2022 full-year results

Analyst conference call

22 February 2023

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

Jos Baeten, CEO

Ewout Hollegien, CFO

Strong financial performance continued in 2022

- Operating result increased by € 30m (3.0%), reflecting strong operational performance
- OCC increased by € 59m (9.9%) to € 653m, driven by business performance, higher interest rates and investment returns
- Combined ratio[1] stable at 91.7% reflecting healthy underwriting in P&C and Disability, outperforming the target range of 93-95%
- Strong balance sheet reflected robust Solvency ratio at 222%, after proposed dividend and including the proceeds of the € 0.6bn share issue
- Operating ROE[2] amounts to 12.8% in target range
- 12% step-up to € 2.70 dividend per share, reflecting confidence in business combination of a.s.r. and Aegon Nederland

Operating result

€ 1,039m

+3.0%

(2021: € 1,009m)

Solvency II (SF)[3]

222%

+26%-pts

(2021: 196%)

Dividend per share

€ 2.70

+11.6%

(2021: € 2.42)

Operating ROE[2]

12.8%

Target **12-14%**

(2021: 16.1%)

Organic capital creation

€ 653m

+9.9%

(2021: € 594m)

Combined ratio[1]

91.7%

Target **93-95%**

(2021: 91.8%)

[1] P&C and Disability
[2] The operating return on equity would have been 13.5% excluding the €0.6bn share issue for the financing of the Aegon Nederland transaction
[3] After proposed dividend and includes newly-issued shares

Strong delivery against ambitious medium-term targets

Core Group realisation versus target (2022-2024)[1]

Solvency II ratio
(standard formula)
✓
222%
>160% Substantial capital for entrepreneurship

Organic capital creation
✓
€ 653m
€ 1.7-1.8bn
Cumulative 2022-2024

Operating return on equity[2]
✓
12.8%
12-14%
Per annum

Dividend[2]
✓
12%
Mid-to-high single digit annual growth until 2025

Share buyback
Halted due to transaction with Aegon

Core Business target realisation versus target (2022-2024)

Non-life combined ratio
P&C and Disability
✓
91.7%
93-95%
Per annum

Non-life organic growth (GWP)
P&C and Disability
✓
9.1%
3-5%
Per annum

Fee-based business operating result
~
€ 64m
>€ 80m
In 2024

Life operating result
✓
€ 768m
>€ 700m
Per annum

Life operating expenses[3]
✓
48bps
40-50bps
Per annum

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[1] Targets are based on the assumption of normal (financial) markets, environmental and economic conditions (per end of November 2021) and no material regulatory changes
[2] In general, a.s.r. expects not to pay cash dividends if the Solvency II ratio (calculated in accordance with the standard formula) falls below 140%
[3] Operating expenses expressed in bps of basic Life provision

Value creation for all stakeholders and compelling ESG credentials

Non-financial realisation versus target (2022 – 2024)[1]

Sustainable insurer Net promoter score (NPS-r)	Sustainable insurer Public recognition sustainable insurer	Sustainable employer Employee engagement to workforce[2]	Sustainable investor[3] Carbon footprint reduction	Sustainable investor Impact investments
~ < Market average	✓ 37	✓ 88	✓ 65%	✓ € 2.8bn
>Market average In 2024	>40% In 2024	>85 Per annum	65% In 2030	€ 4.5bn In 2024

ESG credentials

SUSTAINALYTICS	# 2 World insurance
vigeo eiris	# 7 World insurance
Dow Jones Sustainability Indices	#10 World insurance
ISS ESG	C+ (Prime) Scale: D- - A+
MSCI	A Scale: CCC – AAA
CDP DISCLOSURE INSIGHT ACTION	B Scale: D- – A
Eerlijke Verzekeringswijzer	#1 Dutch Fair Insurance Guide
Bloomberg Gender Reporting Framework 2023	Included Since 2022

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[1] Targets are based on the assumption of normal (financial) markets, environmental and economic conditions (per end of November 2021) and no material regulatory changes
[2] Workforce covers all employees of ASR Nederland N.V., including external employees and interns. Employees of subsidiaries do not fall within the scope of this target
[3] Compared to 2015 own account investments

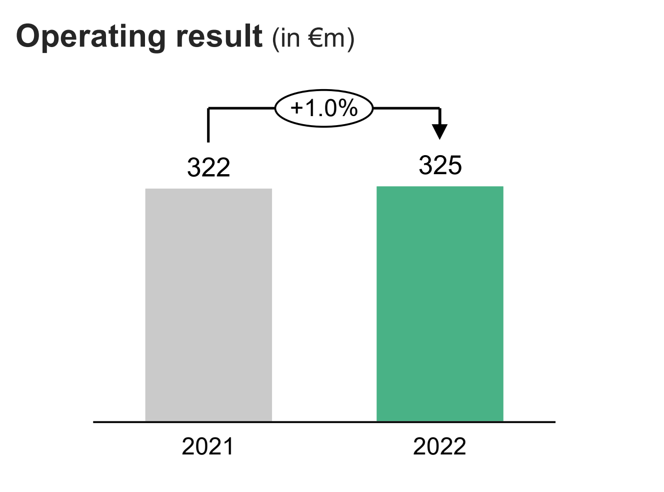
Clear progress and on track for 1st of July closing at the earliest

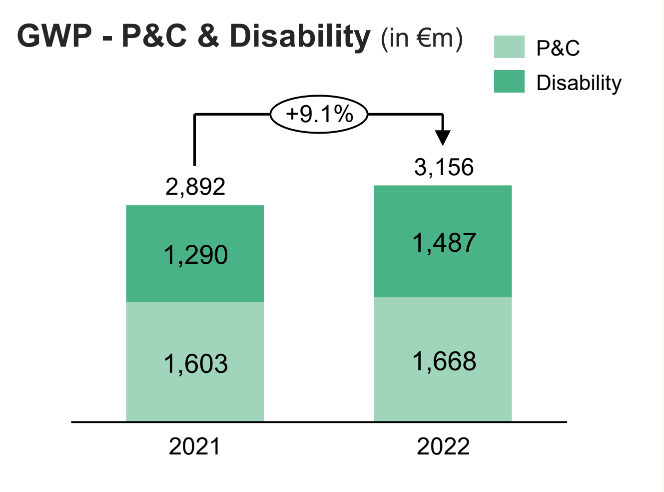
- a.s.r. and Aegon are working closely together to the fulfillment of conditions for the completion of the transaction
- Transaction financing largely secured with issue of new shares and launch of new hybrid capital instrument
- Transaction approved by EGM with 99.9% votes in favour

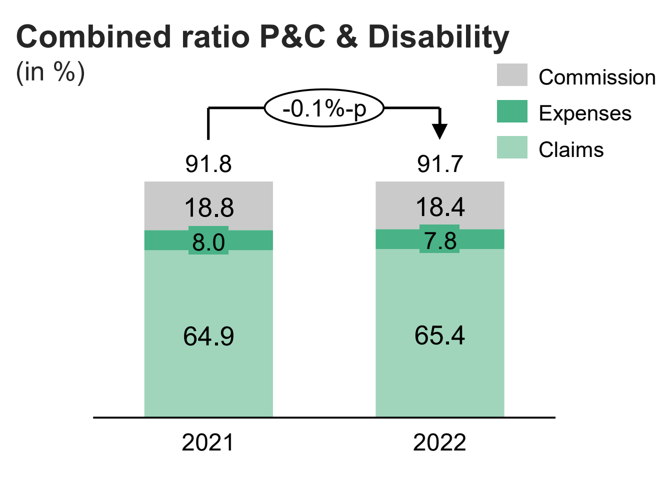
- Well on track for expected closing 1 July 2023 at the earliest:
  - Workstreams in place for design of initial integration steps
  - Exploratory talks for the PIM[1] implementation already started
  - Integration hypothesis tested, € 185m run-rate cost synergies confirmed
  - Request for Declaration of No Objection from Dutch Central Bank (DNB) progressing as planned
  - Request with Netherlands Authority for Consumers & Markets (ACM) filed

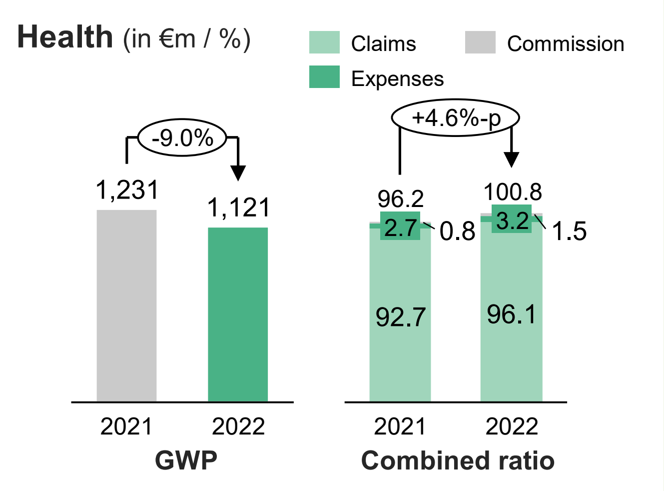
[1] Implementation of a Partial Internal Model (PIM) is subject to regulatory approval

Non-life: strong organic growth while maintaining robust COR





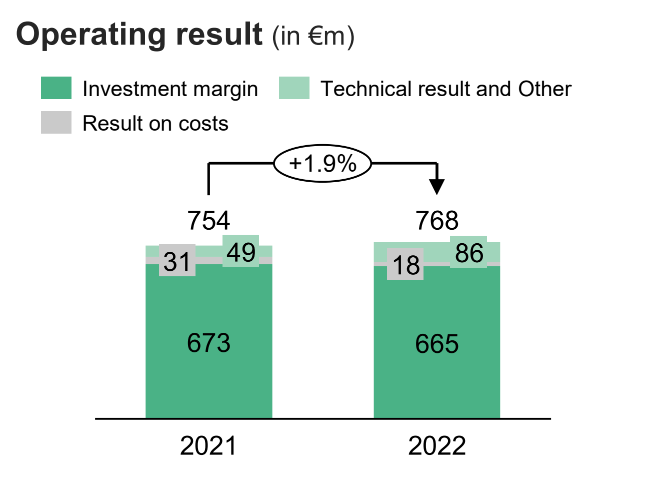


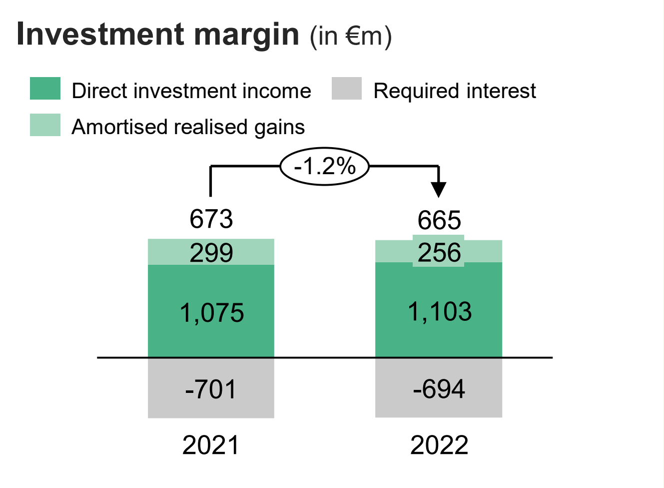


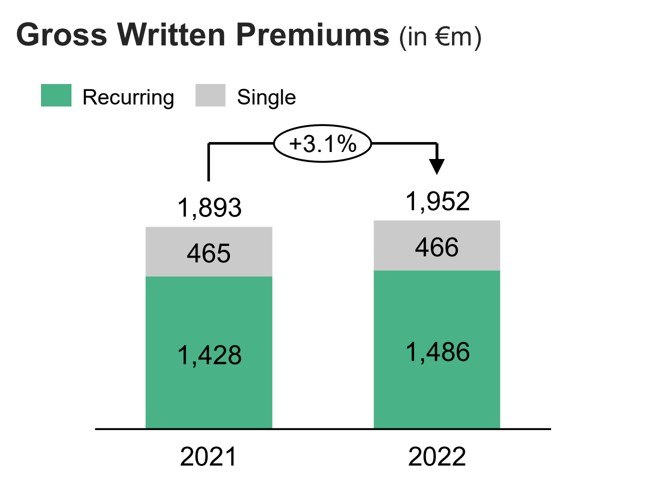
- Non-life operating result up by € 3m due to solid underwriting results, mainly in Disability, partly offset by Health
- Organic growth[1] is 9.1%, exceeding target of 3-5% growth p.a., driven by increased sales volume, tariff adjustments and large collective disability agreement
- Combined ratio[1] stable at 91.7%
- In P&C normalisation of claims (more travel and traffic) and higher impact from large claims and calamities delivering COR of 93.9%
- Disability result reflects improved underwriting results in Individual Disability and Sickness leave, delivering COR of 89.3%
- Adverse claims development in Health due to decreasing portfolio. In addition, higher CPA costs are included in 2022 combined ratio due to strong growth in number of policyholders (+195.000) in 2023

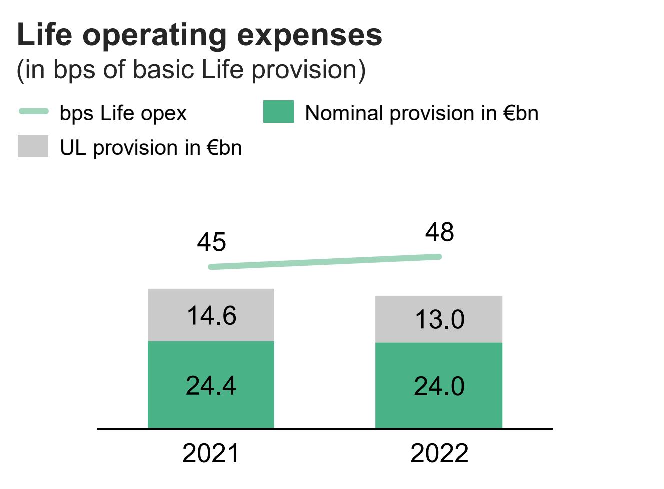
[1] P&C and Disability

Life: higher operating result driven by technical result







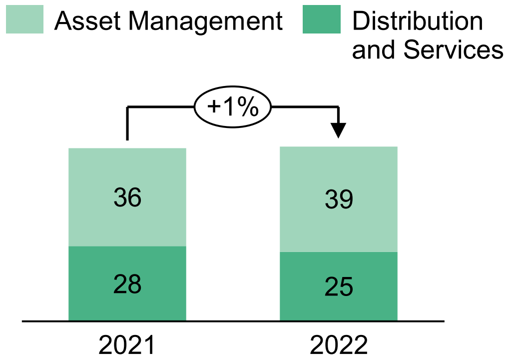


- Operating result of Life segment increased by 1.9% (€ 15m) to € 768m as a result of higher technical result, which is partly offset by lower result on costs and investment margin
- Investment margin decreased by € 8m. Higher direct investment income and lower required interest (regular run-off of the Individual life portfolio partly offset by Funeral CPI indexation) offset by lower amortised realised gains
- Technical result reflects favourable mortality result this year. Non-recurring disability result in pensions offset the strengthening of UL provisioning
- Result on costs decreased as a result of lower cost coverage in Individual life and higher operating expenses
- GWP up by 3.1% driven by growth of pensions DC that more than offsets gradual decline 'service books'
- Pension DC AuM growth: € 5.4bn (2021: € 5.1bn) despite lower market valuations. Total net inflow in DC AuM amounted to € 1.3bn
- Life operating expenses to 48bps (2021: 45bps) reflecting higher operating expenses and a lower average basic life provision, which is in line with target range of 40-50bps. This includes investments in IT systems in Pensions

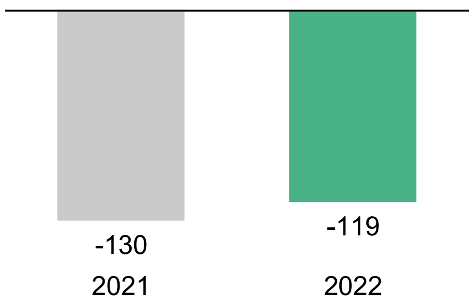
[1] Includes WnP (Employee Pension), Doenpensioen, DIP (immediate annuity) and a.s.r. Vooruit

Fee-based businesses: growth in Asset Management

Operating result fee-based businesses
(in €m)



Operating result Holding & Other
(in €m)

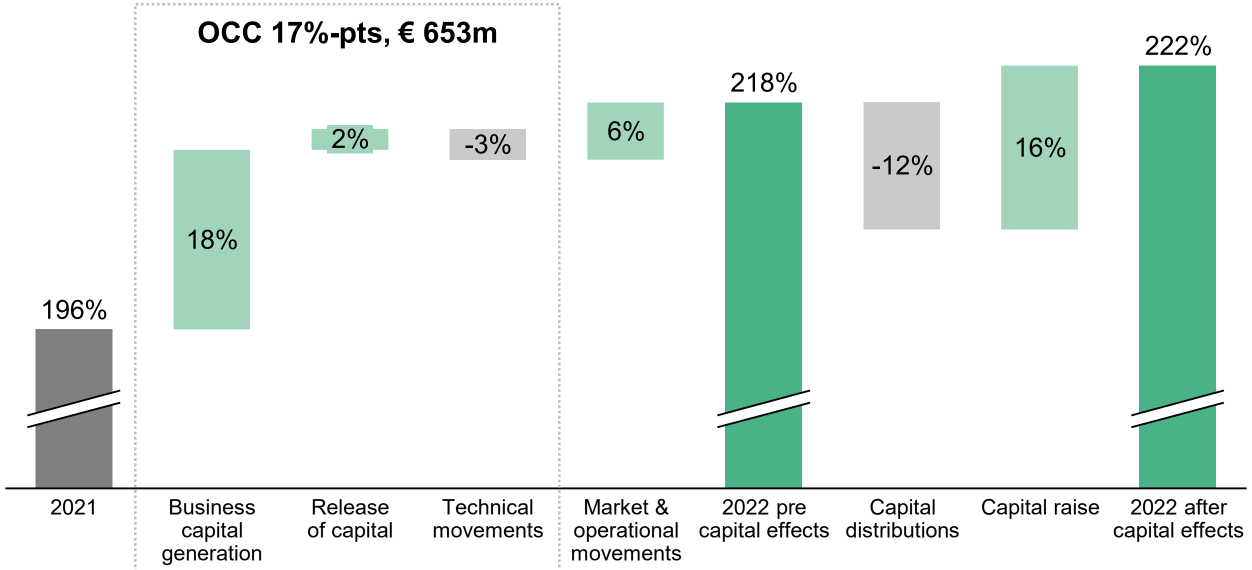


- Fee-based businesses operating result stable at € 64m compared to previous year
- Operating result in Asset Management increased € 3m (7.6%), despite negative impact from market effects. Increase is driven by higher contribution from Real Estate, partly as result of newly acquired Sweco capital consultants and increase in third party AuM
- Mortgage origination amounted to € 5.3bn of which € 2.3bn was allocated to the ASR Mortgage fund
- Total AuM for third parties remained stable at € 27.9bn (2021: € 28.0bn). Higher inflow in mortgage funds, real estate funds and the expansion of managing AuM of 'Doenpensioen' is offset by negative revaluations due to higher interest rates and lower equity markets
- Operating result of Distribution and Services decreased on balance by € 3m reflecting investments to build a stronger business. Higher contribution from acquisitions and organic growth offset by higher expenses related to the transition
- Improvement in operating result of Holding and Other to € -119m mainly as result of the release of an employee related provision

Solvency and capital position

Ewout Hollegien, CFO

Solvency II ratio movements[1] in 2022



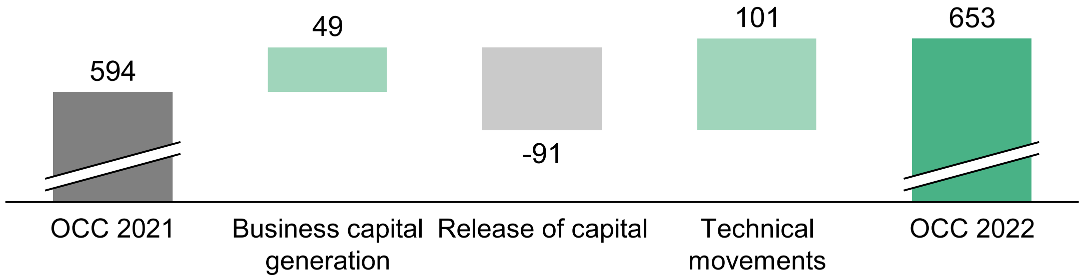
EOF (€m)	**8,189**	687	38	-101	-1,593	7,220	-460	586	7,346
SCR (€m)	**4,185**		-14		-864	3,307			3,307

- Solvency II ratio at robust level of 222%[2] including deduction of dividend (total € -385m) and SBB (€ -75m) and capital raise (€ 586m)
- OCC increased by € 59m to € 653m. Strong business performance is reflected in contribution from business capital generation (18%)
- Market and operational developments, reflecting a positive impact from higher VA, higher interest rates and equity & real estate valuation, partly offset by higher inflation, spread movements, update of non-economic assumptions and the lowering of the UFR
- Capital raise entails new share placement through an ABB for financing business combination a.s.r. with Aegon Nederland

[1] Movements expressed as a % over the average required capital
[2] Raised Tier 2 capital (1 bn) on 15 November 2022 is not included in ratio calculation and will be eligible as of transaction closing

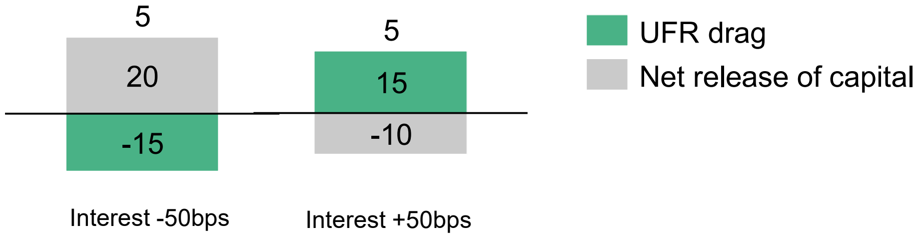
OCC development driven by improved business performance

OCC development (in €m)



	Business capital generation	Release of capital	Technical movements
2022	687	66	-101
2021	639	157	-202

OCC sensitivity (annualised, in €m)



Business capital generation (€ +49m)

- Increased performance in Disability and Life segments partly offset by normalisation of claims in P&C and adverse claim development in Health
- Higher investment returns from portfolio optimisation

Release of capital (€ -91m)

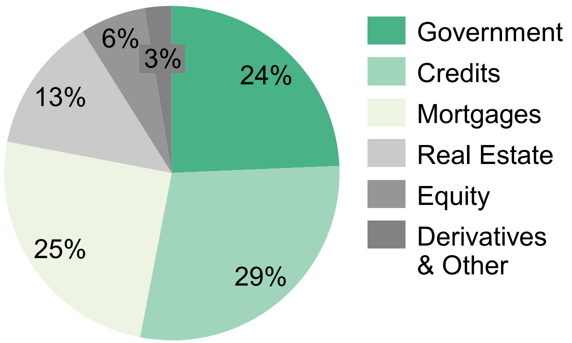
- Higher NB strain due to portfolio growth in Non-life and Health and more three-year renewals in Group Disability
- Lower SCR release due to higher interest rates

Technical movements (€ +101m)

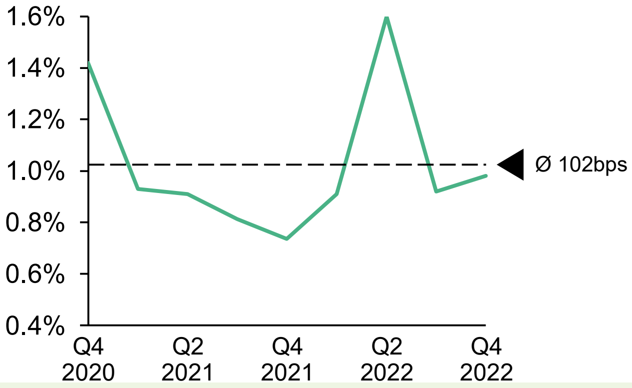
- Lower UFR drag as result of higher interest rates and the lowering by EIOPA of the UFR to 3.45% (2021: 3.60%)

Robust investment portfolio with solid mortgage book

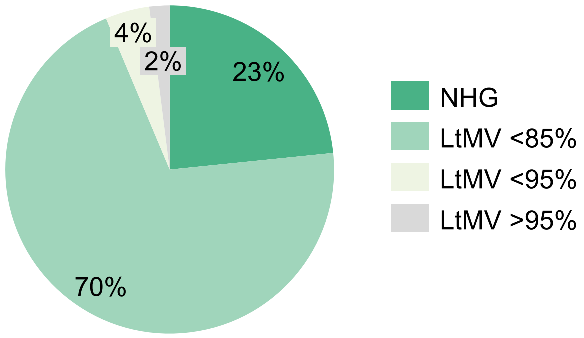
Investment portfolio € 39.4 bn[1] (in %)



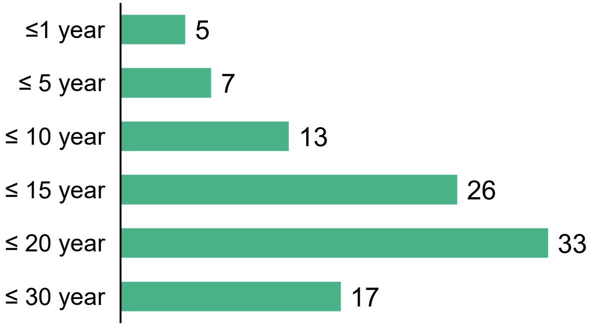
a.s.r. net mortgage spread[2] (%)



Mortgages LtMV portfolio split[3] (in %)



Fixed-rate[4] **period within portfolio** (in %)

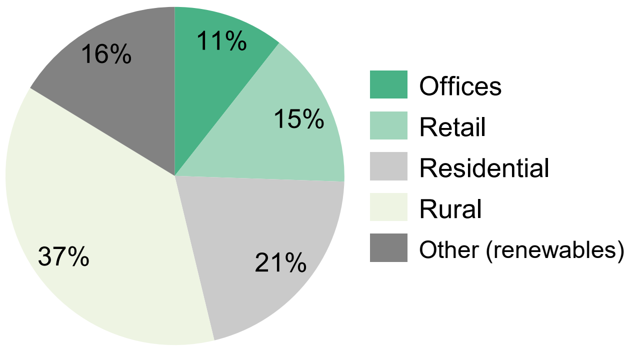


- Diversified and robust investment portfolio with skew to quality
- Positive revaluations in real estate, reflecting the quality and diversification of the portfolio
- Credit losses in own mortgage portfolio at 0.14 bps. Payment arrears (>90 days) remain at a low level
- Strong asset quality of a.s.r. mortgage book
  - 23% covered by NHG
  - Only 6% of portfolio with LtMV > 85% and average LtMV amounts to 62%
  - 76% has a fixed-rate period > 10 year
- No defaults in FI portfolio in FY 2022

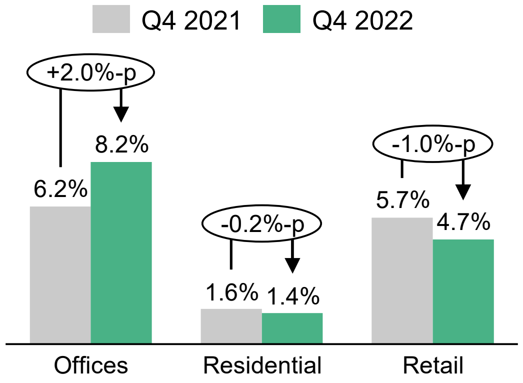
[1] Investment portfolio for own account. Distinguishes different investment categories from an asset management perspective. Therefore, this breakdown differs from the financial statement presentation based on IFRS
[2] a.s.r. net mortgage rate reflects a.s.r. mortgage rate versus swap rate and other adjustments (e.g. options in mortgage contracts)
[3] Excluding € 0.3bn other mortgage funds for which no LtMV data is available
[4] Remaining fixed-rate period of the mortgage contract. Rounding differences may occur

Robust and diversified real estate portfolio with strong focus on quality

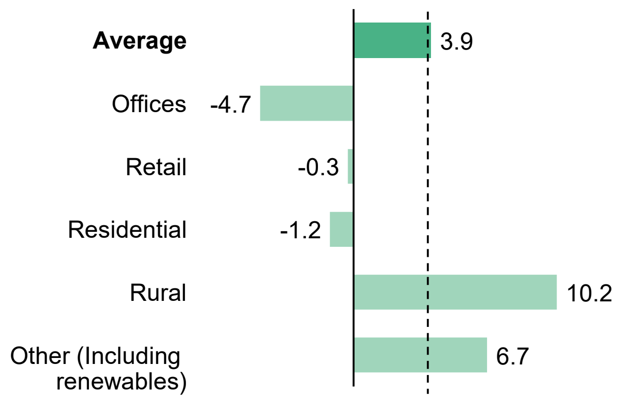
Real estate portfolio € 5.1 bn[1] (in %)



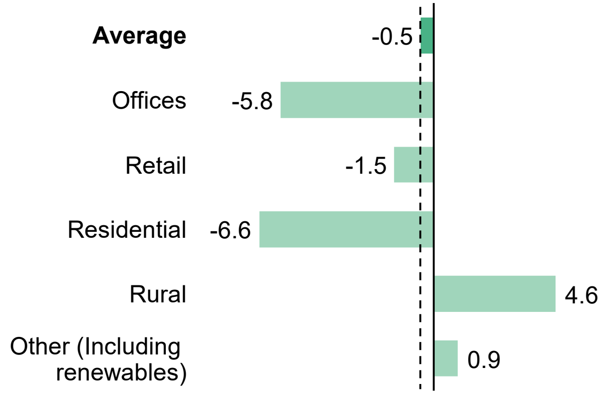
Real Estate vacancy rates[2] (in %)



Revaluation of portfolio FY 2022 (in %)



Revaluation of portfolio H2 2022 (in %)

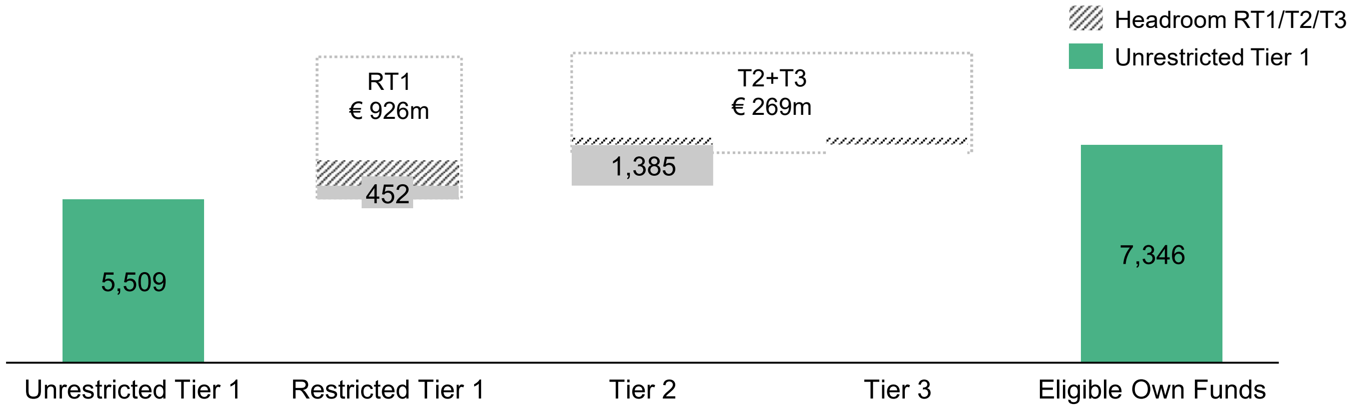


- Well diversified Real estate portfolio and high-quality assets:
  - Rural; a.s.r. is the second largest land-owner in NL after the Dutch state. Rural portfolio consists out of long-term, inflation indexed, contracts. Total return per year in last 15 years average above 7.5%
  - Offices: only attractive locations on mobility hubs, near railway stations in major cities
  - Retail; only high tier street locations (A1), prime district shopping centers and supermarkets
  - Residential; strategy aimed at dwellings with rent between 750 and 1,250 euro per month
  - Newly launched funds in sustainable and innovate field; Dutch Science Park Fund, Dutch Farmland Fund and a renewables mandate
- Development of revaluation in 2022 shows benefits of well diversified portfolio with a large stake in holdings of rural land

[1] Includes direct investments and participation in a.s.r. Real Estate Funds
[2] Excluding Other Funds and Offices in own use

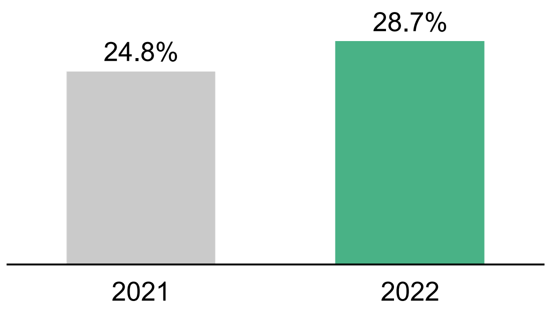
Solid balance sheet provides ample financial flexibility

Eligible Own Funds and SII headroom[1] (in €m)

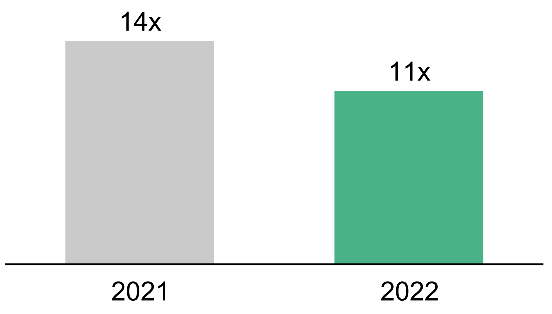


S&P IFS rating

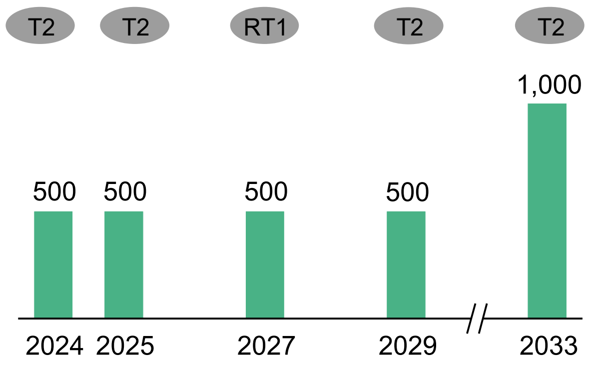
Financial leverage[2] (IFRS)



Interest coverage ratio[2] (IFRS, multiple)



Debt maturity profile (in €m)



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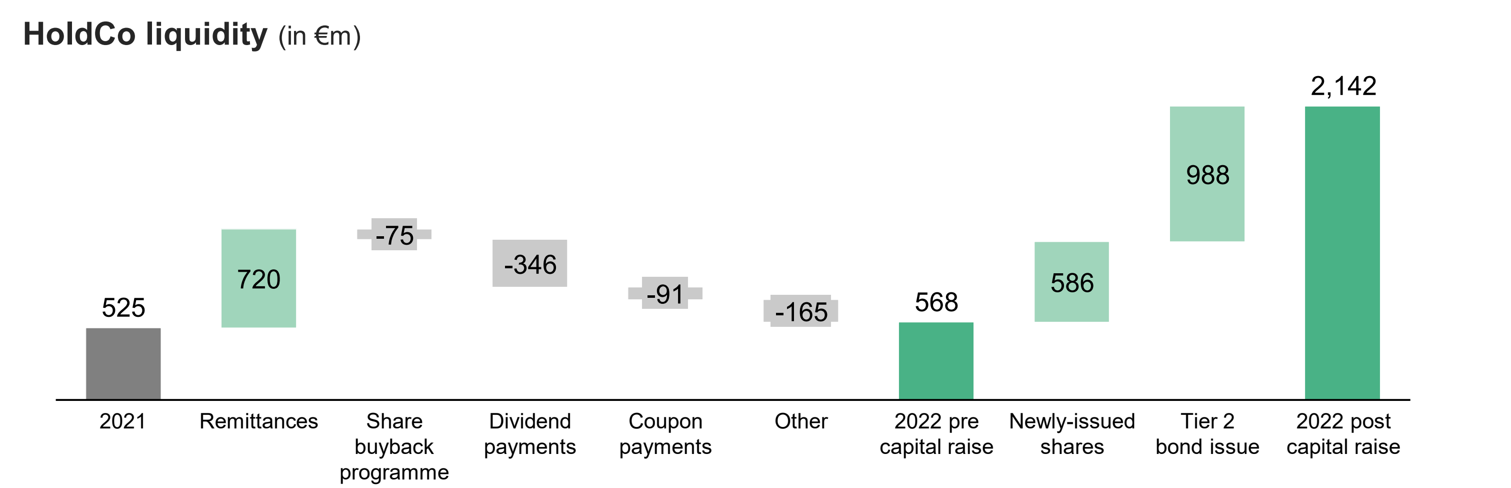
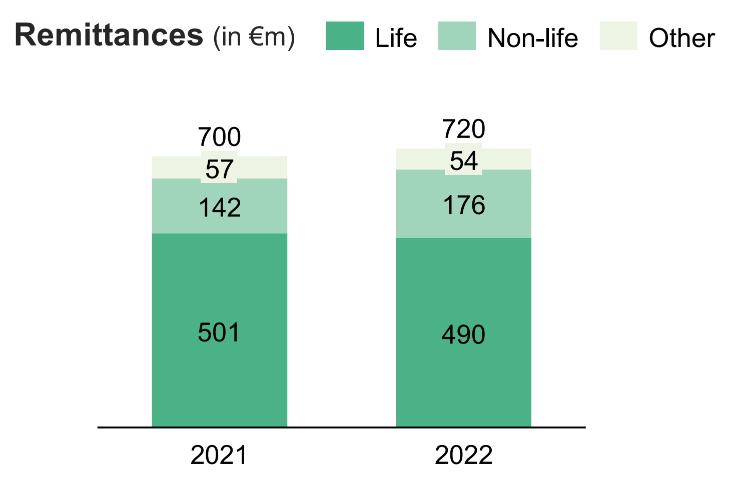
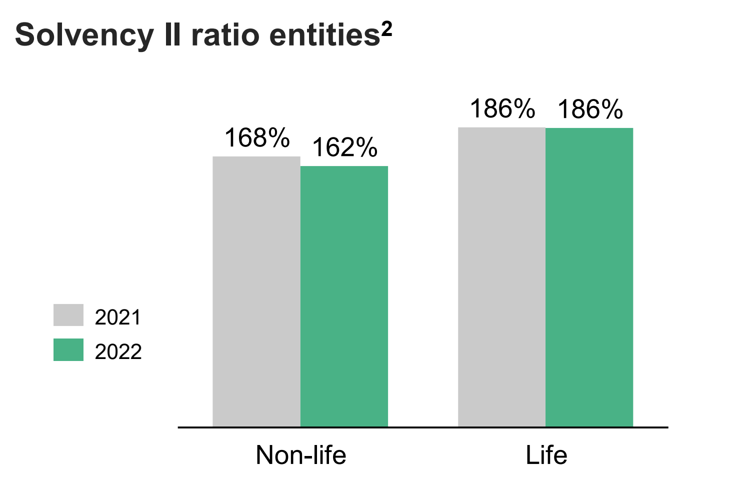
[1] Eligible Own funds excludes € 1bn Tier 2 bond raised on 15 November 2022. Capital is intended to partially finance the Aegon NL transaction. Raised capital will be eligible at the moment of closing of the transaction
[2] The leverage ratio including the newly-issued shares (as part of equity) and issued € 1bn Tier 2 bond to finance the business combination of a.s.r. and Aegon Nederland would be 34.8%. The interest coverage ratio would be 10x

Solvency and cash supports execution of transaction and dividends







- HoldCo liquidity at 31 December 2022 stood at € 2.1bn
- The HoldCo liquidity includes proceeds of new shares (€ 586m) and issued Tier 2 hybrid capital instrument (€ 988m[1])
- The HoldCo liquidity pre-capital raise amounts € 568m. In line with a.s.r.'s policy of maintaining capital at operating entities and only upstream to cover dividends, coupons and other Holding expenses for the current year
- Life Solvency II ratio[2] remained stable reflecting positive impacts from OCC, the negative impact of market movements and cash remittance to the group
- Non-life Solvency II ratio[2] decreased by 6%-p. The development reflects positive impact from OCC and on balance negative market movements and cash remittance to the group

[1] Issue price of € 1bn Tier 2 hybrid is 99.227. Amounts are net of expenses
[2] Solvency II ratio's exclude the foreseeable dividend (Life: € 410m and Non life: € 90m) for funding of business combination with Aegon NL Including foreseeable dividend the SII ratio amount to Non-life: 155%; Life: 168%

Wrap-up

Jos Baeten, CEO

Key take-aways

- Ongoing strong performance with higher operational results in most business segments
- Combination of a.s.r. and Aegon NL creating a leading insurer, expected to deliver € 185m run-rate cost synergies
- Well on track for closing transaction 1 July 2023 at the earliest
- Continued growth in organic capital creation and solid Solvency II ratio
- Double digit step-up in DPS increase to € 2.70 dividend per share

Appendix

Appendices

A. Financial ratios
B. Combined ratio per product line
C. Calculation of operating ROE
D. IFRS profit vs. operating result per segment
E. IFRS equity and SII EOF multi-year development
F. SCR movement in 2022
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H. Sensitivities Solvency II ratio – UFR
I. UFR drag methodology
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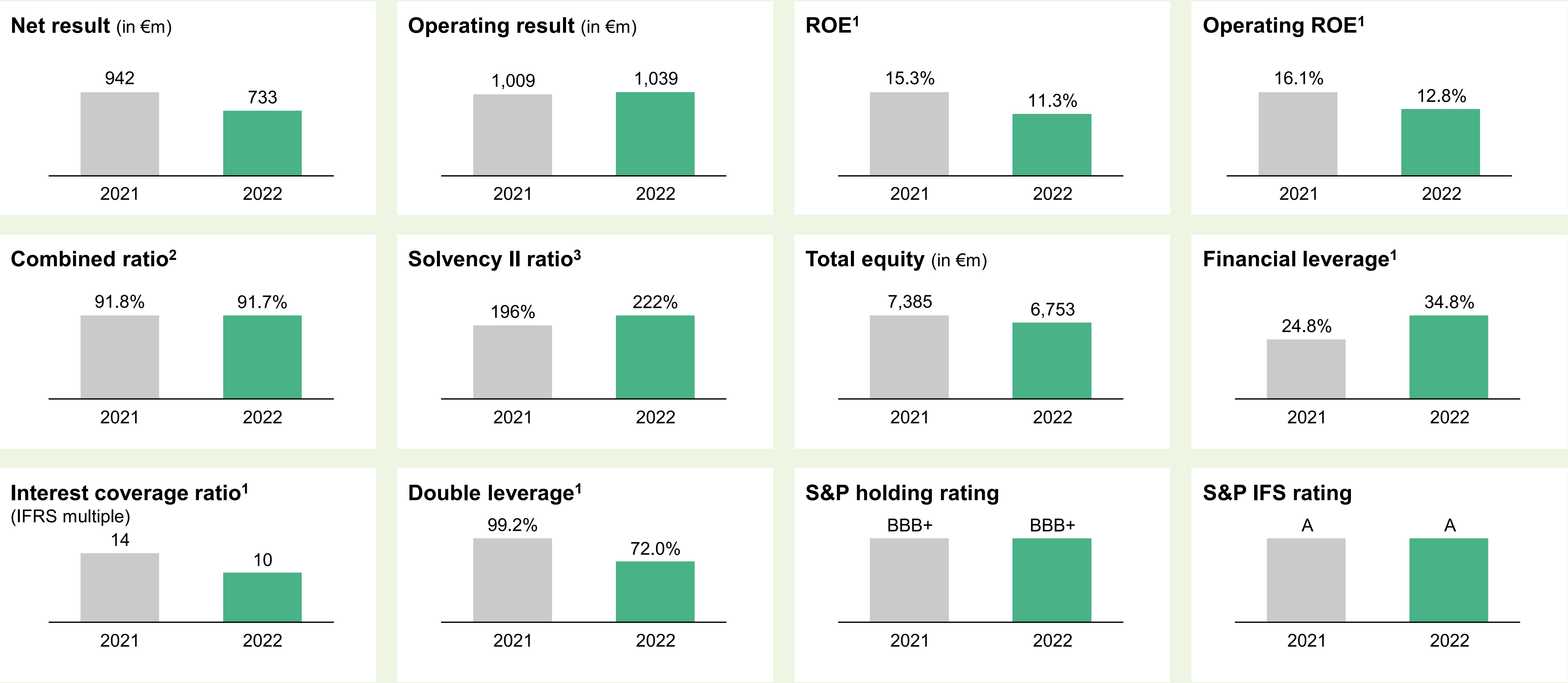
L. Details of Corporates and Financials bond portfolio
M. Fixed Income portfolio Government credit rating
N. Fixed Income portfolio Corporates and Financials credit rating
O. Details of equities and real estate portfolio
P. Calculation of asset leverage
Q. Life segment book development
R. Life segment investment contribution
S. Track record in stable investment margin

A. Financial ratios



[1] Excluding the € 0.6bn newly-issued shares and the issued € 1bn Tier2 bond to finance the business combination of a.s.r. and Aegon Nederland, the ROE, Operating ROE, Financial leverage, ICR and Double leverage would respectively be 11.9%, 13.5%, 28.7%, 11x and 87.8%.
[2] P&C and Disability
[3] Calculation based on standard formula, excluding financial institutions other than insurers

B. Combined ratio per product line

		2021	2022
Property & Casualty	Net earned premiums (in €m)	1,531	1,584
	Claims ratio	57.5%	59.3%
	Expense ratio	8.2%	8.3%
	Commission ratio	26.2%	26.3%
	Combined ratio	**91.9%**	**93.9%**
Disability	Net earned premiums (in €m)	1,280	1,455
	Claims ratio	73.9%	72.2%
	Expense ratio	7.8%	7.3%
	Commission ratio	9.9%	9.9%
	Combined ratio	**91.6%**	**89.3%**
P&C & Disability	Net earned premiums (in €m)	2,811	3,039
	Claims ratio	64.9%	65.4%
	Expense ratio	8.0%	7.8%
	Commission ratio	18.8%	18.4%
	Combined ratio	**91.8%**	**91.7%**
Health	Net earned premiums (in €m)	1,231	1,120
	Claims ratio	92.7%	96.1%
	Expense ratio	2.7%	3.2%
	Commission ratio	0.8%	1.5%
	Combined ratio	**96.2%**	**100.8%**
Non-life segment[1]	Net earned premiums (in €m)	4,042	4,159
	Claims ratio	73.7%	74.0%
	Expense ratio	6.5%	6.7%
	Commission ratio	13.3%	13.9%
	Combined ratio	**93.6%**	**94.6%**

[1] Note that the Non-life COR calculation differs from the sum of the three product lines due to elements that affect the overall segment (i.e. amortisation of intangible assets)

C. Calculation of operating ROE

(in €m)	2020	2021	2022
Operating result (before tax)[1]	885	1,009	1,039
Minus: Interest on hybrid instruments through equity[2]	48	48	48
Operating result after hybrid costs (before tax)	837	961	991
Tax effect (as of 2022 25.8% tax rate (was 25.0%))	209	240	256
Operating result after hybrid costs (net of taxes, annualised)	**628**	**721**	**735**
(in €m)	**2020**	**2021**	**2022**
Equity attributable to shareholders	5,309	6,363	5,722
Minus: Unrealised gains and losses reserve[3]	1,137	1,461	-922
Minus: IFRS equity discontinued[4]	56	43	25
Adjusted IFRS equity	4,116	4,858	6,619
Average adjusted IFRS equity	**4,107**	**4,487**	**5,738**
Operating ROE	**15.3%**	**16.1%**	**12.8%**
Operating ROE (excluding impact of € 0.6bn newly-issued shares for financing Aegon NL transaction)			**13.5%**

[1] The inflation linked value changes are classified as non-operating result as from 2022. Comparative figures of 2021 have been adjusted accordingly
[2] Interest on hybrid instruments is deducted to show the return to equity shareholders after hybrid costs
[3] Unrealised revaluation reserves are excluded as the operating result adjusts all capital gains and losses
[4] Discontinued equity (Real Estate Development) is excluded from the calculation as it is also excluded from the operating result due to its 'non on-going' classification

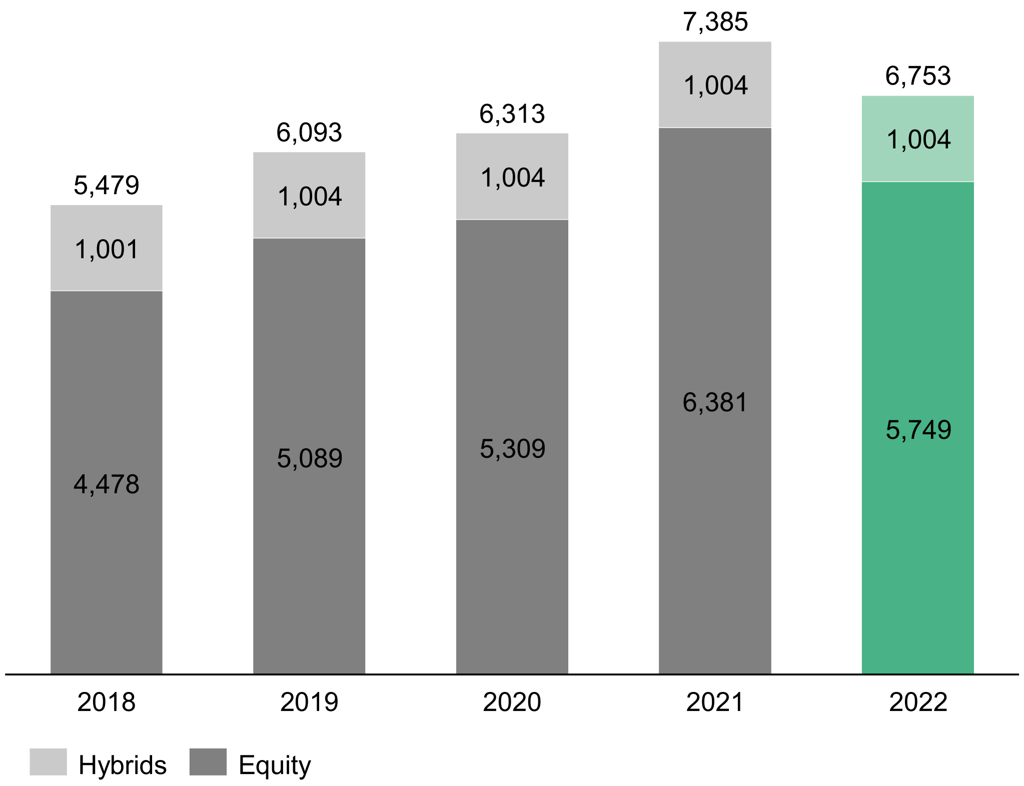
D. IFRS profit vs. operating result per segment

	IFRS profit before tax	Investment related	Incidentals	Operating result	IFRS profit before tax	Investment related	Incidentals	Operating result
	2021[1] (in €m)				**2022** (in €m)			
Non-life	357	57	-22	322	87	-127	-112	325
Life	981	217	11	754	1,023	187	68	768
Asset Management	36	0	0	36	38	0	-1	39
Distribution and Services	10	0	-18	28	15	0	-11	25
Holding and Other / Eliminations	-175	29	-75	-130	-234	17	-132	-119
Total	**1,209**	**303**	**-104**	**1,009**	**929**	**78**	**-188**	**1,039**

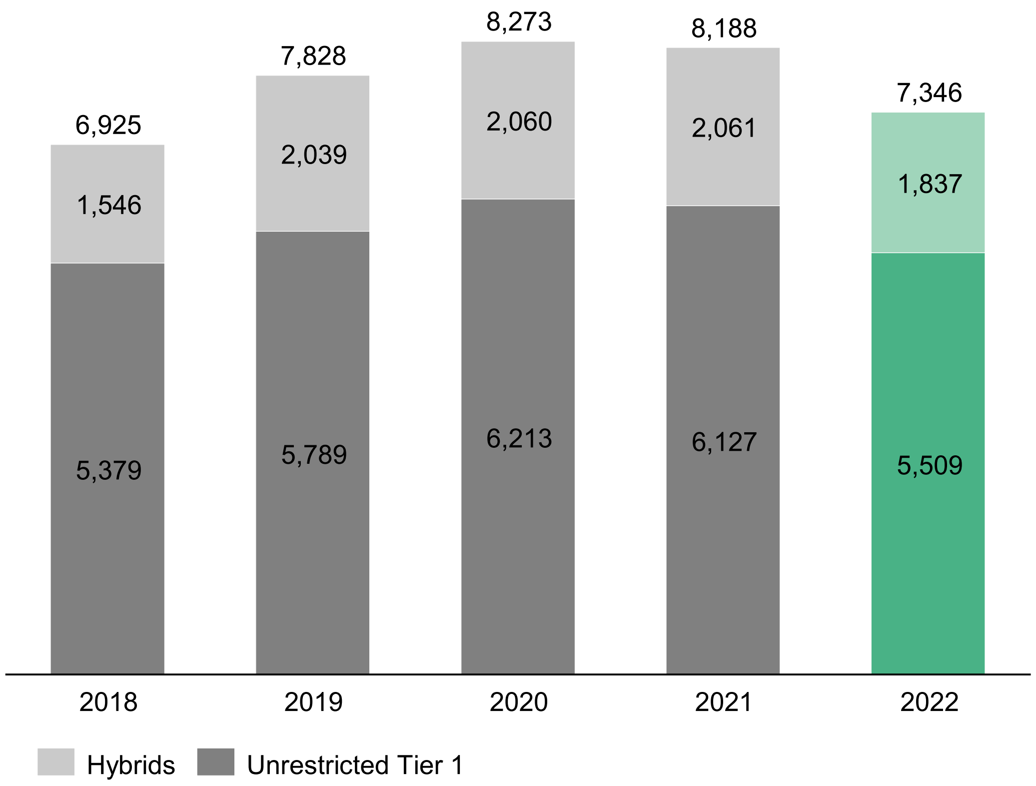
[1] The inflation linked value changes are classified as non-operating result as from 2022. Comparative figures of 2021 have been adjusted accordingly

E. IFRS equity and Solvency II EOF multi-year development

IFRS equity (in €m)

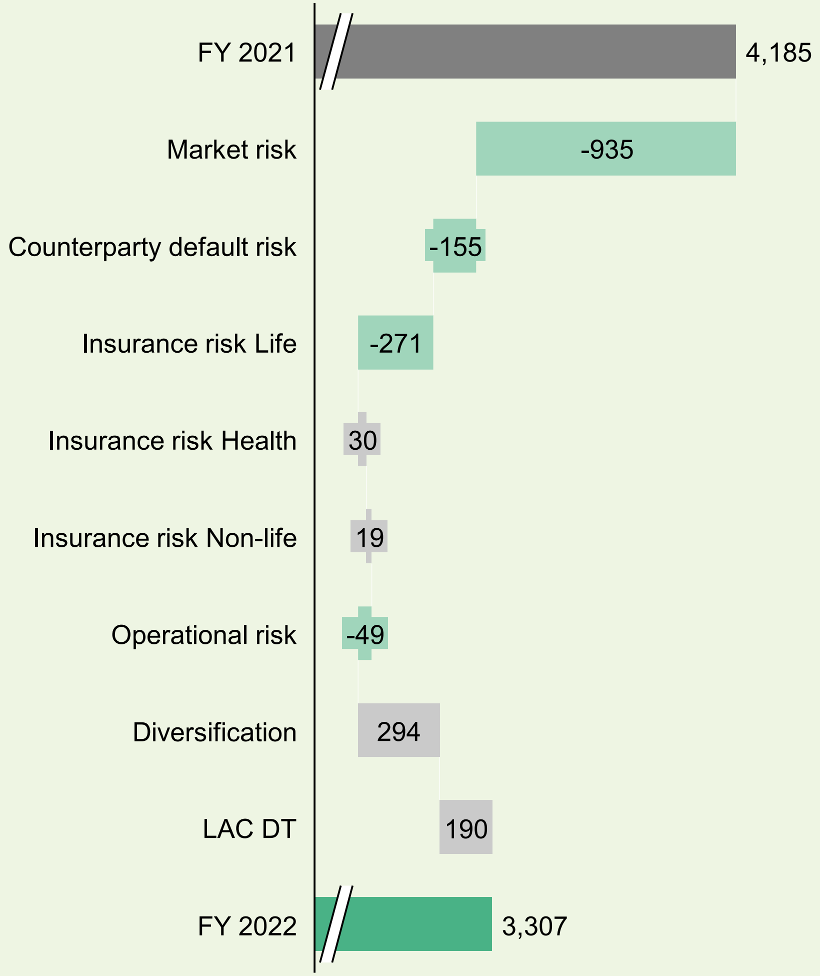


Solvency II Eligible Own Funds[1] (in €m)



[1] After deduction of proposed (interim) dividend payments and includes new share placement 28 October 2022.

F. SCR movements in 2022 (in €m)



SCR decreases in

Market risk:
- Interest rate risk
- Equity risk
- Real Estate risk
- Spread risk

Counterparty default risk

Insurance risk Life:
- Mortality risk
- Longevity risk
- Expense risk

Insurance risk Health:
- HSLT risk

Operational risk

SCR increases in

Market risk:
- Currency risk

Insurance risk Life:
- Lapse risk
- CAT-risk

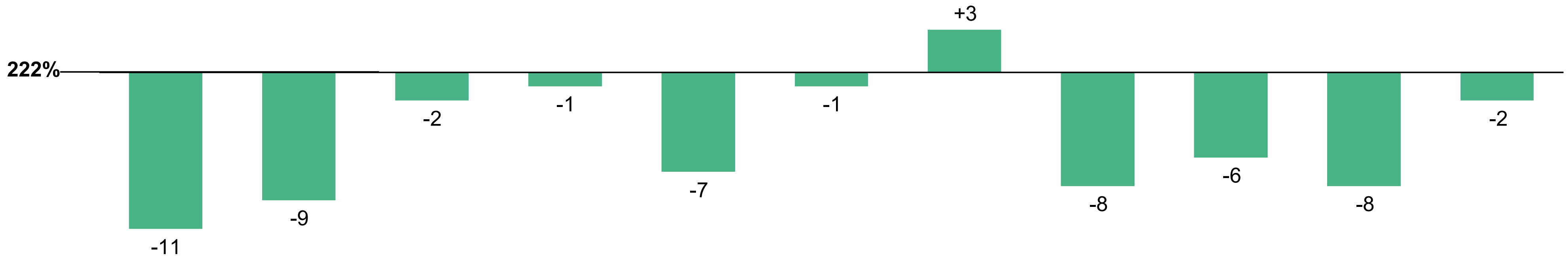
Insurance risk Health:
- HNSLT risk

Insurance risk Non-life:
- CAT-risk

LAC DT

Diversification

G. Sensitivities Solvency II ratio



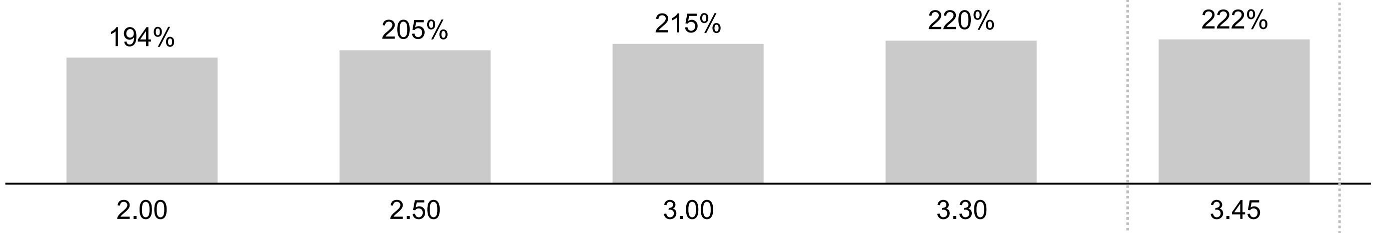
	VA -10bps	Sovereign spread +50bps	Corporate credit spread +75bps	Interest +50bps	Interest -50bps	Interest steepening 10 bps[1]	Equities -20%	Equities + 20%	Real estate -10%	Mortgage spread +50bps	Inflation +30bps
SII ratio (%)	-11	-9	-2	-1	-7	-1	+3	-8	-6	-8	-2
EOF[2] (%)	-7	-9	-3	-2	+1	-1	-11	+11	-10	-8	-2
SCR[2] (%)	-3	-	+1	+1	-8	-	+15	-18	+4	-	0

- Sovereign and corporate spread sensitivities are stated excluding VA[3]. Corporate spread sensitivity includes impact of spread widening on IAS19 pension provision
- Non-linearity of the equity sensitivity due to the dynamics of the equity dampener
- Current solvency level enables a.s.r. to potentially absorb multiple downward adjustments while remaining safely above the cash dividend payment level (>140%), entrepreneurial level (>160%) and the threshold for additional capital return (>175%)

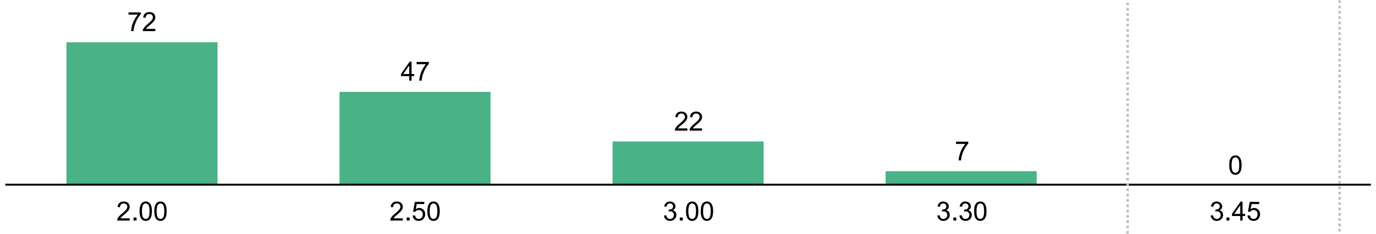
[1] Steepening of the curve of 10bps between 20Y and 30Y
[2] Impact on EOF / SCR expressed as % of Solvency II ratio
[3] Please note that spread widening will lead to a VA increase. At 31/12/2022, a corporate spread widening of 75bps corresponded with c. 18bps of VA increase. A 50bps of sovereign spread widening corresponded with c.10 bps VA increase

H. Sensitivities Solvency II ratio – UFR

Solvency II ratio ('stock')



Additional annual OCC ('flow') (in €m)



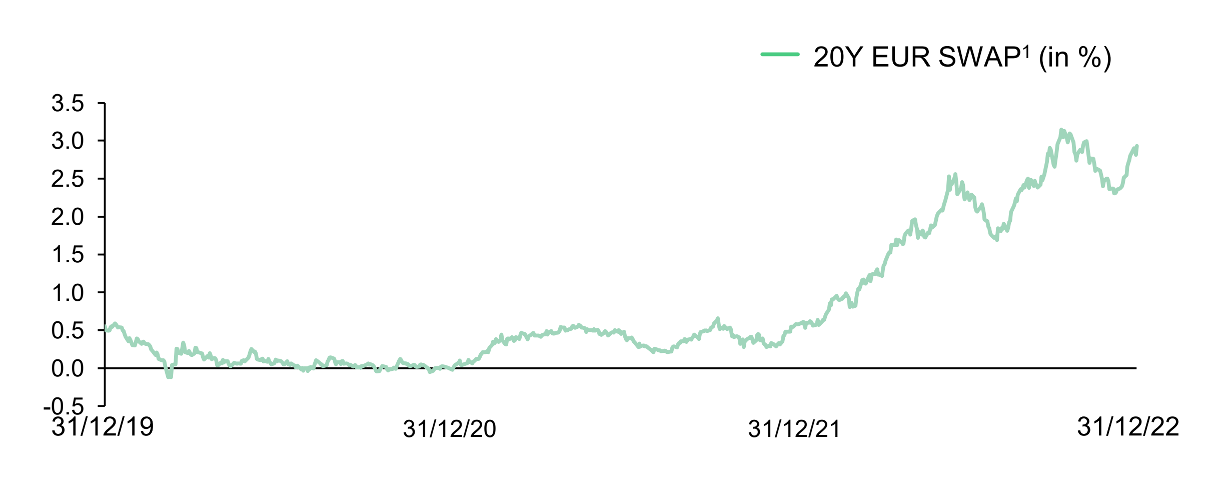
Eligible Own Funds (in €m)

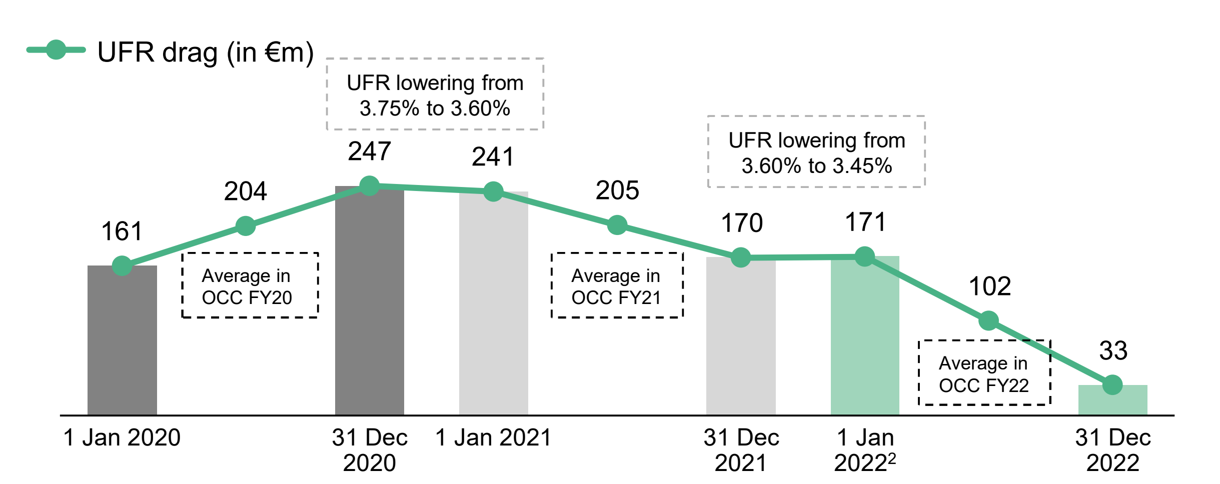
6,525	6,865	7,134	7,271	7,346
2.00	2.50	3.00	3.30	3.45

- For 2023 EIOPA intends to keep the UFR at the current target of 3.45%[1]
- Lowering the UFR would lead to lower 'stock' of capital but would increase organic capital creation ('flow') because of reduced UFR unwind

a.s.r. [1] As reported by EIOPA on 5 April 2022 'report on the calculation of the UFR for 2023'

I. UFR drag methodology





- The absolute value of the UFR benefit in Solvency II Own Funds and therefore the unwind of the benefit (UFR drag) depends on;
  - The current level of interest rates and
  - The shape of the curve
- UFR benefit amortised over time, resulting in UFR drag p.a.
- The UFR drag is a (negative) part of the OCC (in technical movements) and is the average of the beginning of period and end of period UFR drag calculations to minimise volatility between reporting periods
- The UFR drag is sensitive to interest rate movements, where lower interest rates lead to higher UFR drag (negative impact on OCC) and vice versa
- For FY 2022, the UFR drag impact in the OCC is € 102m. This is the average between the 1 January 2022 UFR drag calculation (€ 171m) and the 31 December 2022 UFR drag calculation (€ 33m)
- The difference between the 31 December 2022 UFR drag calculation (€ 33m) and the average for 2022 (€ 102m) is the positive echo effect for 2023 (approx. € 69m), assuming interest rates remain flat and unchanged from the end of 2022 onwards

a.s.r.

[1] Source: Bloomberg, ticker EUSA20
[2] Updated UFR drag methodology as from 1 January 2022, now including the UFR unwind on the risk margin. Previous figures have not been restated

J. Investment portfolio

Assets (in €bn, fair value)	FY 2021	FY 2022	Delta[1]	% of total
Fixed income	32.2	20.2	-12.0	51%
Equities	3.0	2.5	-0.5	6%
Real estate	4.9	5.1	0.4	13%
Mortgages / other loans	11.9	9.8	-2.0	25%
Cash (equivalents) for investments	-1.2	1.7	2.9	4%
Other[2]	0.1	0.1	0.0	0%
Total investments	**50.8**	**39.4**	**-11.3**	**100%**
Investments on behalf of policyholders	11.6	9.9	-1.8	
Other assets[3]	12.7	16.1	3.5	
Total balance sheet	**75.1**	**65.4**	**-9.6**	

Note: This table is on an investment portfolio basis and distinguishes different investment categories from an asset management perspective. Therefore, this table differs from the financial statement presentation based on IFRS.

- Decrease in fixed income was mainly due to market effects, largely driven by strong increase in interest rates
- Exposure to equities decreased, mainly related to lower equity markets
- An increase in real estate portfolio as a result of investments (f.e. renewables) and positive revaluations
- Exposure to mortgages decreased mainly related to market effects. Mortgage origination in 2022 stood at € 5.3bn
- Mortgages also include exposure of € 2.2bn through (fixed-income) mortgage funds
- Cash for investments has turned positive mainly as a result of changed collateral positions due to market effects

[1] Rounding differences occur
[2] 'Other' mainly represents equity associates
[3] 'Other assets' mainly represents loans and receivables (mainly due from credit institutions), cash and cash equivalents

K. Details of fixed-income portfolio

- The core of the FI portfolio consists of AAA and AA government bonds, with selective peripheral sovereign exposure
- A decrease in value of the fixed income portfolio was mainly due to an increase in interest rates and a widening of credit spreads
- An increase in structured credits due to € 0.7bn investments in less liquid investment grade sovereign guaranteed, multi-credits and private loans
- Limited downgrades € 42m (all still investment grade) in the actively managed corporate bond portfolio and € 230m upgrades
- Mortgage portfolio is well protected as 23% is NHG (government guarantee) and remains robust, with an average LtMV of 62% and limited arrears position
- Derivatives decreased significantly due to rising interest rates

Fixed income (in €m)	**FY 2021**	**FY 2022**	***Delta***	**% of total**
Government	12,597	9,577	*-24.0%*	48%
Financials	5,911[2]	4,277	*-27.7%*	21%
Structured	1,428	1,787	*25.1%*	9%
Corporate	6,809[2]	5,243	*-23.0%*	26%
Derivatives	5,439	-724	*-113.3%*	-4%
Total	**32,184**	**20,160**	***-37.4%***	**100%**

Mortgages (in €m)	**FY 2021**	**FY 2022**	***Delta***	**% of total**
NHG	3,539	2,229	*-37.0%*	23%
LtMV <55%	2,418	3,017	*24.8%*	31%
LtMV <65%	1,178	1,429	*21.3%*	15%
LtMV <85%	3,096	2,252	*-27.3%*	23%
LtMV <95%	769	415	*-46.1%*	4%
LtMV <110%	467	189	*-59.5%*	2%
LtMV >110%	7	1	*-84.5%*	0%
Subtotal	**11,475**	**9,531**	***-16.9%***	**97%**
Other mortgage funds[1]	398	303	*-23.8%*	3%
Total	**11,873**	**9,834**	***-17.2%***	**100%**

Governments (in €m)	**FY 2021**	**FY 2022**	***Delta***	**% of total**
Netherlands	2,269	2,522	*11.1%*	26%
Germany	2,546	1,389	*-45.4%*	15%
Supranationals	1,389	1,313	*-5.5%*	14%
France	1,096	1,072	*-2.2%*	11%
Belgium	1,213	712	*-41.3%*	7%
Austria	965	559	*-42.1%*	6%
Spain	684	529	*-22.7%*	6%
Ireland	625	324	*-48.1%*	3%
Finland	291	317	*9.0%*	3%
Other	1,519	842	*-44.6%*	9%
Total	**12,597**	**9,577**	***-24.0%***	**100%**

[1] LtMV not provided for these (external) funds
[2] Asset classes have been subject to reclassification

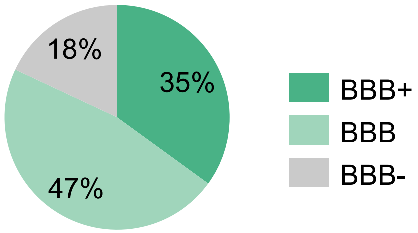
L. Details of Corporates and Financials bond portfolio

Comments on Corporates and Financials portfolio

- The decrease of € 2.3bn was mostly due to changes in valuation as a result of increased interest rates, active sales and spread widening
- Due to our strict ESG criteria, exposure to Oil & Gas (included in Energy) is limited

Portfolio quality

- >97% of the Corporates and Financials portfolio, excluding fixed income funds and preferred shares, is rated investment grade or higher
- BBB category is skewed towards BBB+



- If 20% of the entire Corporates and Financials credit portfolio experienced a full letter downgrade (3 notches), it would result in approximately 3%-p impact on our Solvency II ratio[1] due to higher SCR

Corporates portfolio (in €m)	**FY 2021**	**FY 2022**	**Delta**	**% of total**
Automotive	459	248	-211	2%
Basic industry	396	266	-130	3%
Capital goods	493	304	-189	3%
Consumer goods	602	399	-203	4%
Energy	332	344	12	3%
Healthcare	562	328	-233	3%
Leisure	0	0	0	0%
Media	11	15	4	0%
Real estate	35	46	12	0%
Retail	192	125	-66	1%
Services	283	159	-124	2%
Technology & Electronics	133	85	-48	1%
Telecommunications	343	197	-147	2%
Transportation	311	210	-101	2%
Utility	735	1,400	664	13%
Other Corporates[2]	1,920	2,048	128	20%
Subtotal	**6,809**	**6,175**	**-634**	**59%**
Financials	5,911	4,277	-1,635	41%
Total	**12,720**	**10,452**	**-2,269**	**100%**

[1] Based on the required capital for spread risk
[2] Growth driven by structured investments

M. Fixed Income portfolio Government credit rating

Market value governments (in €m)	**0-1**	**1-2**	**2-3**	**3-5**	**5-10**	**10-20**	**20-30**	**30+**	**Total**	**Delta[1]**	**% of total**
AAA	1,624	47	79	204	456	1,291	713	413	**4,827**	-1,197	50%
AA	366	65	81	105	516	537	894	1,211	**3,775**	-1,408	39%
A	416	15	21	46	224	11	6	7	**745**	158	8%
BBB	191	1	3	19	16	0	0	0	**230**	-572	2%
BB	0	0	0	0	0	0	0	0	**0**	0	0%
B or below	0	0	0	0	0	0	0	0	**0**	0	0%
Not rated	0	0	0	0	0	0	0	0	**0**	-1	0%
Total	2,596	128	184	375	1,211	1,839	1,613	1,631	**9,577**	-3,019	100%

a.s.r. [1] Delta with FY 2021

N. Fixed Income portfolio Corporates and Financials credit rating

Market value credits (in €m)	**0-1**	**1-2**	**2-3**	**3-5**	**5-10**	**10-20**	**20-30**	**30+**	**Total**	**Delta[2]**	**% of total**
AAA	478	13	1	25	48	115	0	0	**681**	-318	7%
AA	355	43	43	166	111	60	0	0	**777**	-165	8%
A	521	352	403	675	1,115	222	2	0	**3,291**	-1,698	36%
BBB	1,354	562	483	789	815	169	4	0	**4,176**	-875	45%
BB	152	34	32	27	13	0	0	0	**258**	64	3%
B or below	25	0	0	0	12	0	0	0	**37**	11	0%
Not rated	17	3	0	2	4	13	0	0	**39**	10	0%
Total	2,903	1,007	962	1,683	2,118	578	6	0	**9,259**	-2,972	100%

Table contains Financials, Structured and Corporates from slide K.
Details of fixed-income portfolio totalling € 11,307m. Excluded are:

- Preference shares € 297m
- Fixed income funds € 1,751m

Fixed income funds contain, on a look-through basis:

- Investment grade (>BB) € 696m
- Not rated € 829m[1]
- High yield € 226m

a.s.r.

[1] Management estimates 50% of not-rated bonds and 50% of derivatives
[2] Delta with FY 2021

O. Details of equities and real estate portfolio

Highlights

Equities

- Total exposure to Equity decreased, primarily driven by lower equity markets
- Continuation of the active hedging policy for the illiquid part of the portfolio

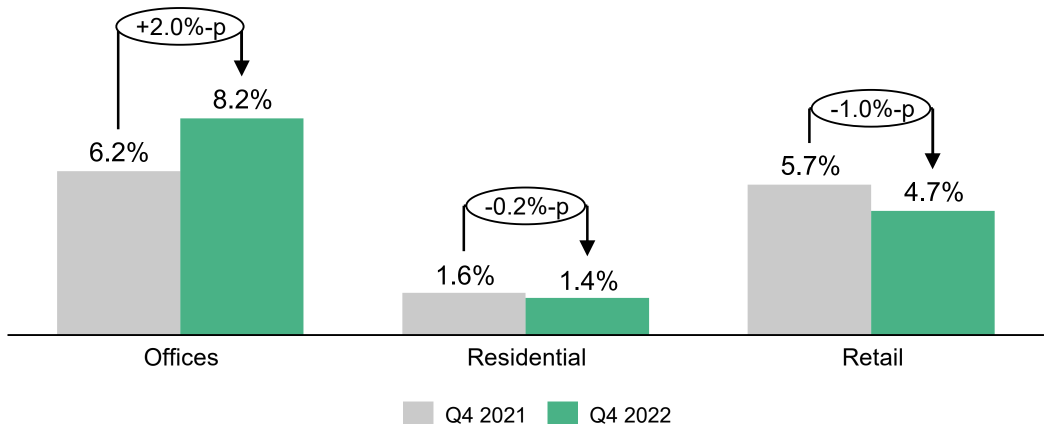
Real estate

- Total increase in real estate portfolio (excluding renewables) is 2.2%, mainly as a result of investments within Rural real estate, Offices & other funds and revaluations
- Exposure to Renewables increased through acquisitions and operating performance
- Vacancy rate for offices increased mainly due to ending of rental period related to part of a.s.r. headquarters building in Utrecht

Equities (in €m)	**FY 2021**	**FY 2022**	***Delta***
Equities	2,554	2,061	*-19.3%*
Private equities	125	133	*6.4%*
Other funds	278	265	*-4.7%*
Derivatives	28	31	*10.7%*
Total	**2,985**	**2,490**	***-16.6%***

Real estate (in €m)	**FY 2021**	**FY 2022**	***Delta***
Offices	178	209	*17.4%*
Retail	147	146	*-0.7%*
Rural	1,840	201	*-89.1%*
Parking & other	89	87	*-2.2%*
Total real estate (ex. funds, own use & renew.)	**2,254**	**643**	***-71.5%***
ASR Dutch Prime Retail Fund	625	625	*0.0%*
ASR Dutch Core Residential Fund	1,079	1,066	*-1.2%*
ASR Dutch Mobility Office Fund	113	138	*22.1%*
ASR Dutch Farmland Fund	0	1,728	*n/a*
Other Funds	578	587	*1.6%*
Total real estate (ex. own use & renewables)	**4,649**	**4,787**	***3.0%***
Offices in own use	140	110	*-21.4%*
Total real estate (ex. renewables)	**4,789**	**4,896**	***2.2%***
Renewables	118	251	*112.7%*
Total real estate	**4,907**	**5,147**	***4.9%***

Real estate vacancy rates[1] (%)



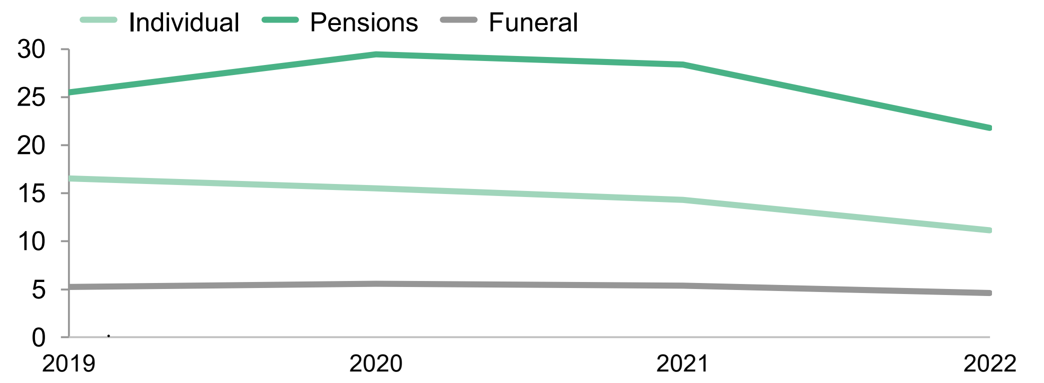
[1] Excluding Other Funds and Offices in own use

P. Calculation of asset leverage

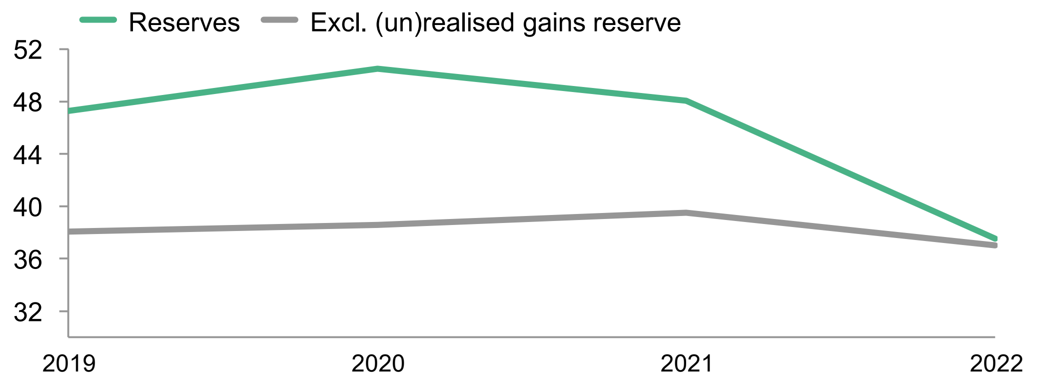
Risky assets (€m)	**FY 2021**	**FY 2022**
Equities	2,985	2,490
Real estate	2,809	2,857
Renewables	118	251
BB bonds or below	250	319
Preference shares	311	297
Fixed income funds (not-rated & high yield)	643	640
Mortgages with LtMV >110%	7	1
Total risky assets	**7,123**	**6,856**
Unrestricted Tier 1	6,127	5,509
Asset leverage	**116%**	**124%**

Q. Life segment book development

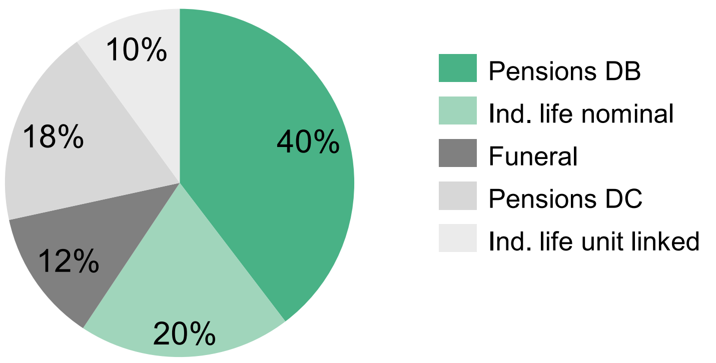
Life reserves development (in €bn)



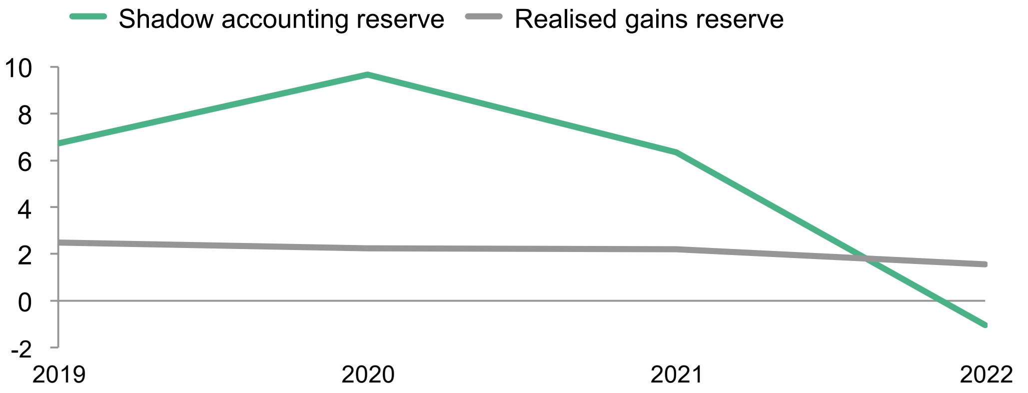
Life reserves (in €bn)



Reserves – FY 2022 (€ 37.5bn)



(Un)realised reserves development (in €bn)



R. Life segment investment contribution

(in €m)	H1 2020	H2 2020	H1 2021	H2 2021	H1 2022	H2 2022
Direct investment income[1]	562	528	543	531	556	547
Amortisation of realised gains reserve	132	145	144	156	149	107
Total investment contribution	**694**	**673**	**687**	**687**	**705**	**654**
Required interest on liabilities[2]	-376	-371	-359	-342	-334	-360
Investment margin	**318**	**302**	**328**	**345**	**371**	**294**
Shadow accounting reserve (Life)	9,156	9,672	6,782	6,339	7	-1,047
Realised gains reserve (Life)	2,398	2,241	2,291	2,202	2,015	1,555
Nominal basic provision (Life)		24,890		24,393		24,035

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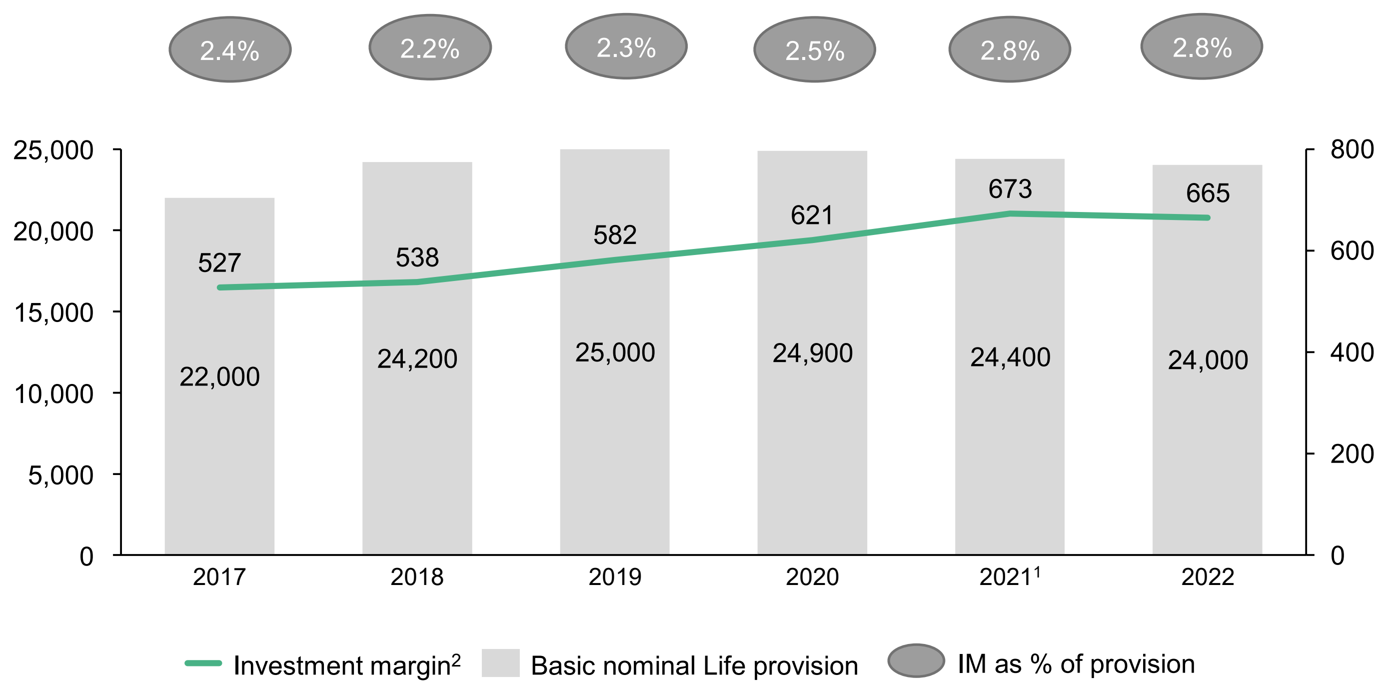
[1] This line item differs from 'investment income' in the Annual Report due to (i) interest expenses on derivatives and (ii) savings mortgages (offset against technical provisions)
[2] Including other components such as profit sharing

S. Track record in solid investment margin

Investment margin (rhs) vs. basic nominal Life provision (lhs) (in €m)



- Investment margin has been stable to slightly growing in the past years
- Additional margin realised by optimising exposure to illiquidity premium (e.g. mortgages)
- Successful bolt-on M&A strategy has increased basic provision and investment margin in recent years
- Required interest decreasing over time due to maturing Life book
- Projected decline of Best Estimate Liabilities[3] equals c. -2.4% CAGR for upcoming 10 years
  - Gradual decline: no cliff pattern
  - No acquisitions / management actions included

[1] The inflation linked value changes are classified as non-operating as from 2022. Comparable figures of 2021 have been adjusted accordingly
[2] Direct investment income + amortisation realised gains - required interest divided by basic Life provision. See also appendix R
[3] Note that BEL represents liabilities discounted against Solvency II discount curve and does not equal basic nominal Life provision on IFRS standards

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IR calendar 2023	
14 & 15 March 2023	Morgan Stanley Conference, London
22 March 2023	Publication Annual Report 2022
27 March 2023	HSBC Conference, San Francisco
31 May 2023	Annual General Meeting
2 June / 8 June 2023	Ex-dividend date / payment date
Summer 2023 – TBA	IFRS 17 update
30 August 2023	Publication H1 2023 result
6 September / 12 September 2023	Ex-interim dividend date / payment date

Disclaimer

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 operating in the Netherlands ('ASR Nederland'). Please read this Disclaimer carefully.

ASR Nederland's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU'). In preparing the financial information in this document, the same accounting principles are applied as in the 2021 ASR Nederland consolidated financial statements. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.

Certain of the statements contained herein are not (historical) facts but are forward looking statements ('Statements'). These Statements may be identified by words such as 'expect', 'should', 'could', 'shall' and similar expressions. The Statements can change as a result of possible events or factors. 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. 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 could differ materially from the Statements.

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