a.s.r.
de nederlandse verzekerings maatschappij voor alle verzekeringen

Solid performance in first nine months of 2017

Higher Operating result

- Operating result increases by 23.6% to € 550 million in the first nine months (9M) of 2017 (9M 2016: € 445 million). In Q3 sec it increases by € 19 million to € 165 million, mainly due to higher investment returns in the Life segment.
- Operating return on equity was 16.4% for 9M 2017, which was well above the target of 'up to 12%'.
- Combined ratio for the Non-life segment amounts to 94.5% for 9M 2017, which is an improvement of 1.2%-point relative to 95.7% in 9M 2016. Operating result in the Non-life segment increases by 42.4% to € 141 million in 9M 2017, mainly due to a strong increase in H1 followed by a stable third quarter.
- Operating result in the Life segment increases by 15.3% to € 466 million in 9M 2017. In Q3 2017 it increases by 16.9% to € 152 million (Q3 2016: € 130 million), mainly due to higher (direct) investment returns and the release of in previous years realized gains.

Solvency II-ratio solid at 193% (standard formula)

- The Solvency II-ratio at 30 September 2017 amounts to 193% and remains fairly stable from 30 June level, notwithstanding the share buy-back in Q3 2017.
- Underlying organic capital generation in line with first half of 2017.
- In 9M 2017, 9 million shares have been repurchased in three transactions for a total amount of € 255 million, of which € 101 million is repurchased in Q3. The amount distributed to shareholders, including dividend, is in total € 441 million.
- In Q4 2017 a.s.r. has issued a Restricted Tier 1 (RT1) hybrid bond in the market for € 300 million, with a coupon of 4.625%. This transaction will have a positive impact on the Solvency II-ratio of approximately 9%-point in Q4.

Strong operational performance

- Gross written premiums (GWP) amount to € 3,096 million in 9M 2017, which is a rise of 3.2% after correction for the single premium due to the acquisition of NIVO and the single premium attributable to a major new pension client, both in 2016.
- In the Non-life segment, GWP increase by 5.3% to € 2,043 million in 9M 2017, driven by higher volumes and premium increases.
- GWP in the Life segment in 9M 2017 are € 1,146 million. This is lower than in 9M 2016 due to the previously mentioned single premiums. The GWP level remains fairly stable, if these single premiums are disregarded.

Strategy execution on track

- On 14 September 2017 the Dutch State has completed its divestment of a.s.r. with a final offering. This marks the successful completion of a.s.r.'s privatization within 15 months.
- Announcement of the acquisition of Generali Nederland and Dutch asset management company First Investments in Q3 2017. Both acquisitions are expected to be closed in Q1 2018.

Publication of the financial results on 29 November 2017 at 7.00 CET. Conference call for financial market professionals (in English) at 10.30 CET. For more information, please visit www.asrnl.com.

Jos Baeten (CEO): 'We are satisfied with the results for the first nine months of 2017. The third quarter has continued to show an improvement compared to the prior year. With this development we are continuing the good results of this first half of the year. The operating return on equity is over 16% and exceeds our target.

The combined ratio of 94.5% for the first nine months of this year is also better than our target. In P&C, after an exceptionally low level of claims earlier this year, we see that claims have increased in the third quarter due to some large claims and the seasonal pattern of travel insurance activities.

Our Solvency II-ratio, based on the standard formula, remains very robust at 193%. The steady accretion of Solvency II capital during the year reflects our healthy insurance results and higher investment returns. The issue of the restricted tier 1 bond in October 2017 improves solvency and increases a.s.r.'s financial flexibility still further.

We are continuing to execute our strategy in a disciplined manner. The announced acquisition of Generali Nederland fits in well with our strategy of combining organic growth with growth through acquisitions of small and medium-sized insurers in the Netherlands.

Our asset management business and 'het Werknemers Pensioen' (employee pension product) are now also drawing in clients. Up to and including September 2017 new asset management clients have accounted for AuM totalling over € 1.2 billion. Almost 350 employers have signed up for our employee pension products (up by 35%).

Finally, on 14 September NLFI has sold its remaining interest in a.s.r., thereby enabling a.s.r. to make a successful and complete return to the market. This is a milestone in our history. To support the process of privatization, we have repurchased 9 million shares in 2017. The total proceeds of the sale of shares for the Dutch State are € 3,771 million. We thank NLFI and the Ministry of Finance for their role as shareholder over a period of nine years.'

Notes on results of 9M 2017

Key figures (€ million)	9M 2017	9M 2016	Delta %	Q3 2017	Q3 2016	Delta %
Gross written premiums	3,096	3,518	-12.0%	863	851	1.4%
Operating result	550	445	23.6%	165	146	13.0%
Combined ratio, Non-Life segment	94.5%	95.7%	-1.2%-p	96.1%	94.4%	+1.7%-p

Key figures	30 Sep 2017	30 Jun 2017	Delta	31 Dec 2016	Delta
Solvency II (standard formula)	193%	194%	-1%-p	189%	+4%-p
	9M 2017	**9M 2016**	**Delta**		
Operating return on equity	16.4%	14.8%	+1.6%-p		

The operating result for the first nine months of 2017 totals € 550 million. In Q3 2017 it is € 165 million, which is € 19 million higher than in Q3 2016.

Solvency remains stable at 193% in the third quarter. This includes the effect of the repurchase of shares in the last sale of a.s.r. shares by the Dutch State (circa -3%-point).

GWP increase to € 3,096 million in the first three quarters. This is 3.2% higher than in the same period of 2016, if the single premiums from the acquisition of NIVO and a large single premium contract in 2016 (total € 518 million) are disregarded. In the Life segment, GWP (without the mentioned single premiums) remained virtually constant at € 1,146 million.

In the Non-Life segment GWP increase to € 2,043 million in the first three quarters, which is 5.3% higher than in the same period of 2016.

Operating result

Just as in the first half of the year, the operating result in the third quarter is above last year's level (Q3 2017: € 165 million compared with Q3 2016: € 146 million).

The operating result of the Non-life segment and of the non-insurance activities in the third quarter is in line with that of the third quarter last year. The incurred losses for travel and leisure insurance are traditionally higher in Q3 than in the other quarters.

The Life segment achieves an operating result of € 152 million in the third quarter, which is € 22 million higher than in the same period last year. As in previous quarters, this increase is mainly due to higher investment results, which have been partly offset by a decrease in cost coverage and lower mortality result due to a shrinkage of part of the portfolio.

Non-Life segment

GWP in the Non-life segment increase by 5.3% to € 2,043 million (9M 2016: € 1,940 million). The written Health premiums rise by 12% due to an increase in the number of insured persons and higher premiums. An increase in written P&C premiums of 5% is mainly due to a growth in the volume of business through mandated agents and in the commercial market. The organic growth of 1% of written Disability premiums is mainly due to absenteeism policies.

The segment's combined ratio in the first three quarters is 94.5%, which is well within the target (< 97%). The combined ratios for each business line are 95.2% for P&C, 90.2% for Disability and 98.3% for Health.

The operating result of the Non-life segment in the third quarter (€ 35 million) is in line with that of the third quarter of 2016 (€ 37 million). The cumulative operating result of € 141 million is 42% higher than in the same period last year. This is mainly due to the exceptionally good first half of the year and the higher incurred losses in Q2 2016 (hail and flood damage). Disability continues to perform strongly in the first nine month of 2017. The Health operating result is boosted in the first half of the year by seasonal effects due to a contribution from the settlement system and by positive settlements from previous years.

Life segment

The gross written premiums within the Life segment (€ 1,146 million) remain virtually the same in the first three quarters as in the same period last year, if the single premiums from the acquisition of NIVO and a large single premium contract in 2016 are disregarded (total of € 518 million).

The operating result of the Life segment increase by € 22 million to € 152 million in the third quarter compared with the same period last year. The cumulative operating result is € 466 million (9M 2016: € 404 million). Just as in the previous quarters, this increase in the third quarter is mainly attributable to higher investment results, particularly due to a different asset mix which resulted in an increase in higher yield investments.

The integration of De Eendragt and NIVO has been completed at the beginning of the fourth quarter, within budget and within planning.

Non-insurance segment

The operating result of the Distribution & Services segment increase by € 1 million to € 12 million compared with the same period last year, mainly due to the positive contributions made by the acquisitions of SuperGarant and Corins.

The operating result of the Bank & Asset Management segment is € 6 million in the first three quarters (9M 2016: € 2 million). Both Asset Management and Banking present an increase. More than € 1.2 billion in new mandates for assets under management (AUM) are received in 2017.

The operating result in the first three quarters of the Holding & Other segment declines from € -71 million last year to € -75 million this year, mainly due to the increase in current net service costs for the company's own pension scheme (€ 8 million) as the notional interest rate is lower at the start of 2017 than in 2016.

Solvency and capital

Solvency remains robust in the third quarter. The strong operational performance and the positive effects of the financial markets has allowed scope, for example, for the repurchase of own shares in the final sell down by the Dutch State.

The eligible own funds under Solvency II show an underlying increase of € 92 million which has been deployed in the purchase of own shares (€ 101 million). Overall, the eligible own funds remain virtually stable in the third quarter (30 September 2017: € 6,787 million compared to 30 June 2017: € 6,796 million). The required capital also remains virtually stable in the third quarter (30 September 2017: € 3,516 million compared to 30 June 2017: € 3,504 million).

On 30 September 2017 the Tier 1 own funds amounted to 164% of the total required capital. There were no tiering restrictions.

The operating return on equity is 16.4% over the first three quarters and was well above the target of 'up to 12%'.

In October 2017 a.s.r. has been the first European insurer to issue a restricted Tier 1 bond in euro's. This issue will increase solvency in Q4 2017 by 9%-point.

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

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Media Relations
Anita Wassink, T: +31 (0)6 2279 0974

E: anita.wassink@asr.nl
www.asrnederland.nl

Investor Relations
Michel Hülters, T: +31 (0)6 1549 9569
Barth Scholten, T: +31 (0)6 3044 1571
Vincent Uriot, T: +31 (0)6 1044 8234
E: ir@asr.nl
www.asrnl.com

About a.s.r.

ASR Nederland N.V. (a.s.r.) has been in the insurance business since 1720. It is one of the top three insurance companies in the Netherlands. Through its labels a.s.r., De Amersfoortse, Ditzo, Ardanta and Europeesche Verzekeringen, a.s.r. offers insurance, pension and banking products and services to consumers and SMEs. a.s.r. is also active as a fiduciary asset manager, particularly in the public sector. a.s.r. has been listed on Euronext Amsterdam since June 2016 and has been included in the Midcap index since 19 September 2016. For more information, please visit www.asrnl.com.

This press release contains inside information as referred to in article 7 of the market abuse regulation.

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