IFRS 17/9 – background & comparable figures 2022 a.s.r. standalone

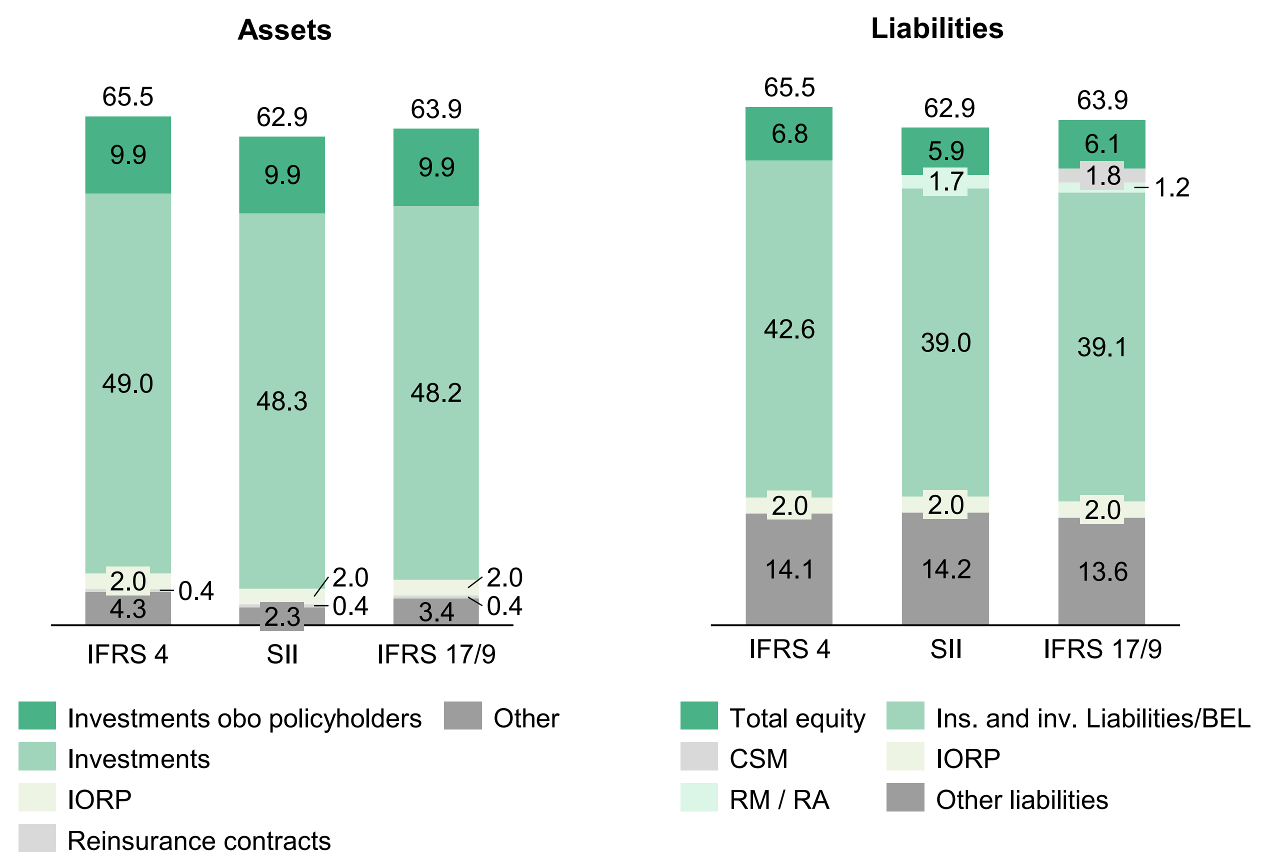
Key methodology choices

- Current choices for a.s.r. standalone, harmonisation of IFRS 17 methodology with Aegon NL could lead to changes
- Solvency II alignment – Improves comparability
- Assets – FVTPL, except FV-OCI for equity investments. No hedge accounting applied for insurance segments
- Measurement approach – General Measurement Model, except for P&C/Health (PAA) and UL / DC (VFA)
- Discount curve – LIP based on own portfolio and FSP 20y for extrapolation to the UFR (2022: 3.45%, 2023: 3.40%)
- Risk Adjustment[1] – In line with SII standard formula RM methodology (CoC of 6%)

[1] RA methodology also includes IFRS 17 discount curve, diversification elements and certain SII risks that are excluded. See chapter 4.4 of Interim report 2023 for more information

Composition of balance sheets under different frameworks

Balance sheet (31 December 2022 in € bn)



IFRS 17/9 – IFRS 4 comparison

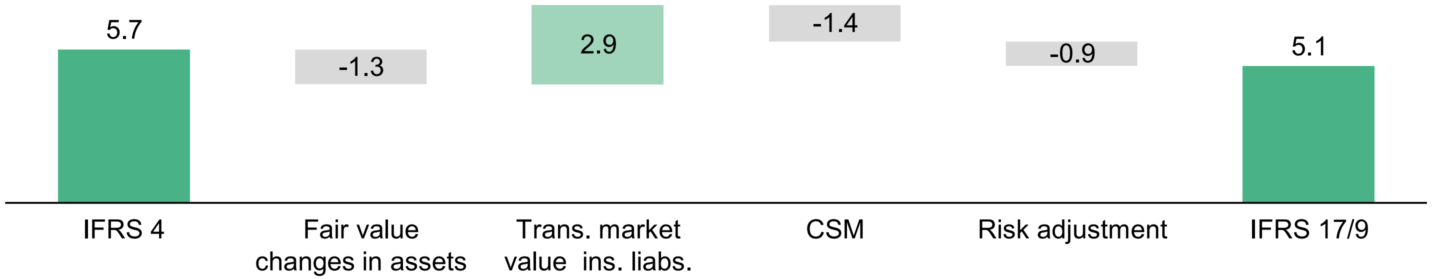
- Investment portfolio entirely on market value, primarily impacting mortgages (under IFRS 4 on amortised cost)
- Balance sheet impacted by the creation of CSM and RA. This results in lower shareholder equity
- Insurance liabilities lower as result of other valuation fundamentals under IFRS 17

IFRS 17/9 – Solvency II comparison

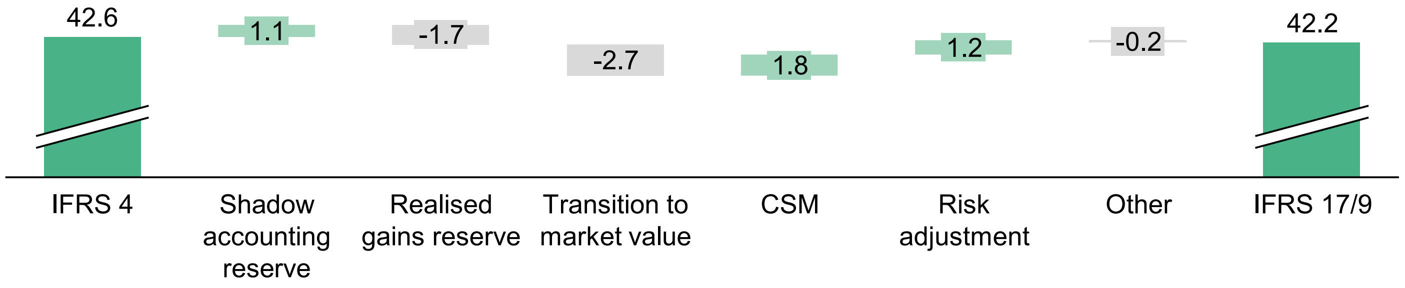
- Creation of CSM under IFRS 17
- Higher LIP vs. VA in 2022 results in lower insurance liabilities and RA under IFRS 17. In addition to differences in the CRA between IFRS 17 and SII
- The risk margin includes operational risk and reinsurance counterparty risk while the risk adjustment excludes these
- Different treatment of recognition of certain expense types in the balance sheet depending on applicable regime (SII/IFRS)
- Differences in discount curve

Movements in balance sheet further explained

Reconciliation between IFRS 4 and IFRS 17 of equity attributable to shareholders[1]
(31 December 2022 in €bn)



Reconciliation between IFRS 4 and IFRS 17 total insurance liabilities
(31 December 2022 in €bn)



- The transition to market value reflects the impact of change in valuation fundamentals between the two accounting schemes
- Mortgages and loans revalued to market value (IFRS 9). Other assets already on market value under IFRS 4
- Contractual service margin and Risk adjustment introduced
- IFRS 4 technical provision included shadow accounting and a realised gains reserve, which is not applicable under IFRS 17

a.s.r.

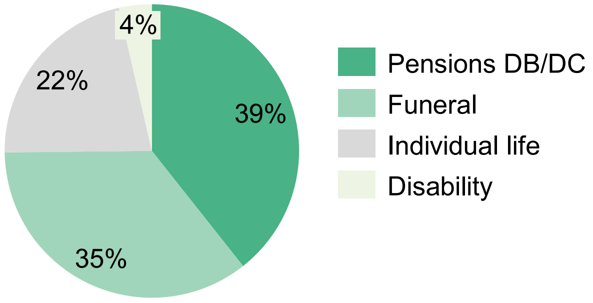
[1] Please note that movements in equity are net of taxes and can therefore differ from movements in insurance liabilities

Composition of CSM and Risk adjustment

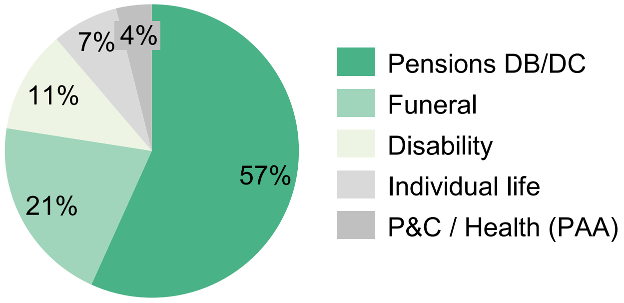
Applied measurement approaches

General Measurement Model (GMM) Includes CSM and RA	Life (including Funeral and Pensions) Disability
Variable Fee Approach (VFA) Includes CSM and RA	Unit linked type contracts Defined Contribution type contracts
Premium Allocation Approach (PAA) No CSM, only RA	Property & Casualty Health insurance

CSM by business € 1.8 bn (in %)
(31 December 2022)



Risk Adjustment by business € 1.2 bn (in %)
(31 December 2022)



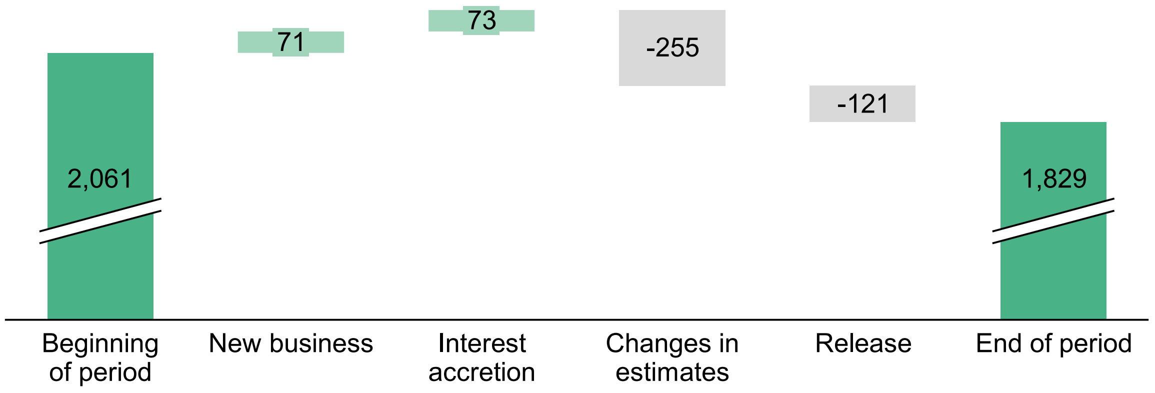
Transition measurement methods for insurance contracts measured

Segment	Product	Reporting year date	Transition measurement method
Non-life	P&C		Full retrospective approach
	Disability		Modified retrospective approach or Fair value approach
	Health		Full retrospective approach
Life	Life individual	Contracts after 1-1-2016	Full retrospective approach
		Contracts before 1-1-2016 / VFA	Fair value approach
	Pension	Acquisitions after 1-1-2018	Full retrospective approach
		Other contracts / VFA	Fair value approach
	Funeral	Contracts after 1-1-2002	Full retrospective approach
		Contracts before 1-1-2002	Fair value approach

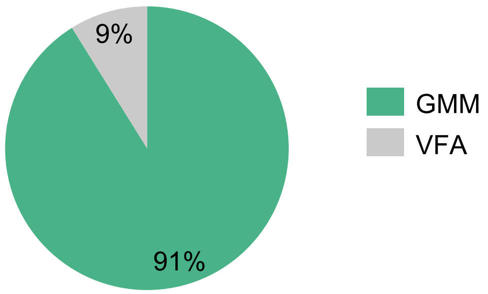
- Retrospective approach is applied for large part (c. 30%) of our portfolio, which leads to an honest representation of the CSM
- Due to Premium Allocation Approach (PAA), no CSM, only RA for LIC P&C and Health
- Given the similarity between IFRS 17 RA and SII RM and that a.s.r. uses the Standard Formula model, the RA of a.s.r. is relatively higher compared to (partial) internal model users under SII

CSM development FY 2022

CSM bridge (FY 2022)



CSM composition
(31 December 2022)



- New business reflects CSM growth from profitable new business in Disability and Life;
  - Due to updated pricing levels at Disability and rising interest rates during 2022, addition of new business CSM expected to be higher in 2023
  - Seasonality skewed to Q1 with renewal season in Q4 visible in Q1 under IFRS 17 (different from SII where it is visible in Q4)
- Interest accretion mainly reflects impact economic variances (e.g. interest rates) on the VFA portfolio
- Changes in estimates relate to effects of operating variances (e.g. mortality, longevity, expenses, inflation) for GMM & VFA business
- In FY22 these changes mainly relate to the impact of cost and inflation assumption updates on the Life portfolio, reflecting the extra-ordinary circumstances in 2022
- CSM release FY22 c. 6%, reflecting the long duration of the pension and funeral business. Expected release to be around 6 - 8% per annum for a.s.r. standalone

Operating result methodology

Operating result is to provide better insight into underlying business performance.

From IFRS 17 result to operating result

IFRS 17 result (pre-tax)	
-/-	Finance result
+/+	Expected excess returns – similar methodology to OCC (SII)
-/-	Including interest on hybrid instruments through equity (OCI)
+/-	Correction of changes to future services Loss Component
+/-	Correction of market value impact of inflation through LIC
+/-	Other incidentals
IFRS 17 operating result (pre-tax)	

Operating result IFRS 4 – IFRS 17 by segment

FY 2022 (in €m)	IFRS 4 OR	IFRS 17 OR
Non-life	325	259
Life	768	590
Fee-based (AM + D&S)	64	64
Holding & Other	-119	-109
Total	**1,039**	**805**

Key differences in Operating result under the different IFRS standards:

Non-life:

- Positive impact from discounting expected claims
- Decrease in profit due to different profit recognition driven by CSM/RA release. For example within Ind. Disability, where related to fair value transition approach a large part of historical profitability is recognised directly in Equity (and not in CSM) resulting in lower release of profits through CSM compared to IFRS 4
- More holding expenses allocated to the segment (€ -19m)
- Higher investment return related to the excess return methodology, which includes total return assumptions on real estate and equities

Life:

- Lower operating result under IFRS 17, mainly due to introduction of UFR drag (€ -130m) and lower investment margin. The investment margin is lower compared to IFRS 4 since there is no release of realised gains
- More holding expenses are allocated to the segment (€ -11m)
- Insurance service result is positively impacted by IFRS 17 driven by CSM/RA release

Fee-based businesses:

- No material changes in operating result in Asset management and Distribution & Services

Holding & Other:

- Improvement due to increased allocation of holding expenses to the segments (€ 29m) and various other methodology differences, partly offset by including the interest on equity instruments (€ -48m) in IFRS 17 operating result (which were not part of IFRS 4 operating result)

Operating result vs OCC

Bridge FY 2022 IFRS 17 operating result to OCC – illustrative view

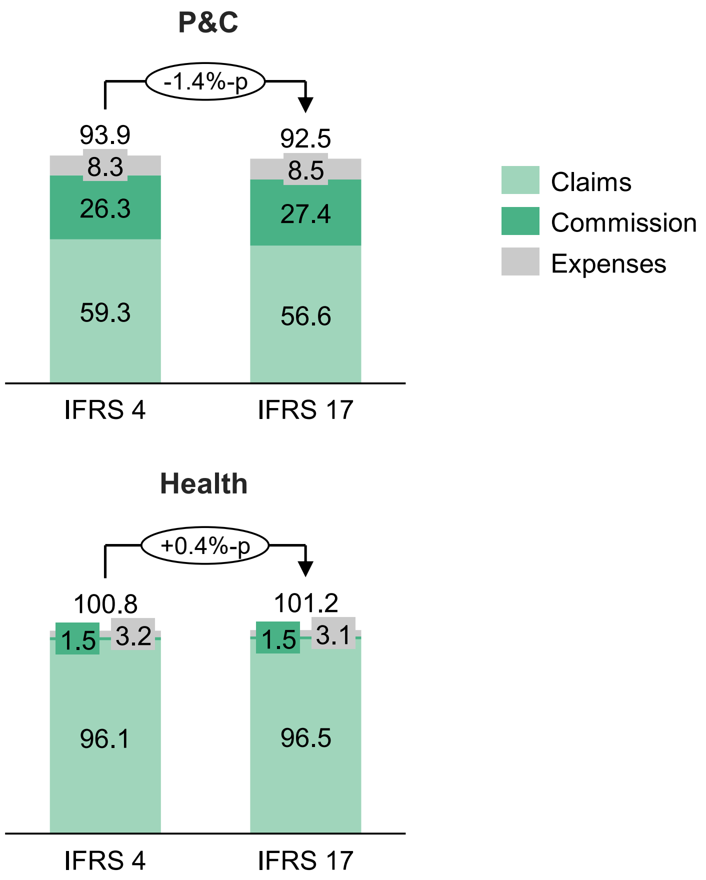
- Figures in the bridge are meant to give an illustrative view for educational purposes
- Operating result definition under IFRS 17 is more aligned to Solvency II OCC compared to IFRS 4
- Different interest rate curve (e.g. LIP (IFRS) vs. VA (SII) and different convergence points of the UFR) lead to valuation differences impacting a.o. the UFR drag and the excess returns
- Net RA/RM release shows little difference. However, there can be differences based on different market circumstances and assumption changes
- No SCR release under IFRS 17
- Insurance related differences[1] mainly relate to timing differences on recognition of new business and release of profits;
  - Life: operating profits are released via CSM whereas in OCC the contribution through technical result is limited
  - Non-life: new business written in Q4 (e.g. Group Disability) is recognized in Q4 OCC, but in Q1 operating result of the next year
- Tax; operating result is a pre-tax figure and OCC is a post-tax figure. Corporate tax rate is 25.8%

a.s.r.

[1] Please note that insurance related differences can directionally change under other market circumstances and in other reporting periods

Combined ratio P&C / Health - PAA

Combined ratio FY 2022 (%)



Key differences between IFRS 4 and IFRS 17 methodology

- Insurance Contract Revenue (PAA) similar to Premiums Received
- Discounting of incurred claims is part of insurance service result
- Under IFRS 17 shift of holding expenses to product lines (no impact on group result)
- New business losses directly impacting operating result and equity via LC, while profitable business is recognised during remaining contract period (mainly within the year)

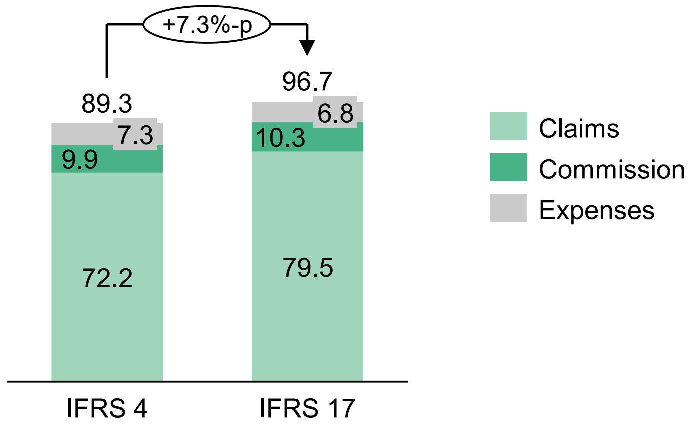
Key items regarding IFRS 17 COR impact FY22

- Positive impact from discounting of incurred claims due to increased interest rates in 2022, positively contributing to the COR of P&C (-2.1%-p) and Health (-0.4%-p)
- Adverse pricing in Q4 2022 renewal season for Health led to a Loss Component at Health per FY 2022, impacting the COR (+0.7%-p)

COR under IFRS 17 and IFRS 4 compared	Impact on COR
Discounting of incurred claims	▼
Allocation insurance holding expenses	▲
(Release of) Loss Component part of claims ratio	▼/▲

Combined ratio Disability - GMM

Combined ratio FY 2022 – Disability (%)



COR under IFRS 17 and IFRS 4 compared	Impact on COR
Recognition of CSM (release CSM via revenue)	▼/▲
(Release of) Loss Component part of claims ratio	▼/▲
Allocation insurance holding expenses	▲

Key differences between IFRS 4 and IFRS 17 methodology

- Technical provision based on market values instead of tariff rates
- Profitable new business based on market values are part of the CSM and released via the CSM to the P&L. Largest part of portfolio CSM releases within a year
- New business losses directly impacting equity and thereby the Operating Result via Loss component (LC). No recognition of the LC from new business expected as from 2023 due to adjusted pricing levels and increased interest rates

Key items regarding IFRS 17 COR impact FY22

- Related to fair value transition approach for the Individual Disability portfolio, large part of historical profitability is recognised directly in Equity (and not in CSM) resulting in lower release of profits through CSM compared to IFRS 4
- Due to a switch to IFRS 17, a new model is introduced in 2H22 to calculate technical provisions and the assumptions underlying technical provisions have been changed, resulting in a negative impact on the claims ratio
- IFRS 17 valuation methodology of the CSM uses discount curve of 1 January. The sharp increase of interest rates in 2022 impacted underlying profitability positively, which is not fully reflected when applying the 1 January discount curve

Composition of Life operating result under IFRS 17

Life operating result build-up (FY 2022 in €m)	**IFRS 17 FY 2022**
Expected Insurance Service Result	232
Release of CSM	*106*
Release of RA	*126*
Experience variance	-4
Loss of new business	-50
Operating Insurance Service Result	178
Excess return (investment margin)	570
UFR-drag	-130
Investment expenses	-59
Operating Investment and Finance result	381
Other result	31
Operating Result	**590**

Expected Insurance Service result:
- Result life highly determined by predictable release of CSM and RA
- CSM impacted by changes in estimates (e.g. surrenders / mortality / expenses / inflation)
- VFA related CSM also impacted by changes in economic estimates (e.g. interest rates)

Experience variance
- Confrontation expected and actual incurred claims and expenses. The result on assumptions (e.g. mortality) is partly included in the CSM (expected part) and partly in the variance (over- / underperformance)

Losses on new business
- Full duration of losses on new business are directly recognised in the P&L
- FY22 includes non-recurring loss related to valuation methodology of using the 1 January interest rate, which led to business written later in the year (at which moment in time interest rates were already much higher) becoming onerous. This is not expected to the same extent in 2023

Operating Investment & Finance Result
- Investment margin determined by the expected return of investments in excess of the expected interest accrual of the insurance liabilities
- UFR drag less negative in 2023 due to increased interest rates in 2022

Other result
- Result is driven by non-assignable costs (e.g. marketing) and other items

List of abbreviations

AM	Asset Management
BEL	Best Estimate Liability
COR	Combined Ratio
CRA	Credit Risk Adjustment
CSM	Contractual Service Margin
D&S	Distribution & Services
DB	Defined Benefit
DC	Defined Contribution
FSP	First Smoothing Point
FV-OCI	Fair Value through Other Comprehensive Income
FVTPL	Fair Value through Profit and Loss
GMM	General Measurement Model
LC	Loss Component
LIC	Liability for Incurred Claims
LIP	Liability Illiquidity Premium
OCC	Organic Capital Creation
OCI	Other Comprehensive Income
P&C	Property & Casualty
P&L	Profit & Loss
PAA	Premium Allocation Approach
RA	Risk Adjustment
RM	Risk Margin
SII	Solvency II
UFR	Ultimate Forward Rate
UL	Unit-linked
VA	Volatility Adjustment
VFA	Variable Fee Approach

For further questions please contact the Investor Relations team

Email: ir@asr.nl
Tel: +31 (0)30 257 86 00

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 change in accounting principles for insurance contracts and financials instruments as described in chapter 4 of the 2023 ASR Nederland consolidated interim financial statements are applied, in addition to the unchanged accounting principles for remaining assets and liabilities as included in the 2022 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.

Factors which could cause actual results to differ from these Statements may include, without limitation: (1) changes in general economic conditions; (2) changes of 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 behavior of customers, suppliers, investors, shareholders and 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 and execution of ICT systems or outsourcing; (11) changes in the availability of, and 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 and severity of insured loss events; (14) catastrophes and terrorist related events; (15) changes affecting mortality and morbidity levels and trends and changes in longevity; (16) changes in laws and 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 and built-in loss; (19) changes in conclusions with regard to accounting assumptions and methodologies; (20) adverse developments in legal and other proceedings and/or investigations or sanctions taken by supervisory authorities; (21) risks related to mergers, acquisitions, and divestments (22) other financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results 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 should not exhaustive. Any Statements made by or on behalf of ASR Nederland speak only as of the date they are made and, except as required by applicable law, ASR Nederland disclaims any obligation to publicly update or revise and/or publish any Statements, whether as a result of new information, future events or otherwise. Neither ASR Nederland nor any of its directors, officers, employees do 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.

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 damages resulting from this document in case the information in this document is incorrect or incomplete.

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