

Utrecht, 19 February 2020, 07.00 am

## a.s.r. reports strong results again in 2019

### Strong financial results

- The operating result increased by 14.5%, to € 858 million (2018: € 749 million<sup>1</sup>). The € 109 million increase is mainly due to the € 83 million increase in the Non-life segment, driven by lower weather related claims compared to 2018 and the acquisition of Loyalis in 2019.
- The operating result in the second half of 2019 increased by 7.8% to € 394 million (H2 2018: € 365 million).
- Operating expenses increased by 9.1% to € 656 million. Adjusted for acquisitions and incidental costs the operating expenses declined slightly.
- At 15.1%, the operating return on equity was well above the target of 12-14%.
- The net result amounted to € 972 million, which is an increase of 45.2% (2018: € 669 million) due to an increase in the operating result and higher indirect investment income.

### Robust balance sheet and financial flexibility

- After proposed dividend, the Solvency II ratio (standard formula) was 194% as at 31 December 2019 (2018: 197%).
- Organic capital creation (OCC) amounted to € 370 million (2018: € 372 million). Good performances of the business segments were offset by an increase in the "UFR drag" due to lower interest rates.
- As from 2020, the OCC definition has been brought more in line with market practice. Based on the new definition, OCC for 2019 amounted to € 501 million.
- Based on the new OCC definition and taking into account the interest rates and market-observable spreads at year-end 2019, a.s.r. aims for an OCC of more than € 500 million per year in the medium term (2021).
- The Solvency II capital position was very robust; 74% consisted of unrestricted tier 1 capital, the financial flexibility was strong, with headroom of € 923 million in tier 1 and € 502 million in tiers 2 and 3 combined.
- The financial leverage stood at 29.2% and was well below the maximum level of 35%.
- In line with the holding cash policy, the holding's cash position amounted to € 458 million.

### Higher dividend and start of additional capital distributions

- The proposed dividend per share increased by 9.2% to € 1.90 (2018: € 1.74), in line with the existing dividend policy and ambition to offer a progressive dividend. Taking into account an interim dividend of € 0.70 per share that has already been paid, a final dividend of € 1.20 per share remains.
- Share buyback programme of € 75 million to be completed on 21 May 2020 at the latest, starting on 20 February.
- Medium-term intention updated with annual additional capital distribution of €75 million, provided that SII exceeds 180%.
- Regular dividend, additional capital distributions and value creation opportunities expected to be covered by OCC.

### Solid business performance

- Gross written premiums in the Non-life segment increased by € 178 million to € 3,192 million due to a solid organic growth of 3.7% (4.0% for P&C and Disability combined) and the acquisition of Loyalis (€ 67 million). The combined ratio of 93.5% is better than the 94-96% target and reflects the favourable development of claims in 2019.
- Gross written premiums in the Life segment increased by € 53 million to € 1,619 million. The decrease in Individual life was more than compensated by Loyalis (€ 59 million) and the WerknemersPensioen (DC product) (€ 138 million). At 53bps, the cost ratio in the Life segment was in line with the target of 45-55bps.
- Assets under management for third parties increased by € 3.2 billion for a.s.r. asset management and a.s.r. real estate together to € 20.7 billion (2018: € 17.5 billion). The ASR Hypotheekfonds (mortgage fund) increased by € 2.1 billion and the € 5.0 billion milestone, including commitments, has been achieved.

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<sup>1</sup> The comparative figures have been restated by € 7 million for an adjustment in the definition of the operating result.

## Execution of strategy is on course

- The integration of Loyalis is progressing well and its contribution of € 28 million to the operating result is slightly higher than expected.
- a.s.r. Vitality, with which a.s.r. strengthens its position of income insurer and service provider in the area of sustainable employability, had a prosperous start with circa 11,000 registered users.
- Brand awareness was stable at 80%, consumer trust has risen from 26% to 32% and the reputation “pulse score” from intermediaries remained strong at 76.3 (2018: 74.9).
- The sale of a.s.r. bank’s savings operations to Achmea Bank N.V. was completed in 2019 and a start was made with transitioning the investment accounts to Van Lanschot Kempen. This marks the end of a.s.r.’s banking operations.

## Governance

- With the appointments of Ingrid de Swart and Annemiek van Melick, a.s.r.’s Executive Board is now complete.
- The Supervisory Board proposes to reappointment Jos Baeten (CEO) and Herman Hintzen (member of the Supervisory Board), both for a term of 4 years. These proposals will be on the agenda for the AGM on 20 May 2020.
- Gisella van Vollenhoven and Gerard van Olphen have been appointed as members of the Supervisory Board.

**Jos Baeten, CEO:** ‘2019 was a good year for a.s.r. and I am proud of the results we have achieved. Our operating result of € 858 million is considerably higher than in 2018 and, at 15%, the operating return on equity is well above our target. The higher operating result also allows us to offer a higher dividend to our shareholders. We propose a cash dividend of € 1.90 per share for 2019, which is an increase of more than 9% compared to last year.

Our strategy will continue to focus on sustainable long-term value creation. We take our role as a sustainable company in society seriously and we have signed the national climate agreement of the financial sector. Our true commitment to a more sustainable society is reflected in our product development and our drive to constantly improve the services we provide to customers. The increase in the Net Promoter Score from +42 to +44 and for intermediaries from +60 to +62 can be seen as examples of our success.

Also as an investor we are committed to a more sustainable world. Our impact investments amounted already to € 900 million and the CO<sub>2</sub> footprint has been measured of 89% of our investment portfolio. We increasingly receive external recognition for our achievements. For example, for the third year in a row, we are the No. 1 sustainable insurer in the Fair Insurance Guide and we have been voted the most sustainable investor by VBDO twice in one year.

In our business operations we focus on reducing our direct CO<sub>2</sub> footprint. Since this summer our own office no longer makes use of gas and is CO<sub>2</sub> neutral. And, with a new mobility policy it is our ambition to have reduced our CO<sub>2</sub> emissions by business travel and commuter traffic by 50% in 2025.

As an employer we encourage our employees to commit themselves to society by conducting activities aimed at promoting financial (self-) reliance. In 2019, our employees spent nearly 12,500 hours on social activities, an increase of more than 40%.

Our strong financial discipline and the value-over-volume principle will continue to guide our decisions. We will continue to focus on cost control. Organic growth in 2019 was realised with structurally, slightly lower cost levels. The increase in operating expenses reflects primarily the cost base of Loyalis which we acquired last year and the higher incidental costs related to M&A. By consistently and successfully executing our strategy, all of our businesses continue to achieve robust operating results.

In the Non-life segment, the operating result increased by 58.5% to € 226 million, due to an improvement in performance in all product lines. The comparison with 2018 is favourable because in 2018 we had a high claims experience due to the January storm whereas claims were relatively low in 2019. In addition, 2019 also includes the result of Loyalis, which we acquired last year. Profitable growth is achieved by focusing on good craftsmanship, customer-focused services and cost control. This is reflected in a strong combined ratio of 93.5% with organic growth in gross written premiums of 4.0% for P&C and Disability combined. Including acquisitions, gross written premiums increased by 5.9% in 2019.

In 2019, a.s.r. strengthened its position of income insurer and service provider in terms of sustainable employability by the acquisitions of Loyalis and Veherex, the expansion of our interest in HumanTotalCare and the introduction of a.s.r. Vitality programme. We are pleased with the enthusiastic response to the introduction of this programme. We want our services to help customers live healthier and more vital lives. In this context, we focus even more on awareness and prevention and we

have integrated solutions within our occupational disability and health insurance products that are aimed at prevention, reintegration and claims handling.

In the Life segment, the higher investment margin in particular, including the contributions of acquisitions, led to a 3.7% increase in the operating result. This means that the result is well above the CMD guidance that was issued in 2018.

Gross written premiums of the “WerknemersPensioen” increased by more than 50%, with which a.s.r. has gained a strong position on the DC market. Together with the Loyalis premiums, this offsets the decrease in premiums from Individual life and Pension DB. Invested assets related to the WerknemersPensioen increased by 91% to approximately € 1.3 billion.

The migration of more than 800,000 Individual life policies to a platform with a variable cost structure was completed successfully at the end of 2019. This brought nine Life portfolios to one single system. The migration will improve efficiency, save costs and further improve services to clients and is proof of a.s.r.'s ability to complete large and complex processes within the objectives set.

a.s.r. asset management is highly successful and shows a clear performance improvement, with an increase in fee income from new clients and an increase in the funds entrusted to us in investment funds. Our mortgage fund, including € 800 million in commitments, has reached the € 5 billion milestone. And, our real estate business has been able to attract more customers and grow its asset under management by € 348 million.

In the second half of last year we reviewed and adjusted our capital policy, in particular with regard to the possibility of additional capital distributions. In this context, we took into account the level of solvency, our organic capital creation and potential opportunities for allocating capital for acquisitions or re-risking. Our intention for the medium term is to make an additional capital distribution of € 75 million per year, on top of the progressive regular dividend. Any additional capital distribution shall be conditional upon our Solvency II ratio (based on the standard formula) to remain above 180%, as we aim to maintain a robust balance sheet. The additional distribution will be financed from the available organically created capital (OCC), while we will take into account the regular dividend, room for potential bolt-on acquisitions and re-risking. If there are opportunities for larger acquisitions, this may have implications for the annual additional capital distribution we are aiming for. We will assess the possibility of an additional distribution on an annual basis. The new policy will be implemented with immediate effect and we have decided to buy back € 75 million of our own shares.

In tandem with the capital policy review, we also looked at our definition of organic capital creation and made a number of adjustments. The definition has been brought in line with market practice with regard to the expected returns on the investment portfolio. Based on the new definition, taking into account the yield curve and credit spreads as at year-end 2019, we aim for a medium-term OCC for 2021 of “more than € 500 million”.

To conclude, I am pleased with Ingrid de Swart and Annemiek van Melick joining a.s.r., with whom the Executive Board is once again complete and a strong team is in place for the years to come. Looking ahead, we are positive about the commercial and operational outlook for a.s.r. We are keeping a close eye on developments on the financial markets and in particular the impact of the exceptionally low interest rates. At the same time, we remain interested in growth through small and medium-sized acquisitions. Our strong capital position provides sufficient scope for this.

2020 is a special year for us. We will celebrate our 300th anniversary. Not only a festive event, but also a moment to realise how deeply rooted we are in Dutch society.’

## Key figures

(in € million, unless stated otherwise)	2019	2018	Movement (%)
Operating result <sup>1</sup>	858	749	14.5%
Operating return on equity <sup>2</sup>	15.1%	14.3%	0.8%-p
Net result (on IFRS basis) <sup>3</sup>	972	669	45.2%
Return on equity	19.1%	13.7%	5.4%-p
Gross written premiums	4,666	4,459	4.6%
Operating expenses	-656	-601	9.1%
Combined ratio (Non-life segment)	93.5%	95.7%	-2.2%-p
New business Life segment (APE)	159	119	33.6%
	<b>31 Dec. 2019</b>	<b>31 Dec. 2018</b>	<b>Delta</b>
Total equity	6,093	5,479	11.2%
Total equity attributable to shareholders	5,089	4,478	13.6%
Solvency II ratio (standard formula) after dividend <sup>4</sup>	194%	197%	-3%-p
Financial leverage	29.2%	26.7%	2.5%-p
Cash position of holding	458	394	16.3%
Number of FTEs (in-house)	3,906	3,683	6.1%
	<b>2019</b>	<b>2018</b>	<b>Delta</b>
Operating result per share <sup>5</sup>	4.22	3.67	15.1%
Dividend per share	1.90	1.74	9.2%
Number of shares issued and outstanding at year-end (million)	140.7	141.0	-0.2%
Weighted average number of shares issued and outstanding (million)	140.9	141.0	-0.1%

### Further explanation of the table

- During the second half of 2019, the operating result has been refined following the acquisition of Loyalis and the ensuing recognition of VOBA and other intangible assets. From a managerial perspective, a.s.r. regards the recognition and amortisation of positive and negative VOBA and other intangibles as IFRS 3 fair value accounting effects not relevant for the day-to-day management of the business and the operating performance of the underlying portfolios. Due to the definition change the operating result in 2018 is restated from € 742 million to € 749 million.
- The operating return on equity is calculated by dividing the pre-tax operating result after deduction of interest on hybrid capital and tax (tax rate: 25%) by the annual average equity attributable to shareholders after deduction of the reserve for unrealised gains and losses and the equity for property development (run-off operations) and a.s.r. bank.
- Net result (on IFRS basis) is referred to as Profit attributable to holders of equity instruments; 2018 restated for IAS 12 amendment
- After proposed dividend, exclusive of a.s.r. bank and a.s.r. asset management.
- The operating result per share is calculated by dividing the pre-tax operating result after deduction of interest on hybrid capital and tax (tax rate: 25%) by the weighted average number of outstanding shares.

### Financial calendar for 2020

25 March	2019 Annual Report
9 April	Notice convening the AGM
20 May	AGM
22 May	Ex-dividend (final dividend) date
25 May	Dividend record date
27 May	Distribution of final dividend for 2019
26 August	2020 interim figures
31 August	Ex-dividend (interim dividend) date
1 September	Dividend record date
4 September	Distribution of interim dividend for 2020

**a.s.r. key figures**

(in € millions, unless stated otherwise)	2019	2018	Delta
<b>Operating result <sup>2</sup></b>	<b>858</b>	<b>749</b>	<b>14.5%</b>
- Non-life	226	143	58.5%
- Life	696	671	3.7%
- Asset Management	24	16	48.3%
- Distribution and Services	23	26	-12.5%
- Holding and Other / Eliminations	-112	-108	3.7%
<b>Incidental items (not included in operating result)</b>	<b>353</b>	<b>155</b>	<b>127.5%</b>
- Investment related	343	163	110.2%
- Incidentals	10	-8	-226.0%
<b>Profit/(loss) before tax</b>	<b>1,210</b>	<b>904</b>	<b>33.9%</b>
- Non-life	292	159	83.7%
- Life	913	805	13.3%
- Asset Management	24	15	56.0%
- Distribution and Services	21	26	-16.3%
- Holding and Other / Eliminations	-39	-101	-61.4%
Income tax expense	-240	-196	22.3%
Profit/(loss) for the year from continuing operations	971	708	37.1%
Profit/(loss) for the year from discontinued operations	1	-36	-103.4%
Non-controlling interest	-0	-2	-96.3%
<b>Profit/(loss) for the year attributable to holders of equity instruments</b>	<b>972</b>	<b>669</b>	<b>45.2%</b>
<b>Organic capital creation (OCC)</b>	<b>370</b>	<b>372</b>	<b>-0.5%</b>
<b>Operating return on equity</b>	<b>15.1%</b>	<b>14.3%</b>	<b>0.8%-p</b>
Return on equity	19.1%	13.7%	5.4%-p
<b>Earnings per share</b>			
Operating result per share (€)	4.22	3.67	15.1%
Dividend per share (€)	1.90	1.74	9.2%
Basic earnings per share on IFRS basis (€)	6.47	4.33	49.6%
<b>Gross written premiums</b>	<b>4,666</b>	<b>4,459</b>	<b>4.6%</b>
- Non-life	3,192	3,014	5.9%
- Life	1,619	1,566	3.4%
- Eliminations	-145	-121	19.7%
<b>Operating expenses</b>	<b>-656</b>	<b>-601</b>	<b>9.1%</b>
- Non-life	-240	-222	8.5%
- Life	-192	-185	3.4%
- Asset Management	-87	-78	11.6%
- Distribution and Services	-60	-51	16.8%
- Holding and Other / Eliminations	-76	-65	18.1%
Operating expenses associated with ordinary activities	-597	-565	5.6%
Provision for restructuring expenses	-30	-25	19.7%
	<b>31 Dec. 2019</b>	<b>31 Dec. 2018</b>	<b>Delta</b>
<b>Number of internal FTEs</b>	3,906	3,683	6.1%
<b>Capital management</b>			
Solvency II ratio (standard formula, post proposed dividend) <sup>3</sup>	194%	197%	-3%-p
Financial leverage	29.2%	26.7%	2.5%-p
Double leverage	102.0%	99.7%	2.2%-p
Total equity attributable to holders of equity instruments (IFRS-based)	6,093	5,479	11.2%

### Operating result

The operating result improved by € 109 million to € 858 million (2018: € 749 million), a record operating performance. A strong Non-life performance, the contribution of acquisitions and growth of fee based businesses were the main drivers of the increase in the operating result.

The Non-life segment operating result increased by 58.5% to € 226 million (2018: € 143 million), primarily reflecting the higher claims in 2018 related to the January storm and the acquisition of Loyalis in 2019. The combined ratio for P&C and Disability improved 2.2%-point to 93.5% (2018: 95.7%).

The Life segment operating result increased by 3.7% to € 696 million (2018: € 671 million). The increase is mainly attributable to a higher investment margin (€ 44 million), whilst the technical result decreased (€ 10 million) and the result on costs decreased (€ 8 million). The investment margin increased as a result of re-risking, the integration of Loyalis and lower required interest in the declining Individual life portfolio.

The operating result of the Asset Management segment improved 48.3% to € 24 million (2018: € 16 million). The growth of external AuM by € 3.2 billion to € 20.7 billion was mainly driven by ASR Hypotheekfonds (mortgage fund) and the ESG funds. The real estate business increased its assets under management by € 348 million in 2019.

The operating result of the Distribution and Services segment decreased as expected by 12.5% to € 23 million (2018: € 26 million) due to a market-wide lowering of tariffs, partly offset by growth in mandated broker services.

The total contribution of Loyalis to the operating result, which mainly relates to Disability in the Non-life segment, is circa € 28 million.<sup>4</sup>

### Gross written premiums

Gross written premiums increased with 4.6% to € 4,666 million (2018: € 4,459 million). Gross written premiums in the Non-life segment increased to € 3,192 million (2018: € 3,014 million), including the addition of Loyalis (€ 67 million). Gross written premiums in the Life segment, including the addition of Loyalis (€ +59 million), amounted to € 1,619 million (2018: € 1,566 million). The increase is driven by growth of the "WerknemersPensioen" partly offset by the decline in the existing DB portfolio and Individual life, while recurring premiums of Funeral remained stable.

### Operating expenses

Operating expenses increased by 9.1%, to € 656 million (2018: € 601 million). The operating expenses associated with ordinary activities (which excludes incidental expenses) increased by 5.6% to € 597 million (2018: € 565 million), due to the additional cost base of acquisitions (€ 37 million). Excluding these acquisitions, regular operating expenses declined by € 5 million. These lower costs are mainly IT-related due to the reduction of applications following the integration of Generali and lower project costs from system rationalisation at Individual life, as well as lower FTE's. The impact of acquisitions mainly relates to Loyalis (€ 32 million as of 1 May 2019) as well as the acquisitions of Melching Groep, ArGon Groep and ZZP Nederland (total impact € 5 million).

The incidental operating expenses increased € 23 million to € 59 million (2018: € 36 million). This increase is driven by preparation costs for the a.s.r. Vitality programme and M&A-related costs.

The number of internal FTEs, including redundant employees still under contract, increased by 6.1% to 3,906 FTE (2018: 3,683 FTE). This increase is caused by the addition of the acquired companies. Excluding these acquisitions, internal FTEs

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<sup>2</sup> The comparative figures have been restated for an adjustment in the definition of the operating result. The depreciation of the VOBA and intangible fixed assets of business combinations are from now on incidental. As a result, the operating result for 2018 increased by € 7 million from € 742 million to € 749 million.

<sup>3</sup> After proposed dividend, exclusive of a.s.r. bank, a.s.r. asset management en a.s.r. real estate

<sup>4</sup> The integration is already in progress and therefore the result can no longer be precisely determined.

decreased. The completed integration of Generali Nederland into a.s.r. platforms led to a reduction in internal IT-related employees.

#### Profit before tax

Profit before tax rose 33.9% to € 1,210 million (2018: € 904 million). The increase was driven by a higher operating result (€ 109 million), higher indirect investment income (€ 180 million) and a positive contribution from incidentals (€ 18 million) compared to 2018.

The increase in indirect investment income is mainly due to realised capital gains on equities and an increase in the unrealised gains on real estate. The contribution of incidentals increased this year, mainly due to the purchase gain on the acquisition of Loyalis (€ 118 million, of which € 29 million in H2 2019 due to a reassessment). Several other items, including the own pension scheme, regulatory costs for the implementation of IFRS 17/9 legislation, integration costs and the harmonisation of a technical provision in the Non-life segment, led to incidental charges.

The closing of the Loyalis transaction took place on 1 May 2019. As a result, a.s.r. fully included the results and the balance sheet positions in the a.s.r. consolidated financial statements as from that date. Loyalis' total contribution to the operating result is circa € 28 million. In December 2019, a.s.r. established the final acquisition balance sheet of Loyalis, in accordance with IFRS 3 business combinations, within twelve months of the closing date. The gain as a result of the purchase amounted to € 118 million, which is recognised as an incidental item and therefore not part of the operating result.

#### Operating return on equity

Operating return on equity improved 0.8%-point to 15.1% (2018: 14.3%) and is well above the medium-term target range of 12-14%. IFRS return on equity increased 5.4%-point to 19.1% (2018: 13.7%) and was also driven by a higher contribution from (indirect) incidental items.

#### Solvency II ratio and Organic Capital Creation

The Solvency II-ratio per 2019 amounted to 194% (2018: 197%) after the proposed dividend. During 2019, the Solvency II ratio increased 32%-points from organic capital creation (+10%-points), hybrid capital transactions (+13%-points) and market and business developments (+9%-points). The increase was more than offset by the impact of the acquisition of Loyalis (-7%-points), the reduction of the UFR (-3%-points), tightening of the VA (-18%-points) and the 2019 dividend (-7%-points).

The Organic Capital Creation (OCC) amounted to € 370 million and remained fairly stable compared to last year (2018: € 372 million). Good performance of the business segments was offset by an increase in the "UFR drag" due to lower interest rates.

As from 2020, the OCC definition will be more aligned with market practice. Based on the new definition, OCC for 2019 amounted to € 501 million. The main adjustment relates to the long term investment margins. The excess returns for fixed income have been changed to market observable spreads, while the post-tax total return assumptions for equities have been set at 5% and for real estate to 4.1%. Furthermore, refinements have been made to the new business strain in Non-life, the run-off of market risk from the Life book and the addition of the time value of options and guarantees (TVOG). OCC, under the new definition, will be somewhat more sensitive to changes in the interest rates and credit spreads.

## Medium-term targets

The table below shows the targets and the performance of a.s.r.

Medium-term targets (2019–2021)		
Group	2019	Medium-term target
Solvency II ratio (standard formula)	194%	> 160%
Operating return on equity	15.1%	12%-14%
Organic capital creation	€ 370 million	FY 2021: > € 430 million
Organic capital creation – new definition	€ 501 million	> € 500 million
Financial leverage	29.2%	< 35%
S&P rating (insurance entities)	Single A	Single A
Business	2019	Medium-term target
Non-life combined ratio (P&C and Disability)	93.5%	94%-96%
Non-life gross written premiums (P&C and Disability), annual growth	4.0%	3%-5%
Life operating result	€ 696 million	≥ € 633 million
Life operating expenses (of basic Life provision)	53 bps	45-55 bps
Operating result fee based business (Asset Management, Distribution and Services)	€ 48 million	FY 2021: € 40 million
Non-financial targets	2019	Medium-term target
Net promoter score	44	FY 2021: > 44
Carbon footprint measured of the total investment portfolio	89%	FY 2021: 95%
Impact sustainable investments (for own account)	€ 0.9 billion	FY 2021: € 1.2 billion
Employee contribution to local society (hours), annual growth	+42%	FY 2021: +5% p.a.

The first-year performance of the medium-term target period shows that a.s.r. is ahead or well on track to achieve the Financial and Non-financial medium-term targets for 2019-2021.

### Non-financial targets

The Net Promoter Score (NPS), increased in 2019 by 2 points to a score of 44 (2018: 42) and is on track for the medium-term 2021 target. The customer experience is measured with NPS and customers are asked whether they recommend the experienced services provided by a.s.r. to others. The measurement of the carbon footprint of the investments for a.s.r.'s own account, including real estate and mortgages, increased to 89% of the total investment portfolio. The increase of volume of sustainable impact investments (for own account) to € 0.9 billion was driven by listed 'green bonds'. The employee contribution to help local society further increased to 12,413 hours (+42%; 2018: 8,733 hours). This increase relates to providing financial courses to children, helping families to improve their financial planning and participations in activities of the a.s.r. foundation.



## Non-life segment

<b>Key figures, Non-life segment</b>			
(in € millions, unless stated otherwise)	<b>2019</b>	<b>2018</b>	<b>Delta</b>
Gross written premiums	3,192	3,014	5.9%
Operating expenses	-240	-222	8.5%
Provision for restructuring expenses	-14	-14	-0.6%
<b>Operating result</b>	<b>226</b>	<b>143</b>	<b>58.5%</b>
<b>Incidental items (not included in operating result)</b>	<b>66</b>	<b>16</b>	<b>304.6%</b>
- Investment related	102	16	526.9%
- Incidentals	-37	-	-
Profit/(loss) before tax	292	159	83.7%
<b>Profit/(loss) for the year attributable to holders of equity instruments</b>	<b>213</b>	<b>132</b>	<b>61.5%</b>
	<b>2019</b>	<b>2018</b>	<b>Delta</b>
<b>Combined ratio P&amp;C and Disability</b>	<b>93.5%</b>	<b>95.7%</b>	<b>-2.2%-p</b>
- Commission ratio	19.6%	20.9%	-1.4%-p
- Cost ratio	8.4%	8.3%	0.0%-p
- Claims ratio	65.5%	66.4%	-0.9%-p
<b>Combined ratio</b>			
- P&C	96.9%	98.4%	-1.5%-p
- Disability	88.3%	90.8%	-2.5%-p
- Health	99.0%	99.2%	-0.3%-p

### Operating result

The operating result rose by 58.5% to € 226 million. Disability improved due to profitable growth, especially within absenteeism, where price increases led to an improvement in the combined ratio. Furthermore, the addition of Loyalis had a positive effect on the operating result. P&C underwriting result improved due to a relatively low level of large claims and a lower impact from calamities, particularly compared to the € 30 million impact from the January storm in 2018, and profitable growth. Disability also absorbed the impact of a change in the actuarial interest rate from 3% to 2% in the second half of 2019 and P&C absorbed the impact of lower discount rate on further bodily injury claims.

### Combined ratio

The combined ratio of P&C and Disability showed a strong improvement of 2.2%-points to 93.5% (2018: 95.7%) driven by both product lines. The P&C combined ratio improved 1.5%-point to 96.9% (2018: 98.4%) due to favourable underwriting results. The combined ratio of Disability (including Loyalis) improved by 2.5%-points to 88.3% (2018: 90.8%) due to the inclusion of Loyalis and an improvement in the absenteeism portfolio.

The combined ratio of Health improved by 0.3%-points to 99.0% (2018: 99.2%) mainly due to an improved pricing of the supplementary insurance portfolio.

### Gross written premiums

Gross written premiums amounted to € 3,192 million, up +5.9% (2018: € 3,014 million). All product lines contributed to the € 111 million organic growth and an increase of € 67 million was due to the acquisition of Loyalis Disability. The organic growth of Disability (€ +66 million) was mainly related to the sickness leave portfolio, especially in the mandated brokers distribution channel driven by increased tariffs. The growth in Health (€ +19 million) reflects higher premiums including tariff adjustments for supplementary health insurances. The increase of the P&C business (€ +26 million) mainly relates to the corporate and mandated broker channel. The 'Vernieuwd Voordeel Pakket' (a product that combines several insurance coverages) remained successful.

At the end of 2019 a.s.r. launched the a.s.r. Vitality programme, which stimulates members, by offering regular incentives to make healthy choices and increase mobility. In this way, a.s.r. works with customers to prevent illness or disability by encouraging healthy choices. Thereby providing benefits for customers, employers, society and also for a.s.r. Healthy customers submit fewer claims which leads to reduced costs of health care. The first results are promising with already circa 11,000 active participants.

### Operating expenses

The operating expenses increased by € 19 million to € 240 million (2018: € 222 million). Excluding the increase in cost base, due to the acquisition of Loyalis Disability (€ 19 million), operating expenses remained stable. The cost ratio of P&C and Disability (including Loyalis) remained stable at 8.4% (2018: 8.3%). Cost synergies were realised thanks to the integration of Generali Nederland and the migration of the Europeesche portfolio into the a.s.r. and Ditzo platforms last year.

### Profit before tax

The profit before tax for Non-life increased by € 133 million to € 292 million (2018: € 159 million). Besides the improved operating result (€ 83 million), a higher level of indirect investment income (€ +86 million), primarily consisting of realised capital gains, contributed to the increase. The contribution of insurance related and other incidental items decreased (€ -37 million) and included, amongst others, the alignment of the P&C technical provision under IFRS with Solvency II this year (€ -13 million).

## Life segment

<b>Key figures, Life segment</b>			
(in € millions, unless stated otherwise)	<b>2019</b>	<b>2018</b>	<b>Delta</b>
Recurring premiums	1,336	1,295	3.2%
Single premiums	283	271	4.5%
Gross written premiums	1,619	1,566	3.4%
Operating expenses	-192	-185	3.4%
Provision for restructuring expenses	-14	-9	45.6%
<b>Operating result</b>	<b>696</b>	<b>671</b>	<b>3.7%</b>
<b>Incidental items (not included in operating result)</b>	<b>217</b>	<b>134</b>	<b>61.9%</b>
- Investment related	243	144	69.5%
- Incidentals	-27	-10	175.0%
Profit/(loss) before tax	913	805	13.3%
<b>Profit/(loss) for the year attributable to holders of equity instruments</b>	<b>696</b>	<b>569</b>	<b>22.3%</b>
Cost/premium ratio (APE)	10.9%	11.1%	-0.2%-p
Life operating expenses on basic life provision (bps)	53	56	-3 bps
New business (APE)	159	119	33.6%

### Operating result

The operating result increased by € 25 million to € 696 million (an increase of 3.7%). The increase was primarily driven by a higher investment margin (€ +46 million). The increase in the investment margin is due to less required interest at Individual life and higher investment income as a result of the re-risking of investments and the integration of the Loyalis investments. The technical result decreased by € 11 million to € 98 million largely due to the decline of a substantial part of the book.

After the former Generali Nederland funeral portfolio was integrated last year, the Individual life portfolio of Generali Nederland was integrated into the a.s.r. platform in first half of 2019. The last part of the Generali Nederland pension portfolio is planned to be integrated in the beginning of 2020. The integration of the Loyalis Individual life books is expected to be completed in 2020.

### Gross written premiums

The gross written premiums amounted to € 1,619 million (2018: € 1,566 million). Recurring premiums (€ +41 million) as well as single premiums (€ +12 million) increased. This year, the WnP product continued to be successful and the AuM further increased to € 1.3 billion (2018: € 0.7 billion) primarily due to the growth of the portfolio and higher stock markets. The number of active participants is now over 80,000 (2018: 55,000). The additional contribution from Loyalis (€ 59 million) and WnP portfolio growth exceeded the decrease of the existing DB/DC Pension portfolio and recurring premiums in Individual life. The level of surrenders of nominal policies at Individual life was stable at 0.79% (2018: 0.83%). Excluding the single premium in the figures of the previous year related to the acquisition of PC Uitvaart (as from October 2018), gross written premiums from Funeral increased this year (€ +2 million).

### Operating expenses

The acquisition of Loyalis resulted in an increase in operating expenses by € 6 million to € 192 million (2018: € 185 million). Underlying operating expenses decreased (€ 6 million) due to the integration of Generali Life and system rationalisation at Individual life. This year a.s.r. completed the large-scale migration to a.s.r.'s Software as a Service platform. In total, more than 800,000 policies from all nine different Individual life systems, including several 'closed-book' systems, have been converted.

Life operating expenses expressed in basis points of the basic life provision improved to 53 bps (2018: 56 bps), in line with the target of 45-55 bps for 2019-2021. Operating expenses in relation to the premiums (measured in APE) improved, which is reflected in a slightly improved cost-premium ratio (APE) of 10.9% (2018: 11.1%).

### Profit before tax

The profit before tax increased by € 107 million to € 913 million (2018: € 805 million). This increase mainly relates to higher incidental items (€ 83 million), including higher indirect investment income (€ 100 million) as a result of re-risking the asset mix. The contribution from insurance related and other incidental items decreased (€ 17 million) and relates to several items including restructuring costs.

## Asset Management segment

Key figures, Asset Management segment <sup>5</sup>			
(in € millions, unless stated otherwise)	2019	2018	Delta
Assets under Management for third parties (€ bn)	20.7	17.5	18.3%
Operating expenses	-87	-78	11.6%
Provision for restructuring expenses	-1	-1	-43.9%
<b>Operating result</b>	<b>24</b>	<b>16</b>	<b>48.3%</b>
<b>Incidental items (not included in operating result)</b>	<b>-1</b>	<b>-1</b>	<b>-44.4%</b>
- Investment related	0	-0	-162.0%
- Incidentals	-1	-1	-43.9%
Profit/(loss) before tax	24	15	56.0%
Tax	-6	-4	48.2%
Profit/(loss) for the year from continuing operations	17	11	59.1%
Profit/(loss) for the year from discontinued operations	1	-37	-
<b>Profit/(loss) for the year attributable to holders of equity instruments</b>	<b>19</b>	<b>-26</b>	<b>172.6%</b>

### Operating result

The operating result of the Asset Management segment increased by € 8 million to € 24 million (2018: € 16 million). Both a.s.r. asset management (€4 million) and a.s.r. real estate (€4 million) contributed to this increase.

The operating result of a.s.r. asset management increased by € 4 million to € 12 million due to the growth of external AuM, mainly as a result of inflow in the ASR Hypotheekfonds (mortgage fund) and the ESG funds. The operating result of a.s.r. real estate also increased by € 4 million to € 14 million, mainly due to growth in AuM (€0.3 billion) reflecting higher inflows and revaluations.

### Operating expenses

The operating expenses increased by € 9 million to € 87 million reflecting a higher mortgage production and higher personnel costs due to growth and expansion of the various (third party) funds.

### Asset under Management

The AuM for third parties of a.s.r. asset management and a.s.r. real estate increased by € 3.2 billion to € 20.7 billion (2018: € 17.5 billion). The increase of a.s.r. asset management by € 2.9 billion to € 18.8 billion was primarily driven by inflow into ASR Hypotheekfonds (€ 2.1 billion), positive revaluations of the funds (€ 2.1 billion) and inflow into the ESG-Funds (€ 0.6 billion).

<sup>5</sup> Bank and Asset Management segment was renamed to Asset Management segment as Bank was sold during the year. The Asset Management segment involves all activities related to asset management including investment property management, and the discontinued banking activities. These activities include ASR Vermogensbeheer N.V., ASR Real Estate B.V., ASR Hypotheken B.V. and ASR Bank N.V. As of October 2018, all activities of ASR Bank N.V. were classified as discontinued, and most of these activities were sold during the year.

These increases were partly offset by an outflow in mandates (€ -1.5 billion) of some local governments as a result of specific regulation ('schatkistbankieren'). The increase of inflow at a.s.r. real estate by € 0.3 billion to € 1.9 billion primarily relates to new participants in the various funds.

a.s.r. recently expanded its product range and introduced the '*Verduurzamingshypotheek*' (a sustainability mortgage). This mortgage stimulates customers to invest for energy-saving measures in their homes. This contributes to the reduction of CO<sub>2</sub> emissions, but also to more comfort in their home and cost savings. a.s.r. is one of the first mortgage lenders to offer such a product.

The payment arrears and credit losses remain well below our limits due to arrears prevention, favourable economic conditions and strict monitoring. Payment arrears of more than 90 days on the mortgage portfolio amount to 0.05% (2018: 0.10%) and have been decreasing for years reaching the lowest level ever. Credit losses were reduced substantially and amounted to 0.28 bps (2018: 0.80 bps).

a.s.r. completed the sale of its banking activities to Achmea. These activities consist of a saving portfolio (volume of around € 1.7 billion with approximately 125,000 customers) and the transfer of the mortgage portfolio (volume of € 1.5 billion). The financial result from a.s.r.'s banking activities is not included in a.s.r.'s operating result. The profit for the year from discontinued operations and including the realisation of the transfer of all assets and liabilities amounted to € 1 million (2018: € -37 million). In the beginning of 2020 the final step for phasing out the banking activities was taken with the partnership agreement with Van Lanschot Kempen for investment accounts in the portfolio of a.s.r. bank. Once these investment accounts are transferred, the banking licence will be terminated.

## Distribution and Services segment

Key figures, Distribution and Services segment <sup>6</sup>			
(in € millions)	2019	2018	Delta
Total income	90	79	14.0%
Operating expenses	-60	-51	16.8%
Provision for restructuring expenses	-	-0	
<b>Operating result</b>	<b>23</b>	<b>26</b>	<b>-12.5%</b>
<b>Incidental items (not included in operating result)</b>	<b>-2</b>	<b>-1</b>	<b>107.2%</b>
- Investment related	0	0	-
- Incidentals	-2	-1	90.7%
Profit/(loss) before tax	21	26	-16.3%
Tax	-5	-6	-26.0%
<b>Profit/(loss) for the year attributable to holders of equity instruments</b>	<b>17</b>	<b>19</b>	<b>-13.9%</b>

### Operating result

The operating result of the Distribution and Services segment decreased as expected by 12.5% to € 23 million (2018: € 26 million) as fee-income was under pressure. Several tariffs for mandated broker services were lowered resulting in a decrease in fee-income of Dutch ID. Additional growth of mandated broker services, transfers, premium increases and the growth in outsourcing back-office activities to Dutch ID partially off-set the decrease in fee income. The operating result of Poliservice was lower due to increased depreciation charges on acquired portfolios. The operating results of the other distribution companies (SuperGarant, Corins, VKG and Anac) remained stable. The recently acquired companies (ArGon Groep and Melching Groep) will contribute to the operating result as of 2020.

ArGon Groep supports organisations in the transition to, or the optimisation of, own management in vitality, prevention, absenteeism and reintegration policies. Melching Groep is a mandated broker and service provider in the insurance business and acts as a link between insurance companies and intermediaries.

### Operating expenses

The operating expenses increased by € 9 million to € 60 million (2018: € 51 million) primarily as a result of the addition of the acquired activities of Loyalis Kennis & Consult (as of May 2019), ZZP Nederland by SuperGarant (as of July 2018), ArGon Groep by SuperGarant (as of August 2019) and Melching Groep by Van Kampen Groep (as of July 2019).

<sup>6</sup> The Distribution and Services segment includes the activities related to distribution of insurance contracts and includes the financial intermediary business of PoliService B.V., Van Kampen Groep Holding B.V. (and Van Kampen Geld B.V.), Dutch ID B.V., SuperGarant Verzekeringen B.V. (and as of July 2018 ZZP Nederland Verzekeringen B.V.), Corins B.V., ANAC, All-Finance Nederland Advies-Combinatie B.V. and Loyalis Kennis & Consult B.V.

## Holding and Other segment (including Eliminations)

Key figures, Holding and Other segment / Eliminations <sup>7</sup>			
(in € millions)	2019	2018	Delta
Operating expenses	-76	-65	18.1%
Provision for restructuring expenses	-1	-	-
<b>Operating result</b>	<b>-112</b>	<b>-108</b>	<b>-3.7%</b>
<b>Incidental items (not included in operating result)</b>	<b>73</b>	<b>7</b>	<b>920.5%</b>
- Investment related	-3	3	-193.2%
- Incidentals	76	4	-
Profit/(loss) before tax	-39	-101	-61.4%
Tax	65	77	-15.6%
Non-controlling interest	-1	2	-165.5%
<b>Profit/(loss) for the year attributable to holders of equity instruments</b>	<b>27</b>	<b>-26</b>	<b>-207.1%</b>

### Operating result

The operating result decreased by € 4 million to € -112 million (2018: € -108 million). This was mainly the result of an increase in the interest expenses (€ -12 million) on the newly issued € 500 million Tier 2 subordinated loan in April 2019. The proceeds were primarily used to fund the acquisition of Loyalis. This decrease was partly offset by an expansion of the interest in HumanTouchHolding, a service provider in the field of reintegration, at the beginning of this year.

### Operating expenses

Operating expenses increased by € -12 million to € -76 million (2018: € -65 million) primarily as a result of incidental costs. The incidental cost items in 2019, classified as other incidentals, amounted to € -51 million (2018: € -34 million). Incidental items this year mainly relate to preparation costs for the a.s.r. Vitality-programme, regulatory costs for the preparation of the implementation of IFRS 17/9, Loyalis and Generali Nederland integration costs and advisory costs related to M&A activities.

The incidental items, which amount to € 73 million this year, mainly relate to a purchase gain as a result of the Loyalis acquisition (€ +118 million, including a reassessment in the second half of the year) and the incidental costs of € -51 million.

### Profit before tax

The higher contribution from incidental items is also reflected in the development of the profit before tax, which increased to € -39 million (2018: € -101 million).

<sup>7</sup> The Holding and Other segment consists primarily of the holding activities of ASR Nederland N.V. (including the group related activities), other holding and intermediate holding companies, the real estate development business (ASR Vastgoed Projecten B.V.) and the activities of ASR Deelnemingen N.V.



## Capital management

- The Solvency II ratio (standard formula) continues to be robust at 194% (2018: 197%) after dividend and meets our target of above 160%.
- Organic capital creation amounted to € 370 million, which is 9.8% of the required capital.
- As from 2020, the OCC definition will be more aligned with the market practice. Based on the new definition, OCC for 2019 amounted to € 501 million.
- Share buyback (SBB) programme of € 75 million to commence on 20 February 2020 and to be completed no later than 21 May 2020. Impact on SII ratio of 1.9%-point will be included in H1 2020.
- Equity attributable to holders of equity instruments (IFRS-based Equity) increased by € 614 million to € 6,093 million.
- Financial leverage of 29.2% (2018: 26.7%), which is well below our maximum threshold of 35%.
- Double leverage was 102.0% (2018: 99.7%).

### Dividend

Management proposes to distribute a cash dividend of € 267.4 million for the full year 2019. The proposed annual dividend is in line with the earlier announced dividend policy and based on a pay-out ratio of 45% to 55% of net operating result attributable to shareholders (i.e. net of hybrid costs). The proposed dividend per share increased by 9.2% to € 1.90 (2018: € 1.74). Taking into account an interim dividend of € 0.70 per share that has already been paid, a final dividend of € 1.20 per share remains. The full year dividend is based on a pay-out ratio of 45% is consistent with the ambition to offer shareholders a progressive dividend per share in the long term.

Following the approval of the Annual General Meeting on 20 May 2020, the final dividend will become payable as per 27 May 2020. The a.s.r. stock will trade ex-dividend on 22 May 2020.

## Solvency II

Solvency II			
(in € millions)	31 Dec. 2019	31 Dec. 2018	Delta
Eligible Own Funds	7,828	6,924	13.1%
Required capital	4,035	3,523	14.5%
<b>Solvency II ratio (post dividend)</b>	<b>194%</b>	<b>197%</b>	<b>-3%-p-</b>

The Solvency II ratio was 194% (2018: 197%). Before the proposed final dividend of € 168.9 million the Solvency II ratio amounts to 198%. The Solvency II ratio benefited from organic capital creation (+10%-points), the issuance of a Tier 1 loan and a Tier 2 loan and the redemption of two Tier 1 loans (+13%-points combined), market and business developments (9%-points). This increase was more than offset by the impact from the acquisition of Loyalis (-7%-points), the reduction of the UFR (-3%-points), tightening of the VA (-18%-points) and 2019 dividend (-7%-points).

### Eligible Own Funds

The eligible own funds increased to € 7,828 million (2018: € 6,924 million). The drivers of the increase in eligible own funds are organic growth, the issuance of a Tier 2 loan and a Tier 1 loan, the acquisition of Loyalis, the benefit from higher equity markets, lower interest rates and spread tightening on credits. These effects were partially offset by a lower UFR, tightening of the VA, the redemption of Tier 1 loans and the interim and proposed final dividend.

### Required Capital

The required capital stood at € 4,035 million (31 December 2018: € 3,523 million). This increase is mainly due to the acquisition of Loyalis, lower interest rates increasing the required capital for Life and an increase in equity risk due to higher equity markets.

## Equity

<b>Breakdown of total equity</b>			
(in € millions)	31 Dec. 2019	31 Dec. 2018	Delta
Share capital	23	23	0.0%
Share premium reserve	976	976	0.0%
Unrealised gains and losses	937	586	59.9%
Actuarial gains and losses (IAS19)	-1,016	-635	60.1%
Retained earnings	4,179	3,528	18.4%
Treasury shares	-9	-	-
<b>Equity attributable to shareholders</b>	<b>5,089</b>	<b>4,478</b>	<b>13.6%</b>
Other equity instruments	1,004	1,001	0.3%
<b>Equity attributable to holders of equity instruments</b>	<b>6,093</b>	<b>5,479</b>	<b>11.2%</b>
Non-controlling interest	-	-	-
<b>Total equity</b>	<b>6,093</b>	<b>5,479</b>	<b>11.2%</b>

<b>Statement of changes in total equity</b>		
(in € millions)	31 Dec. 2019	31 Dec. 2018
<b>Beginning of reporting period - total equity</b>	<b>5,479</b>	<b>5,432</b>
Profit/(loss) for the year	972	669
Unrealised gains and losses	351	-283
Actuarial gains and losses (IAS19)	-381	40
Dividend	-252	-321
Hybrid capital costs	-60	-59
Other equity instruments	3	-
Non-controlling interest	-	2
Treasury shares	-9	-
Other changes	-9	1
<b>End of reporting period - total equity</b>	<b>6,093</b>	<b>5,479</b>

Total equity attributable to holders of equity instruments (IFRS-based) increased by € 614 million to € 6,093 million (2018: € 5,479 million).

This increase is mainly due to the addition of the 2019 net result (€ 972 million) and an increase of unrealised gains of fixed-income investments (€ 351 million) due to lower interest rates.

Several factors partly offset this increase including a change in actuarial gains and losses (IAS 19) on the a.s.r. own pension scheme (€ -381 million) due to a lower discount rate (2019: 1.04% vs 2018: 1.85%). Dividend payments in the 2019 financial year amounted to € -252 million. The other equity instruments are related to a new Tier 1 loan of € 207 million offset by the repayments of two equity instruments (amounting to € 204 million). Treasury shares (€ 9 million) is the purchase of shares for the a.s.r. share plan for employees which commenced in 2019. Other changes (€ -9 million) include the capitalised costs of the redeemed Tier 1 loans € -4 million, transaction costs of a new Tier 1 loan € -2 million and the result on the sale of company shares to employees of € -1 million related to the a.s.r. share plan.

## Financial leverage

Financial leverage			
(in € millions)	31 Dec. 2019	31 Dec. 2018	Delta
Basis for financial leverage (equity attributable to shareholders)	5,089	4,478	13.6%
Financial liabilities	2,099	1,633	28.5%
of which hybrids	1,004	1,001	0.3%
of which subordinated liabilities	990	497	99.2%
of which senior debt	105	135	-22.2%
<b>Financial leverage (%)</b>	<b>29.2%</b>	<b>26.7%</b>	<b>2.5%-p</b>
<b>Interest coverage ratio (IFRS)</b>	<b>12.9x</b>	<b>10.9x</b>	<b>2.0x</b>

The financial leverage of a.s.r. increased to 29.2% in 2019 (2018: 26.7%), which is well below the maximum level of 35%. The increase in financial liabilities as a result of the newly issued Tier 2 subordinated loan of € 500 million (as at 2 May 2019) and the restricted Tier 1 loan of € 200 million (as at 24 September 2019), was mitigated by the increase of equity attributable to shareholders and two redemptions. This relates to a repayment of € 30 million of senior debt at the end of June 2019 and the € 210 million redemption of the Tier 1 instruments issued in 2009.

The interest coverage ratio (ICR), based on the IFRS result before tax, increased to 12.9x (2018: 10.9x). The ICR increased due to a relatively strong increase in the IFRS result compared to the increase in interest expense. Despite the increased amount of debt compared to the previous year, total interest expense increased to a limited extent as the hybrid loans were concluded at relatively low interest rates compared to the relatively high interest rates on redemptions.

## Double leverage

Double leverage			
(in € millions)	31 Dec. 2019	31 Dec. 2018	Delta
Total value of associates	7,222	5,959	21.2%
Equity attributable to shareholders	5,089	4,478	13.6%
Hybrids and subordinated liabilities	1,994	1,498	33.1%
<b>Equity attributable to holders of equity instruments</b>	<b>7,083</b>	<b>5,976</b>	<b>18.5%</b>
<b>Double leverage (%)</b>	<b>102.0%</b>	<b>99.7%</b>	<b>2.2%-p</b>

The double leverage increased 2.2%-points to 102.0% (2018: 99.7%). This increase is driven by shareholders' equity of the participating interests (associates), which has increased more than the equity of the holding company (€ +1,263 million versus € +1,107 million). The difference of € 156 million can be attributed to, amongst others, the a.s.r. pension scheme and changes in actuarial provisions (€ -271 million), the share premium payments of the a.s.r. holding company in P&C and Life in connection with the acquisition of Loyalis entities (€ -465 million) and the distributed dividend (€ -252 million) to shareholders. The difference is mitigated by the a.s.r. holding company net result including received dividends (€ 492 million) and the issuance of the Tier 2 subordinated loan (€ 492 million).

# Appendices

- 1 Financial statements
  - 1.1 Consolidated Balance Sheet
  - 1.2 Consolidated Income Statement
  - 1.3 Consolidated Statement of Movements in equity
  - 1.4 Segmented Balance Sheet
  - 1.5 Segmented Income Statement

Restatements of comparative figures are the result of changes in EU endorsed annual improvements to IFRS standards 2015-2017 cycle: IAS 12 amendment and changes in presentation.

## IAS 12 amendment

The IAS 12 amendment clarifies that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

The amendment impacts the presentation of the tax related to interest payments on other equity instruments. The tax impact of the interest payments on these instruments was until 2018 presented as part of equity. As from 2019, the tax impact is presented in the line item income tax (expense) / gain in the consolidated income statement. The comparative figures have been restated accordingly (2018: € 15 million). There is no impact on equity.

## Changes in presentation

The current presentation differs from last year's presentation in some aspects. Where applicable, in accordance with IFRS, comparative figures have been included in the new presentation format to ensure comparability. This mainly concerns interest income and interest expense relating to negative interest paid on derivative assets and positive interest received on derivative liabilities. These changes in presentation have no impact on net result nor equity.

# Financial statements

## 1.1. Consolidated Balance Sheet

### Consolidated Balance Sheet (before profit appropriation)

(in € millions)	31 December 2019	31 December 2018
Intangible assets	466	366
Property and equipment	189	172
Investment property	1,996	1,889
Associates and joint ventures at equity method	99	67
Investments	34,651	27,660
Investments on behalf of policyholders	9,571	7,771
Loans and receivables	12,332	11,083
Derivatives assets	5,959	2,867
Deferred tax assets	197	275
Reinsurance contracts	571	589
Other assets	722	636
Cash and cash equivalents	2,905	3,782
Assets held for sale	61	1,852
<b>Total assets</b>	<b>69,721</b>	<b>59,009</b>
Share capital	23	23
Share premium reserve	976	976
Unrealised gains and losses	937	586
Actuarial gains and losses	-1,016	-635
Retained earnings	4,179	3,528
Treasury shares	-9	-
<b>Equity attributable to shareholders</b>	<b>5,089</b>	<b>4,478</b>
Other equity instruments	1,004	1,001
<b>Equity attributable to holders of equity instruments</b>	<b>6,093</b>	<b>5,479</b>
Non-controlling interests	-	-
<b>Total equity</b>	<b>6,093</b>	<b>5,479</b>
Subordinated liabilities	990	497
Liabilities arising from insurance contracts	38,555	33,244
Liabilities arising from insurance contracts on behalf of policyholders	12,477	10,222
Employee benefits	3,860	3,327
Provisions	54	22
Borrowings	47	39
Derivatives liabilities	676	435
Deferred tax liabilities	-	-
Due to customers	686	625
Due to banks	5,520	2,686
Other liabilities	729	630
Liabilities relating to assets held for sale	33	1,803
<b>Total liabilities</b>	<b>63,628</b>	<b>53,530</b>
<b>Total equity and liabilities</b>	<b>69,721</b>	<b>59,009</b>

## 1.2. Consolidated Income Statement

Consolidated Income Statement		
(in € millions)	2019	2018 restated
<b>Continuing operations</b>		
Gross written premiums	4,666	4,459
Change in provision for unearned premiums	75	34
<b>Gross insurance premiums</b>	<b>4,740</b>	<b>4,493</b>
Reinsurance premiums	-115	-107
<b>Net insurance premiums</b>	<b>4,625</b>	<b>4,386</b>
Investment income	1,444	1,393
Realised gains and losses	353	222
Fair value gains and losses	-55	60
Result on investments on behalf of policyholders	1,574	-302
Fee and commission income	129	117
Other income	165	137
Share of profit/(loss) of associates and joint ventures	5	-7
<b>Total income</b>	<b>3,616</b>	<b>1,620</b>
Insurance claims and benefits	-5,475	-3,576
Insurance claims and benefits recovered from reinsurers	60	42
<b>Net insurance claims and benefits</b>	<b>-5,415</b>	<b>-3,534</b>
Operating expenses	-656	-601
Restructuring provision expenses	-30	-25
Commission expenses	-489	-484
Impairments	-16	-40
Interest expense	-352	-313
Other expenses	-74	-105
<b>Total expenses</b>	<b>-1,616</b>	<b>-1,568</b>
<b>Profit before tax</b>	<b>1,210</b>	<b>904</b>
Income tax (expense) / gain	-240	-196
<b>Profit from the continuing operations</b>	<b>971</b>	<b>708</b>
<b>Discontinued operations</b>		
Profit (loss) from discontinued operations net of tax	1	-36
<b>Profit for the year</b>	<b>972</b>	<b>671</b>
<b>Attributable to:</b>		
- Non-controlling interests	-	2
- Shareholders of the parent	912	610
- Holders of other equity instruments	60	59
<b>Profit attributable to holders of equity instruments</b>	<b>972</b>	<b>669</b>

### 1.3. Consolidated Statement of Changes in equity

Consolidated Statement of Changes in equity										
(in € millions)	Share capital	Share premium reserve	Unrealised gains and losses	Actuarial gains and losses (pension obligations)	Retained earnings	Treasury shares	Equity attributable to shareholders	Other equity instruments	Non-controlling interest	Total equity
<b>At 1 January 2019</b>	<b>23</b>	<b>976</b>	<b>586</b>	<b>-635</b>	<b>3,528</b>	<b>-</b>	<b>4,478</b>	<b>1,001</b>	<b>-</b>	<b>5,479</b>
Profit for the year	-	-	-	-	972	-	972	-	-	972
Total other comprehensive income	-	-	351	-381	-	-	-31	-	-	-31
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>351</b>	<b>-381</b>	<b>972</b>	<b>-</b>	<b>941</b>	<b>-</b>	<b>-</b>	<b>941</b>
Dividend paid	-	-	-	-	-252	-	-252	-	-	-252
Discretionary interest on other equity instruments	-	-	-	-	-60	-	-60	-	-	-60
Issue of other equity instruments	-	-	-	-	-	-	-	207	-	207
Redemption of other equity instruments	-	-	-	-	-	-	-	-209	-	-209
Cost of issue of other equity instruments	-	-	-	-	-2	-	-2	-	-	-2
Treasury shares	-	-	-	-	-1	-9	-10	-	-	-10
Other	-	-	-	-	-6	-	-6	6	-	-1
<b>At 31 December 2019</b>	<b>23</b>	<b>976</b>	<b>937</b>	<b>-1,016</b>	<b>4,179</b>	<b>-9</b>	<b>5,089</b>	<b>1,004</b>	<b>-</b>	<b>6,093</b>
<b>At 1 January 2018</b>	<b>24</b>	<b>1,018</b>	<b>869</b>	<b>-674</b>	<b>3,383</b>	<b>-188</b>	<b>4,432</b>	<b>1,001</b>	<b>-2</b>	<b>5,432</b>
Profit for the year	-	-	-	-	669	-	669	-	2	671
Total other comprehensive income	-	-	-283	40	-	-	-244	-	-	-244
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-283</b>	<b>40</b>	<b>669</b>	<b>-</b>	<b>426</b>	<b>-</b>	<b>2</b>	<b>428</b>
Dividend paid	-	-	-	-	-321	-	-321	-	-	-322
Discretionary interest on other equity instruments	-	-	-	-	-59	-	-59	-	-	-59
Increase (decrease) in capital	-1	-42	-	-	-146	188	-	-	-	-
Other	-	-	-	-	1	-	1	-	-	1
<b>At 31 December 2018</b>	<b>23</b>	<b>976</b>	<b>586</b>	<b>-635</b>	<b>3,528</b>	<b>-</b>	<b>4,478</b>	<b>1,001</b>	<b>-</b>	<b>5,479</b>

## 1.4. Segmented Balance Sheet

### Segmented Balance Sheet

As at 31 December 2019 (in € millions)	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	125	155	8	179	-	-	466
Property and equipment	-	149	-	12	232	-205	189
Investment property	286	1,710	-	-	-	-	1,996
Associates and joint ventures at equity method	-	24	-	1	74	-	99
Investments	6,785	27,798	-	-	3,245	-3,176	34,651
Investments on behalf of policyholders	-	9,571	-	-	-	-	9,571
Loans and receivables	644	11,871	29	42	82	-337	12,332
Derivatives	120	5,839	-	-	-	-	5,959
Deferred tax assets	-8	-	-	-2	206	-	197
Reinsurance contracts	405	166	-	-	-	-	571
Other assets	154	591	4	1	-26	-2	722
Cash and cash equivalents	232	2,056	85	46	485	-	2,905
Assets held for sale	-	-	63	-	-	-2	61
<b>Total assets</b>	<b>8,744</b>	<b>59,931</b>	<b>189</b>	<b>280</b>	<b>4,299</b>	<b>-3,721</b>	<b>69,721</b>
Equity attributable to holders of equity instruments	1,912	5,298	117	192	-1,357	-69	6,093
Non-controlling interests	-	1	-	-	-	-1	-
<b>Total equity</b>	<b>1,912</b>	<b>5,299</b>	<b>117</b>	<b>192</b>	<b>-1,357</b>	<b>-70</b>	<b>6,093</b>
Subordinated liabilities	19	-	-	-	990	-19	990
Liabilities arising from insurance contracts	6,337	34,954	-	-	-	-2,735	38,555
Liabilities arising from insurance contracts on behalf of policyholders	-	12,477	-	-	-	-	12,477
Employee benefits	-	-	-	-	3,860	-	3,860
Provisions	-	4	-	1	50	-	54
Borrowings	-	27	6	11	492	-489	47
Derivatives	40	636	-	-	-	-	676
Deferred tax liabilities	85	-204	3	3	132	-19	-
Due to customers	86	932	-	23	-	-356	686
Due to banks	87	5,328	-	-	105	-	5,520
Other liabilities	178	478	30	49	27	-33	729
Liabilities related to assets held for sale	-	-	33	-	-	-	33
<b>Total liabilities</b>	<b>6,833</b>	<b>54,632</b>	<b>72</b>	<b>87</b>	<b>5,656</b>	<b>-3,651</b>	<b>63,628</b>
<b>Total equity and liabilities</b>	<b>8,744</b>	<b>59,931</b>	<b>189</b>	<b>280</b>	<b>4,299</b>	<b>-3,721</b>	<b>69,721</b>



## 1.4 Segmented Balance Sheet (continued)

As at 31 December 2018 (in € millions)	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	19	164	8	175	-	-	366
Property and equipment	-	148	-	6	18	-	172
Investment property	229	1,659	-	-	-	-	1,889
Associates and joint ventures at equity method	-	26	-	1	39	-	67
Investments	5,139	22,421	1	-	3,055	-2,955	27,660
Investments on behalf of policyholders	-	7,771	-	-	-	-	7,771
Loans and receivables	333	10,919	24	27	63	-283	11,083
Derivatives	18	2,850	-	-	-	-	2,867
Deferred tax assets	-	4	-	-2	272	1	275
Reinsurance contracts	415	174	-	-	-	-	589
Other assets	127	524	-	1	-16	-1	636
Cash and cash equivalents	352	2,892	70	47	422	-	3,782
Assets held for sale	-	-	1,853	-	-	-1	1,852
<b>Total assets</b>	<b>6,633</b>	<b>49,553</b>	<b>1,955</b>	<b>255</b>	<b>3,853</b>	<b>-3,240</b>	<b>59,009</b>
Equity attributable to holders of equity instruments	1,374	4,528	125	185	-686	-48	5,479
Non-controlling interests	-	11	-	-	-	-11	-
<b>Total equity</b>	<b>1,374</b>	<b>4,539</b>	<b>125</b>	<b>185</b>	<b>-686</b>	<b>-59</b>	<b>5,479</b>
Subordinated liabilities	15	-	-	-	497	-15	497
Liabilities arising from insurance contracts	5,027	30,814	-	-	-	-2,596	33,244
Liabilities arising from insurance contracts on behalf of policyholders	-	10,222	-	-	-	-	10,222
Employee benefits	-	-	-	-	3,327	-	3,327
Provisions	-	4	-	-	17	-	22
Borrowings	-	31	7	4	229	-232	39
Derivatives	6	429	-	-	-	-	435
Deferred tax liabilities	60	-257	2	4	205	-15	-
Due to customers	66	861	-	10	-	-312	625
Due to banks	13	2,538	-	-	135	-	2,686
Other liabilities	71	372	19	51	127	-11	630
Liabilities related to assets held for sale	-	-	1,803	-	-	-	1,803
<b>Total liabilities</b>	<b>5,258</b>	<b>45,014</b>	<b>1,830</b>	<b>70</b>	<b>4,538</b>	<b>-3,181</b>	<b>53,530</b>
<b>Total equity and liabilities</b>	<b>6,633</b>	<b>49,553</b>	<b>1,955</b>	<b>255</b>	<b>3,852</b>	<b>-3,240</b>	<b>59,009</b>

## 1.5 Segmented Income Statement

Segmented Income Statement							
2019 (in € millions)	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
<b>Continuing operations</b>							
Gross written premiums	3,192	1,619	-	-	-	-145	4,666
Change in provision for unearned premiums	75	-	-	-	-	-	75
<b>Gross insurance premiums</b>	<b>3,266</b>	<b>1,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-145</b>	<b>4,740</b>
Reinsurance premiums	-107	-8	-	-	-	-	-115
<b>Net insurance premiums</b>	<b>3,159</b>	<b>1,612</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-145</b>	<b>4,625</b>
Investment income	125	1,302	6	-	9	1	1,444
Realised gains and losses	77	280	-	-	1	-5	353
Fair value gains and losses	30	-99	-	-	-	15	-55
Result on investments on behalf of policyholders	-	1,574	-	-	-	-	1,574
Fee and commission income	22	4	131	67	-	-95	129
Other income	2	19	-	22	132	-10	165
Share of profit/(loss) of associates and joint ventures	-	-	-	1	5	-	5
<b>Total income</b>	<b>256</b>	<b>3,079</b>	<b>138</b>	<b>90</b>	<b>148</b>	<b>-94</b>	<b>3,616</b>
Insurance claims and benefits	-2,387	-3,267	-	-	-	180	-5,475
Insurance claims and benefits recovered from reinsurers	52	8	-	-	-	-	60
<b>Net insurance claims and benefits</b>	<b>-2,335</b>	<b>-3,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180</b>	<b>-5,415</b>
Operating expenses	-240	-192	-87	-60	-130	54	-656
Restructuring provision expenses	-14	-14	-1	-	-1	-	-30
Commission expenses	-512	-14	-	-	-	37	-489
Impairments	-1	-16	-	-	1	-	-16
Interest expense	-14	-242	-	-	-53	-43	-352
Other expenses	-6	-42	-26	-8	-11	19	-74
<b>Total expenses</b>	<b>-788</b>	<b>-519</b>	<b>-114</b>	<b>-68</b>	<b>-194</b>	<b>67</b>	<b>-1,616</b>
<b>Profit before tax</b>	<b>292</b>	<b>913</b>	<b>24</b>	<b>21</b>	<b>-46</b>	<b>7</b>	<b>1,210</b>
Income tax (expense) / gain	-78	-215	-6	-5	67	-2	-240
<b>Profit after tax from continuing operations</b>	<b>213</b>	<b>697</b>	<b>17</b>	<b>17</b>	<b>21</b>	<b>5</b>	<b>971</b>
<b>Discontinued operations</b>							
Profit (loss) from discontinued operations net of tax	-	-	1	-	-	-	1
<b>Profit for the year</b>	<b>213</b>	<b>697</b>	<b>19</b>	<b>17</b>	<b>21</b>	<b>5</b>	<b>972</b>
Attributable to:							
Non-controlling interests	-	1	-	-	-	-1	-
- Shareholder of the parent	213	696	19	17	-39	6	912
- Holders of other equity instruments	-	-	-	-	60	-	60
<b>Profit attributable to holders of equity instruments</b>	<b>213</b>	<b>696</b>	<b>19</b>	<b>17</b>	<b>21</b>	<b>6</b>	<b>972</b>

## 1.5 Segmented Income Statement (continued)

2018 restated (in € millions)	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
<b>Continuing operations</b>							
Gross written premiums	3,014	1,566	-	-	-	-121	4,459
Change in provision for unearned premiums	34	-	-	-	-	-	34
<b>Gross insurance premiums</b>	<b>3,048</b>	<b>1,566</b>	-	-	-	<b>-121</b>	<b>4,493</b>
Reinsurance premiums	-99	-7	-	-	-	-	-107
<b>Net insurance premiums</b>	<b>2,949</b>	<b>1,559</b>	-	-	-	<b>-121</b>	<b>4,386</b>
Investment income	117	1,256	6	-	13	-	1,393
Realised gains and losses	27	194	-	-	6	-4	222
Fair value gains and losses	26	42	-	-	1	-9	60
Result on investments on behalf of policyholders	-	-302	-	-	-	-	-302
Fee and commission income	19	2	116	63	-	-84	117
Other income	5	22	-	15	102	-7	137
Share of profit/(loss) of associates and joint ventures	-	2	-	1	-10	-	-7
<b>Total income</b>	<b>193</b>	<b>1,217</b>	<b>122</b>	<b>79</b>	<b>112</b>	<b>-104</b>	<b>1,620</b>
Insurance claims and benefits	-2,258	-1,497	-	-	-	178	-3,576
Insurance claims and benefits recovered from reinsurers	43	-1	-	-	-	-	42
<b>Net insurance claims and benefits</b>	<b>-2,215</b>	<b>-1,498</b>	-	-	-	<b>178</b>	<b>-3,534</b>
Operating expenses	-222	-185	-78	-51	-115	51	-601
Restructuring provision expenses	-14	-9	-1	-	-	-	-25
Commission expenses	-499	-16	-	-	-	31	-484
Impairments	-24	-17	-	-	-	-	-40
Interest expenses	-6	-217	-	-	-22	-68	-313
Other expenses	-3	-30	-27	-2	-63	21	-105
<b>Total expenses</b>	<b>-768</b>	<b>-474</b>	<b>-107</b>	<b>-53</b>	<b>-200</b>	<b>34</b>	<b>-1,568</b>
<b>Profit before tax</b>	<b>159</b>	<b>805</b>	<b>15</b>	<b>26</b>	<b>-88</b>	<b>-12</b>	<b>904</b>
Income tax (expense) / gain	-27	-236	-4	-6	74	3	-196
<b>Profit after tax from continuing operations</b>	<b>132</b>	<b>569</b>	<b>11</b>	<b>19</b>	<b>-14</b>	<b>-9</b>	<b>708</b>
<b>Discontinued operations</b>							
Profit (loss) from discontinued operations net of tax	-	-	-37	-	-	-	-36
<b>Profit for the year</b>	<b>132</b>	<b>569</b>	<b>-26</b>	<b>19</b>	<b>-14</b>	<b>-9</b>	<b>671</b>
Attributable to:							
- Profit attributable to non-controlling interests	-	-	-	-	2	-	2
-Shareholder of the parent	132	569	-26	19	-76	-9	610
-Holders of other equity instruments	-	-	-	-	59	-	59
<b>Profit attributable to holders of equity instruments</b>	<b>132</b>	<b>569</b>	<b>-26</b>	<b>19</b>	<b>-16</b>	<b>-9</b>	<b>669</b>

The figures in this press release are unaudited and have not been subjected to a limited review by an auditor.

**Media relations**

Rosanne de Boer  
T: +31 (0) 6 22 79 09 74  
E: [rosanne.de.boer@asr.nl](mailto:rosanne.de.boer@asr.nl)  
[www.asrnederland.nl](http://www.asrnederland.nl)

**Investor relations**

T: +31 (0)30 – 257 8600  
E: [ir@asr.nl](mailto:ir@asr.nl)  
[www.asrnl.com](http://www.asrnl.com)

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