

PRESS RELEASE, 26 February 2014

a.s.r. ready for forthcoming privatization

a.s.r. further improved its performance in 2013. Dividend of € 99 million proposed, a 12% increase. Net result for 2013 amounted to € 281 million. In the reporting period, new, easy to understand and low-cost products were introduced to suit customers' needs. Operating expenses were down 7%. The margin in the Non-Life segment was sound, with a combined ratio of 96.5% (excluding the provision for WGA-ER). Results in the Life segment showed strong improvement. At 268%, the solvency ratio continued to be robust. a.s.r. is ready for the forthcoming privatization.

Customers and sustainability

- a.s.r. introduced a new low-cost Non-Life insurance package.
- De Amersfoortse introduced the new 'Werknemers Pensioen' (Employee Pension).
- Ditzo won the Customer Centric DNA Award for the most customer-oriented insurance company.
- De Amersfoortse strengthened its market leadership in occupational disability insurance.
- Through Ditzo and De Amersfoortse, a.s.r. solidified its position in the health insurance market with more than 300,000 customers.
- The 'Doodgaanendoorgaan.nl' website was launched, offering practical information regarding funerals.
- Sales of new WelThuis mortgages rose to € 1,411 million (2012: € 839 million); a.s.r. doubled market share to 4%.
- a.s.r. was awarded the BREEAM Excellent certificate for the renovated head office.
- a.s.r. is recognized as a sustainable investor, ranking third in studies carried out by VBDO and 'Eerlijke Verzekeringswijzer.'

Net result for 2013 at € 281 million; proposed dividend of € 99 million, 12% increase

- a.s.r. proposes to distribute € 99 million in dividend, against € 88 million in 2012.
- Net result for 2013 at € 281 million (2012: reported € 255 million, excluding IAS19R restatement of € +61 million).
- Due to measures taken in the Non-Life segment, the net result in this segment, excluding a provision for WGA-ER (Return to work of the partially disabled – own risk), increased by 13% to € 142 million, with a combined ratio of 96.5%. The additional WGA-ER provision amounted to € 137 million in 2013 (2012: € 67 million).
- In the Life segment, the net result rose to € 367 million (2012: € 275 million), which was mainly attributable to lower costs and higher investment returns.

Operating expenses dropped for the fifth consecutive year; down 7% in 2013 to € 547 million

- Operating expenses fell by 7% to € 547 million in 2013 (2012: € 587 million) particularly due to a reduction of FTEs from 4,088 FTEs at year-end 2012 to 3,789 FTEs at year-end 2013.
- The cost-premium ratio of the insurance business increased by 0.4%-point on a comparable basis to 10.9%, due to a drop in premium income.

Solvency ratio continues to be robust at 268%

- The DNB solvency ratio was 268% at year-end 2013.
- Total Equity was up 13%, rising to € 3,015 million (2012: € 2,663 million).

Market developments and measures to improve profitability caused a drop in premium income to € 3,923 million

- In the Non-Life segment, premium income amounted to € 2,392 million, a 4% drop compared to 2012 (€ 2,487 million) due, in particular, to focus on improving profitability.
- Premium income in the Life segment was down 12% to € 1,666 million (2012: € 1,891 million), mainly attributable to falling demand for life insurance products and the choice of value over volume. Sales of new single premium policies declined by 28% to € 245 million and regular premiums decreased by 8% to € 1,421 million.

Publication of the financial results (Dutch and English) on 26 February 2014 at 7 a.m. CET. Conference call for financial market participants (English) on 26 August at 2 p.m. CET. For more information, please visit www.asr.nl/aboutasr.

Jos Baeten, CEO: 'We made significant progress in 2013. Our customers and other stakeholders experience our new direction. We again introduced new, easy to understand products, adjusted existing products in response to customer feedback and took steps to further improve our customer services. As a result, a.s.r. is now in a better position to help customers insure risks that they cannot bear themselves and help them build assets for the future.'

Falling consumer spending and an increase in the number of business closures reduced premium income. Nevertheless, we again managed to post a profit in 2013. Due to strict cost discipline we reduced our operating expenses to an even lower level in 2013 (-7%), which allows us to offer customers well-priced products. The deliberate decision of value over volume has led to lower premium income in some market segments, resulting in a 4% drop in premium income in the Non-Life segment and a 12% drop in the Life segment. At 268%, our solvency ratio remained strong, providing assurance to our customers.

In addition to offering competitive prices, a.s.r. believes strongly in investing in long-term relationships with customers and independent brokers by offering high-quality and transparent products and services that truly meet customer demands. Our motto 'Helping by Doing' is also reflected in other initiatives. A good example of such an initiative in 2013 was the Feyenoord/Blijdorp campaign to support the Rotterdam Zoo. In addition, we were able to support a number of independent brokers by assisting them in setting up local media campaigns. We ended the year with an initiative by Ditzo, which entailed the donation of one million euros, that was originally intended to fund a television and radio campaign for health insurance policies, to the Antoni van Leeuwenhoek Hospital. That money will now fund cancer research.

In 2013, the renovation of our office building at the Archimedeslaan in Utrecht took shape. The renovation is part of a.s.r.'s plans for a sustainable future, as well as leading to lower housing costs. We are proud to have been awarded the BREEAM Excellent certificate, which we received as confirmation that our office will meet the highest sustainability requirements for existing buildings.

It will become clear in 2014 how and when a.s.r. will return to the private market. We are ready, as Minister of Finance Dijsselbloem announced in his letter to the Dutch Parliament in August 2013. Irrespective of what privatization will look like, we will continue to focus on our chosen strategy. This means that, in the coming years, we will carry on adjusting our organization and allowing consumers and businesses to insure risks at the right price or entrust their asset building to us.

In 2013, a.s.r.'s customer focus notably improved. Costs were reduced even further. Our solvency ratio and balance sheet are robust, and our insurance business is developing well. These results are a reflection of our chosen strategy. We are looking forward to returning this sound business with excellent perspectives, to the private market.'

a.s.r. key figures (in millions of euros)	2013	2012
Reported		
Net result	281	255
Return on equity	10.6%	10.4%
Dividend proposal	99	88
After change in accounting policies under IAS19R ⁽¹⁾		
Net result	281	316
Return on equity	10.6%	14.1%
Gross premiums written	3,923	4,290
Operating expenses	(547)	(587)
Provision for restructuring expenses	(24)	(30)
Cost-premium ratio, insurance business	10.9%	10.2%
Combined ratio, Non-Life (including additional WGA-ER provision)	104.6%	99.2%
New insurance policies sold, Life (APE)	65	87
	31 December 2013	31 December 2012
Total equity (including revaluation of real estate)	3,799	3,537
DNB solvency ratio	268%	293%
Total number of internal FTEs	3,789	4,088

Notes to a.s.r. key figures

⁽¹⁾ In 2013, a change in accounting policies was implemented in relation to the recognition of the a.s.r. pension plan (IAS19R), as a result of which the comparative figures for 2012 of the Other segment were restated. This also affected the consolidated figures for 2012. This change has an accounting effect on the net result, operating expenses and Total Equity, as well as impacting return on equity. This press release discloses the figures for 2012 after restatement unless stated otherwise. For more details, see page 13.

- The net result represents the result attributable to holders of equity instruments.
- Return on equity is calculated as net result attributable to shareholders divided by average total IFRS equity attributable to shareholders.
- At 31 December 2013, the unrealized revaluation of real estate within Total Equity was down to € 784 million (year-end 2012: € 874 million) due, in part, to sales.

Dividend proposal

The Executive Board intends to distribute € 99 million in dividend on ordinary shares. Similar to last year, this represents 40% of the net result attributable to shareholders.

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About a.s.r.

a.s.r. is the Dutch insurance company for all types of insurance. Via the a.s.r., De Amersfoortse, Ditzo, Ardanta and Europeesche Verzekeringen brands, a.s.r. offers a wide range of financial products covering non-life, life and income insurance, group and individual pensions, health insurance, and travel and leisure, and funeral insurance. Besides insurance products, the a.s.r. product range includes savings and investment products and bank savings products. In addition, a.s.r. is active in real estate management and development.

Financial results 2013

- **Net result 2013 at € 281 million.**
 - Non-Life segment: healthy margin (excluding WGA-ER provision) with a combined ratio of 96.5%.
 - Life segment: better performance thanks to cost reduction and higher investment returns.
 - Other segment: better performance in Banking business and scale-down of risks in real estate development.
- **Operating expenses down, another € 40 million, i.e. 7%, dropping from € 587 million to € 547 million.**
- **Gross premiums written decreased 9% to € 3,923 million (2012: € 4,290 million) due to market developments and focus on profitability.**
- **DNB solvency ratio robust at 268% (year-end 2012: 293%).**

a.s.r. key figures (in millions of euros)	2013	2012
Gross premiums written, Non-Life	2,392	2,487
Gross premiums written, Life	1,666	1,891
Eliminations	(135)	(88)
Total gross premiums written	3,923	4,290
Operating expenses, Life and Non-Life	(439)	(449)
Operating expenses, Other	(108)	(138)
Total operating expenses	(547)	(587)
Provision for restructuring expenses	(24)	(30)
Reported for 2012, before change in accounting policies under IAS19R ⁽²⁾		
Net result, Non-Life (including additional WGA-ER provision)	5	59
Net result Life	367	275
Net result Other	(91)	(79)
Net result	281	255
After change in accounting policies under IAS19R		
Net result Non-Life	5	59
Net result Life	367	275
Net result Other	(91)	(18)
Net result	281	316
Cost-premium ratio, insurance business	10.9%	10.2%
	31 December 2013	31 December 2012
Total equity (including revaluation of real estate)	3,799	3,537
Total equity	3,015	2,663
Return on equity	10.6%	14.1%
DNB solvency ratio	268%	293%
Total number of internal FTEs	3,789	4,088

⁽²⁾ In 2013, a change in accounting policies was implemented in relation to the recognition of the a.s.r. pension plan (IAS19R), as a result of which the comparative figures for 2012 of the Other segment were restated. This also affected the consolidated figures for 2012. This change has an accounting effect on net result, operating expenses and Total Equity, as well as on return on equity.

Notes to a.s.r. key figures

- Ditzo has been integrated into the Non-Life segment as of 1 January 2013. The effect of this shift on the cost-premium ratio of the insurance business in 2012 was 0.3%-point (from 10.2% to 10.5%). On a comparable basis, the cost-premium ratio for the insurance business saw a 0.4%-point increase, rising to 10.9%, despite implemented cost-saving measures.

Net result

The net result 2013 amounted to € 281 million. This amount reflects the higher profitability of the Non-Life segment, which was more than cancelled out by the additional WGA-ER provision (€ 137 million). Excluding this additional provision, the net result of the Non-Life segment showed strong improvement by rising to € 142 million with a combined ratio of 96.5%.

In the Life segment, the net result increased from € 275 million to € 367 million due to higher investment returns and lower operating expenses. In addition, several impairment losses recognized in previous years were reversed, following the tentative recovery of the financial markets.

The Other segment recognized a one-off tax benefit of € 90 million in 2012. The accounting policies of IAS19R also affected this segment (€ +61 million), because this segment includes the a.s.r. pension plan. Excluding the tax benefit and the effect of IAS19R accounting policies, results in this segment rose by € 78 million, primarily due to lower operating expenses, a better performance of the banking business and fewer incidental impairments. The risks incurred by the real estate development business were further scaled down, thereby reducing losses.

Operating expenses and FTEs

a.s.r. again structurally lowered its operating expenses, in 2013 by 7% to € 547 million. In addition to focusing on cost reduction, a.s.r. continues to make targeted investments, for instance by introducing a new pension product, improving our services (such as the new informative website launched by Ardanta), by streamlining our processes and systems, and introducing a new IT system for administrating occupational disability. Operating expenses were down by 7% due partly to a reduction in FTEs. FTEs decreased from 4,088 FTEs in 2012 to 3,789 FTEs in 2013.

In addition to this decline, operating expenses have become more flexible in 2013 so that they can be adapted to the volume of the insurance portfolio. In the Life business, various support services have been outsourced. Also, the Health Insurance business makes use of third-party IT systems.

Cost-premium ratio

Operating expenses in the insurance business were down once again; and a 6% drop was achieved in 2013 on a comparable basis. Due to the fall in premium income, the cost-premium ratio increased by 0.4%-point to 10.9% on a comparable basis. The drop in premium income is the result of the choice of value over volume as well as market developments.

In the Non-Life segment, the cost-premium ratio increased by 0.7%-point on a comparable basis, reaching 10.5%, because of a drop in premium income. In the Life segment, the cost-premium ratio improved by 0.4%-point to 11.6%. This improvement was realized by cost reductions, for instance by outsourcing activities and lowering marketing expenses.

Solvency and Total Equity

The DNB solvency ratio is robust at 268%. Compared with year-end 2012, the DNB solvency ratio fell by 25%-point (year-end 2012: 293%), 20%-point of which were due to the downgrade of France in July 2013.

IFRS equity was up 13% in 2013 to € 3,015 million. The net result for 2013 of € 281 million, less the dividend distribution for 2012 of € 88 million, contributed amongst other factors to this increase. Because of the revision of IAS19, actuarial gains and losses on the a.s.r. pension plan are recognized directly within Total Equity. As a result, Total Equity rose by € 117 million in 2013. In addition, an increase was posted in the unrealized revaluation of portfolio investments.

Taking account of the unrealized revaluation of real estate, Total Equity at year-end 2013 amounted to € 3,799 million (2012: € 3,537 million). The revaluation of real estate (fair value less carrying amount) saw a € 90 million drop to € 784 million due, in part, to the further scaling down of the real estate portfolio.

Gross premiums written

Compared to 2012, premium income was down 9% to € 3,923 million (2012: € 4,290 million). The decline relates to both the Non-Life segment (-4%) and the Life segment (-12%).

The fall in premium income in the Non-Life segment to € 2,392 million (2012: € 2,487 million) manifested itself in nearly all product groups; it relates to the choice of value over volume as well as to a market that is in decline in some respects. Higher product sales were neutralized by a greater number of policy cancellations as a result of the focus on profitability and business closures by self-employed persons.

In the Fire Insurance business, risks were reassessed, which led to the cancellation of some policies; as a result, a.s.r. was less affected by large fires in 2013. The total Health Insurance portfolio continued to grow, predominantly due to a successful Ditzo campaign.

Gross premiums written in the Life segment were down 12%, falling from € 1,891 million to € 1,666 million. This drop was mainly attributable to lower income from regular premium policies. The volume of policy surrenders in the Individual Life business was halved in 2013 after the peak in 2012; it has now returned to 'normal' levels from a historical perspective. Focus on profitability also led to a further decline in immediate annuities/single premium policies. Premium income from the Pension business fell by 6%. The new 'Werknemers Pensioen' (Employee Pension) was introduced in late 2013. The first contracts have now been signed and the number of call for tenders is rising. Premium income from the Funeral Insurance business was virtually stable, despite a declining market, thanks in part, to the acquisition of de Facultatieve.

Non-Life segment

- **Net result in Non-Life segment dominated by additional WGA-ER provision.**
- **Net result excluding WGA-ER provision at € 142 million.**
 - All product lines, except for the Occupational Disability Insurance business, performed better.
 - Taking account of the additional WGA-ER provision, the net result declined from € 59 million to € 5 million.
- **Combined ratio excluding additional WGA-ER provision at 96.5% (including WGA-ER provision: 104.6%).**
- **Operating expenses down 1% to € 240 million on comparable basis, despite investments in claims management and process optimization.**
- **Gross premiums written declined 4% to € 2,392 million (2012: € 2,487 million).**

Key figures of Non-Life segment (in millions of euros)	2013	2012
Gross premiums written	2,392	2,487
Operating expenses	(240)	(226) ⁽³⁾
Provision for restructuring expenses	(11)	(18)
Result before taxes	2	72
Income tax expense	3	(13)
Net result	5	59
New Non-Life insurance contracts sold	217	303
Claims ratio	78.3%	73.4%
Commission ratio	15.8%	16.7%
Expense ratio	10.5%	9.1% ⁽³⁾
Combined ratio (including additional WGA-ER provision)	104.6%	99.2%

⁽³⁾ Ditzo has been integrated into the Non-Life segment since 2013. The cost-premium ratio for 2012 on a comparable basis was 9.8%. Operational expenses on a comparable basis for 2012 were € 243 million.

Net result

The net results in the Non-Life segment were dominated by the sector-wide losses on WGA-ER. These losses amounted to € 137 million for a.s.r. in 2013. Disregarding this additional WGA-ER provision, the net result in the Non-Life segment was up 13%, reaching € 142 million, with a robust combined ratio of 96.5%. All product lines improved their performance.

The measures taken to reduce claims and actively manage portfolios have improved the performance in the Motor and Fire product groups. On the other hand, autumn storms resulted in additional claims for a.s.r. amounting in total to approximately € 22 million after tax. The number of large claims in the Commercial Fire Insurance business declined thanks, in part, to the pursued prevention policy and the reassessment of risks. This goes against the overall picture in the Netherlands where a record number of 148 large fires occurred in 2013 (figures by the NIVRE).

The net result from Health Insurance also increased in 2013.

In line with Dutch market developments, the scale of partially fit and new claims was also higher than expected for a.s.r. In 2013, this resulted in an additional WGA-ER provision of € 137 million after tax (2012: € 67 million) due to an increase in the number of prior-year incapacity claims and an over-representation of the partially fit in the WGA population.

Additional measures have already been taken to manage and provide insight into claims development on an ongoing basis. Stricter guidelines for accepting new policyholders, more in-depth and verifiable claims processing, and the introduction of a new premium model geared to the employer's risk profile will contribute vastly to the performance in this area.

In addition, more focus is being placed on helping employees return to work once they have suffered an incapacity. Arrangements have now been made between the Dutch Association of Insurers and the Employee Insurance Agency (UWV) about reassessments and transfer of information, which will help to improve claims management and assessment of incapacity. Partly for that reason, a.s.r. will continue to play a role in this market.

Apart from the WGA-ER provision, a.s.r.'s Occupational Disability Insurance business is sound. a.s.r. not only leads the market measured in premium income, but also in prevention and return to work initiatives.

Operating expenses

On a comparable basis, operating expenses fell by € 3 million to € 240 million and the cost-premium ratio rose from 9.8% to 10.5%. This increase was due to a decrease in premium income. Due to investments in strategic projects, including a new IT system for the Occupational Disability Insurance business in the autumn of 2013, operating expenses in the Non-Life segment did not decline as sharply. In the long run, this new IT system is meant to structurally lower costs by reducing the number of manual actions, thereby increasing efficiency and quality, and freeing up time for advising customers. This unites cost awareness and customer focus in one initiative.

Gross premiums written

a.s.r. chooses value over volume. Because of that choice in particular, gross premiums written in the Non-Life segment were down 4% to € 2,392 million (2012: € 2,487 million).

Premium income was up in the Health Insurance and Group Occupational Disability Insurance businesses. The Health Insurance portfolio grew for the second year in a row (+8%), with customers mainly taking out policies online via Ditzo. However, in keeping with market developments, there was also an increase in the number of policyholders cancelling their supplementary insurance or opting for a more limited health insurance package at a lower premium.

The volume of the occupational disability insurance market declined further in the reporting period as a result of the economic crisis. a.s.r. saw a limited increase in its premium income in this market segment and managed to strengthen its position of market leader. Surrenders in the portfolio for individual occupational disability insurance policies increased as a result of a premium adjustment and business closures.

Although profitability-improving measures and the reassessment of risks in the Motor Insurance and Fire Insurance businesses resulted in a decline in premium income; the net result and the combined ratio improved. 2013 saw the introduction of the 'Vernieuwd Voordeelpakket,' an improved and customer-oriented package combining Non-Life products. This package was received well by consumers.

Life segment

- Strong increase in net result to € 367 million (2012: € 275 million).
- Operating expenses down 11% to € 199 million (2012: € 223 million).
- Gross premiums written decreased 12% to € 1,666 million (2012: € 1,891 million).
- New life insurance contracts sold (APE) down to € 65 million (2012: € 87 million). Introduction of new 'Werknemers Pensioen' (Employee Pension) in Q4.

Key figures of Life segment (in millions of euros)	2013	2012
Regular premiums written	1,421	1,552
Single premiums	245	339
Gross insurance premiums	1,666	1,891
Operating expenses	(199)	(223)
Provision for restructuring expenses	(10)	(7)
Result before taxes	471	350
Income tax expense	(104)	(75)
Net result	367	275
Cost-premium ratio	11.6%	12.0%
New life insurance contracts sold (APE)	65	87

Net result

The net result increased by € 92 million from € 275 million to € 367 million. The improvement is due to a reduction in operating expenses. Investment income also increased, partly due to the second and third placement of the Dutch Prime Retail Fund (DPRF) and the sale of a share of the residential real estate portfolio.

Operating expenses

In 2013, operating expenses decreased by € 24 million, reaching € 199 million (2012: € 223 million) and the cost-premium ratio improved by 0.4%-point to 11.6%. Operating expenses therefore declined faster than premium income, which was realized by a reduction in internal FTEs, outsourcing activities and lower marketing expenses, amongst other.

Gross premiums written

In the Life segment, gross premiums written declined from € 1,891 million to € 1,666 million, a 12% decrease.

The decline is in line with the market and attributable to a 28% decrease in new single premiums sold and an 8% decrease in regular premiums. This decline is due, in part, to the ban on commissions in the life insurance business that was introduced early in 2013, next to the falling demand for life insurance products and the choice of value over volume. Since 2013, consumers are required to pay separately for advisory and intermediary services relating to complex financial products, such as life insurance policies. The decline is also due to the deliberate decision of value over volume, as a result of which the Individual Life product group offered immediate annuity/single premium products at less competitive prices and volumes progressively declined.

Premium income in the Pension business was under pressure and fell by 6%. Most of the existing pension contracts remained in effect thanks to an active retention policy. Late 2013, De Amersfoortse introduced the 'Werknemers Pensioen' (Employee Pension). With this new pension proposition, a.s.r. offers a pension product that is transparent and offers freedom of choice, for both employees and employers. Employees can decide for themselves how much risk they are willing to take. Costs are always low and the policy is fully web-based.

The Institution for Occupational Retirement Provision (IORP), a joint venture between a.s.r. and Brand New Day, continued to grow in 2013. The combination of a clear product, low costs and excellent service appeals to customers. In a competitive market, more than 500 businesses have now signed a pension contract for more than 7,500 members in total. The number of new calls for tenders continues to increase.

In the Funeral Insurance business, gross premiums written declined to a limited extent (-1%), mainly as a result of the portfolio acquired from de Facultatieve on 1 May 2013. Sales of new policies are under pressure in the funeral insurance market. This is partly due to the ban on commissions that came into effect on 1 January 2013 and independent brokers' reserve to discuss advisory and management costs with customers. In Q4, Ardanta started providing practical information to customers and others about aspects surrounding a death in the family and funeral arrangements. For instance, via the website Doodgaanendoorgaan.nl, which has been well received in the market and judging from the large number of visitors, clearly meets consumers' needs.

Other segment

- Net result at € -91 million, excluding a one-off tax credit in 2012 (€ 90 million), a € 78 million improvement on reported net result for 2012.
- Operating expenses down to € 108 million (2012: € 138 million).
- Sales of new WelThuis mortgages up to € 1,411 million (2012: € 839 million).

The Other segment comprises the non-insurance business, i.e. the banking operations (a.s.r. Bank and a.s.r. Hypotheken (mortgages)), SOS International (emergency desk), a.s.r. vastgoed ontwikkeling (real estate development) and holding companies. In addition, the Other segment is used to recognize certain holding-related expenses. The Ditzo distribution channel was integrated into the Non-Life segment early 2013; it no longer falls under the Other segment.

Key figures of Other segment, including eliminations (in millions of euros)	2013	2012 ⁽⁴⁾
Operating expenses	(108)	(138)
Provision for restructuring expenses	(3)	(5)
Result before taxes	(113)	(137)
Income tax expense	17	112
Net result	(96)	(25)
Net result attributable to non-controlling interests	(5)	7
Net result	(91)	(18)
Net result (reported in 2012)	(91)	(79)

⁽⁴⁾ In 2013, a change in accounting policies was implemented in relation to the recognition of the a.s.r. pension plan (IAS19R), as a result of which the comparative figures for 2012 of the Other segment were restated. This also affected the consolidated figures for 2012. This change has an accounting effect on the net result, expenses and Total Equity, as well as impacting return on equity.

Developments in Other segment

In 2012, a one-off tax credit of € 90 million was recognized in this segment as part of a prior-year tax settlement. Disregarding this tax credit and the impact of IAS19R, the net result in the Other segment increased from € -169 million to € -91 million. The increase was due to amongst others, a better performance by the Banking business, the scaling down of risks and the reduction of losses at a.s.r. vastgoed ontwikkeling (real estate development). The net result also improved as a result of fewer impairment losses on associates and private loans. In addition, interest paid was lower on an incidental basis including interest accrual on the pension entitlements of a.s.r. employees.

The net result from the Banking business increased thanks to a higher interest margin, lower operating expenses and an increase in sales of new WelThuis mortgages. In 2013, sales of new mortgages amounted to € 1,411 million (2012: € 839 million), nearly doubling a.s.r.'s market share to 4.0% (2012: 2.2%). This makes a.s.r. the 6th largest mortgage lender in the Netherlands. a.s.r. Bank saw its portfolio of savings deposits rise by 10%, reaching € 889 million (2012: € 808 million) due to deposits into the lijfrente opbouwrekening annuity account. An online savings account was introduced in the autumn.

Compared to 2012, a.s.r. vastgoed ontwikkeling had less negative impact on the result. This was due, in particular, to fewer impairment losses on land holdings and future construction projects. The strategy to reduce risks in this portfolio was again pursued in 2013. The completion of the IJDock development in Amsterdam marked a milestone in Q4 2013. a.s.r. built a hotel, shops and offices on this peninsula, most of which have now been sold.

Operating expenses

At a.s.r. Bank and in the mortgage business, a drop in IT and marketing expenses and the reduction of external FTEs resulted in lower operating expenses. Together with the effect of Ditzo's transfer from the Other segment to the Non-Life segment, operating expenses for the Other segment were lower, amounting to € 108 million (2012: € 138 million).

Notes to change in accounting policies under IAS19R

As a result of a change in accounting policies for recognizing the a.s.r. pension plan (IAS19R), the measurement of the provision for employee pensions, the net result, operating expenses and Total Equity has changed. The change became effective on 1 January 2013. The comparative figures for 2012 have been restated accordingly.

The provision for employee pensions has increased by € 363 million at year-end 2012. The net result of 2012 has increased by an income item of € 61 million; it rose from € 255 million to € 316 million as a result. Expenses were up € 2 million, reaching € 587 million. At year-end 2012, Total Equity decreased by € 272 million to € 2,663 million. These are one-off restatements. As a result of these restatements, return on equity for 2012 increased from 10.4% to 14.1%. IAS19R does not impact the DNB solvency ratio.

The table below breaks down the most important restatements under IAS19R.

Impact of IAS19R (in millions of euros)	Reported for 2012	Restatement under IAS19R	Restated for 2012
Other income	183	81	264
Operating expenses	(585)	(2)	(587)
Interest paid	(405)	2	(403)
Income tax expense	44	(20)	24
Profit for the year	248	61	309
Profit for the year attributable to holders of equity instruments	255	61	316
Total equity	2,935	(272)	2,663
Provisions for employee pensions	2,185	363	2,548
Deferred tax liability (asset)	79	(91)	(12)

Except for the revised IAS19 standard for accounting for employee benefits, this press release is based on the same accounting policies, disclosure requirements and calculation methods as the consolidated financial statements for 2012. The press release has been prepared in accordance with International Financial Reporting Standards (IFRS) – including the International Accounting Standards (IAS) and Interpretations – as adopted by the European Union (EU).

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

Appendices

- 1 Financial Statements
- 1.1 Consolidated Balance Sheet
- 1.2 Consolidated Income Statement
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1 Financial Statements

1.1 Consolidated Balance Sheet (before profit appropriation)

Consolidated Balance Sheet (€ million)	31 December 2013	31 December 2012 restated
Intangible assets	253	269
Deferred acquisition costs	241	271
Property, plant and equipment	97	75
Investment property	1,617	1,774
Associates and joint ventures	190	213
Investments	19,655	20,547
Investments on behalf of policyholders	8,049	8,217
Loans and receivables	8,484	7,197
Derivatives	1,054	2,201
Deferred tax assets	228	12
Reinsurance contracts	407	445
Other assets	639	718
Cash and cash equivalents	1,517	2,556
Total assets	42,431	44,495
Share capital	100	100
Share premium reserve	962	962
Unrealized gains and losses	583	503
Actuarial gains and losses	-107	-224
Other reserves	699	504
Profit for the year	281	316
Total equity attributable to shareholders	2,518	2,161
Other equity instruments	515	515
Equity attributable to holders of equity instruments	3,033	2,676
Non-controlling interests	-18	-13
Total equity	3,015	2,663
Liabilities arising from insurance contracts	23,928	25,440
Liabilities arising from insurance contracts on behalf of policyholders	8,992	8,926
Employee benefits	2,426	2,548
Provisions	38	31
Borrowings	88	126
Derivatives	535	366
Deferred tax liabilities	-	-
Due to customers	1,366	1,415
Due to banks	677	1,882
Other liabilities	1,366	1,098
Total liabilities	39,416	41,832
Total liabilities and equity	42,431	44,495

1.2 Consolidated Income Statement

Consolidated Income Statement (€ million)	2013	2012 restated
Gross premiums written	3,923	4,290
Change in provision for unearned premiums	1	92
Gross insurance premiums	3,924	4,382
Reinsurance premiums	-164	-162
Net insurance premiums	3,760	4,220
Investment income	1,484	1,518
Realized gains and losses	486	285
Fair value gains and losses	348	569
Result on investments on behalf of policyholders	783	948
Fee and commission income	45	69
Other income	205	264
Share of profit/(loss) of associates and joint ventures	14	-9
Total income	3,365	3,644
Insurance claims and benefits	-5,122	-5,707
Insurance claims and benefits recovered from reinsurers	110	100
Net insurance claims and benefits	-5,012	-5,607
Operating expenses	-547	-587
Restructuring provision expenses	-24	-30
Acquisition costs	-455	-584
Impairments	-91	-103
Interest expense	-357	-403
Other expenses	-279	-265
Total expenses	-1,753	-1,972
Profit before tax	360	285
Income tax (expense) / gain	-84	24
Profit for the year	276	309
Attributable to:		
- Shareholders	248	282
- Holders of other equity instruments	44	45
- Tax on interest of other equity instruments	-11	-11
Profit attributable to holders of equity instruments	281	316
Attributable to non-controlling interests	-5	-7
Profit for the year	276	309

1.3 Consolidated Statement of Movements in Equity

(€ million)	Share capital	Share premium reserve	Unrealized gains and losses	Actuarial gains and losses	Other reserves	Profit for the year	Equity attributable to shareholders	Other equity instruments	Non-controlling interests	Total Equity
At 1 January 2012	100	962	74	-	506	212	1,854	515	-4	2,365
Changing in accounting policies	-	-	-	-	-109	-	-109	-	-	-109
Restated opening balance 2012	100	962	74	-	397	212	1,745	515	-4	2,256
Profit for the year	-	-	-	-	-	316	316	-	-7	309
Total other comprehensive income	-	-	429	-224	-	-	205	-	-	205
Total comprehensive income (restated)	-	-	429	-224	-	316	521	-	-7	514
Dividend paid	-	-	-	-	-	-71	-71	-	-	-71
Profit carried over from previous financial year	-	-	-	-	141	-141	-	-	-	-
Discretionary interest on other equity instruments	-	-	-	-	-45	-	-45	-	-	-45
Tax relating to interest on other equity instruments	-	-	-	-	11	-	11	-	-	11
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-2	-2
At 31 December 2012 (restated)	100	962	503	-224	504	316	2,161	515	-13	2,663
At 1 January 2013	100	962	503	-224	504	316	2,161	515	-13	2,663
Profit for the year	-	-	-	-	-	281	281	-	-5	276
Total other comprehensive income	-	-	80	117	-	-	197	-	-	197
Total comprehensive income	-	-	80	117	-	281	478	-	-5	473
Dividend paid	-	-	-	-	-	-88	-88	-	-	-88
Profit carried over from previous financial year	-	-	-	-	228	-228	-	-	-	-
Discretionary interest on other equity instruments	-	-	-	-	-44	-	-44	-	-	-44
Tax relating to interest on other equity instruments	-	-	-	-	11	-	11	-	-	11
At 31 December 2013	100	962	583	-107	699	281	2,518	515	-18	3,015

1.4 Segmented Balance Sheet

As at December 2013 (€ million)	Non-Life	Life	Other	Eliminations	Total
Intangible assets	1	246	6	-	253
Deferred acquisition costs	65	176	-	-	241
Property, plant and equipment	1	84	12	-	97
Investment property	235	1,366	16	-	1,671
Associates and joint ventures	-	144	46	-	190
Investments	4,154	15,212	2,320	-2,031	19,655
Investments on behalf of policyholders	-	8,049	-	-	8,049
Loans and receivables	431	7,253	965	-165	8,484
Derivatives	4	1,050	-	-	1,054
Deferred tax assets	-	-	228	-	228
Reinsurance contracts	407	-	-	-	407
Other assets	-5	495	149	-	639
Cash and cash equivalents	289	995	208	25	1,517
Total assets	5,582	35,070	3,950	-2,171	42,431
Equity attributable to holders of equity instruments	898	2,632	-497	-	3,033
Non-controlling interests	-	-	-18	-	-18
Total equity	898	2,632	-515	-	3,015
Subordinated debt	15	30	-	-45	-
Liabilities arising from insurance contracts	4,240	21,677	-	-1,989	23,928
Liabilities arising from insurance contracts on behalf of policyholders	-	8,992	-	-	8,992
Employee benefits	-	-	2,426	-	2,426
Provisions	1	7	30	-	38
Borrowings	5	76	84	-77	88
Derivatives	-	533	2	-	535
Deferred tax liabilities	52	-250	198	-	-
Due to customers	30	319	1,057	-40	1,366
Due to banks	2	675	-	-	677
Other liabilities	339	379	668	-20	1,366
Total liabilities	4,684	32,438	4,465	-2,171	39,416
Total liabilities and equity	5,582	35,070	3,950	-2,171	42,431

1.4 Segmented Balance Sheet (continued)

As at December 2012 (€ million) (restated)	Non-Life	Life	Other	Eliminations	Total
Intangible assets	2	264	3	-	269
Deferred acquisition costs	62	209	-	-	271
Property, plant and equipment	-	45	30	-	75
Investment property	260	1,521	-7	-	1,774
Associates and joint ventures	-	157	56	-	213
Investments	4,012	16,176	2,343	-1,984	20,547
Investments on behalf of policyholders	-	8,217	-	-	8,217
Loans and receivables	368	6,482	1,040	-693	7,197
Derivatives	3	2,198	-	-	2,201
Deferred tax assets	-67	-33	112	-	12
Reinsurance contracts	445	-	-	-	445
Other assets	95	921	-260	-38	718
Cash and cash equivalents	252	2,285	310	-291	2,556
Total assets	5,432	38,442	3,627	-3,006	44,495
Equity attributable to holders of equity instruments	947	2,717	-988	-	2,676
Non-controlling interests	-	-	-13	-	-13
Total equity	947	2,717	-1,001	-	2,663
Subordinated debt	15	30	-	-45	-
Liabilities arising from insurance contracts	4,126	23,263	-	-1,949	25,440
Liabilities arising from insurance contracts on behalf of policyholders	-	8,926	-	-	8,926
Employee benefits	-	-	2,548	-	2,548
Provisions	-	1	30	-	31
Borrowings	4	363	667	-908	126
Derivatives	-	363	3	-	366
Deferred tax liabilities	-	-	-	-	-
Due to customers	25	483	986	-79	1,415
Due to banks	4	1,878	-	-	1,882
Other liabilities	311	418	394	-25	1,098
Total liabilities	4,485	35,725	4,628	-3,006	41,832
Total liabilities and equity	5,432	38,442	3,627	-3,006	44,495

1.5 Segmented Income Statement

2013 (€ million)	Non-Life	Life	Other	Eliminations	Total
Gross premiums written	2,392	1,666	-	-135	3,923
Change in provision for unearned premiums	1	-	-	-	1
Gross insurance premiums	2,393	1,666	-	-135	3,924
Reinsurance premiums	-151	-13	-	-	-164
Net insurance premiums	2,242	1,653	-	-135	3,760
Investment income	143	1,251	120	-30	1,484
Realized gains and losses	86	395	5	-	486
Fair value gains and losses	-11	357	2	-	348
Result on investments on behalf of policyholders	-	783	-	-	783
Fee and commission income	35	-	10	-	45
Other income	6	9	190	-	205
Share of profit/(loss) of associates and joint ventures	-	14	-	-	14
Total income	259	2,809	327	-30	3,365
Insurance claims and benefits	-1,923	-3,381	-	182	-5,122
Insurance claims and benefits recovered from reinsurers	96	14	-	-	110
Net insurance claims and benefits	-1,827	-3,367	-	182	-5,012
Operating expenses	-240	-199	-110	2	-547
Provision restructuring expenses	-11	-10	-3	-	-24
Acquisition costs	-390	-65	-	-	-455
Impairments	-12	-49	-30	-	-91
Interest expense	-3	-240	-41	-73	-357
Other expenses	-16	-61	-256	54	-279
Total expenses	-672	-624	-440	-17	-1,753
Profit before tax	2	471	-113	-	360
Income tax expense	3	-104	17	-	-84
Profit for the year	5	367	-96	-	276
Profit attributable to non-controlling interests	-	-	5	-	5
Profit attributable to holders of equity instruments	5	367	-91	-	281

1.5 Segmented Income Statement (continued)

2012 (€ million)	Non-Life	Life	Other	Eliminations	Total
Gross premiums written	2,487	1,891	-	-88	4,290
Change in provision for unearned premiums	92	-	-	-	92
Gross insurance premiums	2,579	1,891	-	-88	4,382
Reinsurance premiums	-155	-7	-	-	-162
Net insurance premiums	2,424	1,884	-	-88	4,220
Investment income	152	1,289	105	-28	1,518
Realized gains and losses	43	238	4	-	285
Fair value gains and losses	-5	574	-	-	569
Result on investments on behalf of policyholders	-	949	-	-1	948
Fee and commission income	50	-	19	-	69
Other income	5	29	238	-8	264
Share of profit/(loss) of associates and joint ventures	-	10	-19	-	-9
Total income	245	3,089	347	-37	3,644
Insurance claims and benefits	-1,966	-3,872	-	131	-5,707
Insurance claims and benefits recovered from reinsurers	101	-1	-	-	100
Net insurance claims and benefits	-1,865	-3,873	-	131	-5,607
Operating expenses	-226	-223	-148	10	-587
Provision restructuring expenses	-18	-7	-5	-	-30
Acquisition costs	-454	-139	-	9	-584
Impairments	-13	-53	-38	1	-103
Interest expense	-3	-258	-112	-30	-403
Other expenses	-18	-70	-181	4	-265
Total expenses	-732	-750	-484	-6	-1,972
Profit before tax	72	350	-137	-	285
Income tax gain / (expense)	-13	-75	112	-	24
Profit for the year	59	275	-25	-	309
Profit attributable to non-controlling interests	-	-	7	-	7
Profit attributable to holders of equity instruments	59	275	-18	-	316