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

a.s.r. acquires Loyalis

Jos Baeten, CEO
Chris Figee, CFO

Analyst conference call

04 December 2018

Value creating acquisition in the core of a.s.r. strategy

Strategic rationale and transaction highlights

- Bolt-on acquisition in line with a.s.r.'s strategy and commitment to deploy capital for sustainable value creation. Compelling opportunity to further consolidate the Dutch insurance market in the core of a.s.r. strategy
- Acquisition strengthens a.s.r. in Disability with unique access to new customers segments and broader product offering. Growth of market share in Disability to 28%
- Within Life, acquisition fits within service book consolidation strategy and creates additional cost coverage
- Pro forma impact on Solvency II ratio of a.s.r. at closing is -9%-pts (-8%-pts after synergies). Return on investment of >12%. Transaction expected to deliver EPS accretion of >8% [1] (+€ 40 mln) and OCC improvement of >9%[1] (+€ 35 mln)
- Cash consideration of € 450 mln; expected fungible capital deployment of € 200 mln reflecting capital synergies, starting capital position of acquired legal entities and after realising cost synergies
- Transaction will temporarily be financed with a short dated bridge loan. a.s.r. remains its financial flexibility to capture strategic opportunities

€ 450 mln cash consideration

€ 200 mln fungible capital investment

>12% Return on Investment

c. € 40 mln net operating result and c. € 35 mln OCC contribution

>8% EPS and >9% OCC accretion[1]

1 To be realised in 2022, compared to FY 2017 results

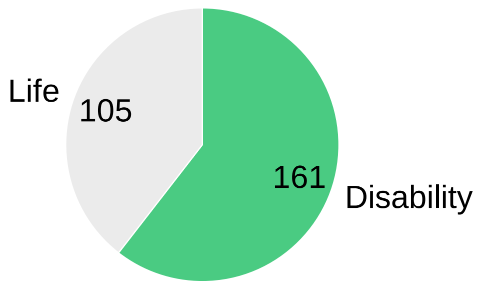
Loyalis overview

- Loyalis is mainly a Non-life company with € 161 mln of GWP within Non-life and € 105 mln of GWP in Life
- Estimated standalone run rate of the net operating earnings is approximately € 30 million, based on a.s.r. accounting standards
- Operational expenses at € 63 mln at FY 2017
- Number of internal FTE 227 and 75 external FTE as per Q1 2018
- It is located in Heerlen and offers its products towards customers directly via the Loyalis brand
- Loyalis carries no debt

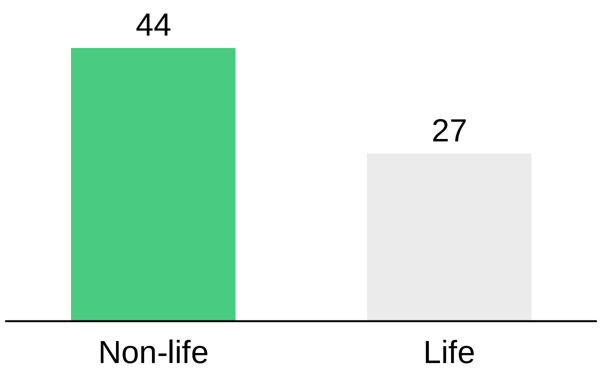
Long-term agreement in place with APG

- Cooperation agreement on knowledge sharing, product development and IT to preserve efficient client servicing
- Knowledge sharing with APG on the sector enables Loyalis to develop insurance solutions based on customer needs
- Loyalis brand maintained for Disability offering

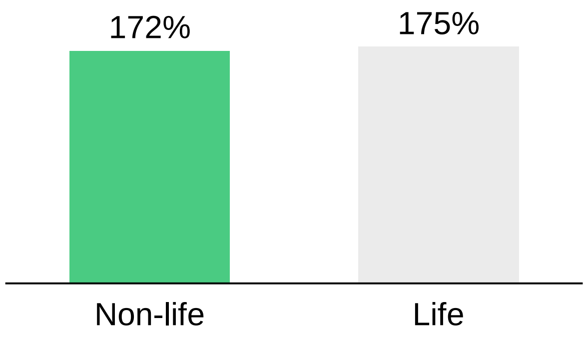
GWP FY2017 (in €m)



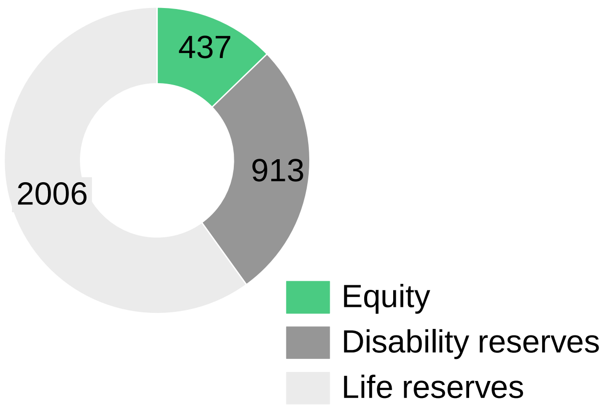
IFRS net result FY2017 (in €m)
based on Loyalis accounting standards



Solvency II ratio FY2017



IFRS equity and reserves FY 2017(in €m)

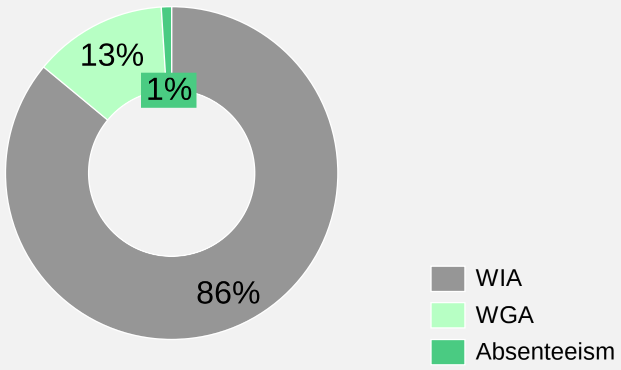


Disability and Life perspective

Strategic rationale Disability

- Strengthening a.s.r.'s competitive position in sustainable employability segment
- Broader Disability portfolio – shift towards WIA
- Add meaningful presence in new sectors Additional distribution options a.s.r. disability product suite
- Strong presence in area of mid/large sized corporates (>100 employees)

GWP business mix Disability



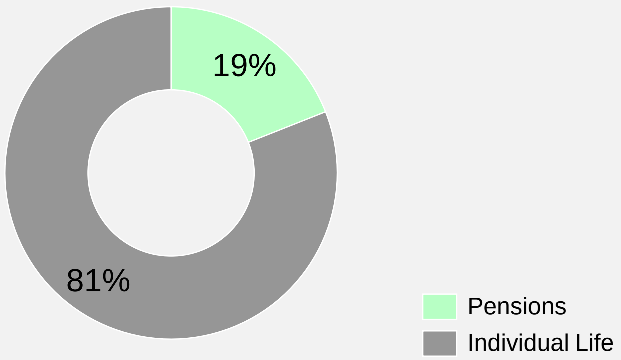
Partial integration: Disability

- Disability offering and portfolio (including systems and expertise) will remain in Heerlen
- Offering towards customers via Loyalis brand
- Absenteeism portfolio will be managed as a closed book and future offering via a.s.r. brand

Strategic rationale Life

- a.s.r. to leverage on proven integration and migration skills and experience
- Increased cost coverage
- Adding scale in GWP and AuM to a.s.r.'s portfolio

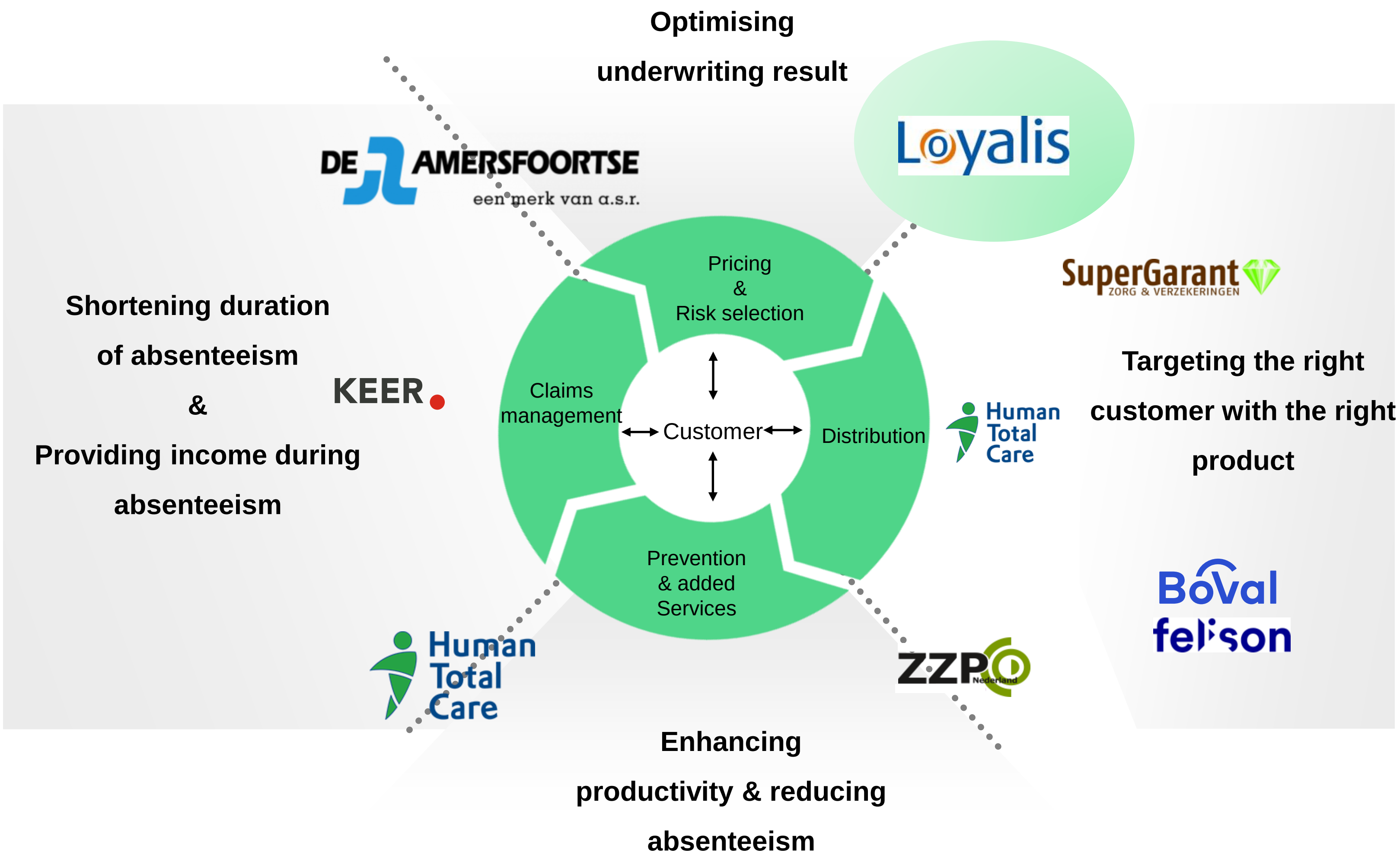
GWP business mix Life



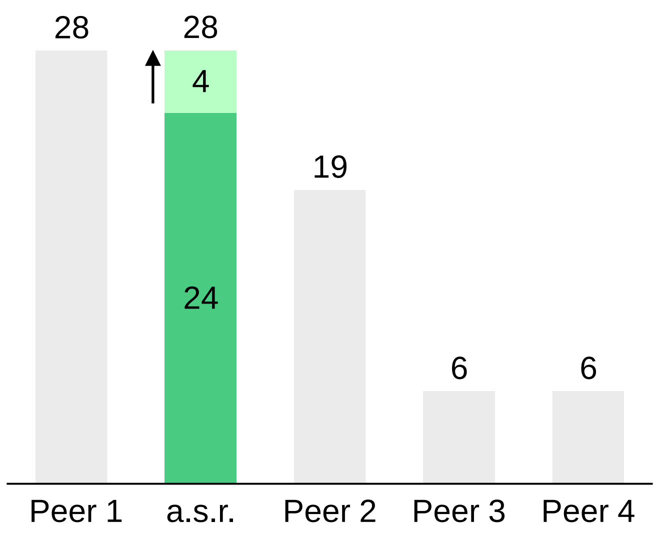
Full integration: Life

- Portfolios to be migrated toward a.s.r. IT landscape
- Commercial offering via a.s.r. brand

Development of sustainable employability platform in disability



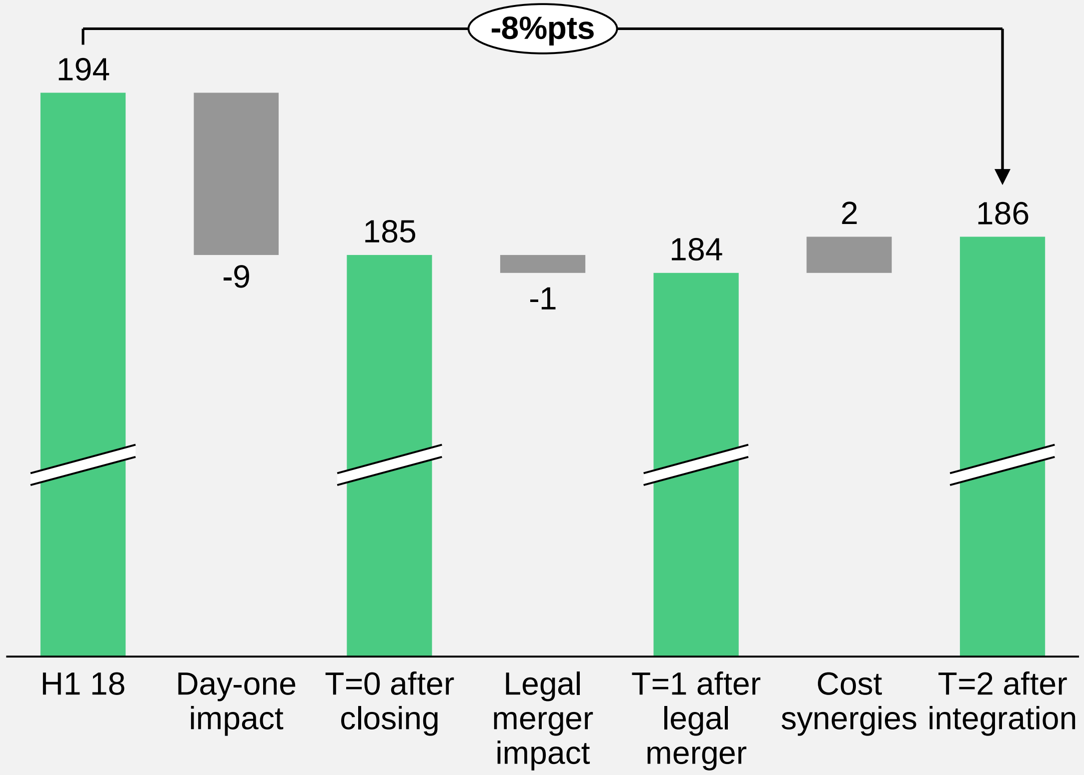
Pro forma market share disability[1]



1 Based on 2017 GWP DNB data

Solvency II ratio impact of 8%pts after realising cost synergies

Pro forma Solvency II development (in %)



- Day one impact (-9%pts) consist of the purchase price (€ 450 mln), capital synergies (diversification, ineligible capital), alignment of assumptions and the impact of combing the businesses
- Legal merger impact is -1%-pt as reflecting remaining capital synergies and alignment of actuarial assumptions
- The realisation of cost synergies leads to an increase of 2%-pts of the Solvency II ratio. This reflects the netted effect of capitalized cost benefits partly offset by restructuring expenses
- Fungible capital deployment amount to € 200 mln including the cost synergies (€ 260 million excluding cost synergies)
- Fungible capital deployment is based on a.s.r. Solvency II level above the dividend threshold for the operating companies

Acquisitions exceeds investment hurdle, EPS and OCC accretive

Expected Return on Investment	> 12%
Net costs synergy potential[1]	€ 10 - 15 mln
Contribution to net operating result[1]	~ € 40 mln
Contribution to capital generation[1]	~ € 35 mln
Total capital deployment[1]	€ 200 mln

- Return on Investment of >12% based on operational and capital synergies
- Net synergy potential consist mainly of reduction in staff and life personnel and reduction in IT costs
- Loyalis is expected to contribute € 40 mln to net operating result of a.s.r. in 2022 after realising cost synergies within Life and Disability resulting in a 8% EPS accretion[2]
- Loyalis is expected to contribute €35 mln to the OCC to be realised in 2022 after realising cost synergies in Disability. This will lead to a 9% OCC increase[3]

[1] Numbers are per 2022 and include cost synergies   2 Compared to FY 2017 EPS   3 Compared to FY 2017 OCC

IR contact details

Email: ir@asr.nl

Tel: +31 30 257 8600

Michel Hülters, Barth Scholten & Vincent Uriot

Disclaimer

Disclaimer and cautionary note regarding forward-looking statements

The terms of this disclaimer ('Disclaimer') apply to this document of ASR Nederland N.V. and all ASR Nederland N.V.'s legal vehicles and businesses ('ASR Nederland'). Please read this Disclaimer carefully.

Some of the statements in this document are not (historical) facts, but are 'forward-looking statements' ('Statements'). The Statements are based on our beliefs, assumptions and expectations of future performance, taking into account information that was available to ASR Nederland at the moment of drafting of the document. The Statements may be identified by words such as 'expect', 'should', 'could', 'shall' and similar expressions. The Statements may change as a result of possible events or factors.

ASR Nederland warns that the Statements could entail certain risks and uncertainties, so that the actual results, business, financial condition, results of operations, liquidity, investments, share price and prospects of ASR Nederland may differ materially from the Statements.

The actual results of ASR Nederland may differ from the Statements because of: (1) changes in general economic conditions; (2) changes in the conditions in the markets in which ASR Nederland is engaged; (3) changes in the performance of financial markets in general; (4) changes in the sales of insurance and/or other financial products; (5) the behaviour of customers, suppliers, investors, shareholders or competitors; (6) changes in the relationships with principal intermediaries or partnerships or termination of relationships with principal intermediaries or partnerships; (7) the unavailability and/or unaffordability of reinsurance; (8) deteriorations in the financial soundness of customers, suppliers or financial institutions, countries/states and/or other counterparties; (9) technological developments; (10) changes in the implementation or execution of ICT systems or outsourcing; (11) changes in the availability of, or costs associated with, sources of liquidity; (12) consequences of a potential (partial) termination of the European currency: the euro or the European Union; (13) changes in the frequency or severity of insured loss events; (14) catastrophes or terrorist-related events; (15) changes affecting mortality or morbidity levels or trends or changes in longevity; (16) changes in legislation or regulations and/or changes in the interpretation thereof, including without limitation Solvency II, IFRS and taxes; (17) changes in the policies of governments and/or regulatory or supervisory authorities; (18) changes in ownership that could affect the future availability of net operating loss, net capital or built-in loss; (19) changes in conclusions with regard to accounting assumptions or methodologies; (20) adverse developments in legal and other proceedings and/or investigations or sanctions imposed by supervisory authorities; (21) risks related to mergers, acquisitions, or divestments (22) other financial risks such as currency movements, interest rate fluctuations, liquidity, or credit risks and (23) the other risks and uncertainties detailed in the Risk Factors section contained in recent public disclosures made by ASR Nederland.

The foregoing list of factors and developments is not exhaustive. Any Statements made by or on behalf of ASR Nederland only refer to the date of drafting of the document, except as required by applicable law. ASR Nederland disclaims any obligation to update or revise and publish any expectations, based on new information or otherwise. Neither ASR Nederland nor any of its directors, officers or employees give any statement, warranty or prediction on the anticipated results as included in the document. The Statements in this document represent, in each case, only one of multiple possible scenarios and should not be viewed as the most likely or standard scenario.

All figures in this document are unaudited. Small differences may be included in the tables as a consequence of rounding.

ASR Nederland has taken all reasonable care in the reliability and accurateness of this document. Nevertheless, information contained in this document may be incomplete or incorrect. ASR Nederland does not accept liability for any damage resulting from this document in case the information in this press release is incorrect or incomplete.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities.