower than 2009. Production, contrary to sales, increased significantly. The increase in Pension production is largely attributable to an active retention policy (with a success factor of 96%), which can largely be attributed to renewal of expiring contracts.

The Dutch funeral insurance market was also under pressure during 2010. The market for ‘life-long premium and payment on death’ shows a decline. In this market, Ardanta managed to limit the decrease in sales and to increase its market share from 14% during 2009 to 16% during 2010.

Operating expenses

The operating expenses remained virtually at the same level at € 281 mln. The impact of the cost savings programme within Life is not visible in the 2010 figures as new programmes were started during 2010, including Solvency II. Additionally, the centralization of offices resulted in additional one-off costs and Pensions incurred various one-off costs for adjustments due to changes in legislation. The stable cost level and the decreasing sales caused a rise in the cost-premium ratio from 12.9% to 13.6%.

Net result

The net result Life improved during 2010, going up from € 248 mln during 2009 to € 276 mln in 2010. This was mainly due to the influence of an increase in investment results compared with 2009, which was attributable to incidental revenues, such as sales results. The underwriting result, however, is under pressure due to decreasing interest margins. Furthermore, an additions to special provisions was made within Pensions.

Non-life

- Net result increased by 27% to € 104 mln (2009: € 82 mln);
- Gross insurance premiums decreased: € 2,310 mln, a 2% decrease;
- Gross production decreased by almost 14% to € 237 mln;
- The combined ratio decreased to 100.3% (2009: 101.4%).

Key figures Non-life segment (€ mln)	2010	2009
Gross insurance premiums	2,310	2,346
Operating costs	-260	-292
Result before taxation	**152**	**103**
Tax	-48	-21
Net result for period	**104**	**82**
Net result attributable to minority interests	0	0
Net result	**104**	**82**
New production	**237**	**275**
Claims ratio	73.0%	71.6%
Commission ratio	15.3%	16.1%
Cost ratio	12.0%	13.7%
Combined ratio	**100.3%**	**101.4%**

Gross insurance premiums

The gross insurance premiums of the Non-life segment showed a slight decrease by 2%, from € 2,346 mln to € 2,310 mln. This was due to a decrease in gross production and an increase in cancellations.

The decrease in sales is especially visible within Disability Insurance due to a shrinking market and continued competition on price and terms and conditions. Disability Insurance managed to retain its market leadership position in spite of this decrease. Health sales showed a slight decrease compared with 2009, partly due to the measures for restricting claims that were introduced in the supplementary insurance policy. With Other Non-life (Motor, Fire, Liability etc), the gross insurance premiums exceeded last year's total, in spite of lower net production. This increase was due to indexations and premium rate increase. The pressure on gross production was particularly noticeable in Motor and Fire insurance. Relating to Fire, the private market production decreased due to continued low house sales in the residential market. In the commercial and small corporate market, production still lags behind the growth targets. Various initiatives were started up in order to improve production.

The sales within Europeesche Verzekeringen were higher than last year's, despite the pressure felt within the Travel segment. Production was lower than last year due to lower holiday sales (fewer travel and cancellation policies). During the second half of the year, Europeesche Verzekeringen's Motor insurance portfolio further decreased in line with the renewed strategy focusing on leisure insurance.

Operating expenses

The effects of the cost savings programme are clearly visible within Non-life. The operating expenses strongly decreased within Non-life segment compared with 2009 (to € 260 mln). The decreased expenses are particularly expressed in lower expenses in Other Non-life. In spite of lower sales, this instigated a further 1.7% decrease in the cost-premium ratio of the Non-life segment during 2010, to a total of 12.0%.

Net Result

The net result of the Non-life segment came to a total of € 104 mln, compared with € 82 mln last year. This increase can be attributed to the recovery of the financial markets and the improvement of the combined ratio of 101.4% during 2009 to 100.3% during 2010. The improvement of the combined ratio, in spite of the increased claims ratio, can be explained by the decrease in both the expense and commission ratios. The expense ratio improved due to lower operating expense as a result of the cost savings programme. The decline in the commission ratio was mainly caused by an incidental reinsurance revenue. The increasing effect of the claims ratio on the combined ratio was due to higher claims in Disability Insurance and Motor. The increased claims ratio in Disability Insurance is caused mainly by an increase in the number of sick leave and claims among the group of self-employed. In Other Non-life, the bad weather conditions during 2010 were a key factor in the increased claims.

Other

- The net result amounts to -€ 63 mln (2009: -€ 75 mln);
- Mortgage production increased by 26% to € 1,558 mln (2009: € 1,236 mln).

As per 2010, ASR Nederland will report the Other segment separately. This includes the banking organization (ASR Bank and Mortgages), Ditzo (distribution organization), ASR Vastgoed Ontwikkeling, SOS International and the holding companies.

Key figures segment Other, including eliminations(€ mln)	2010	2009
Operating costs	-131	-80
Result before taxation	**-87**	**-89**
Tax	25	19
Net result for period	**-62**	**-70**
Net result attributable to minority interests	-1	-5
Net result	**-63**	**-75**

During 2010, **Banking** was fully part of ASR Nederland for the first time. Banking consists of ASR Bank and ASR Mortgages. The ASR Bank savings portfolio decreased slightly during 2010 due to the release of gross salary savings 'Spaarloon'. During 2010, the total mortgage production increased to € 1,558 mln. Most of these mortgages were financed by BNP Paribas and Direktbank. In the context of optimizing the insurer's asset mix, ASR Nederland choose for a limited mortgage production at own risk. This is why the WelThuis mortgage was introduced by late September.

During 2010, **SOS International** further expanded its activities for a major Dutch insurer relating to assistance in claims of travellers, both in the Netherlands and abroad.

ASR Vastgoed Ontwikkeling (property development) sold 723 houses during 2010. A total of 90,000 m^2 was completed by the developer in the course of 2010. ASR Vastgoed Ontwikkeling in 2010 showed a strong improvement in results. Following the loss in 2009 2010 resulted in a modest profit.

Net result

The net result of the segment Other increased by 16% to a total of -€ 63 mln. This improvement is mainly due to lower financing costs of the holding company, ASR Nederland N.V., and a significant improvement in the results of ASR Vastgoed Ontwikkeling.

The content of this press release was not audited and no limited review was conducted by the auditor.

Note for editors – not for publication

About ASR Nederland

ASR Nederland is one of the Netherlands' largest insurers. With the brands ASR Verzekeringen, Ardanta, De Amersfoortse, Europeesche Verzekeringen and Ditzo, we offer a wide range of financial products in the field of: Non-life, Life and Disability insurance, Group and Individual pensions, Health insurance, Travel and Leisure insurance, and Funeral insurance.
Furthermore, as an investor, ASR Nederland is active in property management and development through ASR Vastgoed Vermogensbeheer and ASR Vastgoed Ontwikkeling and ASR Bank for savings and investment products and tax-driven bank savings products.