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a.s.r. combines strong results and higher customer satisfaction in 2020. Impact COVID-19 limited due to diversified activities

Strong financial performance, diversification neutralises impact of COVID-19 on operating result

- Operating result increased by 3.2% to € 885 million (FY19: € 858 million).
- Impact of COVID-19 on aggregate operating result is neutral; a favourable effect on P&C was offset by a negative effect on Disability and to a lesser extent on Life.
- Non-life operating result increased by 6.5% to € 241 million (FY19: € 226 million). Higher claims in Disability, strengthening of reserves which combined were more than offset by lower claims in P&C.
- Life operating result grew by 4.9% to € 730 million (FY19: € 696 million), reflecting a higher investment margin despite negative impact from COVID-19 on investment result.
- Operating return on equity was 15.3%, above the 12-14% target.
- Efficiency ratios improved in all business segments. The increase in operating expenses of 6.9% to € 701 million (FY19: € 656 million) is mainly driven by the additional costs of acquired activities (€ 21 million) and contribution to own pension plan due to low interest rates (€ 20 million).
- Combined ratio remained stable at 93.6%¹, better than the 94-96% target (COVID-19 impact on COR: -0.6%-point)
- Net IFRS result decreased by 32.4% to € 657 million (FY19: € 972 million), as higher operating result was offset by lower indirect investment income and impairment of goodwill, both primarily COVID-19 related, while 2019 included the purchase gain on Loyalis in 2019. As a result of the agreed change in the pension scheme in 2020, a past service cost has been recognized.

Robust solvency and solid organic capital creation

- Solvency II ratio (Standard Formula) as at 31 December 2020 amounts to 199% (FY19: 194%). This is after the proposed FY20 dividend and includes the impact of the € 75 million share buyback executed in 2020.
- Organic capital creation amounts to € 500 million (FY19: € 501 million). Higher contribution from business operations and investments, as well as higher net capital release were offset by higher write-downs of UFR (drag) due to lower interest rates.
- Proposed regular dividend for 2020 of € 2.04 per share, in line with the dividend policy. Taking into account a paid regular interim dividend of € 0.76 per share, the final dividend amounts to € 1.28 per share.
- Share buyback of € 75 million starting on 19 February 2021 and expected to be completed before 19 May 2021. The Solvency II ratio of 199% does not include the impact of the share buyback announced today.
- Unrestricted Tier 1 capital went up by € 425 million to € 6.2 billion, equal to 75% of the own funds. Ample headroom for hybrid capital.

Higher customer satisfaction and strong commercial results

- Customer satisfaction score (NPS) rose by 5 points to 49, better than the target of >44 by 2021.
- Gross written premiums in the Non-life segment rose by 14.1% to € 3,643 million (FY19: € 3,192 million). Organic growth of Disability and P&C premiums was 4.6%, at the higher end of the targeted 3-5% growth.
- Gross written premiums in the Life segment were up by 11.8% to € 1,810 million (FY19: € 1,619 million). The increase reflects the 43% growth in Pension DC ('WerknemersPensioen') and the contribution of Loyalis which more than compensated the decline in Pension DB. Individual life and Funeral were stable.
- Mortgage origination rose by 40% to € 4.6 billion.
- Assets under management for third parties rose to € 25.4 billion (FY19: € 22.0 billion), driven primarily by the growth in the mortgage fund.

1 P&C and Disability.

Chairman of the Executive Board and CEO Jos Baeten:

'2020 should have been the year in which a.s.r. celebrated its 300th anniversary. However, with the outbreak of COVID-19 at the beginning of 2020, we realised early on that this would not be a year of festivities but one of considerable challenges instead. The outbreak of COVID-19 and the measures taken to combat the pandemic continue to disrupt our personal lives, business communities and society as a whole. I am therefore especially impressed of a.s.r.'s performance in 2020. The impact of COVID-19 on our customer services, commercial and financial performance was limited and we were able to successfully execute our strategy.

I am genuinely pleased that we were able to further bolster the strong relationship we have, both with our customers and with intermediaries, over the past year. Our service remained at a high level and customer satisfaction increased during the course of the year. The Net Promoter Score rose by 5 points to 49, which is the highest score a.s.r. has achieved until now, and well above our medium-term target of >44. In the annual IG&H Performance Monitor, a.s.r. managed to maintain the top position on Income (Individual and Group) and in Pensions we are rated #2. Intermediaries also expressed their satisfaction with the help offered by a.s.r. during these challenging times. These achievements were especially remarkable given that all our employees have been working from home since the outbreak.

I am very proud of our employees, who strive to earn our customers' trust, each and every day. Staff morale remained high throughout the year, and the motivation and vitality of our employees, which are measured weekly in our mood monitor, have so far not been undermined by the crisis. During the periods of working from home due to COVID-19, extra attention was paid to the mental and physical health of employees. Also, during the lockdowns, when the schools were closed, employees were allowed to take a few hours off every day for care tasks. Employees can request a virtual workplace check at home and when desired we deliver office equipment such as computer screens and office chairs.

Our operating result was strong and grew to € 885 million. Due to the diversification of our activities, the impact of COVID-19 on the operational result is neutral in 2020. A negative effect on disability insurance in particular, due to higher absenteeism and longer reintegration processes, and on the Life business, is offset by lower claims in P&C. In the Non-life segment, the operating result rose to € 241 million driven by lower claims in P&C, partially offset by higher claims in Disability and the strengthening of provisions. In the Life segment, there was only a limited impact from lower direct investment income from dividends and rental income, while COVID-19 had only a limited impact on our mortality result. The net IFRS result is lower than last year, partially due to the uncertainty and volatility in the financial markets as a result of the COVID-19 crisis. The higher operating result was offset by lower indirect investment income and impairment of goodwill, both primarily COVID-19 related, and as a result of the agreed change in the pension scheme in 2020, a past service cost has been recognized. Also, the net IFRS result of 2019 included the purchase gain on Loyalis.

a.s.r. did well in delivering valuable products and services to its customers. The organic growth of close to 5% in P&C and Disability, the strong growth in our pension DC product and the 40% growth in mortgage production, as well as the inflow of assets managed for third parties all demonstrate both the ongoing momentum in our operations and the commercial appeal of our products and services. We are also pleased with the increase in the number of customers in Health and the a.s.r. Vitality programme. For 2021, our focus is on further growth in Non-life and Asset Management as well as enhancing our digitisation to better serve our customers.

The direct effects of COVID-19 have so far been limited. We remain cautious for the effects in the longer term. The ultimate impact of COVID-19 on our results going forward is still impossible to accurately predict. This depends on the speed with which the pandemic is being contained and therefore the rate at which the current restrictions are lifted, as well as on the impact on society and the economy also after the government support measures have been completed. The effect of the virus itself, but also of the restricting measures that are being taken to control the virus, is noticeable in our Disability business. In this unit we experience an increase in the number of customers who report ill due to stress and other mental complaints. Additionally, we note that customers remain ill for a longer period, up to 15% longer in some cases. The effects of the corona crisis reinforce the already visible trend of more and longer

absenteeism due to psychological problems and this requires appropriate attention when dealing with the crisis and the measures that are being taken. These are developments that we have taken into account with our provisioning.

We continue to focus on the strict execution of our strategy and our aim of creating sustainable value for our stakeholders. Part of our strategy is to grow both organically and through targeted acquisitions. The successful migration of acquired portfolios onto a.s.r.'s platform resulted in a meaningful decline in operating expenses in Life. We will continue to pursue these bolt-on acquisitions.

As an insurer we take our responsibility and make choices to build a sustainable and inclusive Netherlands, into a country with a sustainable economy and a society in which everyone counts and feels the freedom to participate. For example, a.s.r. has signed the Green Recovery Statement and is one of the parties in the working group under DNB Platform for Sustainable Financing that strives to combat the loss of biodiversity. With our asset management activities, we have joined the Net Zero Asset Managers initiative, a new global platform of asset managers committed to decarbonising their investment portfolios and thereby contributing to the goals of the Paris Climate Agreement. a.s.r. is increasingly recognized as a sustainable company. We are pleased that a.s.r. is included in the Dow Jones Sustainability World Index, making us one of the 10% best performing insurers worldwide in terms of sustainability.

Our solvency remained robust with a Solvency II ratio at 199%. We still apply the standard model in our calculations. Driven by these strong results and in line with our dividend policy, we can propose our shareholders an increase in the full-year dividend to € 2.04 per share. Based on our strong solvency position and organically generated capital, we have also decided to initiate a share buyback for a total of € 75 million in 2021.

This year we have to say goodbye to Kick van der Pol, who has successfully served as chairman of our Supervisory Board for twelve years. We are grateful for his unparalleled energy and wisdom that he has put at the service of a.s.r. He will be succeeded at the next General Meeting of Shareholders by Joop Wijn, who joined the Supervisory Board last autumn. I have every confidence in the future of a.s.r. with Joop as chairman of the Supervisory Board.

Finally, I would like to express my gratitude to our shareholders, customers and intermediaries for their continued support and the trust they invest in a.s.r.'

Key figures

(in € millions, unless per share or expressed as a percentage)	2020	2019	Delta (%)
Operating result	885	858	3.2%
Operating return on equity	15.3%	15.1%	0.2%-p
Net result (on IFRS basis)	657	972	-32.4%
Return on equity	11.7%	19.1%	-7.3%-p
Gross written premiums	5,276	4,666	13.1%
Operating expenses	-701	-656	6.9%
Combined ratio (P&C and Disability)	93.6%	93.5%	0.1%-p
New business (Life segment (APE))	124	159	-22.1%
	2020	2019	Delta (%)
Total equity	6,313	6,093	3.6%
Total equity attributable to shareholders	5,309	5,089	4.3%
Solvency II (standard formula) after dividend	199%	194%	5%-p
Financial leverage	28.3%	29.2%	-0.9%-p
Liquidity position at holding level	502	458	9.6%
Number of FTEs (internal)	4,042	3,906	3.5%
	2020	2019	Delta (%)
Operating result per share	4.52	4.22	7.1%
Dividend per share	2.04	1.90	7.4%
Number of shares issued and outstanding at end of period (m)	137.9	140.7	-2.0%
Weighted average number of issued and outstanding shares (m)	138.9	140.9	-1.4%

Further explanation of the table:

- Operating result is calculated by adjusting profit before tax for continuing operations reported in accordance with IFRS, as adjusted for the changes in accounting policies and for the following: i) investment related: investment income of an incidental nature (including capital gains and losses, impairments and fair value changes) on financial instruments for own account, net of applicable shadow accounting and net of additional provisions recognised for realised gains and losses on financial assets backing the insurance liabilities ('compensation of realised capital gains') impact; ii) incidental Items: 1. model- and methodological changes with a substantial impact; 2. results of non-core operations; and 3. other non-recurring or one-off items, which are not directly related to the core business and/or ongoing business of the Group, restructuring costs, regulatory costs not related to business activities, changes in the own pension arrangements and expenses related to M&A activities and start-ups.
- The operating return on equity is calculated by dividing the operating result before tax after deduction of interest on hybrid assets and taxes (tax rate: 25%) by the annual average equity attributable to shareholders after deduction of the reserve for unrealised profits and losses and the equity for real estate development (operating activities in 'run-off').
- Solvency II ratio is exclusive of financial institutions.
- The operating result per share is calculated by dividing the operating result before tax after deduction of interest on hybrid assets and taxes (tax rate: 25%) by the weighted average number of outstanding shares.

Financial calendar 2021

Wednesday 19 May	Annual General Meeting
Friday 21 May	Ex-dividend date
Monday 24 May	Dividend record date
Wednesday 26 May	Payment of final dividend over 2020
Wednesday 25 Aug	HY21 and interim dividend announcement
Monday 30 Aug	Ex-dividend date
Tuesday 31 Aug	Dividend record date
Friday 3 Sept	Payment of interim dividend over 2021

The figures in this press release have not been audited nor reviewed by an external independent auditor.

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Publication of the financial figures on 18 February at 7.00am. Conference call for financial market parties (in English) at 11.00am. For more information, go to www.asrnl.com.

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About a.s.r.

ASR Nederland N.V. (a.s.r.) ranks among the top 3 insurers in the Netherlands. a.s.r. offers products and services in the fields of insurance, pensions and mortgages for consumers, self-employed persons and companies. In addition, a.s.r. is active as an asset manager for third parties. a.s.r. is listed on Euronext Amsterdam and is included in the AEX Index. For more information, please visit www.asrnl.com.

This press release contains price-sensitive information and therefore insider knowledge within the meaning of Article 7 of the Market Abuse Regulation.

Financial group and business performance FY 2020

ASR Nederland N.V.

a.s.r. key figures			
(in € million, unless stated otherwise)	2020	2019	Delta (%)
Operating result	885	858	3.2%
- Non-life	241	226	6.5%
- Life	730	696	4.9%
- Asset Management	31	24	28.8%
- Distribution and Services	25	23	9.5%
- Holding and Other / Eliminations	-143	-112	27.6%
Incidental items (not included in operating result)	-56	353	-115.8%
- Investment income	185	343	-46.1%
- Incidentals	-241	10	N/A
Result before tax	829	1,210	-31.5%
- Non-life	261	292	-10.6%
- Life	747	913	-18.1%
- Asset Management	30	24	28.3%
- Distribution and Services	-6	21	-127.9%
- Holding and Other / Eliminations	-203	-39	422.9%
Income tax expense	-172	-240	-28.4%
Result after tax from continuing operations	657	971	-32.3%
Result after tax from discontinued operations	-2	1	-227.1%
Non-controlling interest	-1	-	N/A
Result attributable to holders of equity instruments	657	972	-32.4%
Organic capital creation (OCC)	500	501	-0.2%
Operating return on equity	15.3%	15.1%	0.2%-p
Return on equity	11.7%	19.1%	-7.3%-p
Earnings per share			
Operating result per share (€)	4.52	4.22	7.1%
Dividend per share (€)	2.04	1.90	7.4%
Basic earnings per share on IFRS basis (€)	4.38	6.47	-32.3%
Gross written premiums	5,276	4,666	13.1%
- Non-life	3,643	3,192	14.1%
- Life	1,810	1,619	11.8%
- Eliminations	-177	-145	22.1%

(in € million, unless stated otherwise)

	2020	2019	Delta (%)
Operating expenses	-701	-656	6.9%
- Non-life	-257	-240	7.0%
- Life	-171	-192	-10.8%
- Asset Management	-94	-87	8.0%
- Distribution and Services	-72	-60	21.2%
- Holding and Other / Eliminations	-106	-76	38.8%
Operating expenses associated with ordinary activities	-640	-597	7.2%
Provision for restructuring expenses	-7	-30	-77.6%
	31 december 2020	31 december 2019	Delta (%)
Number of internal FTEs	4,042	3,906	3.5%
Capital management			
Solvency II ratio (standard formula, post proposed (interim) dividend)	199%	194%	5%-p
Financial leverage	28.3%	29.2%	-0.9%-p
Double leverage	103.7%	102.0%	1.7%-p
Total equity attributable to holders of equity instruments (IFRS-based)	6,313	6,093	3.6%

Operating result

The operating result increased by € 27 million to € 885 million (2019: € 858 million). The increase was mainly driven by a higher investment margin in the Life segment and a strong Non-life result. The overall impact COVID-19 had on the Group's operational result is only limited (€ -1 million) due to diversification of a.s.r.'s business segments. The impact on the Non-life segment was positive for an amount of € 21 million, while the Life segment showed a negative impact of € 22 million. The other segments remained relatively unaffected.

All of the business segments contributed to the growth in operating result, driven by higher gross written premiums, higher investment margin and fees from assets under management, partially offset by higher costs in the Holding and higher provisioning in the Non-life segment. Efficiency ratios improved across the board.

The Non-life operating result went up by 6.5% to € 241 million. Higher claims in Disability and strengthening of provisions were more than offset by lower claims in P&C. The Life operating result grew by 4.9% to € 730 million, reflecting a higher investment margin despite lower investment income due to COVID-19.

The operating result of Asset Management went up by € 7 million (29%) to € 31 million, reflecting the increase in third-party AuM, particularly in the mortgage fund. The Distribution and Services operating result rose by 9.5% to € 25 million, mostly driven by a number of smaller acquisitions. When combined, these capital light fee-based businesses contributed € 57 million to the operating result.

Gross written premiums

Gross written premiums increased by 13.1% to € 5,276 million (2019: € 4,666 million). The increase was driven by an increase of € 451 million in the Non-life segment and € 159 million in the Life segment (including eliminations).

Gross written premiums in the Non-life segment increased by 14.1% to € 3,643 million (2019: € 3,192 million), due to the organic growth of P&C and Disability (+4.6%), the acquisition of Loyalis and organic growth in Health due to the introduction of the benefit-in-kind policy. Gross written premiums in the Life segment increased by 11.8% to € 1,810 million (2019: € 1,619 million). The increase, which includes the addition of Loyalis and VvAA Life, was mainly driven by the organic growth of the defined contribution product 'WerknemersPensioen' (WnP). It was partially offset by a decline in the existing defined benefit portfolio and Individual life. The gross written premiums of Funeral increased slightly.

Operating expenses

Operating expenses increased by € 45 million to € 701 million (2019: € 656 million). The operating expenses increased due to acquisitions (€ 21 million) of Loyalis, VvAA Life, Veherex and various smaller acquisitions in the Distribution and Services segment. When excluding the costs related to acquired businesses, the operating expenses increased by € 24 million. The increase was mainly driven by the increase in current net service costs of the own pension scheme (€ 20 million) and organic growth of the business (€ 10 million). This was partially offset by lower IT-related costs following the phasing out of applications and system rationalisation (Individual life and P&C). Incidental costs related to the implementation of IFRS17/9, the introduction of a.s.r. Vitality and integration costs for Loyalis and VvAA Life.

Result before tax

The result before tax decreased by € 381 million to € 829 million (2019: € 1,210 million) mainly due to lower indirect investment income (€ 158 million) and lower incidental income (€ 251 million), partially offset by a higher contribution from the operating result (€ 27 million).

The lower incidental income reflects impairments on goodwill in the Life segment (€ 90 million) and Distribution and Services (€ 27 million) mainly driven by COVID-19 developments, as well as the purchase gain from the acquisition of Loyalis in the previous year (€ 118 million). Mainly as a result of the agreed change in the pension scheme in 2020, a past service cost of € 59 million pre-tax has been recognised.

Financial markets were affected by the impact of COVID-19 leading to lower revaluations and several impairments in the investment portfolio. As a result, total indirect investment income amounted to € 185 million, a decrease of € 158 million. The contribution of realised capital gains decreased (€ 79 million). Fair value gains and losses decreased (€ 50 million) due to revaluations, mainly in the retail and office investment portfolio. Impairments rose by € 30 million, mainly related to equities.

Operating return on equity

The operating return on equity increased to 15.3% (2019: 15.1%) and is well above the medium-term target range of 12-14%. The IFRS return on equity decreased to 11.7% (2019: 19.1%), primarily reflecting the lower IFRS net result.

Solvency II ratio and Organic capital creation

The Solvency II ratio increased by 5%-points to 199% (2019: 194%) using the standard formula. This is after 9%-points deduction for the regular interim dividend (€ 105 million), the proposed final dividend (€ 177 million) and the buyback of shares (€ 75 million) executed in 2020. The increase is largely due to Organic Capital Creation (+12%-points) and various operational items including assumption changes such as updated mortality assumptions and the reversal of the lowering of the corporate tax rate (+13%-points), offset by dividends and share buybacks (-9%-points), market & other developments (-7%-points) and a decrease in the UFR (-4%-points).

Organic capital creation remained robust at to € 500 million (FY19: € 501 million), as higher contributions from business operations and investments, as well as an increase in net capital release, compensated the increase of € 79 million in UFR drag due to lower interest rates.

Dividend and capital distribution

In April 2020, a.s.r. temporarily postponed its share buyback programme and dividend payment following the recommendations issued by the European Insurance and Occupational Pensions Authority (EIOPA) and the Dutch regulator (DNB) to do so in light of the COVID-19 crisis. In August 2020, after careful consideration, a.s.r. announced its intention to resume the postponed dividend payment and share buyback following the announcement of DNB to resume the review of dividend proposals under its normal supervision. a.s.r. announced to pay a special dividend of € 1.20 per share, which equals the postponed final dividend of 2019. This dividend has been paid on 4 September 2020. After which a.s.r. also restarted the share buyback for the remaining € 24.3 million of the original € 75 million announced at the FY 2019 results in February 2020.

In line with the dividend policy, a.s.r. proposes a regular dividend for 2020 of € 2.04 per share (€ 282 million). Taking into account a paid regular interim dividend of € 0.76 per share in September 2020, the final dividend amounts to € 1.28 per share.

Today, a.s.r. announced the start of a € 75 million share buyback programme. The buyback of shares starts on 19 February 2021 and will end on 18 May 2021 at the latest. The buyback of shares falls within a.s.r.'s General Meeting of Shareholders' mandate granted to the Executive Board on 20 May 2020. a.s.r. will ask the General Meeting of Shareholders to cancel these shares in due course.

a.s.r. has appointed an independent broker to execute the buyback programme. The exact timing of the buyback will be determined by this broker, independently and without interference from a.s.r. The execution of the buyback depends on the market conditions. Based on the closing price of € 33.14 per 11 February 2021 and the amount of € 75 million as starting point, the number of shares to be bought would amount to 2,263,126.

The progress of the buyback transactions will be announced weekly on a.s.r.'s website: www.asrnl.com.

Medium-term targets

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

Medium-term targets		
Group	2020	Medium-term target
Solvency II-ratio (Standard Formula)	199%	> 160%
Operating return on equity	15.3%	12%-14%
Dividend pay-out ratio	45%	45%-55%
Organic capital creation (2021)	€ 500 mln	> € 500 mln
Financial leverage	28.3%	< 35%
S&P rating (insurance business)	Single A	Single A
Business	2020	Medium-term target
Combined ratio P&C and Disability	93.6%	94%-96%
Gross written premium P&C and Disability, annual organic growth	4.6%	3%-5%
Life operating result	€ 730 million	€ 633 million
Life operating expenses (of basic Life provision)	45 bps	45-55 bps
Combined operating result fee based business (Asset Management, Distribution and Services)	€ 57 million	€ 40 million
Non-financial targets	2020	Medium-term target
Net promoter score	49	> 44
Carbon footprint measured of the total investment portfolio	93%	95%
Impact sustainable investments (for own account)	€ 1.7 billion	€ 1.2 billion
Employee contribution to local society (hours), annual growth	-54%	5%

Group and Business targets

a.s.r. is ahead or well on track to achieve the medium- term group and business targets. S&P confirmed the Single A rating in September 2020 with a 'stable' outlook.

Non-financial targets

The Net Promoter Score (NPS) is well above target and increased by 5 points to 49 (2019: 44). Despite COVID-19, a.s.r. employees have been able to further strengthen their relationship with customers and intermediaries.

The carbon footprint measurement of investments for a.s.r.'s own account, including real estate and mortgages, increased further to 92.7% of the total investment portfolio. This represents € 54 billion in assets and a.s.r. is well on track for the 2021 target (95%).

Impact investments increased to almost € 1.7 billion (2019: € 0.9 billion) and consisted mainly of government and corporate 'impact bonds'. The target for this year (€ 0.9 billion) as well as the target for 2021 (€ 1.2 billion) have been achieved.

The target for employee participation in local society projects has not been met this year. As a result of COVID-19 restrictions, many projects were put on hold, or cancelled or fewer hours could be spent on them.

Non-life segment

Key figures, Non-life segment			
(in € million, unless stated otherwise)	2020	2019	Delta
Gross written premiums	3,643	3,192	14.1%
Operating expenses	-257	-240	7.0%
Provision for restructuring expenses	-2	-14	-85.1%
Operating result	241	226	6.5%
Incidental items (not included in operating result)	20	66	-69.7%
- Investment income	38	102	-62.8%
- Incidentals	-18	-37	-50.4%
Result before tax	261	292	-10.6%
Result attributable to holders of equity instruments	200	213	-6.2%
Combined ratio	2020	2019	Delta
Combined ratio P&C and Disability	93.6%	93.5%	0.1%-p
- Commission ratio	18.8%	19.6%	-0.8%-p
- Cost ratio	8.1%	8.4%	-0.3%-p
- Claims ratio	66.7%	65.5%	1.1%-p
Combined ratio			
- P&C	92.5%	96.9%	-4.5%-p
- Disability	95.1%	88.3%	6.8%-p
- Health	97.7%	99.0%	-1.2%-p

Operating result

The operating result of the Non-life segment increased by € 15 million to € 241 million. A negative effect on disability insurance in particular, due to higher absenteeism and longer reintegration processes and the strengthening of provisions in P&C is more than offset by lower claims in P&C due to COVID-19 and a higher result on interest. The impact of COVID-19 was in total € 21 million positive.

In P&C, the COVID-19 measures resulted in significantly lower claims, particularly in motor and fire, more than offsetting the negative impacts from storm Ciara, reserve strengthening primarily related to bodily injury, including the effect from the sector-wide lowering of the actuarial interest rate for personal injury. Weather related calamities were on a low level this year as they were last year.

In Disability, COVID-19 reinforced the already visible trend of more and longer absenteeism due to psychological problems and this requires appropriate attention when dealing with the crisis and the measures that are being taken. These are developments that we have taken into account with our provisioning. The lockdown and social distancing measures complicated effective claims management due to limitations on physical checks and visits by our physicians and vocational experts. This caused delays in recovery and reintegration into work processes. The increase in Individual disability claims in the first half of 2020 dissipated in the second half 2020 and we have been able to lower the backlog of cases.

The impact of COVID-19 on Health was limited. The introduction of the benefit-in-kind insurance led to a positive contribution to the operating result.

Combined ratio

The combined ratio of P&C and Disability increased by 0.1% point to 93.6% due to an increase in the claims ratio which was partially offset by a decrease in the commission and expense ratio. The claims ratio increased mainly due to a higher claims ratio in Disability, despite the positive effect of COVID-19 (-0.6%-point). However, this positive COVID-19 impact was fully offset by the aforementioned reserve strengthening.

The combined ratio of Health improved by 1.2% point to 97.7%. The improvement was mainly driven by the new benefit-in-kind insurance which was introduced at the end of 2019.

Gross written premiums

Gross written premiums amounted to € 3,643 million, an increase of € 451 million compared to 2019, mostly due to organic growth in all product lines. The acquisitions of Loyalis in May 2019 (€ 145 million) and Veherex (€ 13 million) also contributed to the growth. The organic growth of Disability and P&C combined was 4.6% (€ 79 million). This was driven by increased sales volumes as well as pricing adjustments in the sickness leave portfolio. In P&C, growth (€ 32 million) showed a limited impact from COVID-19. The growth in Health (€ 182 million) mainly related to the basic health insurance where the customer base grew by 106,000 policies due to both the introduction of the benefit-in-kind policy in addition to the restitution policy.

Operating expenses

The operating expenses increased by € 17 million to € 257 million, of which € 10 million relates to the acquisition of Loyalis. Cost synergies were realised as IT systems from Generali Nederland and Loyalis were phased out after completion of the migration. As a result, the cost ratio of P&C and Disability combined improved to 8.1% (2019: 8.4%).

Result before tax

The result before tax decreased by € 31 million to € 261 million (2019: € 292 million). This decrease was mainly due to lower indirect investment income, which was driven by lower realised capital gains (€ -30 million) compared to 2019, which contained a one-off benefit from the sale of equities, and higher impairments (€ -19 million), partially offset by a higher operating result (€ 15 million).

Life segment

Key figures, Life segment			
(in € million, unless stated otherwise)	2020	2019	Delta
Recurring premiums	1,405	1,336	5.2%
Single premiums	405	283	43.3%
Gross written premiums	1,810	1,619	11.8%
Operating expenses	-171	-192	-10.8%
Provision for restructuring expenses	-4	-14	-74.2%
Operating result	730	696	4.9%
Incidental items (not included in operating result)	17	217	-92.2%
- Investment income	139	243	-42.9%
- Incidentals	-122	-27	355.1%
Result before tax	747	913	-18.1%
Result attributable to holders of equity instruments	601	696	-13.7%
Cost-premium ratio (APE)	9.1%	10.9%	-1.8%-p
Life operating expenses on basic life provision (bps)	45	53	-8
New business (APE)	124	159	-22.1%

Operating result

The operating result in the Life segment increased by € 34 million to € 730 million (2019: € 696 million). The investment margin increased by € 37 million and underwriting result remained reasonably stable (€ -3 million).

The negative impact of COVID-19 is estimated at € 22 million, which consists of a lower direct investment income (€ -21 million from lower dividends and rental income) and an increase of unit linked provision (€ -5 million), partially offset by a positive mortality result (approx. € 4 million). Mortality rates were up mainly in higher age groups (in line with the trend in the Netherlands), which had a limited positive impact on the mortality result for Pensions and Individual life, partially offset by Funeral.

Despite the negative impact of COVID-19 on investment income, the investment margin improved by € 37 million mainly due to the positive effect from the sale of swaptions, the additional contribution of acquisitions (Loyalis and VvAA life) and lower required interest. The underwriting result remained fairly stable due to favorable development of the result on costs, partially driven by realization of cost synergies by conversions and partly driven by lower integration costs. The improvement on the result on costs was offset by various other smaller non-recurring items and a relatively strong mortality result in 2019.

Gross written premiums

Gross written premiums amounted to € 1,810 million (2019: € 1,619 million), and showed an increase of 11.8%, both in recurring premiums (up € 69 million to € 1,405 million) as well as single premiums (up € 122 million to € 405 million). The WnP product continued its commercial success this year as recurring contributions increased by € 138 million (+43%) to € 463 million. The number of active participants further increased to almost 105,000 (2019: 80,000) and the AuM also increased to € 1.9 billion (2019: € 1.3 billion). The growth in WnP and the addition of Loyalis and VvAA life more than compensated the decrease in the 'closed book' portfolio comprising of the existing DB/DC Pension portfolio (€ 33 million lower) and Individual life (€ 17 million lower). Redemptions in savings linked mortgages and the level of surrenders of nominal policies increased to 1.0% (FY 2019: 0.8%) as a result of the continuing low interest rate environment. The gross written premiums of Funeral increased slightly.

The increase in single premiums of € 122 million was driven by the growth of WnP (€ 74 million) and the introduction of the variable pension product (€ 26 million). Single premiums of the existing DB/DC pension portfolio and Life individual also increased.

Operating expenses

The operating expenses, including the additional cost base from acquisitions (Loyalis and VvAA life), decreased by € 21 million to € 171 million (2019: € 192 million). This decrease was mainly the result of more efficient operations, lower indirect costs and realisation of cost synergies through conversions of the acquired insurance portfolios.

In the second half of 2020, the conversion of the insurance policies of Loyalis and VvAA life into the target architecture of the a.s.r. platform was completed. This marked the end of a long series of migrations of both a.s.r. systems and those of the acquired insurers (Generali, Loyalis and VvAA life). This helped to achieve considerable efficiency gains, including lower ICT- related costs due to the phasing out of source systems.

Life operating expenses, expressed in basis points of the basic life provision, improved to 45 bps (2019: 53 bps), being in line with the lower limit of the 45-55 bps target range for 2019-2021. Operating expenses in relation to the premiums (measured in APE) also improved, which was reflected in a 1.8%-point improved cost-premium ratio of 9.1% (2019: 10.9%).

Result before tax

The result before tax amounted to € 747 million, a decrease of € 165 million compared to previous year (2019: € 913 million). The operating result increased with € 34 million, offset by a decrease of € 200 million from incidental items, of which € 105 million lower indirect investment income and € 95 million from lower incidentals.

The decrease of incidental items (€ -200 million) reflects a lower contribution of realised capital gains and fair value gains and losses this year (€ -86 million) as previous year contained one-off benefits from sale of equities. Impairments on equities increased this year resulting in a negative impact (€ -18 million). The other incidental items relates to non-recurring charges of the impairment of goodwill in the Life segment (€ -90 million), predominantly related to COVID-19, and the charges from a refinement of the calculation methodology of disability insurance in the Pension portfolio (€ -33 million), both in the first half of the year. The remainder relates to several incidental items (amounting to € 28 million) amongst which lower charges for strengthening the restructuring provisions.

Asset Management segment

Key figures, Asset Management segment

(in € millions, unless stated otherwise)	2020	2019	Delta
Assets under Management for third parties (€ bn)	25.4	22.0	15.6%
Operating expenses	-94	-87	8.0%
Provision for restructuring expenses	-1	-1	45.8%
Operating result	31	24	28.8%
Incidental items (not included in operating result)	-1	-1	46.6%
- Investment income	-	-	-100.0%
- Incidentals	-1	-1	45.8%
Result before tax	30	24	28.3%
Tax	-8	-6	20.7%
Result from continuing operations, after tax	23	17	31.0%
Result from discontinued operations, after tax	-2	1	-227.1%
Result attributable to holders of equity instruments	21	19	13.9%

Assets under management

Total AuM for third parties of a.s.r. asset management and a.s.r. real estate increased by € 3.4 billion to € 25.4 billion (2019¹: € 22.0 billion) which was primarily driven by net inflows into the mortgage funds (€ 2.8 billion) and the ESG IndexPlus funds (€ 0.6 billion). Furthermore, the AuM grew as a result of the conversions of Loyalis and VvAA life portfolios. The external AuM a.s.r. real estate increased with € 0.1 billion to € 2.0 billion (2019: € 1.9 billion). This is mainly due to the Dutch Core Residential Fund (DCRF), which increased as a result of positive revaluations and external inflow. The DutchPrimeRetail Fund (DPRF) decreased as a result of negative revaluations.

Operating result

The Asset Management segment operating result increased with € 7 million to € 31 million (2019: € 24 million) as a result of the inflow of external assets under management (AuM). The increase in AuM mainly relates to continued growth of inflows into mortgage funds, ESG IndexPlus, and positive price effects on the a.s.r. investment portfolios. The impact of COVID-19 on inflow into the mortgage funds and operating result was limited.

The segment comprises the activities of two main entities: a.s.r. asset management and a.s.r. real estate.

a.s.r. asset management

The operating result of a.s.r. asset management increased by € 6 million to € 18 million. External fee income increased by € 8 million, in line with the development of AuM, due to the growth of the mortgage funds including the launch of the ASR Separate Account Mortgage Fund (SAM). After the recovery of the financial markets, the COVID-19 impact is limited. The mortgage origination amounted to € 4.6 billion of which € 2.3 billion was placed in the ASR Hypotheekfonds and € 0.8 billion into the recently established SAM Fund. The COVID-19 outbreak did not have a negative impact on the mortgage production nor did it have an impact on payment arrears. Payment arrears of more than 90 days on the mortgage portfolio amounted to 0.03% (2019: 0.05%) and have been decreasing for years, reaching the lowest level recorded so far. Credit losses on mortgages reduced substantially and amounted to 0.07 bps

1 The Asset Management segment involves all activities related to asset management including investment property management, and the discontinued banking activities. These activities include amongst others ASR Vermogensbeheer N.V., ASR Financieringen B.V., ASR Real Estate B.V., ASR Hypotheken B.V. and ASR Admin N.V. (formerly a.s.r. bank). As of October 2018, all activities of a.s.r. bank are classified as discontinued and these activities have been sold during 2019 and 2020.

(2019: 0.28 bps) despite the unfavorable economic conditions payment arrears and credit losses remain well below our limits.

a.s.r. real estate

The operating result of a.s.r. real estate was reasonably stable at € 13 million (2019: € 14 million). Fee income rose to € 40 million, up € 1 million, reflecting the increase in AuM, offset partially due to lower rural transaction fees and lower property management fees from the retail fund. COVID-19 effects are mainly in the Retail portfolio. Rent income decreased due to an increase of vacancy of retail properties. In the second half of the year, vacancy rates for offices and residential improved.

Operating expenses

The operating expenses increased by € 7 million to € 94 million (2019: € 87 million), driven by the growth and expansion of the various (third party) funds (e.g. the a.s.r. mortgage fund and ESG IndexPlus funds) and increased regulatory costs. The management cost ratio for a.s.r. mortgages per 2020 improved to 9.7 bps (2019: 11.2 bps) as a result of economies of scale.

Distribution and Services segment

Key figures, Distribution and Services segment¹

(in € millions)	2020	2019	Delta
Total income	99	90	10.7%
Operating expenses	-72	-60	21.2%
Provision for restructuring expenses	-	-	-
Operating result	25	23	9.5%
Incidental items (not included in operating result)	-31	-2	N/A
- Investment income	-	-	-
- Incidentals	-31	-2	N/A
Result before tax	-6	21	-127.9%
Tax	-6	-5	22.6%
Result attributable to holders of equity instruments	-12	17	-170.0%

Operating result

The operating result of the Distribution and Services segment increased by € 2 million to € 25 million (2019: € 23 million) mainly due to contributions of acquisitions. The presence in the distribution landscape was further strengthened this year by adding several (smaller) service providers and distribution partners. Despite pricing pressure in the Distribution and Services landscape, fee income has increased as a result of inorganic and organic business growth in various portfolios, expansion of services provided and selective tariffs adjustments.

The impact of COVID-19 on segments operating result (including fee income) was nil.

Operating expenses

The operating expenses increased by € 13 million to € 72 million (2019: € 60 million) mainly due to the additional cost base of acquisitions as well as organic business growth.

Result before tax

The IFRS result before tax decreased by € 27 million to € -6 million (2019: € 21 million), due to incidental items (€ -29 million), while operating result increased (€ 2 million).

An annual goodwill impairment test resulted in a partial goodwill impairment of € 27 million, driven by updated market conditions.

¹ The Distribution and Services segment includes the activities related to distribution of insurance contracts and include amongst others the financial intermediary business of Poliservice, Van Kampen Groep (VKG), Dutch ID, Supergarant Verzekeringen, Corins and ANAC.

Holding and Other segment (including eliminations)

Key figures, Holding and Other segment / Eliminations¹

(in € millions)	2020	2019	Delta
Operating expenses	-106	-76	38.8%
Provision for restructuring expenses	-	-1	-
Operating result	-143	-112	27.6%
Incidental items (not included in operating result)	-60	73	-182.6%
- Investment income	8	-3	-379.3%
- Incidentals	-68	76	-190.1%
Result before tax	-203	-39	422.9%
Tax	49	65	-25.3%
Non-controlling interest	-1	-1	10.6%
Result attributable to holders of equity instruments	-153	27	-658.9%

Operating result

The operating result decreased by € 31 million to € -143 million (2019: € -112 million). The decrease was mainly the result of higher current net service costs (€ 20 million) related to the a.s.r. pension scheme due to a lower discount rate. The operating result furthermore decreased due to an increase in the interest expenses (€ 6 million) related to the newly issued € 500 million Tier 2 subordinated loan in May 2019.

Operating expenses

The operating expenses increased by € 30 million to € 106 million (2019: € 76 million), primarily as a result of the higher current net service costs and increase in interest expenses as explained above. The remainder consists of various other items.

The incidental cost items amounted to € 52 million (2019: € 53 million). Lower advisory costs related to M&A activities and decreased impact of integration related activities (2019: Generali and 2020: Loyalis/VvAA life/Veherex) were largely offset by higher regulatory costs related to the IFRS17/9 implementation and the introduction of the a.s.r. Vitality programme.

Result before tax

The IFRS result before tax decreased by € 164 million to € -203 million (2019: € -39 million), mainly due to the decreased incidental items (€ 133 million) and decreased operating result (€ 31 million).

The impact of incidental items decreased by € 133 million (2020: € -60 million and 2019: € 73 million) and is the sum of several non-recurring items, mainly driven by the purchase gain on the Loyalis acquisition in 2019 (€ 118 million) and as a result of the agreed change in the pension scheme in 2020, a past service cost of € 59 million pre-tax has been recognised.

¹ The segment 'Holding and Other' 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 199% (2019: 194%) after an 9%-points deduction for the proposed regular dividend 2020 (€ 282 million) and the buyback of shares in 2020 (€ 75 million). The Solvency II ratio meets our target of above 160% and the 180% for share buyback.
- Organic capital creation (OCC) amounted to € 500 million (2019: € 501 million), which is 12.2% of the required capital.
- Equity attributable to holders of equity instruments (IFRS-based Equity) increased by € 220 million to € 6,313 million.
- Financial leverage was 28.3% (2019: 29.2%), which is well below our self-imposed maximum threshold of 35%.
- Double leverage was 103.7% (2019: 102.0%).

Solvency II

Solvency II			
(in € millions)	2020	2019	Delta
Eligible Own Funds	8,273	7,828	5.7%
Required capital	4,159	4,035	3.1%
Solvency II ratio (post dividend)	199%	194%	5%-p

The Solvency II ratio increased by 5%-points to 199% (2019: 194%) using the Standard Formula. This is after 9%-points deduction for the regular interim dividend (€ 105 million), the proposed final dividend (€ 177 million) and the buyback of shares (€ 75 million) executed in 2020. The increase is largely due to organic capital creation (+12%-points) and various operational items including assumption changes such as updated mortality assumptions and the reversal of the lowering of the corporate tax rate (+13%-points), offset by dividends and share buyback (-9%-points), market & other developments (-7%-points) and a decrease in the UFR (-4%-points).

The COVID-19 impact on the Solvency II ratio is limited.

Solvency II ratio before the capital distributions is 208%. Capital distributions amounts to € 357 million and includes € 105 million regular interim dividend 2020, € 75 million share buyback executed in 2020 and € 177 million proposed final dividend over 2020.

Organic capital creation remained robust at € 500 million (FY19: € 501 million), as higher contribution from business operations and investments, as well as an increase in net capital release, compensated the increased UFR drag (€ 79 million) due to lower interest rates.

Eligible Own Funds

The eligible own funds increased to € 8,273 million (2019: € 7,828 million) mainly driven by higher business capital generation, lower interest rates and higher equity markets. This was partially offset by a widening of credit spreads and a UFR reduction.

Required Capital

The required capital stood at € 4,159 million (2019: € 4,035 million). This increase was mainly driven by an increase in insurance risk and market risk, partially mitigated by increased diversification benefits and an increased LAC DT due to the reversal of lowering the corporate tax rate. The increase in insurance risk was mainly driven by inorganic growth (closing VvAA and Veherex), organic growth in Disability and Health and the impact of lower interest rates.

Equity

Breakdown of total equity

in € millions	2020	2019	Delta
Share capital	23	23	-
Share premium reserve	976	976	-
Unrealised gains and losses	1,137	937	21.4%
Actuarial gains and losses (IAS19)	-1,253	-1,016	23.3%
Retained earnings	4,509	4,179	7.9%
Treasury shares	-82	-9	N/A
Equity attributable to shareholders	5,309	5,089	4.3%
Other equity instruments	1,004	1,004	-
Equity attributable to holders of equity instruments	6,313	6,093	3.6%
Non-controlling interest	-	-	44.2%
Total equity	6,313	6,093	3.6%

Statement of changes in total equity

in € millions	2020	2019
Beginning of reporting period - total equity	6,093	5,479
Result for the year	657	972
Unrealised gains and losses	200	351
Actuarial gains and losses (IAS19)	-237	-381
Dividend	-272	-252
Hybrid capital costs	-48	-60
Other equity instruments (Tier 2 capital)	-	3
Non-controlling interest	-	-
Treasury shares acquired	-73	-9
Other changes	-7	-9
End of reporting period - total equity	6,313	6,093

Total equity attributable to holders of equity instruments (IFRS-based) increased by € 220 million to € 6,313 million (2019: € 6,093 million). This increase was the result of the addition of the 2020 net result (€ 657 million) and an increase of unrealised revaluations (€ 200 million), especially in the equity portfolio due to a recovery of financial markets in the second half of the year.

Several other factors partially offset this. Actuarial gains and losses (IAS 19) on the a.s.r. own pension scheme (€ -237 million) decreased due to indexation and a decrease in the discount rate to 0.43% (2019: 1.04%). In the second half-year of 2020, the final dividend for 2019 and the interim dividend for 2020 were paid out (€ 272 million). The cost of hybrids has decreased from € 60 million last year to € 48 million this year due to the redemption of the Tier 1 equity instruments with a coupon of 10% which was replaced with the Tier 1 CoCo with a coupon of 4.6%, which do not flow through P&L and do not affect the operating result of the Holding. The treasury shares increased to € -73 million mainly due to the share buy-back programme and, to a lesser extent, the sale of shares to employees of a.s.r. group. The other changes (€ -7 million) include the buy-out of a minority interest.

Financial leverage

Financial leverage			
(in € millions)	2020	2019	Delta
Basis for financial leverage (Equity attributable to shareholders)	5,309	5,089	4.3%
Financial liabilities	2,100	2,099	0.1%
of which hybrids	1,004	1,004	0.0%
of which subordinated liabilities	991	990	0.1%
of which senior debt	105	105	0.0%
Financial leverage (%)	28.3%	29.2%	-0.9%-p
Interest coverage ratio (IFRS)	9.5x	12.9x	-3.4x

The financial leverage of a.s.r. improved by 0.9% point to 28.3% (2019: 29.2%) mainly due to an increase in shareholders' equity (€ 220 million) while the debt position remained unchanged. The leverage is well below the self-imposed maximum target level of 35%.

The interest coverage ratio (ICR) decreased to 9.5x (2019: 12.9x) due to a strong decrease in the IFRS result before tax (€ 381 million), mainly due to COVID-19, compared to a limited decrease in interest expense. Interest expenses decreased with € 5 million due to the redemption of grandfathered T1 hybrids in 2019. On balance, this resulted in a decrease of the interest coverage ratio compared to 2019, but this is still above the target range (4-8x).

Double leverage

Double leverage			
(in € millions)	2020	2019	Delta
Total value of associates	7,572	7,222	4.8%
Equity attributable to shareholders	5,309	5,089	4.3%
Hybrids and subordinated liabilities	1,995	1,994	0.1%
Equity attributable to holders of equity instruments	7,304	7,083	3.1%
Double leverage (%)	103.7%	102.0%	1.7%-p

The double leverage increased by 1.7%-points to 103.7% (2019: 102.0%). Shareholders' equity from participating interests ('value of associates') increased by € 350 million, while shareholders' equity of the holding company increased only by € 220 million. The value of associates increased, amongst others, due to the acquisitions of VVAA life, Veherex and some acquisitions in the Distribution and Services segment.

Appendices

- 1 Financial statements
 - 1.1 Consolidated balance sheet
 - 1.2 Consolidated income statements
 - 1.3 Consolidated statement of changes in equity
 - 1.4 Segmented balance sheet
 - 1.5 Segmented income statement

Disclaimer

1 Financial statements

1.1 Consolidated balance sheet

Consolidated balance sheet		
(in € millions and before profit appropriation)	31 December 2020	31 December 2019
Intangible assets	345	466
Property and equipment	198	189
Investment property	1,973	1,924
Associates and joint ventures at equity method	101	99
Investments	36,599	34,724
Investments on behalf of policyholders	10,154	9,571
Loans and receivables	14,370	12,332
Derivatives	9,168	5,959
Deferred tax assets	177	197
Reinsurance contracts	483	571
Other assets	720	722
Cash and cash equivalents	2,846	2,905
Assets held for sale	18	61
Total assets	77,151	69,721
Share capital	23	23
Share premium reserve	976	976
Unrealised gains and losses	1,137	937
Actuarial gains and losses	-1,253	-1,016
Retained earnings	4,509	4,179
Treasury shares	-82	-9
Equity attributable to shareholders	5,309	5,089
Other equity instruments	1,004	1,004
Equity attributable to holders of equity instruments	6,313	6,093
Non-controlling interests	-	-
Total equity	6,313	6,093
Subordinated liabilities	991	990
Liabilities arising from insurance contracts	41,460	38,555
Liabilities arising from insurance contracts on behalf of policyholders	13,137	12,477
Employee benefits	4,253	3,860
Provisions	24	54
Borrowings	54	47
Derivatives	1,419	676
Deferred tax liabilities	-	-
Due to customers	553	686
Due to banks	7,996	5,520
Other liabilities	951	729
Liabilities relating to assets held for sale	-	33
Total liabilities	70,838	63,628
Total equity and liabilities	77,151	69,721

1.2 Consolidated income statements

Consolidated income statements		
(in € millions)	2020	2019
Continuing operations		
Gross written premiums	5,276	4,666
Change in provision for unearned premiums	24	75
Gross insurance premiums	5,300	4,740
Reinsurance premiums	-100	-115
Net insurance premiums	5,200	4,625
Investment income	1,488	1,444
Realised gains and losses	396	353
Fair value gains and losses	-49	-55
Result on investments on behalf of policyholders	474	1,574
Fee and commission income	149	129
Other income	81	165
Share of result of associates and joint ventures	4	5
Total income	7,743	8,242
Insurance claims and benefits	-5,082	-5,475
Insurance claims and benefits recovered from reinsurers	30	60
Net insurance claims and benefits	-5,051	-5,415
Operating expenses	-701	-656
Restructuring provision expenses	-7	-30
Commission expenses	-516	-489
Impairments	-167	-16
Interest expense	-331	-352
Other expenses	-141	-74
Total expenses	-1,862	-1,616
Result before tax	829	1,210
Income tax (expense) / gain	-172	-240
Result after tax from continuing operations	657	971
Discontinued operations		
Result after tax from discontinued operations	-2	1
Net result	656	972
Attributable to:		
Non-controlling interests	-1	-
- Shareholders of the parent	609	912
- Holders of other equity instruments	48	60
Result attributable to holders of equity instruments	657	972

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	Unrealised actuarial gains and losses	Retained earnings	Treasury shares (-)	Equity Attributable To Shareholders	Other Equity Instruments	Non Controlling Interest	Total equity
At 1 January 2019	23	976	586	-635	3,528	-	4,478	1,001	-	5,479
Net Result	-	-	-	-	972	-	972	-	-	972
Total other comprehensive income	-	-	351	-381	-	-	-31	-	-	-31
Total comprehensive income	-	-	351	-381	972	-	941	-	-	941
Dividend paid	-	-	-	-	-252	-	-252	-	-	-252
Discretionary interest on other equity instruments	-	-	-	-	-60	-	-60	-	-	-60
Issue of other equity instruments	-	-	-	-	-	-	-	207	-	207
Redemptions of other equity instruments	-	-	-	-	-	-	-	-209	-	-209
Cost of issue of other equity instruments	-	-	-	-	-2	-	-2	-	-	-2
Treasury shares acquired (-)/sold	-	-	-	-	-1	-9	-10	-	-	-10
Other movements	-	-	-	-	-6	-	-6	6	-	-1
At 31 December 2019	23	976	937	-1,016	4,179	-9	5,089	1,004	-	6,093
At 1 January 2020	23	976	937	-1,016	4,179	-9	5,089	1,004	-	6,093
Net result	-	-	-	-	657	-	657	-	-1	656
Total other comprehensive income	-	-	200	-237	-	-	-37	-	-	-37
Total comprehensive income	-	-	200	-237	657	-	620	-	-1	619
Dividend paid	-	-	-	-	-272	-	-272	-	-	-272
Discretionary interest on other equity instruments	-	-	-	-	-48	-	-48	-	-	-48
Issue of other equity instruments	-	-	-	-	-	-	-	-	-	-
Redemptions of other equity instruments	-	-	-	-	-	-	-	-	-	-
Cost of issue of other equity instruments	-	-	-	-	-	-	-	-	-	-
Treasury shares acquired (-)/sold	-	-	-	-	-1	-73	-74	-	-	-74
Other movements	-	-	-	-	-6	-	-6	-	1	-5
At 31 December 2020	23	976	1,137	-1,253	4,509	-82	5,309	1,004	-	6,313

1.4 Segmented balance sheet

Segmented balance sheet							
As at 31 December 2020	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	115	65	8	158	-	-	345
Property and equipment	-	156	-	11	287	-256	198
Investment property	274	1,699	-	-	-	-	1,973
Associates and joint ventures at equity method	-	23	-	3	74	-	101
Investments	7,488	28,713	-	-	3,711	-3,314	36,599
Investments on behalf of policyholders	-	10,154	-	-	-	-	10,154
Loans and receivables	1,034	13,510	19	33	104	-330	14,370
Derivatives	221	8,947	-	-	-	-	9,168
Deferred tax assets	-6	-	-	-2	186	-	177
Reinsurance contracts	325	158	-	-	-	-	483
Other assets	145	514	15	-1	47	-1	720
Cash and cash equivalents	140	2,392	78	50	186	-	2,846
Assets held for sale	-	-	18	-	-	-	18
Total assets	9,736	66,332	137	253	4,595	-3,901	77,151
Equity attributable to holders of equity instruments	2,170	5,379	116	170	-1,396	-125	6,313
Non-controlling interests	-	-	-	-	-	-	-
Total equity	2,170	5,379	116	170	-1,396	-125	6,313
Subordinated liabilities	36	-	-	-	991	-36	991
Liabilities arising from insurance contracts	6,845	37,505	-	-	-	-2,890	41,460
Liabilities arising from insurance contracts on behalf of policyholders	-	13,137	-	-	-	-	13,137
Employee benefits	-	-	-	-	4,253	-	4,253
Provisions	1	3	-	-	19	-	24
Borrowings	-	29	5	21	521	-522	54
Derivatives	66	1,354	-	-	-	-	1,419
Deferred tax liabilities	106	-131	4	5	54	-38	-
Due to customers	89	711	-	25	-	-272	553
Due to banks	168	7,723	-	-	105	-	7,996
Other liabilities	255	623	12	32	48	-19	951
Liabilities relating to assets held for sale	-	-	-	-	-	-	-
Total liabilities	7,566	60,953	21	83	5,991	-3,776	70,838
Total equity and liabilities	9,736	66,332	137	253	4,595	-3,901	77,151
Additions to							
Intangible assets	10	9	-	8	-	-	26
Property and equipment	-	-	-	2	13	-	15
Total additions	10	9	-	10	13	-	41

Segmented balance sheet (continued)

As at 31 December 2019	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	251	1,673	-	-	-	-	1,924
Associates and joint ventures at equity method	-	24	-	1	74	-	99
Investments	6,820	27,835	-	-	3,245	-3,176	34,724
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
Total assets	8,744	59,931	189	280	4,299	-3,721	69,721
Equity attributable to holders of equity instruments	1,912	5,298	117	192	-1,357	-69	6,093
Non-controlling interests	-	1	-	-	-	-1	-
Total equity	1,912	5,299	117	192	-1,357	-70	6,093
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 relating to assets held for sale	-	-	33	-	-	-	33
Total liabilities	6,833	54,632	72	87	5,656	-3,651	63,628
Total equity and liabilities	8,744	59,931	189	280	4,299	-3,721	69,721
Additions to							
Intangible assets	120	-	-	7	-	-	127
Property and equipment	-	-	-	4	7	-	11
Total additions	120	-	-	11	7	-	138

1.5 Segmented income statement

Segmented income statement							
2020	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Continuing operations							
Gross written premiums	3,643	1,810	-	-	-	-177	5,276
Change in provision for unearned premiums	24	-	-	-	-	-	24
Gross insurance premiums	3,667	1,810	-	-	-	-177	5,300
Reinsurance premiums	-99	-1	-	-	-	-	-100
Net insurance premiums	3,568	1,810	-	-	-	-177	5,200
Investment income	138	1,348	-	1	8	-7	1,488
Realised gains and losses	64	333	-	-	-	-	396
Fair value gains and losses	15	-64	-	-	-2	2	-49
Result on investments on behalf of policyholders	-	474	-	-	-	-	474
Fee and commission income	24	-1	145	71	-	-91	149
Other income	8	14	-	27	32	-	81
Share of result of associates and joint ventures	-	-1	-	1	4	-	4
Total income	3,816	3,913	145	99	42	-273	7,743
Insurance claims and benefits	-2,738	-2,562	-	-	-	219	-5,082
Insurance claims and benefits recovered from reinsurers	28	3	-	-	-	-	30
Net insurance claims and benefits	-2,710	-2,560	-	-	-	219	-5,051
Operating expenses	-257	-171	-94	-72	-158	52	-701
Restructuring provision expenses	-2	-4	-1	-	-	-	-7
Commission expenses	-545	-11	-	-	-	41	-516
Impairments	-21	-128	-	-27	9	-	-167
Interest expense	-13	-233	-1	-	39	-123	-331
Other expenses	-8	-60	-19	-5	-63	13	-141
Total expenses	-846	-606	-115	-105	-174	-17	-1,862
Result before tax	261	747	30	-6	-132	-71	829
Income tax (expense) / gain	-61	-146	-8	-6	30	18	-172
Result after tax from continuing operations	200	601	23	-12	-101	-53	657
Discontinued operations							
Result after tax from discontinued operations	-	-	-2	-	-	-	-2
Net result	200	601	21	-12	-101	-53	656
Attributable to:							
Non-controlling interests	-	-	-	-	-1	-	-1
- Shareholders of the parent	200	601	21	-12	-148	-53	609
- Holders of other equity instruments	-	-	-	-	48	-	48
Result attributable to holders of equity instruments	200	601	21	-12	-100	-53	657

Segmented income statement (continued)

2019	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Continuing operations							
Gross written premiums	3,192	1,619	-	-	-	-145	4,666
Change in provision for unearned premiums	75	-	-	-	-	-	75
Gross insurance premiums	3,266	1,619	-	-	-	-145	4,740
Reinsurance premiums	-107	-8	-	-	-	-	-115
Net insurance premiums	3,159	1,612	-	-	-	-145	4,625
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 result of associates and joint ventures	-	-	-	1	5	-	5
Total income	3,415	4,691	138	90	148	-239	8,242
Insurance claims and benefits	-2,387	-3,267	-	-	-	180	-5,475
Insurance claims and benefits recovered from reinsurers	52	8	-	-	-	-	60
Net insurance claims and benefits	-2,335	-3,259	-	-	-	180	-5,415
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
Total expenses	-788	-519	-114	-68	-194	67	-1,616
Result before tax	292	913	24	21	-46	7	1,210
Income tax (expense) / gain	-78	-215	-6	-5	67	-2	-240
Result after tax from continuing operations	213	697	17	17	21	5	971
Discontinued operations							
Result after tax from discontinued operations	-	-	1	-	-	-	1
Net result	213	697	19	17	21	5	972
Attributable to:							
Non-controlling interests	-	1	-	-	-	-1	-
- Shareholders of the parent	213	696	19	17	-39	6	912
- Holders of other equity instruments	-	-	-	-	60	-	60
Result attributable to holders of equity instruments	213	696	19	17	21	6	972

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