

Investor update 2023

Update on unit-linked life insurance

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Agenda

► The issue

► The settlement

► Risk mitigation risk and financial impact

The issue – unit-linked life insurance transparency

- Tax advantaged (mostly) unit-linked life insurances sold by life insurers in the Netherlands from 1990's until ~ 2006
- Legal proceedings pertaining to (level of) costs and lack of transparency in communications of unit-linked life insurances, initiated by policy holders individually as well as collectively
- Products differ significantly, e.g. by type, product documentation, product features and terms & conditions
- Different legislation and regulations in force at various points in time when products were sold
- Aegon NL as well as a.s.r. agreed significant compensation arrangements and product improvement programs with customer-representation groups (foundations), government and the national Ombudsman. Nevertheless, other consumer organisations have filed additional claims on behalf of policyholders
- Throughout the years, rulings by the District Courts and Courts of Appeal lacked legal uniformity, resulting in different outcomes for comparable cases

The settlement – a break-thorough resolving historical dispute

- Initiative to resolve long-lasting and historical dispute unit-linked life insurances. Ends uncertainty regarding these collective legal proceedings and avoids spending more time, efforts and costs on these legal proceedings
- Agreement with Consumentenclaim, Woekerpolis.nl, Woekerpolisproces, de Consumentenbond and Wakkerpolis
- The agreement pertains to all products of a.s.r. and Aegon NL from claimants represented by the foundations
- All existing collective proceedings against a.s.r and AEGON NL will be withdrawn. No new (collective) proceeding will be initiated by the foundations involved in this agreement nor their individual representatives against a.s.r. and/or Aegon NL
- Total amount circa € 250 million. Foundations will implement the agreement and execute compensation and payments to individual claimants, based on a.o. premiums paid and taking into account prior compensations received
- Individual claimants to agree on settlement agreement without recourse. Agreement is conditional on 90% support from claimants

Risk mitigation and financial impact

Risk mitigation

- No new claims by the foundations nor their individual representatives against a.s.r. and/or Aegon NL
- Agreement with all claims organisations with collective proceedings
- Individual claimants to agree on settlement agreement without recourse
- a.s.r. also facilitates individual claims of customers in distressing situations, and for customers who were not represented by the foundations nor received any compensation in the past

Financial impact

- Settlement amount to € 250 million
- Total provision (pre-tax) of € 300 million includes an additional provision of € 50 million
- Total impact on SII ratio approximately 4%-points
- Capital return and dividend policy unchanged

Key messages

- ▶ Break-through agreement resolving long-lasting and historical dispute in unit-linked life insurances
- ▶ Ends uncertainty regarding these collective proceedings and avoids spending more time, efforts and cost on them
- ▶ All (collective) proceedings against a.s.r. and Aegon NL withdrawn
- ▶ Total provision of € 300 million (pre-tax)
- ▶ Residual risk significantly mitigated
- ▶ Benign financial impact, strong solvency maintain and capital distributions unaffected

Moving on, focusing on executing the integration plan of Aegon NL and creating the leading insurer in the Netherlands



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