PRESS RELEASE

Net result at € 212 million, solvency further increased, dividend at € 71 million

Utrecht, 29 February 2012

Net result at € 212 million (2010: € 317 million)

- Robust performance despite turbulent financial markets and impact of compensation payments for unit-linked insurance contracts, due to lower costs and capital gains from the ASR Dutch Prime Retail Fund
- Net result from Life business down to € 135 million (2010: € 276 million), influenced by drop in return on investments and impact of compensation payments for unit-linked insurance contracts
- Net result from Non-life business up to € 145 million (2010: € 104 million), due in part to increase in premium income and drop in operating expenses
- Improvement in Non-life combined ratio to 98.9% (2010: 100.3%), largely attributable to cost reductions, lower claims and pricing adjustments
- Return on equity at 9% (2010: 17%)

Dividend

- ASR to pay € 71 million (40%) in dividend on ordinary shares

Premium income down due to preference for return over growth

- Gross insurance premiums down to € 4,511 million (2010: € 4,738 million), primarily due to cautious approach in single premium market

Solvency ratio improved to 230% (2010: 221%)

- DNB solvency ratio up 9%-points
- If solvency is calculated at three-month average yield curve, temporarily permitted by DNB, solvency would have increased by 29%-points at year-end 2011
- Reduction in market risk sensitivity of solvency, thanks to robust risk management

Increased cost efficiency

- Operating expenses down 6%, dropping to € 633 million (2010: € 672 million), due to ongoing focus on efficiency
- Cost-premium ratio in insurance business improved to 11.8% (2010: 12.7%)
- Total workforce down to 4,631 FTE, a decrease of 6% (2010: 4,929 FTE)

Customer interests first

- In 2011, more than 900,000 customers with 1.1 million unit-linked contracts were informed regarding possible compensation payments. These payments have since been deposited directly into their policies or paid out. In total circa € 300 million
- More than 80% of these customers have now received a letter offering them an alternative to their current unit-linked contracts
- Brand New Day and ASR launched a joint Institution for Occupational Retirement Provision (IORP)
- The number of health insurance policies sold increased by 110,000 in Q4 2011, primarily due to the success of the Ditzo marketing campaign

Publication of financial results on Wednesday, 29 February 2012. Press conference (in Dutch) at 10 a.m. (CET). Conference call for financial market professionals (in English) at 2 p.m. (CET). For more information, please visit www.asrnl.com

Jos Baeten, CEO of ASR: 'Our first priority is giving customers peace of mind. The turmoil in the financial markets means that maintaining our financial robustness has once again been leading.
Our strong solvency position of 230%, the net result of € 212 million and our intention of paying € 71 million in dividend, demonstrate that our approach in this has been successful, despite the continuing turbulence in the financial markets. Operationally, the result improved due to lower costs and lower total claims. The net result decreased compared to last year, mainly due to lower investment income and the impact of compensation payments for unit-linked contracts. We compensated unit-linked policyholders by depositing a payment for previous costs into their policies; we also offered them alternatives to their current contracts. We were successful in reducing our cost base, particularly in the insurance business. The continuing decline of the Life business confirms that the focus on efficiency will continue to be a priority in the years ahead. In 2011, we again invested in our processes, new products and distribution channels. The focus on cost control and cost cutting is part of our day-to-day operations. In these difficult financial markets, we have taken measures to mitigate risks in the interests of our solvency. The choice for financial robustness has led to the further streamlining of ASR's risk profile. Conversely, it may potentially result in a lower return on investments in the future. Late in 2011, we successfully introduced the ASR Dutch Prime Retail Fund to the market, and we also saw success in the health insurance market where the number of insured individuals grew by 110,000. In 2012, we will launch our new marketing strategy 'Bewust ASR' ('More Aware. ASR'). This will highlight that ASR is on its way to becoming a 'different kind of insurer'. Overall, we are generally pleased with our performance in 2011 in the current difficult market.'

Key figures

ASR KEY FIGURES (€ MILLION)	2011	2010	Change
Net result[1]	212	317	-33%
Gross insurance premiums	4,511	4,738	-5%
New Life production (APE)	121	196	-38%
Combined ratio Non-life	98.9%	100.3%	-1.4%-p
Operating expenses	-633	-672	-6%
Cost-premium ratio insurance business	11.8%	12.7%	-0.9%-p

Total equity[2]	3,228	3,493	-8%
DNB solvency	230%	221%	9%-p
Buffer capital ratio (IFRS)	291%	262%	29%-p
Return on equity[3]	9%	17%	-8%-p
Total workforce in FTE[4]	4,631	4,929	-6%

[1] Net result attributable to holders of equity instruments.
[2] Total equity including a net revaluation of the property portfolio of €863 million at 31 December 2011 and €1,042 million at 31 December 2010.
[3] Return on equity is calculated as net result attributable to shareholders divided by average total equity (IFRS) attributable to shareholders.
[4] The Total workforce includes both internal and external employees, but does not include temporary employees hired for the purpose of handling the compensation issue.

Developments in 2011

Financial markets

Turmoil in the financial markets increased in 2011. This was due, in part, to the volatility of equities and value developments in government bonds as a consequence of the euro crisis, and the downgrading of the credit ratings of certain countries.

In 2011, ASR once again reduced the risks in its investment portfolio. The interest rate risk was lowered by the purchase of swaps and swaptions as well as an increase of the duration of fixed-income investments. The credit risk was reduced by a further scale-down of loans to financial institutions and of government bonds issued by various European countries such as France and Belgium. The returns were largely reinvested in Dutch government bonds and in corporate bonds. Equity risk exposure has also been lowered and institutional investors invested in the ASR Dutch Prime Retail Fund, which was introduced in 2011. This fund is valued at around € 1.1 billion. The quality of the property portfolio and the ASR real estate managers is evident from the successful introduction of the first tranche worth € 380 million. This fund has three important advantages. First of all, it brings the property portfolio more into line with the optimum scenario as established in a quantitative study based on Solvency II. Secondly, the fund makes the property portfolio more flexible, as new tranches can be accommodated with relative ease. Finally, expertise is retained and management is kept in-house.
The risk reduction in the investment portfolio may have a negative effect on profitability in the long term, as financial markets recover.

Markets

The volume of the Life market continued to fall in 2011. Customers are increasingly finding other ways to meet their asset-building needs (tax-driven bank savings products). The continuing pressure in the housing market caused a further drop in the number of mortgages sold, and hence in new mortgage-linked Life insurance products. Furthermore, offering compensation and alternative products to unit-linked policyholders remained a priority for Life insurers.

The current low interest rate means that many single premium policies and immediate annuities are loss-making. For this reason, ASR has opted for a reserved approach in this market. ASR also experienced a drop in sales of mortgage-linked Life insurance policies, because of the fall in the number of new mortgage loans. ASR launched the bank savings product *Lijfrente Opbouwrekening*, which meets the changing needs of customers with regards to asset-building.
In 2011, ASR implemented further cost reductions in its insurance business. To further reduce costs in the life business and make them more flexible, ASR looked into several types of outsourcing in 2011. The options of full outsourcing, both gradually and in one go, were considered. We have since decided to choose to outsource gradually. Consequently both the outsourcing process and the associated costs can be managed. The first step was taken in 2011. With this step the management of a part of the life portfolio was outsourced to a specialist player in India. In 2011 this player conducted more than 300,000 transactions on behalf of ASR. This generated an annual saving of around € 2 million, cutting the costs of this division by circa 55%. In the unit-linked insurance compensation process, ASR gained experience in combining direct information from the insurer with advice provided by an intermediary. As part of an extensive efficiency drive, ASR merged the funeral insurance portfolios. Furthermore, Paerel Leven was acquired in 2011, to ensure the continuity of insurance policies for customers of Paerel Leven.

The **pension** market in 2011 was characterized by the debate on retirement age, the underfunding of a number of pension funds and the introduction of an Institution for Occupational Retirement Provision (IORP).

Apart from the traditional guaranteed products, ASR launched an IORP in partnership with Brand New Day. This responds to the demand for a transparent, low-cost, unit-linked pension product. The Brand New Day IORP is operational since 1 January 2012, with more than 5,000 participants after two months.

The **Non-life** market was under pressure in 2011, and has been characterized by strong competition on pricing for a number of years. The price floor for motor insurance seems to have been reached in 2011, as illustrated by an increase in premiums for motor insurance. Simple Non-life products are progressively being sold through direct distribution channels. In 2011, insurers started informing customers about approaching policy renewal dates.

In 2011, ASR took the measures needed to reduce claims. It also developed several initiatives to enable customers and advisors to communicate more efficiently with each other. Examples include filing insurance claims online with ASR and online purchase and amendment of policies, as well as filing claims online with Europeesche Verzekeringen.

The market for **occupational disability** insurance contracted in 2011, primarily as a result of continuing competition on pricing and a limited increase in wages. The number of self-employed individuals increased again, and the majority of this group is uninsured against loss of income in the event of occupational disability. Since 1 January 2011, occupational disability insurers are obliged to withhold payroll tax from benefits paid to self-employed individuals, which has led to a rise in the number of questions received from customers as well as an increase in administrative work. The number of employees receiving partial occupational disability benefits increased by 20% to around 100,000 in 2011.

ASR is the market leader in income protection insurance, and has maintained a stable pricing policy for a number of years. As a result of the economic crisis, the number of incidences and the average duration of periods of occupational disability have both increased. By following a proactive reintegration policy, for instance through our own in-house work reintegration service for self-employed individuals and the *Keerpunt* reintegration business for employers and employees, claims have remained under control. Besides controlling claims, focus is on further improving processes and the quality of products and service in the areas of prevention and reintegration.

Strategy update

ASR's strategy is founded on three pillars: customer interests, financial robustness and efficiency. Driven by changing market conditions, this strategy was further refined in 2011. This refinement entailed a focus on the private and SME insurance markets, a transparent product range and better access to services for customers, amongst others.

Customer interests

In February 2011, unit-linked policyholders were promised that ASR would deposit any accrued compensation into their policies and that, after seeking advice at ASR's expense, they would be given the opportunity to switch to one of the new ASR asset-building products or to terminate the insurance policy without a financial penalty. This huge operation was a priority for ASR in 2011. The total cost of the additional measures for unit-linked insurance compensation was € 125 million pre-tax in 2011. In addition, nearly all eligible policyholders had the compensation deposited into their policies, totalling € 300 million. Furthermore, around 80% of policyholders have received a letter informing them of their options to continue their unit-linked policy, to switch to one of ASR's new asset-building products, or to surrender the policy. The remaining 20% of policyholders will be sent this letter in 2012. In dealing with the compensation issue, ASR felt supported by a letter by the Minister of Finance to the House of Representatives, which included a package of additional measures. Even before the memo was published, ASR was almost in full compliance with this policy. ASR's brands Ardanta, De Amersfoortse, Ditzo and Europeesche Verzekeringen have held the Customer-oriented Insurance Quality Mark since 2011. The number of health insurance policies sold saw sharp growth in the fourth quarter of 2011.

Financial robustness
In 2011, ASR again pursued an active policy to reduce its balance sheet risks. The DNB solvency ratio was up 9%-points compared to 31 December 2010, rising to 230%. As in the past, solvency was based on the ECB's AAA yield curve at year-end. It was decided not to use the three-month average yield curve, which was offered by DNB as an alternative. The use of this last curve would effectively increase our DNB solvency by a further 29%-points. The buffer capital ratio increased to 291% compared to 31 December 2010 (262%).

Efficiency
Operating expenses saw a structural fall of 6% in 2011 to € 633 million (2010: € 672 million). The cost-premium ratio in the insurance business improved to 11.8% (2010: 12.7%). The cost reductions were the result of several initiatives, including the shutdown of a number of office buildings occupied by ASR, the integration of business units and the outsourcing of processes in the Life business. Lower expense and claims ratios meant that the combined ratio in the Non-life segment improved to 98.9% (2010: 100.3%).
The total workforce in 2011 was down 6%, dropping to 4,631 FTE. Besides these cost-saving measures, investments were made in outsourcing processes to India, as well as in new processes, new products and distribution channels.

Proposal for dividend
The Executive Board plans to distribute € 71 million (40%) in dividend on ordinary shares.

Outlook
Given the continuing turmoil in the financial markets, ASR is not making any concrete financial forecasts. ASR chooses to follow its strategic choices and to maintain its focus on the pillars of customer interests, financial robustness and efficiency.

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About ASR
ASR is one of the Netherlands' largest insurers. With the brands ASR, Ardanta, De Amersfoortse, Europeesche Verzekeringen and Ditzo, ASR offers 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, ASR offers savings and investment products and tax-driven bank savings products. As an investor ASR is active in property management and development, amongst others.

Financial results 2011

- **Net result at € 212 million (2010: € 317 million)**
- **DNB solvency improved to 230% (2010: 221%)**
- **Gross insurance premiums decreased to € 4,511 million (2010: € 4,738 million)**
  - Gross insurance premiums from Life segment decreased by14% to € 2,166 million, due primarily to lower single premiums
  - Gross insurance premiums from Non-life segment up 5%, rising to € 2,427 million
- **Combined ratio in Non-life segment improved by 1.4%-points to 98.9% (2010: 100.3%)**
- **Operating expenses down 6% to € 633 million**
- **Cost-premium ratio in insurance business improved by 0.9%-points to 11.8% (2010: 12.7%)**

ASR KEY FIGURES (€ MILLION)	**2011**	**2010**
Gross insurance premiums, Life	2,166	2,514
Gross insurance premiums, Non-life	2,427	2,310
Eliminations[5]	-82	-86
Total gross insurance premiums	**4,511**	**4,738**
Operating expenses, Life and Non-life	-513	-541
Operating expenses, Other	-120	-131
Total operating expenses	**-633**	**-672**
Net result, Life	135	276
Net result, Non-life	145	104
Net result, Other	-68	-63
Net result[6]	**212**	**317**
Cost-premium ratio, insurance business	**11.8%**	**12.7%**
Combined ratio	**98.9%**	**100.3%**

	2011	2010
DNB solvency ratio	**230%**	**221%**
Buffer capital ratio (IFRS)[7]	**291%**	**262%**
Total workforce (in FTEs)	**4,631**	**4,929**

[5] Elimination of premium related to ASR's benefit plans administered by ASR Levensverzekering N.V.
[6] Net result attributable to holders of equity instruments.
[7] DNB solvency and buffer capital are calculated based on equity under IFRS, taking into account additions such as revaluation of the property portfolio and hybrid equity instruments and the elimination of the ASR pension plans. Buffer capital includes an immediate surrender rate based on best estimate rather than the 100% surrender value floor prescribed by DNB.

ASR's net result reduced to € 212 million. This decrease was largely attributable to additional expenses incurred for compensation payments to unit-linked policyholders and the negative impact of the turbulence in the financial markets. This led to an increase of € 186 million in impairment losses, largely on fixed-income securities, compared to 2010. The impairment losses were offset, in part, by a € 115 million increase in results, € 80 million of which was due to the placement of the ASR Dutch Prime Retail Fund.

In addition, the compensation payments to unit-linked policyholders negatively influenced the net result by € 94 million after tax in 2011. This is € 60 million more than in 2010. Risk-mitigating measures to keep the solvency position at a strong level are partly the cause of direct investment returns decreasing by € 13 million, compared to 2010. Lower costs and improvements in the combined ratio for Non-life nevertheless fuelled a € 38 million increase in net result compared to 2010.

Total Equity and solvency
Total Equity saw a limited 4% decrease, from € 2,451 million at year-end 2010 to € 2,365 million at year-end 2011. Despite the realized net result, the decrease in equity was mainly attributable to a lower revaluation reserve on account of the drop in share prices and changes in the value of fixed-income securities.

In 2011, ASR again pursued an active policy to reduce its balance sheet risks. The DNB solvency ratio increased by 9%-points to 230% (2010: 221%). As in the past, solvency was based on the ECB's AAA yield curve at year end for the purposes of comparison and consistency. If the solvency were to be calculated using the three-month average yield curve, as temporarily permitted by DNB, DNB solvency would increase by 29%-points at year-end 2011.

Gross insurance premiums
Gross insurance premiums were down 5% in 2011, falling to € 4,511 million. This decrease was attributable to the 14% drop in gross insurance premiums in the Life segment from € 2,514 million to € 2,166 million. This is mainly due to a fall in single premiums (non-recurring premium business) from € 761 million to € 469 million given the preference of return over volume. The regular premium business saw a slight decrease. In the Non-life segment, gross insurance premiums increased by 5%, rising from € 2,310 million in 2010 to € 2,427 million in 2011.

Operating expenses
ASR's operating expenses amounted to € 633 million in 2011, a decreased of € 39 million compared to 2010. This decrease was the result of the ongoing focus on efficiency. Efficiency improvements in 2011 were achieved in part through the integration of Falcon into ASR, staff cuts, regular cost reductions in the Non-life segment and a drop in accommodation expenses following the closure of a number of office buildings.

The cost-premium ratio in the insurance business showed an improvement on 2010, from 12.7% to 11.8%. In the Life segment, the cost-premium ratio improved from 13.6% to 12.8% thanks to a further reduction in operating expenses at Individual Life. The expense ratio in the Non-life segment decreased from 11.9% to 11.0% due to cost reductions and an increase in net premiums.

Compared to the situation at year-end 2010, the total workforce decreased from 4,929 FTE to 4,631 FTE (-6%). Total workforce refers to the total number of internal and external FTE. The number of internal FTE was down 2% in 2011 to 4,264 FTE (2010: 4,333 FTEs) and the number of external FTEs decreased by 38% to 367 (2010: 596 FTEs).

Life segment

- **Net result decreased compared to 2010, from € 276 million to € 135 million**
- **Gross insurance premiums down 14% to € 2,166 million (2010: € 2,514 million), partly due to focus on returns**
- **Operating expenses decreased by € 19 million (7%), to € 262 million**
- **Improvement in cost-premium ratio by 0.8%-points to 12.8% (2010: 13.6%)**
- **New Life insurance contracts sold (APE) down 38% to € 121 million (2010: € 196 million)**

KEY FIGURES, LIFE (€ MILLION)	**2011**	**2010**
Regular premiums	1,697	1,753
Single premiums	469	761
Total gross insurance premiums[8]	**2,166**	**2,514**
Operating expenses	-262	-281
Results before tax	**169**	**356**
Income tax expense	-34	-80
Net result for the year	**135**	**276**
Net result attributable to non-controlling interests	-	-
Net result attributable to holders of equity instruments	**135**	**276**
Cost-premium ratio	**12.8%**	**13.6%**
New Life insurance contracts sold (APE)	**121**	**196**

[8] Including € 82 million in premiums to the ASR pension plan (2010: € 86 million).

Gross insurance premiums
Gross insurance premiums in the Life segment decreased compared to 2010, by € 348 million to € 2,166 million (-14%), as a result of decreases in Individual-life single premiums and regular premiums.
New Life insurance contracts sold (APE) decreased to € 121 million (-38%), due primarily to fewer new single premiums. This was a result of the preference of return over premium.

Operating expenses
Operating expenses fell by 7% to € 262 million compared to 2010. Expenses in the Life segment were down in particular thanks to the completion of the integration of Falcon into ASR and the outsourcing of processes to India.
The cost-premium ratio improved in 2011 from 13.6% to12.8% on the back of lower operating expenses in Individual-life, which was compensated by the effect of lower premiums in the Life segment.

Net result

The profitability of the Life business was heavily influenced in 2011 by the effect of relatively low interest rates and the impact of the compensation on unit linked insurance contracts. The result was also negatively impacted by the reduction in investment risks in particular and the recognition of impairment losses within the fixed-income portfolio. The effects of the compensation on unit linked insurance contracts resulted in an additional expense of € 94 million after tax in 2011 (2010: € 28 million). Capital gains from the property portfolio in particular offset some of these losses. On balance, profit for the year in the Life segment saw a strong decline from € 276 million in 2010 to € 135 million.

Non-life segment

- **Net result increased by 39%, to € 145 million (2010: € 104 million)**
- **Gross insurance premiums up 5%, amounting to € 2,427 million (2010: € 2,310 million)**
- **Operating expenses down 3% to € 251 million (2010: € 260 million)**
- **Combined ratio improved to 98.9% (2010: 100.3%)**

KEY FIGURES, NON-LIFE (€ MILLION)	**2011**	**2010**
Gross insurance premiums	2,427	2,310
Operating expenses	-251	-260
Result before tax	**193**	**152**
Income tax expense	-48	-48
Net result for the year	**145**	**104**
Net result attributable to non-controlling interests	-	-
Net result attributable to holders of equity instruments	**145**	**104**
New Non-life insurance contracts sold	**227**	**237**
Claims ratio	70.9%	73.0%
Commission ratio	17.0%	15.3%
Expense ratio	11.0%	12.0%
Combined ratio	**98.9%**	**100.3%**

Gross insurance premiums
Gross insurance premiums in the Non-life segment increased by 5% compared to 2010, to € 2,427 million in 2011 (2010: € 2,310 million). This increase was attributable to Other Non-life, Occupational Disability and Health, with pricing adjustments constituting a key factor. In the Other Non-life business (Motor, Fire and Liability), gross insurance premiums were up 6% compared to 2010. Measures were taken in 2011 to improve the returns from Motor with premium increases. Gross insurance premiums from Fire increased on account of organic growth.

Operating expenses
Operating expenses in the Non-life business were down 3% in 2011 from € 260 million to € 251 million, primarily due to the implemented efficiency measures. This decrease improved the expense ratio from 12.0% in 2010 to 11.0% in 2011.

Net result
Net result from the Non-life business saw a strong improvement in 2011 by 39%, from € 104 million to € 145 million. This increase was attributable to an improvement in the combined ratio to 98.9% (2010: 100.3%). Despite lower direct investment returns, total investment income rose thanks to higher capital gains.

The reduction in the combined ratio was due to a fall in the expense ratio and the claims ratio, and was offset, in part, by an increase in the commission ratio.
The claims ratio was positively influenced by the increase in premiums from Motor, Liability and Travel & Leisure. The result was also positively influenced by the harmonization of provisions arising from further integration efforts within ASR. The Fire business received a number of large claims in 2011, which had an adverse effect on the claims ratio.

Other segment

The Other segment comprises all non-insurance activities, i.e. the banking organization (ASR Bank and ASR Mortgages), Ditzo distribution, SOS International, ASR Vastgoed Ontwikkeling and several holding companies.

KEY FIGURES, OTHER SEGMENT INCLUDING ELIMINATIONS (€ MILLION)	**2011**	**2010**
Operating expenses	**-120**	**-131**
Results before tax	**-110**	**-87**
Income tax expense	35	25
Net result for the year	**-75**	**-62**
Net result attributable to non-controlling interests	7	-1
Net result attributable to holders of equity instruments	**-68**	**-63**

At ASR Bank, the volume of the savings deposits portfolio increased by 3% on year-end 2010, thanks largely to customer deposits into the *Lijfrente Opbouwrekening* (tax-driven bank savings product) introduced in 2011. In addition, many customers deposited additional funds to benefit from tax breaks for employee savings schemes before an important cut-off date. The investment portfolio fell by 19%, mainly as a result of lower investment intakes as well as declining share prices.

New sales of mortgages amounted to € 1,259 million in 2011, 19% below last year's figure. Clearly due to the stagnating housing market. Of all new mortgage business, a considerable volume (more than €713 million, 43%) was attributable to ASR's own *WelThuis Hypotheek* mortgage product.
The Ditzo distribution channel proved to be a success in 2011, particularly for Health. Ditzo's health insurance campaign contributed to the increase in the number of insurance contracts sold in the fourth quarter of 2011.

Net result
The net result of the Other segment decreased by € 5 million in 2011, from € -63 million to € -68 million. The primary causes of this drop in the results of the Other segment were incidental in nature, including impairment losses at ASR Vastgoed Ontwikkeling.

Capital management

Solvency ratio

The DNB solvency ratio increased from 221% to 230% in 2011. As in the past, solvency was based on the ECB's AAA yield curve at year-end for the purposes of comparison and consistency. If the solvency were to be calculated using the three-month average yield curve, as temporarily permitted by DNB, DNB solvency would increase by 29%-points at year-end 2011.
The buffer capital ratio increased by 29%-points to 291%.

SOLVENCY (€ MILLION)	**31 DEC. 2011**	**31 DEC. 2010**
Required DNB solvency	1,520	1,542
Available DNB solvency	3,503	3,412
DNB solvency ratio	**230%**	**221%**
Required IFRS solvency	1,448	1,542
Buffer capital	4,215	4,044
Buffer capital ratio (IFRS)	**291%**	**262%**

At 51%-points, the sensitivity of solvency to the stress scenarios used by ASR showed a strong improvement on 2010 (86%-points). The reduction in the interest rate risk (7%-points) was particularly substantial (2010: 31%-points). This was achieved by renewing the average term to maturity of fixed-income investments and a further reduction in investments in financial institutions. Reinvestments were made in Dutch government bonds and in corporate bonds. Furthermore, there was a drop in the sensitivity of solvency to changes in property values to15%-points, due in part to the sale of investment property in the ASR Dutch Prime Retail Fund (2010: 17%-points). Exposure to equities was further reduced in 2011 by scaling back positions held and by a decline in equity prices.

TYPE OF RISK	**SCENARIO**	**SENSITIVITY OF SOLVENCY (%)**	
		2011	**2010**
Equities	-20%	-13%-p	-21%-p
Interest	-1.00%	-7%-p	-31%-p
Credit spread	0.75%	-16%-p	-17%-p
Property	-10.0%	-15%-p	-17%-p
Total (undiversified)		**-51%-p**	**-86%-p**

Rating

On 16 November 2011, Standard & Poor's confirmed its 'A' rating with a negative outlook for ASR Levensverzekering N.V. and ASR Schadeverzekering N.V.
On 9 December 2011, Fitch Ratings confirmed the rating of 'A-' with a stable outlook for ASR Levensverzekering N.V. and ASR Schadeverzekering N.V. The 'BBB' rating with a stable outlook for ASR Nederland N.V. was also confirmed.
The rating reports can be found on the ASR website: www.asrnl.com.

The figures contained in this press release have not been audited, nor have they been subjected to a limited review by an auditor.

1 Financial statements

1.1 Consolidated balance sheet (before profit appropriation)

CONSOLIDATED BALANCE SHEET	**31 December 2011**	**31 December 2010**
Intangible assets	285	323
Deferred acquisition costs	357	447
Property, plant and equipment	79	132
Investment property	1,686	1,961
Associates and joint ventures	211	182
Investments	18,541	19,190
Investments on behalf of policyholders	8,581	9,491
Loans and receivables	6,634	6,407
Derivatives	1,865	572
Deferred tax assets	11	196
Reinsurance contracts	463	427
Other assets	792	763
Cash and cash equivalents	2,573	525
Total assets	**42,078**	**40,616**
Share capital	100	100
Share premium reserve	962	962
Other reserves	580	552
Profit for the year	212	317
Total equity attributable to shareholders	**1,854**	**1,931**
Other equity instruments	515	515
Equity attributable to holders of equity instruments	**2,369**	**2,446**
Non-controlling interests	-4	5
Total equity	**2,365**	**2,451**
Subordinated debt	20	20
Liabilities arising from insurance contracts	23,731	22,352
Liabilities arising from insurance contracts on behalf of policyholders	9,202	10,488
Employee benefits	2,143	2,033
Provisions	30	28
Borrowings	107	99
Derivatives	137	81
Deferred tax liabilities	69	159
Due to customers	1,591	1,749
Due to banks	1,716	76
Other liabilities	967	1,080
Total liabilities	**39,713**	**38,165**
Total equity and liabilities	**42,078**	**40,616**

1.2 Consolidated income statement

CONSOLIDATED INCOME STATEMENT	**2011**	**2010**
Gross insurance premiums	4,437	4,756
Change in provision for unearned premiums	74	-18
Gross insurance premiums	**4,511**	**4,738**
Reinsurance premiums	-226	-220
Net insurance premiums	**4,285**	**4,518**
Investment income	1,381	1,352
Realized gains and losses	475	178
Fair value of gains and losses	-9	-28
Return on investments on behalf of policyholders	-372	775
Fee and commission income	82	127
Other income	135	336
Share of profit/(loss) of associates and joint ventures	8	4
Total income	**1,700**	**2,744**
Insurance claims and benefits	-3,835	-5,136
Insurance claims and benefits recovered from reinsurers	142	12
Net insurance claims and benefits	**-3,693**	**-5,124**
Operating expenses	-633	-672
Acquisition costs	-593	-552
Impairments	-358	-39
Interest expense	-254	-169
Other expenses	-202	-285
Total expenses	**-2,040**	**-1,717**
Profit before tax	**252**	**421**
Income tax expense	-47	-103
Profit for the year	**205**	**318**
Attributable to:		
- Shareholders	178	278
- Holders of other equity instruments	45	53
- Tax on coupon of other equity instruments	-11	-14
Profit attributable to holders of equity instruments	**212**	**317**
Attributable to non-controlling interests	-7	1
Profit for the year	**205**	**318**

1.3 Consolidated statement of changes in equity

	SHARE CAPITAL	SHARE PREMIUM RESERVE	*UNREALIZED GAINS AND LOSSES*	*RESERVE FOR EXCHANGE RATE DIFFERENCES*	*OTHER*	OTHER RESERVES	PROFIT FOR THE YEAR	EQUITY ATTRIBUTABLE TO SHAREHOLDERS	OTHER EQUITY INSTRUMENTS	NON-CONTROLLING INTERESTS	EQUITY
At 1 January 2010	100	962	*61*	-	*11*	72	255	1,389	515	51	1,955
Profit for the year	-	-	-	-	-	-	317	317	-	1	318
Total other comprehensive income	-	-	*289*	-	-	289	-	289	-	-	289
Total comprehensive income	**-**	**-**	***289***	**-**	**-**	**289**	**317**	**606**	**-**	**1**	**607**
Result carried over from previous financial year	-	-	-	-	*255*	255	-255	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	*-25*	-25	-	-25	-	-47	-72
Discretionary interest on other equity instruments	-	-	-	-	*-53*	-53	-	-53	-	-	-53
Income tax on interest on other equity instruments	-	-	-	-	*14*	14	-	14	-	-	14
At 31 December 2010	**100**	**962**	***350***	**-**	***202***	**552**	**317**	**1,931**	**515**	**5**	**2,451**
At 1 January 2011	100	962	*350*	-	*202*	552	317	1,931	515	5	2,451
Profit for the year	-	-	-	-	-	-	212	212	-	-7	205
Total other comprehensive income	-	-	*-276*	-	*21*	-255	-	-255	-	-1	-256
Total comprehensive income	**-**	**-**	***-276***	**-**	***21***	**-255**	**212**	**-43**	**-**	**-8**	**-51**
Result carried over from previous financial year	-	-	-	-	*317*	317	-317	-	-	-	-
Discretionary interest on other equity instruments	-	-	-	-	*-45*	-45	-	-45	-	-	-45
Income tax on interest on other equity instruments	-	-	-	-	*11*	11	-	11	-	-	11
Payment	-	-	-	-	-	-	-	-	-	-1	-1
At 31 December 2011	**100**	**962**	***74***	**-**	***506***	**580**	**212**	**1,854**	**515**	**-4**	**2,365**

ASR acquired non-controlling interests at a fair market value of €72 million in the first half of 2010.
Other reserves of €506 million (31 December 2010: €202 million) mainly consist of retained earnings.
Unrealized gains and losses include shadow accounting adjustments.
Table 1.3 has been prepared without recognizing the proposed dividend.

1.4 Accounting policies

1.4.1 General

The same accounting policies have been used in the press release as in the consolidated financial statements for 2010. These have been prepared in accordance with the International Financial Reporting Standards (IFRS) – including the International Accounting Standards (IAS) and Interpretations – as adopted by the European Union (EU).

1.4.2 Changes in presentation

The current presentation is different from last year's in some respects. The comparative figures have been restated where appropriate. The changes in presentation do not affect ASR's net result, its comprehensive income or its equity.

1.5 Segment information

1.5.1 General

ASR distinguishes between the Life, Non-life and Other segments. The Life segment comprises all Life insurance entities and their subsidiaries. They offer financial products, such as Life insurance contracts and Life insurance contracts on behalf of policyholders. The Non-life segment is comprised of Non-life insurance entities and their subsidiaries. They offer Non-life insurance contracts. Insurance entities are entities that accept the transfer of insurance risks from policyholders. The Life and Non-life segments have different levels of profitability and growth opportunities, as well as a different outlook and risk profile.

The Other segment comprises the following entities:

- ASR Nederland N.V.;
- ASR Bank N.V.;
- ASR Hypotheken B.V.;
- ASR Vastgoed Ontwikkeling N.V.;
- Ditzo B.V.;
- B.V. Nederlandse Hulpverleningsorganisatie-SOS International;
- and several other holding companies.

Ditzo B.V. is a distribution channel whose underwriting income and expenses are recognized within the Non-life segment.

Eliminations applied in compiling the segment information on the consolidated balance sheet and the consolidated income statement are presented separately.

The segment reports describe the financial performance of the respective ASR segments. The purpose of these reports being to allocate all items in the balance sheet and income statement to the segments that bear full management responsibility for them.

The segment information has been prepared in accordance with the accounting policies used in preparing ASR's consolidated financial statements.

Intersegment transactions are conducted at arm's length conditions.

The operating profit of a segment is assessed on the basis of the respective segment's income statement.

1.5.2 Segment balance sheet

AT 31 DECEMBER 2011	LIFE	NON-LIFE	OTHER	ELIMINATIONS	TOTAL
Intangible assets	280	2	3	-	285
Deferred acquisition costs	276	81	-	-	357
Property, plant and equipment	38	3	38	-	79
Investment property	1,491	203	-8	-	1,686
Associates and joint ventures	147	-	64	-	211
Investments	14,561	3,521	2,254	-1,795	18,541
Investments on behalf of policyholders	8,581	-	-	-	8,581
Loans and receivables	5,874	547	1,157	-944	6,634
Derivatives	1,851	14	-	-	1,865
Deferred tax assets	11	-	-	-	11
Reinsurance contracts	2	461	-	-	463
Other assets	1,514	-142	-554	-26	792
Cash and cash equivalents	2,712	136	179	-454	2,573
Total assets	**37,338**	**4,826**	**3,133**	**-3,219**	**42,078**
Equity attributable to holders of equity instruments	2,672	687	-990	-	2,369
Non-controlling interests	-	2	-6	-	-4
Total equity	**2,672**	**689**	**-996**	**-**	**2,365**
Subordinated debt	30	19	20	-49	20
Liabilities arising from insurance contracts	21,758	3,756	-	-1,783	23,731
Liabilities arising from insurance contracts on behalf of policyholders	9,202	-	-	-	9,202
Employee benefits	-	-	2,143	-	2,143
Provisions	1	2	27	-	30
Borrowings	511	-	882	-1,286	107
Derivatives	133	-	4	-	137
Deferred tax liabilities	316	19	-266	-	69
Due to customers	731	46	857	-43	1,591
Due to banks	1,702	14	-	-	1,716
Other liabilities	282	281	462	-58	967
Total liabilities	**34,666**	**4,137**	**4,129**	**-3,219**	**39,713**
Total equity and liabilities	**37,338**	**4,826**	**3,133**	**-3,219**	**42,078**

1.5.2 Segment balance sheet (continued)

AT 31 DECEMBER 2010	LIFE	NON-LIFE	OTHER	ELIMINATIONS	TOTAL
Intangible assets	297	7	19	-	323
Deferred acquisition costs	360	87	-	-	447
Property, plant and equipment	70	3	59	-	132
Investment property	1,720	220	21	-	1,961
Associates and joint ventures	148	-	34	-	182
Investments	15,251	3,410	2,152	-1,623	19,190
Investments on behalf of policyholders	9,491	-	-	-	9,491
Loans and receivables	5,654	481	696	-424	6,407
Derivatives	563	9	-	-	572
Deferred tax assets	180	113	-97	-	196
Reinsurance contracts	2	425	-	-	427
Other assets	1,090	-49	-182	-96	763
Cash and cash equivalents	381	101	551	-508	525
Total assets	**35,207**	**4,807**	**3,253**	**-2,651**	**40,616**
Equity attributable to holders of equity instruments	2,266	837	-657	-	2,446
Non-controlling interests	-	3	2	-	5
Total equity	**2,266**	**840**	**-655**	**-**	**2,451**
Subordinated debt	30	19	20	-49	20
Liabilities arising from insurance contracts	20,541	3,535	-	-1,724	22,352
Liabilities arising from insurance contracts on behalf of policyholders	10,488	-	-	-	10,488
Employee benefits	-	-	2,033	-	2,033
Provisions	2	3	23	-	28
Borrowings	323	-	602	-826	99
Derivatives	76	-	5	-	81
Deferred tax liabilities	113	61	-15	-	159
Due to customers	850	60	839	-	1,749
Due to banks	69	7	-	-	76
Other liabilities	449	282	401	-52	1,080
Total liabilities	**32,941**	**3,967**	**3,908**	**-2,651**	**38,165**
Total equity and liabilities	**35,207**	**4,807**	**3,253**	**-2,651**	**40,616**

1.5.3 Segment income statement

2011	LIFE	NON-LIFE	OTHER	ELIMINATIONS	TOTAL
Gross insurance premiums	2,166	2,353	-	-82	4,437
Change in provision for unearned premiums	-	74	-	-	74
Gross insurance premiums	**2,166**	**2,427**	**-**	**-82**	**4,511**
Reinsurance premiums	-20	-206	-	-	-226
Net insurance premiums	**2,146**	**2,221**	**-**	**-82**	**4,285**
Investment income	1,169	183	61	-32	1,381
Realized gains and losses	392	48	35	-	475
Fair value of gains and losses	-8	-	-1	-	-9
Return on investments on behalf of policyholders	-370	-	-	-2	-372
Fee and commission income	-	67	15	-	82
Other income	19	6	118	-8	135
Share of result of associates and joint ventures	8	-	-	-	8
Total income	**1,210**	**304**	**228**	**-42**	**1,700**
Insurance claims and benefits	-2,282	-1,699	-	146	-3,835
Insurance claims and benefits recovered from reinsurers	16	126	-	-	142
Net insurance claims and benefits	**-2,266**	**-1,573**	**-**	**146**	**-3,693**
Operating expenses	-262	-251	-131	11	-633
Acquisition costs	-157	-444	-	8	-593
Impairments	-279	-44	-35	-	-358
Interest expense	-140	-4	-64	-46	-254
Other expenses	-83	-16	-108	5	-202
Total expenses	**-921**	**-759**	**-338**	**-22**	**-2,040**
Profit before tax	**169**	**193**	**-110**	**-**	**252**
Income tax expense	-34	-48	35	-	-47
Profit for the year	**135**	**145**	**-75**	**-**	**205**
Net result attributable to non-controlling interests	-	-	7	-	7
Profit attributable to holders of equity instruments	**135**	**145**	**-68**	**-**	**212**

1.5.3 Segment income statement (continued)

2010	LIFE	NON-LIFE	OTHER	ELIMINATIONS	TOTAL
Gross insurance premiums	2,514	2,328	-	-86	4,756
Change in provision for unearned premiums	-	-8	-	-	-18
Gross insurance premiums	**2,514**	**2,310**	**-**	**-86**	**4,738**
Reinsurance premiums	-8	-212	-	-	-220
Net insurance premiums	**2,506**	**2,098**	**-**	**-86**	**4,518**
Investment income	1,154	176	120	-98	1,352
Realized gains and losses	156	-8	30	-	178
Fair value of gains and losses	-16	-4	-8	-	-28
Return on investments on behalf of policyholders	775	-	-	-	775
Fee and commission income	4	109	14	-	127
Other income	111	10	227	-12	336
Share of result of associates and joint ventures	9	-	-5	-	4
Total income	**2,193**	**283**	**378**	**-110**	**2,744**
Insurance claims and benefits	-3,750	-1,543	-	157	-5,136
Insurance claims and benefits recovered from reinsurers	2	10	-	-	12
Net insurance claims and benefits	**-3,748**	**1,533**	**-**	**157**	**-5,124**
Operating expenses	-281	-260	-139	8	-672
Acquisition costs	-130	-428	-	6	-552
Impairments	-30	15	-24	-	-39
Interest expense	-53	-4	-135	23	-169
Other expenses	-101	-19	-167	2	-285
Total expenses	**-595**	**-696**	**-465**	**39**	**-1,717**
Profit before tax	**356**	**152**	**-87**	**-**	**421**
Income tax expense	-80	-48	25	-	-103
Profit for the year	**276**	**104**	**-62**	**-**	**318**
Net result attributable to non-controlling interests	-	-	-1	-	-1
Profit attributable to holders of equity instruments	**276**	**104**	**-63**	**-**	**317**