



# ASR interim results 2011

*Net result € 163 million*

*Active approach customers with unit-linked contracts*

Roel Wijmenga CFO

Jack Julicher CIO Financial Markets

19 August 2011

# Disclaimer

## Cautionary note regarding forward-looking statements

This presentation contains certain forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors. If a change occurs, our business, financial condition, results of operations, liquidity, investments, share price and prospects may vary materially from those expressed in our forward-looking statements. Some of the factors that could cause actual results to vary from those expressed in our forward-looking statements and other risks and uncertainties to which ASR Nederland N.V. is subject include, but are not limited to:

(i) general economic conditions, (ii) changes in the availability of, and costs associated with, sources of liquidity, as well as conditions in the credit markets generally, (iii) performance of financial markets (iv) interest rate levels, (v) credit spread levels, (vi) currency exchange rates, (vii) general competitive factors, (viii) general changes in the valuation of assets (ix) changes in law and regulations, including taxes (x) changes in policies of governments and/or regulatory authorities, (xi) the results of our strategy and investment policies and objectives and (xii) the risks and uncertainties as addressed in this presentation, the occurrence of which could cause ASR Nederland N.V. actual results and/or performance to differ from those predicted in such forward-looking statements and from past results. The forward-looking statements speak only as of the date hereof.

The foregoing is not a comprehensive list of the risks and uncertainties to which we are subject. Except as required by applicable law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Neither ASR Nederland N.V. nor any of its directors, officers, employees do make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. We qualify any and all of our forward-looking statements by these cautionary factors.

# Agenda

## Summary

**Update on strategic goals**

**H1 2011 financial results**

**Concluding remarks**

# Robust net result in line with expectations

- **Net result € 163 million, in line with expectations (H1 2010: € 226 million)**
- **Regular solvency up 14%point to 235% (2010: 221%)**
- **Life: decision for return in favour of premiums**
- **Non-life: further focus on claims reduction necessary**
- **Disability: continuation leading position**

# Agenda

## Summary

**Update on strategic goals**

**H1 2011 financial results**

**Concluding remarks**

# Update on strategic goals

## Customer interests

### Active approach to clients with unit-linked contracts

- Tax facilitated bank savings product launched
- Dutch Premium Pension Institution (PPI) announced
- Targeting individual clients and SME <500 employees

## Financial solidity

### Solvency continues to be strong

- Regular solvency up 14%point to 235% (YE 2010: 221%)
- Buffer capital up 12%point to 274% (YE 2010: 262%)
- Sensitivity of solvency reduced
- Focus on further reduction interest and credit risk
- Active risk & asset management
- € 1.1 billion ASR Dutch Prime Retail fund launched
- On track to becoming Solvency II compliant on 1 January 2013

## Efficiency

### Insurance cost-premium ratio further improved

- Operational expenses increased 3%
- Number of FTE decreased to 4,298 (FY 2010: 4,333)
- Housing programme on track

# Agenda

**Summary**

**Update on strategic goals**

**H1 2011 financial results**

**Concluding remarks**

# Key financials: robust net result despite financial turmoil

€ million

	H1 2011	H1 2010	Delta
Net result	163	226	-28%
Gross earned premium *	2,414	2,634	-8%
• Life	1,304	1,530	-15%
• Non-life	1,172	1,166	1%
Operational expenses	-318	-309	3%
• Of which operating costs insurance operations **	-230	-236	-3%
• Other	-88	-73	21%
Insurance cost-premium ratio ***	11.0%	11.1%	-0.1%p
Combined ratio	100.3%	97.8%	2.5%p

\* Excluding pension premium for ASR personnel

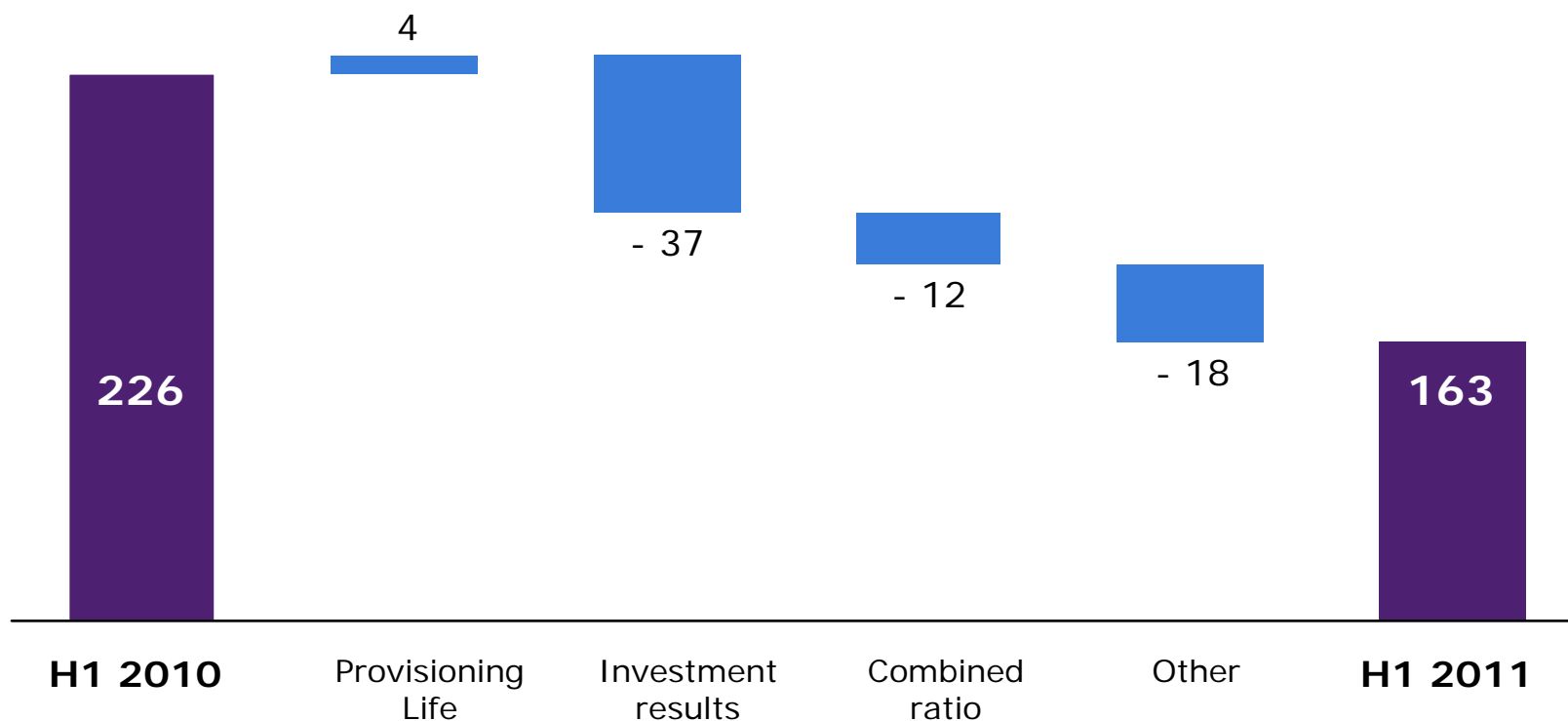
\*\* Operating costs exclude some investment related costs as well as certain project costs (e.g. Solvency II)

\*\*\* Operating costs divided by gross regular premiums plus 10% of single premiums for Life and by net earned premiums for Non-life



# Decrease of net result mainly due to lower investment results

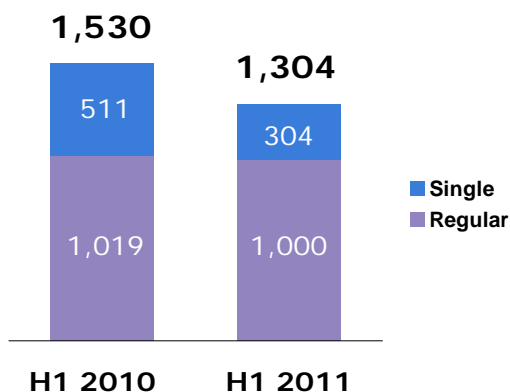
€ million



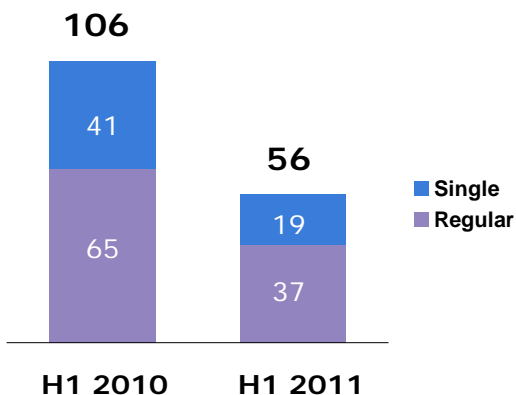
# Life: GEP down, net result improved

€ million

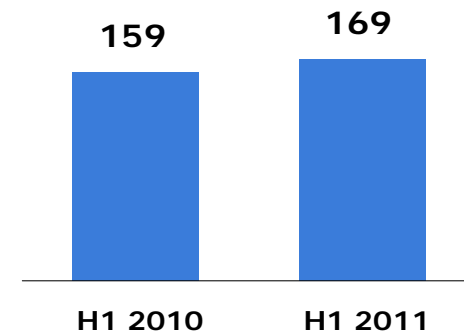
## Gross earned premiums



## New production (APE)



## Net result



- GEP Life down 15%, of which:
  - Single premiums decreased by 41% because of decision for return over premiums
  - Regular premiums -2%

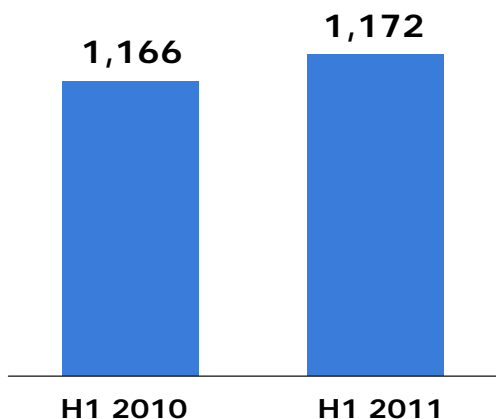
- Decision for return over premiums, mainly in single premiums

- Improvement of net result despite provision for implementation costs unit-linked policies

# Non-life: GEP slightly up in a competitive market

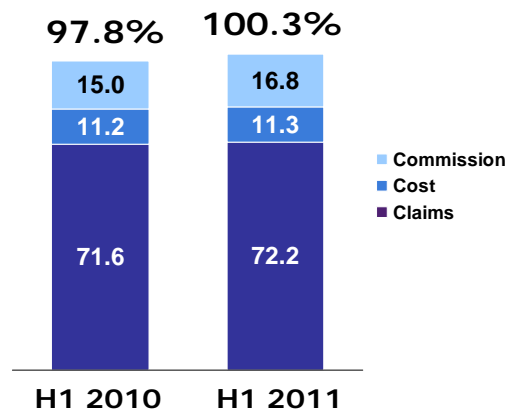
€ million

## Gross earned premiums



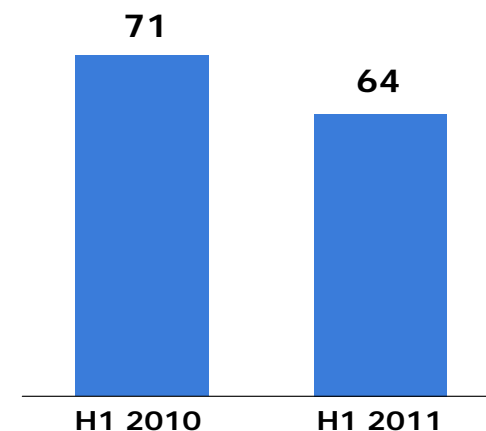
- Increase of GEP Non-life by 1% mainly due to tariff increases in P&C business
- GEP Disability decreased because of selective price adjustments

## Combined ratio



- Combined ratio up 2.5%point, mainly because of increased claims in Fire and Disability business

## Net result



- Net result decreased by 10%, as a result of a higher combined ratio and lower investment results

# Key financials: equity and solvency continue to be strong despite difficult financial markets

€ million

	H1 2011	FY 2010	Delta
Total equity *	3,455	3,493	-1%
Regular solvency (DNB)	235%	221%	14%p
• <i>ASR Leven</i>	270%	258%	12%p
• <i>ASR Schade</i>	305%	325%	-20%p
Buffer capital (IFRS)	274%	262%	12%p

## Active risk and asset management

- Sensitivity of regulatory solvency for interest rates decreased due to risk mitigating measures and increased interest rates
- Early adoption of a consistent approach towards the reduction of peripheral exposure: reduction from € 1,113 million in December 2008 to € 72 million in June 2011, at relatively low spreads versus German government bonds

\* Total equity including net unrealized revaluation of the real estate portfolio

# Investment portfolio

€ billion, fair value

Assets	June 2011	%	Dec. 2010	%
Fixed income	18.4	44%	18.4	44%
Equities	1.9	5%	2.1	5%
Real estate	3.3	8%	3.4	8%
Mortgages / other loans (book value)	2.7	7%	2.4	6%
Other *	0.2	0%	0.2	0%
<b>Total investments</b>	<b>26.5</b>	<b>64%</b>	<b>26.5</b>	<b>63%</b>
Investments on behalf of policyholders	8.8	21%	9.5	23%
Other assets	6.3	15%	6.1	14%
<b>Total assets ASR</b>	<b>41.6</b>	<b>100%</b>	<b>42.1</b>	<b>100%</b>
Correction fair value versus book value (real estate & loans)	-1.3		-1.5	
<b>Total balance sheet ASR</b>	<b>40.3</b>		<b>40.6</b>	

\* 'Other' mainly represents equity associates

# Fixed income portfolio from derisking to optimisation

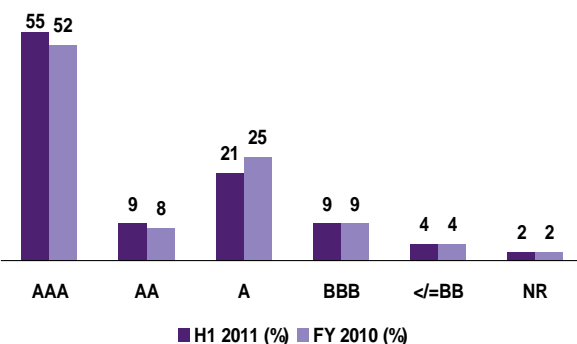
€ million, fair value

Fixed income	June 11	Dec. 10	delta
Governments	8,258	8,292	0%
Financials	6,473	6,693	-3%
Structured	805	626	29%
Corporates	2,442	2,331	5%
Derivatives	465	489	-5%
<b>Total</b>	<b>18,443</b>	<b>18,431</b>	<b>0%</b>

Governments	June 11	Dec. 10	delta
Netherlands	4,487	3,719	21%
Germany	1,363	1,564	-13%
France	944	1,489	-37%
Austria	418	409	2%
Belgium	183	190	-4%
Periphery	72	164	-56%
Other	791	757	4%
<b>Total</b>	<b>8,258</b>	<b>8,292</b>	<b>0%</b>

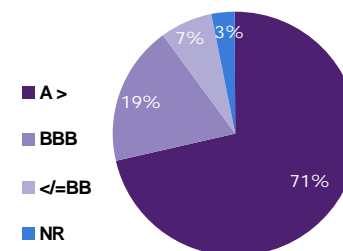
Periphery	June 11	Dec. 10	delta
Greece	11	15	-27%
Ireland	-	-	-
Italy	45	123	-63%
Portugal	9	12	-25%
Spain	7	14	-50%
<b>Total</b>	<b>72</b>	<b>164</b>	<b>-56%</b>

## Rating diversification of Fixed income portfolio



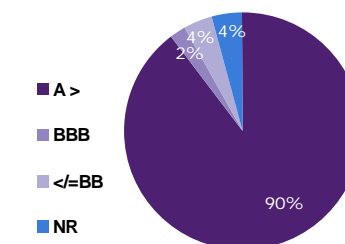
Financials	June 11	Dec. 10	delta
Senior	2,752	2,962	-7%
Tier 2	1,879	2,117	-11%
Tier 1	1,112	1,126	-1%
Covered	524	280	87%
Other *	206	208	0%
<b>Total</b>	<b>6,473</b>	<b>6,693</b>	<b>-3%</b>

## Rating Financials



Structured	June 11	Dec. 10	delta
CDO	140	191	-27%
ABS	95	95	0%
MBS **	500	273	83%
SFI	70	67	4%
<b>Total</b>	<b>805</b>	<b>626</b>	<b>29%</b>

## Rating Structured



\* Includes Preferred securities & Convertible bonds

\*\* Includes € 418 million Dutch RMBS, per 30 June 2011

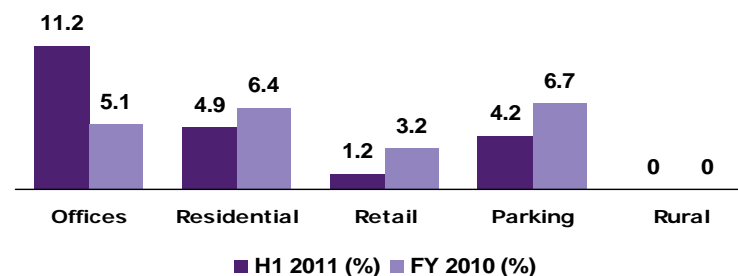
# Exposure equities and real estate slightly decreased

€ million, fair value

Equities	June 11	Dec. 10	delta
Shares	1,491	1,690	-12%
Private equities	95	98	-3%
Hedge funds	87	140	-38%
Other funds	194	183	6%
Derivatives	3	7	-57%
<b>Total</b>	<b>1,870</b>	<b>2,118</b>	<b>-12%</b>

Real estate	June 11	Dec. 10	delta
Offices	192	271	-29%
Residential	952	1,008	-6%
Retail	1,051	1,006	4%
Parking	52	48	8%
Projects	97	101	-4%
<b>Total real estate (excl. rural &amp; own use)</b>	<b>2,344</b>	<b>2,434</b>	<b>-4%</b>
Rural	852	848	0%
<b>Total real estate (excl. own use)</b>	<b>3,196</b>	<b>3,282</b>	<b>-3%</b>
Offices own use	130	186	-30%
<b>Total real estate</b>	<b>3,326</b>	<b>3,468</b>	<b>-4%</b>

Real estate vacancy rate



# Agenda

**Summary**

**Update on strategic goals**

**1H11 financial results**

**Concluding remarks**



# Robust net result in line with expectations

- **Net result € 163 million, in line with expectations (H1 2010: € 226 million)**
- **Regular solvency up 14%point to 235% (2010: 221%)**
- **Life: decision for return in favour of premiums**
- **Non-life: further focus on claims reduction necessary**
- **Disability: leading position maintained**

## Investor Relations

Barth Scholten

T +31 30 257 8661

Paul Emans

T +31 30 278 0915

[ir@asr.nl](mailto:ir@asr.nl)