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a.s.r. presents strategy update and medium-term targets

Today, a.s.r. is hosting a Capital Markets Day (CMD) for institutional investors and analysts in its head office in Utrecht, the Netherlands. During this event, management will present the strategic priorities and the new targets for the group for the next three years (2019 – 2021).

The new medium-term targets are building on the strong performance and value creation in recent years and the confidence management has in its strategy going forward. The strategy to deliver on these ambitious targets is founded on three pillars. First is the commitment to maintain financial discipline; a.s.r. will continue to focus on value-over-volume as its overarching strategic principle. Second is to optimize value creation from existing businesses and the third is the pursuit of profitable growth in selective areas. The presentations today will provide the full context for the targets listed below.

Financial group and business targets

Group

- Operating return on equity in the range of 12-14%
- Organic capital creation at least € 430 million in 2021
- Solvency II ratio (standard formula) safely above 160%
- Dividend payout ratio within 45-55% of net operating result (after hybrid capital expenses), and the ambition to offer a stable to growing dividend per share
- Maintaining 'single A' rating (S&P) and a financial leverage below 35%

Business

- Non-life combined ratio (excl. Health) in the range of 94-96%
- Non-life gross written premiums (excl. Health) to grow in the range of 3-5% annually
- Life Operating result to remain stable compared to 2017 results (€ 633 million)
- Life Operating expenses targeted in the range of 45-55 basis points of basic life provision
- Combined operating result from Asset Management and Distribution & Services to rise to € 40 million and to grow 5% per annum thereafter

Non-financial targets

- Enhanced customer satisfaction: Net Promoter Score (NPS) to be at least 44 points in 2021
- Socially responsible investing: carbon footprint of at least 95% of the total investment portfolio measured; a.s.r. committed to increase total AuM in impact investments to € 1.2 billion by 2021
- Contribution to the communities in which we operate; annual increase of 5% in employee effort

Rational allocation of capital, balancing deployment and return

- Commitment to deploy capital in a rational manner and within strict financial discipline
- Pursuit of both organic and inorganic growth, and/or further allocation of capital to market risk within the constraint of market risk being less than 50% of total risk
- Supplementary capital distributions to shareholders explicitly under consideration, under certain defined conditions, such as the level of solvency, the nature of capital growth, as well as the available opportunities for profitable deployment of capital

Pursuit of selective growth opportunities

- Value-over-volume as guiding principle
- Selective and profitable growth opportunities, organic and inorganic, are present in P&C, Disability, Asset Management, Pension DC as well as consolidation of Life portfolios
- a.s.r. bank strategic fit considered insufficient and determined as non-core activity
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Jos Baeten, CEO of a.s.r.: 'We are very pleased with the performance we have delivered since our IPO in June 2016, while the appreciation by our customers has increased at the same time. The discipline in the execution of our strategy has led us to achieve, and even exceed our medium-term financial targets.

The service to our customers has been a top priority to become the insurance company of choice in the Netherlands. This resulted in a further increase of the Net Promoter Score, for both customers and intermediaries. The appreciation is also reflected in our growth. In addition, I am pleased with an increase in the recognition as a socially responsible insurer.

In delivering on our financial targets the operating return on equity has been well above 12% throughout this period. The combined ratio has also shown a consistent and strong performance. Our cost savings of € 50 million are well on track, while solid increases in our operating results led to higher dividends. Our Solvency II, on a standard formula, has been comfortably within our entrepreneurial zone and has increased over time, allowing us to successfully pursue organic and inorganic growth. Since our IPO, we have completed the acquisitions of distribution companies SuperGarant and Corins, asset manager First Investments and, in February this year, Generali Nederland. It demonstrates our ability to successfully execute our bolt-on acquisition strategy.

Our strong performance in recent years and the confidence we have in our strategic plans are the foundation of the ambitious targets we have set for the period 2019 – 2021. The targets are challenging in the Dutch market and reflect a delicate balance between managing for value and the pursuit of profitable growth.

Our plan to achieve these targets comprises three pillars. Firstly, we remain committed to adhering to our strict financial discipline. Value-over-volume will remain key in our decision-making and a disciplined approach to cost is key to maintaining our strong performance. Opportunities to consolidate in-market, particularly in the SME space, will continue to be considered, taking into account a minimum hurdle rate of 12% return on investment. And, maintaining a strong balance sheet with financial flexibility offers room to pursue profitable growth. We will continue to allocate capital rationally. If there are no opportunities for

profitable deployment of capital, we will consider returning capital to shareholders under certain defined conditions.

Secondly, we aim to optimise the value creation from existing businesses with the same rigour as we have demonstrated in recent years. We will continue to focus on meeting customer needs, excel in pricing, underwriting and claims handling, enhance our cost effectiveness and maintain a solid financial framework.

The final pillar in our plan is the pursuit of profitable growth in specifically: P&C, Disability, Asset Management, Pensions DC and consolidating Life portfolios.

In addition to our financial and business targets we are also introducing three non-financial targets to reflect our acknowledgement of the responsibilities that our position in wider society brings.'

The Capital Markets Day is broadcasted live today from 09.00h CET on the website www.asrnl.com. During this event Jos Baeten (CEO) will elaborate on a.s.r.'s pursuit of value over volume. Other presenters will be Chris Figee (CFO), Karin Bergstein (COO), Michel Verwoest (COO), Jack Julicher (CEO a.s.r. asset management), Dick Gort (CEO a.s.r. real estate), Philippe Wits (Chief Innovation Officer) and Patrick Klijnsmit (director of group accounting, reporting and control). All presentations will be available today from 07.00h CET on www.asrnl.com.

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

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