

PRESS RELEASE

Net result H1 2011 at € 163 million, active approach to customers with unit-linked contracts

Utrecht, 19 August 2011

- Net result of € 163 million (H1 2010: € 226 million; full year 2010: € 317 million);
- DNB solvency 14%points up to 235%, compared to 31 December 2010;
- Gross insurance premiums down to € 2,414 million (H1 2010: € 2,634 million);
 - Gross insurance premiums from Life down 15% to € 1,304 million mainly due to fewer single premiums;
 - Gross insurance premiums from Non-life policies slightly increased to € 1,172 million (+1%);
- Combined ratio in Non-life at 100.3%, level with full year 2010 (H1 2010: 97.8%);
- Total operating expenses up 3% to € -318 million;
- Cost-premium ratio of insurance business slightly improvement to 11.0% (H1 2010: 11.1%);
- Strategy refined by deciding on target groups and products.

KEY FIGURES ASR (IN MILLIONS OF EUROS)	H1 2011	H1 2010	DELTA
Net result*	163	226	-28%
Gross insurance premiums	2,414	2,634	-8%
New business Life segment (APE)	56	106	-47%
Combined ratio Non-life segment	100.3%	97.8%	2.5%p
Total operating expenses	-318	-309	3%
Of which, operational costs Life and Non-life segments	-230	-236	-1%
Cost-premium ratio Life and Non-life	11.0%	11.1%	-0.1%p

	30 JUNI 2011	31 DEC. 2010	DELTA
Total equity**	3,455	3,493	-1%
DNB solvency ratio	235%	221%	14%p
Buffer capital ratio (IFRS-based)	274%	262%	12%p
Employees with permanent contracts (FTEs)	4,298	4,333	-1%

* Net result attributable to holders of equity instruments.

** Total equity including revaluation of the property portfolio of € 954 million at 30 June 2011 and € 1,042 million at 31 December 2010.

Publication of the 2011 interim results on Friday 19 August 2011. Press conference (in Dutch) at 10 a.m. (CET). Conference call for investors (in English) at 2 p.m. (CET).
For more information: www.asrnederland.nl

Jos Baeten, CEO

'The first half of 2011 was marked by great turmoil in the financial markets. Also, competition in the Dutch insurance market remained fierce. Against this backdrop, ASR achieved a net result of € 163 million in the first half of 2011, which corresponds to about 50% of the net result of € 317 million for the full year 2010. Despite the unrest in the financial markets, ASR's solvency remains strong. DNB solvency increased from 221% to 235% in the first half of 2011.

The past six months have been, amongst others, characterized by pro-actively offering a good solution to customers with unit-linked contracts. The approach we have adopted is clear: accrued compensation will be deposited directly into the policy, and customers are given the opportunity to seek advice at our expense to switch to one of our new products.

The first 630,000 customers have already received a letter in which we indicate if and to what extent they will receive compensation. For customers to which this applies, we have deposited the compensation amount into their policy.

Furthermore, in the first half year the strategy was refined to realize our ambition to become a cost efficient and customer focused company. In short: ASR wants to be the best insurer for individual customers, the self-employed and SME up to 500 FTE.

This means for our customers that they may count on transparent and easy to understand products with an optimal service against an adequate price. As a result, we have decided to scale down our total product range, to reduce the number of IT-systems and to wind up a number of activities.

In the future we expect that changing customer behaviour will bring a variety of types of interaction between customer, intermediary and insurer. In our opinion our approach to compensating customers is an example of how this traditional relationship is changing and how we define this together with intermediaries. Part of our refined strategy is to adapt our company to this.'

Market developments

Since 2008, the life insurance market has been struggling with a gradual fall in total premiums, among others caused by the critical stance of customers regarding unit-linked contracts. In addition, some of the traditional life business has shifted towards bank savings products. ASR's ambition is to gain a key position in the bank savings market as well. This is not just reflected in the compensation solution that we offer customers with unit-linked contracts, but also in the introduction of our bank savings product earlier this year: the 'lijfrente opbouwrekening'. To strengthen our position in this market, ASR plans to expand its offering of bank savings products in the second half of this year.

The pension market has witnessed the introduction of a Dutch Premium Pension Institution (PPI, 'Premie Pensioen Instelling'). This third form of pension provisioning, next to pension funds and pension insurance, seems to be acquiring a prominent position in the market. Earlier this year, ASR announced that it will launch a PPI in partnership with Brand New Day (BND).

In the Non-life market price competition is fierce. Among others, this puts pressure on the combined ratio. It looks as though the market has now bottomed out, making adjustments in price and terms unavoidable. ASR will also be taking measures when necessary.

Also in the Occupational Disability market price competition continues. This has led to a decrease in production compared to the first half of 2010. Being the market leader, De Amersfoortse decided to start competing on price as well, albeit selectively.

Financial results

Net result

ASR's net result for the first half of 2011 stands at € 163 million, which corresponds to about 50% of the net result of € 317 million for the full year 2010. The net result for the first half of 2010 (of € 226 million) was supported by an impairment gain (before tax) of about € 51 million. In the first half of 2011, a negative result of € 56 million was realized. This led to a decline in net result of more than € 100 million in total. The decline was levelled in part

by higher capital gains realized, on property in particular. The decrease in net result compared to the first half of 2010 was also due to incidental items, which were primarily recognized within the Other segment. The net result of the insurance business (the Life and Non-life segments combined) saw a limited increase in the first half of 2010.

Financial solidity

Under Solvency I, DNB solvency is one of the single most important indicators of the financial robustness of an insurer. Despite the turbulent financial markets, ASR's DNB solvency was up 14 percentage points to 235%. The buffer capital (IFRS-based) rose by 12 percentage points to 274%.

With regard to the uncertain financial situation in a number of peripheral euro countries, ASR has already previously stated exposure to these countries was reduced. Direct investments in government bonds in these countries stands at € 72 million in total on 30 June 2011.

Gross insurance premiums

Gross insurance premiums are down 8% to € 2,414 million in the first half of 2011. This drop was driven mainly by the 15% fall in gross insurance premiums in the Life segment from € 1,530 million to € 1,304 million. This is largely due to a sharp decline in single premium policies, because of the decision to focus on returns in favour of premiums. Consequently, but also due to the stagnating life insurance market, new life insurance production (in APE) in the first half of 2011, fell by 47% to € 56 million, compared to the first half of 2010.

Gross insurance premiums from the Non-life segment are slightly up compared to last year.

Combined ratio

In the first half of 2011, the combined ratio in the Non-life segment increased to 100.3%, from 97.8% in the same period last year. This is largely attributable to a fall in gross insurance premiums from Occupational Disability policies and higher claims in the Fire portfolio. Compared with the second half of 2010 (102.7%), the combined ratio recorded an improvement in the first half of 2011.

Efficiency

Total operating expenses for ASR increased by € 9 million compared to the first half of 2010, rising to € 318 million in the first half of 2011. This increase is mainly due to the segment Other and is a consequence of investments in the Banking business and Ditzo. Excluding costs for certain projects (such as Solvency II) and investment costs, the regular operating expenses of the insurance business decreased from € 236 million to € 230 million, partly due to cost saving measures implemented in the past, despite investments in various systems and processes. Whereby the cost-premium ratio of the insurance business decreased to 11.0% in the first half of 2011 from 11,1% in the same period in 2010.

Compared to year-end 2010, the number of own employees declined by 35 to 4,298 FTEs. The number of external staff, by contrast, increased by 10%. This increase was entirely attributable to the deployment of extra staff to handle the compensation claims for unit-linked contracts.

Part of ASR's refined strategy is the decision to offer fewer products with fewer variants, operate fewer distinct IT-systems and implement process improvements on an ongoing basis. Operational Excellence (OpEx), based on the Lean method, is utilized to achieve lower costs and continual improvements in processes, products and services.

The implementation of the previously announced policy for centralizing all of ASR's activities at a single location, except for Ardanta and Europeesche Verzekeringen, is on schedule. For reasons of cost control, sustainability and speed, it was decided not to opt for a new development, but to renovate the building on the Archimedeslaan. After renovation, the building will represent a good investment that fits well in ASR's property portfolio and will house 4,000 employees (currently 2,800 employees), who will be based in Utrecht according to the principles of The New World of Work. ASR has contracted the services of Meyer & Van Schooten Architects (MVSA) for the design of the renovation.

Customer interests

In February this year, ASR announced what alternatives it could offer customers with unit-linked contracts. Offering these customers a good solution has a high priority in our efforts to put customer interests first. ASR has already taken several steps to achieve this. For instance, ASR has hired temporary staff to speed up the compensation process. To fully inform intermediaries, ASR organized a series of meetings last spring, around the country, where the initiative was discussed with more than 1,600 intermediaries. All our customers with a unit-linked contract will receive a letter explaining whether they qualify for compensation and, if so, to what extent. The first 630,000 letters have already been sent. Customers will then be sent a second letter informing them of the options available to them to continue their unit-linked contract, switch to one of ASR's alternative wealth accumulation products, or terminate the policy. The first 40,000 customers have since been informed. To achieve this, ASR will be sending 750,000 letters in the months ahead. Eventually all customers will have been informed of their options no later than early 2012.

ASR is aware that customers have a clear need for alternative wealth accumulation products. To meet this need, the first bank savings product, the 'lijfrente opbouwrekening', was introduced early this year.

To capitalize on the demand for a transparent, simple and easy-to-understand pension product with low costs, ASR established a joint venture with Brand New Day for a PPI in April of this year. The Brand New Day PPI mediates in pension insurances, whereby ASR is the exclusive insurance partner and bears the insurance risks, while making use of the execution and distribution strengths of Brand New Day.

ASR's ambition is to be awarded the Customer-oriented Insurance Quality Mark (Dutch acronym: Keurmerk Klantgericht Verzekeren (KKV)) for all its brands by the end of the year. This will again demonstrate that ASR is working towards an organization that puts customer interests first. The KKV mark stands for the quality of the services provided and the customer focus of an insurer. It gives customers assurance that the insurer will keep its promises and puts the quality of its service first. Europeesche Verzekeringen and Ardanta have been awarded the KKV quality mark. ASR Verzekeringen, De Amersfoortse and Ditzo have submitted their applications for the quality mark.

Outlook

There are three factors that can greatly impact ASR's results for the second half of the year. First of all, ASR expects that the competition in the insurance market and the turmoil on the financial markets will continue and that uncertainty about future fluctuations in the currently low interest rate will persist. Despite the limited exposure to direct investments in peripheral euro countries, there could be some indirect risk of these countries via investments in bonds of financial institutions. Secondly, in February of this year, ASR offered customers an alternative solution in addition to the compensation agreement for unit-linked contracts that was agreed upon earlier with consumer platforms. At present, it is impossible to ascertain the additional financial impact of this alternative compensation solution. This may be possible in the second half of the year as it becomes more clear to what extent customers want to meet with their advisors. Then we will know how many customers will opt for an alternative wealth accumulation product or choose to terminate their unit-linked contract with ASR. Finally, as part of balance sheet management, ASR made preparations for allocating a large section of the property portfolio to the newly created ASR Dutch Prime Retail Fund. A large share of the retail portfolio (210 properties with a fair value of about €1.1 billion) has been transferred to this fund. When third parties come on board, capital gains could be realized that will have a positive impact on ASR's financial result.

In light of factors described above, ASR is withholding making statements regarding its outlook for the second half of 2011.

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About ASR

ASR is one of the largest insurers in the Netherlands. With labels such as ASR, Ardanta, De Amersfoortse, Europeesche Verzekeringen and Ditzo, we offer a broad range of financial products in the fields of non-life, life and income protection insurance, group and individual pensions, health insurance, travel and leisure insurance, and funeral insurance. In addition, ASR actively invests in property management and development through ASR Real Estate Investment Management and ASR Real Estate Development, and offers savings, investment and bank savings products through ASR Bank.

This press release and the half-year report are unaudited and have not been subjected to a limited review.