SFCR ASR Nederland N.V.

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Contents

Introduction

The structure of the Solvency and Financial Condition Report (SFCR) has been prepared as described in annex XX of the Solvency II Directive Delegated Regulation. The subjects addressed are based on article 51 to 56 of the Solvency II Directive and act 292 up to and including 298 and act 359 of the Delegated Regulation. Furthermore, the figures presented in this report are in line with the supervisor's reported Quantitative Reporting Templates (QRT).

All amounts in this report, including the amounts quoted in the tables, are presented in millions of euros (€ million), being the functional currency of a.s.r. and all its group entities, unless otherwise stated.

Summary

ASR Nederland N.V., hereinafter ‘a.s.r.’, is the Dutch insurance company for all types of insurance. As part of the Solvency II legislation, a.s.r. discloses the Solvency position, Governance and Risk management practices by means of a Solvency and Financial Condition Report (SFCR).

A Business and performance

The Solvency II ratio increased to 198% (31 December 2023: 176%) and includes a deduction for share buy back (€ 100 million), interim dividend 2024 (€ 244 million) and final dividend 2024 (€ 409 million) and positive impact from the Knab transaction.

Organic Capital Creation (OCC) increased by € 319 million to € 1,193 million (2023: € 874 million), primarily driven by the additional six months’ contribution from Aegon Nederland, growth of the business, realisation of cost synergies and impact from re-risking of the investment portfolio.

The operating result increased by € 455 million to € 1,428 million (2023: € 973 million) driven by a strong increase in all business segments, reflecting profitable growth and an additional six months' contribution of Aegon Nederland.

The operating expenses increased by € 306 million to € 1,413 million (2023: € 1,107 million) primarily due to the larger cost base including Aegon Nederland. The internal number of FTE’s decreased to 7,374 (2023: 7,994), mainly as a result of the business integration and the sale of Knab.

Full details on the a.s.r.’s business and performance are described in chapter A Business and performance.

B System of governance

General

ASR Nederland N.V. (hereafter referred to as a.s.r.) is a public limited company which is listed on Euronext Amsterdam and governed by Dutch corporate law. It has a two-tier board governance structure consisting of an Executive Board (EB) and a Supervisory Board (SB). As of 2023, a Management Board (MB) was established, which conducts the day-to-day business at a.s.r. and implements and realises the business strategy.

The SB has three roles: the supervisory role, the advisory role and the employer’s role for the EB. The SB supervises the policy pursued by the EB and MB, as well as the general course of affairs at a.s.r. and its group entities.

Risk management

It is of great importance to a.s.r. that risks within all business lines are timely and adequately controlled. In order to do so, a.s.r. has a Risk Management framework in place based on internationally recognised and accepted standards (such as COSO ERM and ISO 31000 risk management principles and guidelines). Using this framework, material risks that a.s.r. is, or can be, exposed to, are identified, measured, managed, monitored and evaluated. The framework is applicable to a.s.r. group and the underlying (legal) business entities.

Control environment

In addition to risk management, a.s.r.’s Solvency II control environment consist of an internal control system, an actuarial function, a compliance function, a risk management function and an internal audit function. The system of internal control includes the management of risks at different levels in the organisation, both operational and strategic. Internal control at an operational level centres around identifying and managing risks within the critical processes that pose a threat to the achievement of the business line’s objectives. The Actuarial Function is responsible for expressing an opinion on the adequacy and reliability of reported technical provisions, reinsurance and underwriting. The mission of the Compliance department is to enhance and ensure a controlled and sound business operation. The Audit Department evaluates the effectiveness of governance, risk management and internal control processes, and gives practical advice on process optimisation.

Full details on a.s.r.’s system of governance are described in chapter B System of governance.

C Risk profile

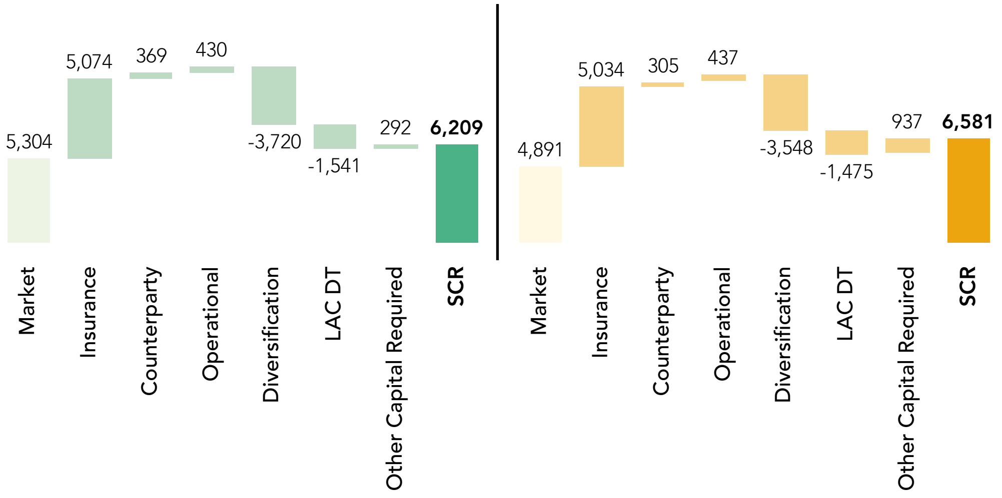
a.s.r. applies an integrated approach in managing risks, ensuring that our strategic goals (customer interests, financial solidity and efficiency of processes) are maintained. This integrated approach ensures that value will be created by identifying the right balance between risk and return, while ensuring that obligations towards our stakeholders are met. Risk management supports a.s.r. in the identification, measurement and management of risks and monitors to ensure adequate and immediate actions are taken in the event of changes in a.s.r.’s risk profile.

a.s.r. is exposed to the following types of risks: market risk, counterparty default risk, insurance risk, strategic risk and operational risk. The risk appetite is formulated at both group and legal entity level and establishes a framework that supports an effective selection of risks.

a.s.r. uses a Solvency II Partial Internal Model (PIM) to calculate the solvency position of Aegon life and Aegon spaarkas. Aegon's Internal Model was approved by the College of Supervisors as part of the Internal Model Application Process (IMAP). In 2024, the IMAP for a.s.r. life has started.

The SCR is build up as follows:

Solvency capital requirement



The SCR decreased to € 6,209 million (31 December 2023: € 6,581 million), driven by the Knab transaction (€ -649 million) and capital release (€ -79 million), partly compensated by an increase following market and operational developments (€ +356 million), among which model changes for LAC DT and harmonisation of mortgage valuation of a.s.r. and Aegon.

Full details on the a.s.r.'s risk profile are described in chapter C Risk profile.

D Valuation for Solvency purposes

a.s.r. values its Solvency II balance sheet items on a basis that reflects their economic value. Where the IFRS fair value is consistent with Solvency II requirements, a.s.r. follows IFRS for valuing assets and liabilities other than technical provisions.

The reconciliation of IFRS equity to Solvency EOF can be summarised as follows:
- Adjustment of other equity instruments (the other equity instruments excludes any discretionary interest);
- Elimination of intangible assets, such as goodwill, as this is not recognised under Solvency II;
- Net revaluation of insurance liabilities due to differences between IFRS 17 and SII, such as the applied yield curve. This is after tax-impact of 25.8%;
- Other revaluations for example the revaluation of Financial Institutions;
- The addition of subordinated liabilities and other equity instruments (excluding any discretionary interest);
- Other EOF items, for example foreseeable dividend and non-available minority interest.

The reconciliation from IFRS equity to Solvency EOF is presented below:

	31 December 2024	31 December 2023
IFRS equity	9,833	9,377
Adjustments	-898	-997
Elimination intangible assets	-633	-715
Gross revaluation insurance liabilities	2,421	2,045
Other revaluations	-801	-615
Excess of assets over liabilities	**9,922**	**9,096**
Subordinated liabilities in OF	2,964	2,907
Other EOF items	-566	-425
Eligible own funds to meet SCR	**12,321**	**11,578**

The full details on the valuation for Solvency II purposes are described in chapter D Valuation for solvency purposes.

E Capital Management

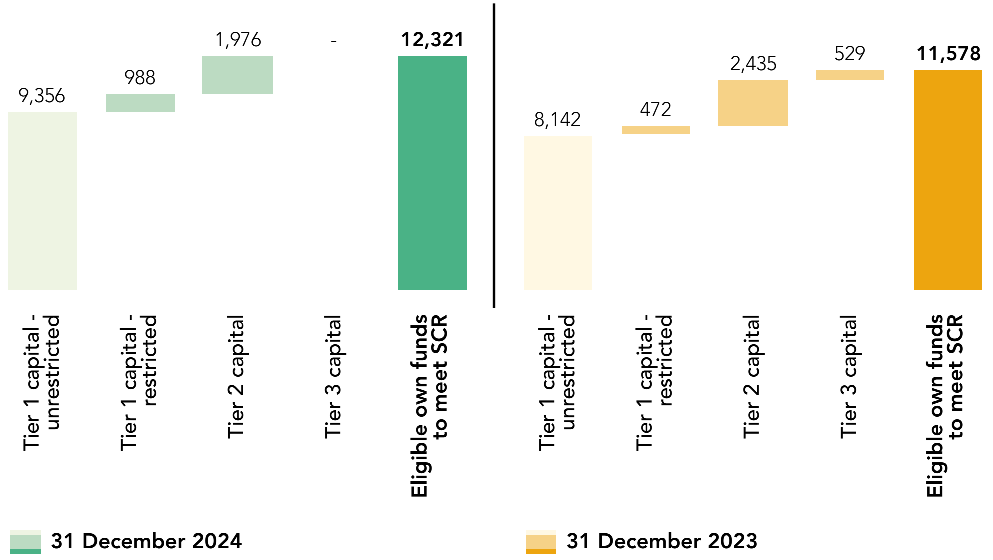
Overall capital management is administered at group level. Capital generated by operating units and future capital releases will be allocated to profitable growth of new business or repatriated to shareholders, beyond the capital that is needed to achieve management's targets.

a.s.r. uses the Partial Internal Model for the Group aggregation and to calculate the required capital of Aegon life and Aegon spaarkas. The standard SCR model is used to calculate and report the required capital for the other insurance entities. a.s.r. maintains an internal minimum and management target for the

Solvency II ratio. The internal minimum Solvency II ratio for a.s.r. as formulated in the risk appetite statement is 120%. The management threshold level for the Solvency II ratio is above 160%. The lower limit solvency target is 140%. The solvency ratio was 198% at 31 December 2024.

The EOF is build up as follows:

Eligible Own Funds



The EOF increased to € 12,321 million (31 December 2023: € 11,578 million) mainly driven by positive expected excess returns on investments (€ +957 million), value of new business (€ +117 million) and market and operational developments (€ +698 million), partly offset by the decrease in eligible own funds due to the Knab transaction (€ -254 million) and capital management actions (dividend € -653 million and share buy back € -100 million).

Full details on the Capital management of a.s.r. can be found in chapter E Capital management.

A Business and performance

Market position

#2
2023: #2

Customer base
(in million)

4.5
2023: 4.3

Employees
(in FTE)

7,373
2023: 7,994

Brands

a.s.r. · AEGON · Loyalis (een merk van a.s.r.) · TKP

Carbon footprint reduction
(in %)

5
2023: base year

Impact investments
(in % of total AuM)

8.7
2023: 7.1

Employee engagement
(in percentile)

73
2023: 89

Sustainable reputation
(in %)

39
2023: 39

Gender diversity
(in % of total management)

32
2023: 29

Net Promoter Score (NPS-r)[1]
(-100 to 100)

-11
2023: -9

1 The NPS-r on a.s.r. group level is compared to the market average, where market average is equal to a score of 0.

Premiums P&C and Disability
(in € million)

3,968

2023: 3,540

IFRS net result
(in € million)

946

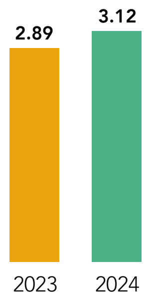
2023: 1,086

Operating result
(in € million)

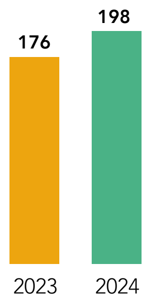
1,428

2023: 973[1]

Dividend per share
(in €)



Solvency II ratio[2]
(in %)



Total assets
(in € billion)

138.6

2023: 150.8[1]

Operating return on equity
(in %)

13.1

2023: 11.6[1]

Combined ratio P&C and Disability
(in %)

91.9

2023: 93.5

Organic capital creation
(in € million)

1,193

2023: 874[1]

Total equity
(in € million)

9,833

2023: 9,377

Total capital return
(in € million)

879[3]

2023: 610

Contractual service margin
(in € million)

5,675

2023: 5,168

Credit rating
(S&P, IFSR)

A

2023: A

Pension DC inflow
(in € million)

2,768

2023: 2,070

Pension buy-out
(in € million)

69

2023: 0

Share buy back
(in € million)

100

2023: 0

Market capitalisation
(in € billion)

9.7

2023: 9.0

1 This 2023 figure has been restated, see section 7.3.2 for more information.
2 The Group Solvency II ratio is based on the existing Partial Internal Model for Aegon Life and Spaarkas. The other insurance entities in the Group calculate their solvency capital requirement in accordance with the Solvency II Standard Formula. The Group Solvency II ratio includes financial institutions.
3 Including € 125m share buyback announced on 19 February 2025 (in line with the medium-term targets as presented at the 2024 Capital Markets Day), which will be executed in H1 2025.

A.1.1 General information

ASR Nederland N.V. (a.s.r. or 'the Group') is one of the largest insurers in the Netherlands. a.s.r. helps its customers share risks and build up capital for the future. a.s.r. does this with services and products that are good for 'Nu, later en altijd',in the fields of insurance, pensions, and mortgages for customers, businesses and employers. a.s.r. is also active as an asset manager for third parties. In 2024, a.s.r. sold insurance products under the following labels: a.s.r., Aegon, and Loyalis.

a.s.r. is listed on Euronext Amsterdam and is included in the AEX index. a.s.r. has a total of 7,373 internal FTE's (2023: 7,994 of which 7,556 excluding Knab).

a.s.r. is a public limited company under Dutch law having its registered office located at Archimedeslaan 10, 3584 BA inUtrecht, the Netherlands. Country of incorporation is the Netherlands. a.s.r. has chosen the Netherlands as 'country of origin' (land van herkomst) for the issued share capital and some corporate bonds which are listed on Euronext Amsterdam and Euronext Dublin (Ticker: ASRNL).

a.s.r. is registered under number 30070695 in the register of the Chamber of Commerce.

The SFCR is presented in euros (€), being the functional currency of a.s.r. and all its group entities. All amounts quoted are in euros and rounded to the nearest million, unless otherwise indicated. Calculations are made using unrounded figures. As a result rounding differences can occur. All figures in the SFCR are unaudited.

These statements have been prepared on a going concern basis.

The financial statements for 2024 were authorised for issue by the Executive Board (EB) and approved by the Supervisory Board (SB) on 25 March 2025. The financial statements 2024 will be presented to the Annual General Meeting (AGM) of Shareholders for adoption on 21 May 2025.

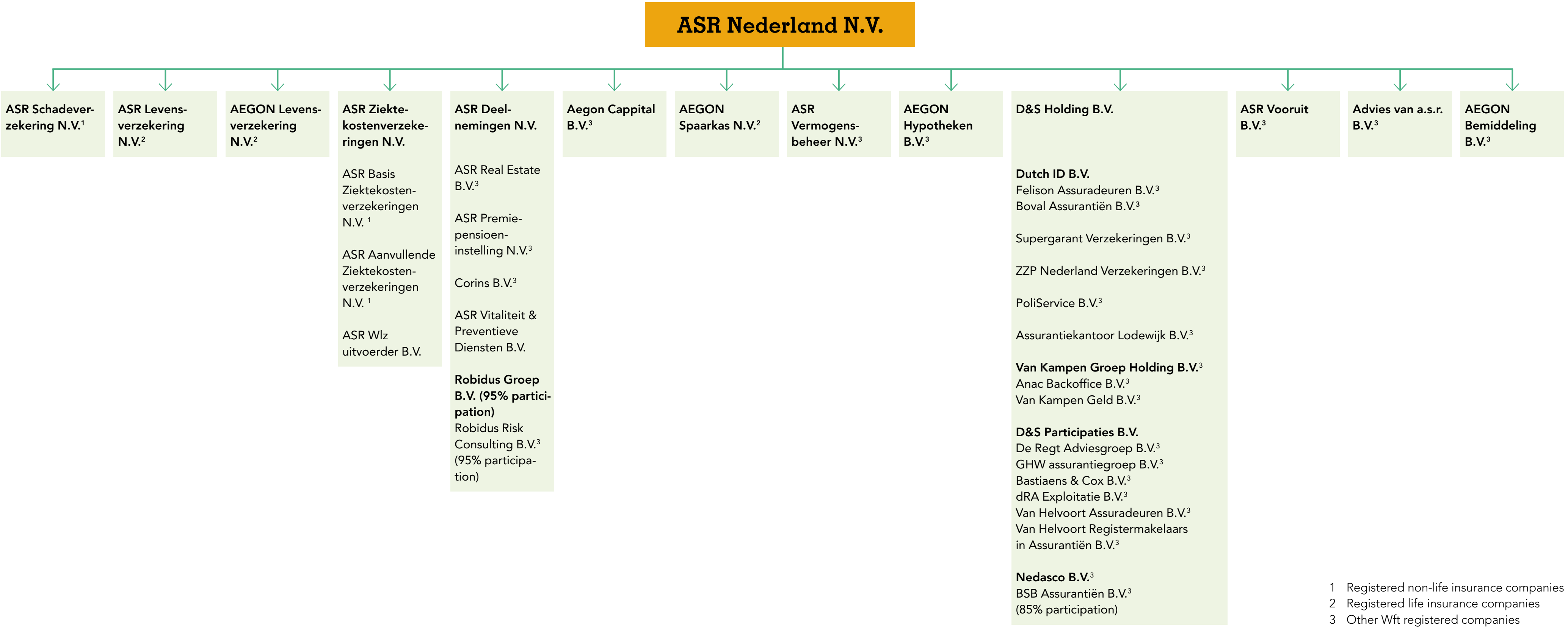
Name and contact details of the external auditor	
Name:	KPMG Accountants N.V.
Visiting address:	Laan van Langerhuize 1, 1186 DS Amstelveen
Phone number:	+31 20 656 7890

Name and contact details of the supervisory authority	
Name:	De Nederlandsche Bank
Visiting adress:	Frederiksplein 61, 1017 XL Amsterdam
Phone number (general):	+31 800 020 1068
Phone number (business purposes):	+31 20 524 9111
Email:	info@dnb.nl

A.1.2 Structure

A.1.2.1 Group structure

The group comprises a number of operating and holding companies. Except where indicated, a.s.r. is 100% shareholder of these companies.



Segment information

The operations of a.s.r. have been divided into five operating segments (2023: six, including Banking). The main segments are the Non-life and Life segment in which all insurance activities are presented. The other activities are presented as three separate segments being Asset Management, Distribution and Services and Holding and Other.

Intersegment transactions or transfers are concluded at arm's length conditions.

Insurance activities

Insurance entities are entities that accept the transfer of insurance risks from policyholders. The Non-life segment consists of non-life insurance entities and their subsidiaries. These non-life insurance entities offer non-life insurance contracts such as disability insurance and P&C insurance and health insurance. The Life segment mainly comprises the life insurance entities and their subsidiaries. This life insurance entities offer financial products such as life insurance contracts and life insurance contracts on behalf of policyholders. The Life segment also includes ASR Premiepensioeninstelling N.V. (a.s.r. IORP) and Aegon Cappital B.V. (Aegon IORP) which offer investment contracts to policyholders that bear no insurance risk and for which the actual return on investments allocated to the contract is passed on to the policyholder. The Life segment also includes ASR Vooruit B.V., the investment firm that performs activities related to private investing for customers. The Non-life and Life segments have different levels of profitability and growth opportunities, as well as a different outlook and risk profile. See section 7.7.9 of the annual report of a.s.r. for a list of principal group companies and associates in the relevant segments.

Other activities

The other activities consist of:

- The Asset Management segment involves all activities related to asset management including investment property management. These activities include amongst others ASR Vermogensbeheer N.V., ASR Real Estate B.V. and Aegon Hypotheken B.V. (Aegon hypotheken);
- The Distribution and Services segment includes the activities related to distribution of insurance contracts and include amongst others the financial intermediary business of PoliService B.V., Van Kampen Groep Holding B.V. (and Van Kampen Geld B.V. and Anac Backoffice B.V.), Dutch ID B.V. (and Felison Assuradeuren B.V. and Boval Assurantiën B.V.), Corins B.V., SuperGarant Verzekeringen B.V., D&S Participaties B.V., (and ZZP Nederland Verzekeringen B.V. and Bedrijfsartsengroep B.V.), Nedasco B.V., Robidus Groep B.V., TKP Pensioen B.V., Aegon Advies B.V. and Aegon Bemiddeling B.V.;
- The Holding and Other segment consists primarily of the holding activities of a.s.r. (including the group related activities), other holding and intermediate holding companies, the real estate development business (ASR Vastgoed Projecten B.V.), ASR Vitaliteit & Preventieve Diensten B.V (Vitality) and the minority participations of ASR Deelnemingen N.V.
- The former Banking segment consisted of the Knab activities (Aegon Bank N.V.), which were sold during 2024, see chapter 7.4.6 of the annual report of a.s.r.

The eliminations applied in the reconciliation of the segment information to the consolidated balance sheet and the consolidated income statement are separately presented in section 7.4.2 and 7.4.3 of the annual report of a.s.r.

The a.s.r. segment reporting shows the financial performance of each segment. The purpose is to allocate all items in the balance sheet and income statement to the segments that hold full management responsibility for them.

Segment information has been prepared in accordance with the accounting principles used for the preparation of a.s.r.'s consolidated financial statements (see section 7.3 of the annual report of a.s.r.). Goodwill and other intangibles are presented in the related cash generating unit's segment. Intersegment transactions are conducted at arm's length conditions. In general, costs related to centralised services are allocated to the segments based on the utilisation of these services.

The segments are assessed on their operating result as defined in section 7.10 of the annual report of a.s.r.

A.2 Underwriting performance

A.2.1 Financial performance ASR Nederland N.V.

The a.s.r. group consists of operating and holding companies. The operations of a.s.r. are divided into six operating segments. The Non-life and Life segments perform all insurance activities. Asset Management, Distribution, Services and Holding and Other perform the other activities.

Premiums and DC volume[1]

Total premium and Defined Contribution (DC) inflow increased by 17.6% to € 10,376 million (2023: € 8,825 million). This increase is driven by strong organic business growth in P&C, Disability and Pensions and the additional six months' contribution from Aegon Nederland, more than offsetting the lower inflow in Health.

Operating expenses

The operating expenses increased by € 306 million to € 1,413 million (2023: € 1,107 million) primarily due to the larger cost base including Aegon Nederland. The internal number of FTE's decreased to 7,374 (2023: 7,994), mainly as a result of the business integration and the sale of Knab.

The expense ratio of P&C and Disability decreased by 0.2%-points to 8.1% (2023: 8.3%) mainly due to synergies realised as a result of the integration of Aegon businesses into the a.s.r. target operating platforms and strong organic growth.

Expenses for non-ordinary activities, classified as incidental items and therefore not included in operating expenses, increased by € 43 million to € 245 million (2023: € 203 million). This increase primarily relates to integration costs for the business combination a.s.r. and Aegon Nederland, as well as costs related to the implementation of the partial internal model and pension reform in the Netherlands. This increase is partly offset by lower restructuring costs.

Operating result

The operating result increased by € 455 million to € 1,428 million (2023: € 973 million) driven by a strong increase in all business segments, reflecting profitable growth and an additional six months' contribution of Aegon Nederland. Please refer to section 7.10 of the annual report for the definition of operating result.

Operating result per segment

The operating result of the Non-life segment increased by € 91 million to € 469 million. This increase reflects pricing improvements, business growth, less claims due to favourable weather conditions and the addition of Aegon Nederland. These developments are also reflected in the combined ratio. The combined ratio of Non-life (excluding Health) improved 1.7%-points to 91.9% (2023: 93.5%).

The Life segment operating result increased by € 385 million to € 1,076 million. This is reflected in both the Operating Insurance Service Result (OISR) and Operating Investment and Finance Result (OIFR), mainly driven by the additional six months' contribution of Aegon Nederland and a positive impact from higher excess returns.

1 'Premiums and DC volume' is equal to the premiums received plus the customer funds deposited by the insured DC-products and the IORP-products which, by definition, are not premiums

The operating result of the Asset Management segment increased by € 21 million to € 100 million, mainly driven by the additional six months' contribution of Aegon Nederland's mortgage business.

The operating result of the Distribution and Services segment increased by € 17 million to € 50 million mainly driven by business growth and the additional six months' contribution of Aegon Nederland entities.

The Holding & Other segment (including eliminations) operating result decreased by € 61 million to € -268 million, mainly due to increased interest charges (mostly related to the green senior bond, issued in December 2023 and the perpetual Restricted Tier 1 security, issued in March 2024), higher indirect costs and the negative impact from the inclusion of business activities that were previously labeled as a start-up.

Result before tax

The result before tax increased by € 169 million to € 1,447 million (2023: € 1,278 million) primarily as a result of revaluation effects on the investment portfolio, due to decreasing swap rates. As the operating result includes normalised investment returns, this revaluation impact is part of the investment and finance result related incidental item amounting to € 173 million (2023: € 611 million). This was in addition to the increase of the operating result of € 455 million. 2023 was impacted by the provisioning related to the agreement with claim organisations on the unit-linked life insurance transparency file.

The discontinued operations reflect the net result of the Banking segment (Knab), an impairment on intangible assets and the result of the sale of Knab, in total amounting to € -121 million.

The IFRS result attributable to holders of equity instruments amounted to € 946 million (2023: € 1,086 million), with an effective tax rate of 26.4% (2023: 21.5%).

Operating return on equity

The operating return on equity increased by 1.5%-points to 13.1% (2023: 11.6%), meeting the target of >12% and reflecting stronger growth of the operating result compared to growth in equity.

Solvency II ratio and organic capital creation (OCC)

The Solvency II ratio increased to 198% (31 December 2023: 176%). This reflects a strong contribution from the OCC (19%-points) and the sale of Knab (17%-points[1]), and more than offsets the impact of capital distributions (-12%-points) and market and operational developments (-2%-points).

OCC increased by € 319 million to € 1,193 million (2023: € 874 million), primarily driven by the additional six months' contribution from Aegon Nederland, growth of the business, realisation of cost synergies and impact from re-risking of the investment portfolio.

Dividend and capital distribution

a.s.r. proposes a final dividend for 2024 of € 1.96 per share, bringing the total dividend (including interim dividend of € 1.16 per share) to € 3.12 per share, an 8.0% increase versus 2023 (€ 2.89 per share). The 8% increase of dividend per share reflects an increase of the total dividend amount by 7% compared to 2023, which is in line with the medium-term target of a mid to high single digit increase, and the € 100 million share buyback following the completion of the sale of Knab, executed in 2024.

The total capital distributions will amount to € 754 million and consists of dividend (€ 654 million) and a share buyback (€ 100 million). The total dividend amount increased by 7% compared to 2023, which is in line with the medium-term target of a mid to high single digit increase. The share buyback refers to the € 100 million share buyback following the completion of the sale of Knab, executed in 2024. The share buyback of € 125 million announced today (in line with the medium-term targets as presented at the 2024 Capital Markets Day) will be executed in the first half of 2025 and deducted from HY 2025 Solvency II ratio.

1 Based on eligible own funds and required capital figures as at 30 June, 2024.

A.2.2 Financial Performance Non-life segment

The Non-life segment consists of non-life insurance entities and their subsidiaries. These non-life insurance entities offer non-life insurance contracts such as disability insurance, property and casualty insurance and health insurance.

Premiums volume

Premiums increased by € 84 million to € 5,458 million, reflecting solid organic growth in P&C and Disability and the additional six months' contribution from Aegon Nederland, partly offset by a decline in Health. The organic growth in P&C and Disability amounted to 5.1%, at the upper end of the 3-5% target range. In P&C, organic growth was driven by price increases to mitigate claims inflation as well as volume growth. In Disability, organic growth reflects higher premiums due to link with higher wages as well as price increases. In Health, premium volume decreased by 19% due to a decline of 175 thousand customers in the 2024 policy renewal season. The 2025 policy renewal season resulted in a net growth of the customer base of 70 thousand customers.

Operating expenses

Operating expenses increased by € 39 million to € 394 million, mainly driven by the addition of Aegon Nederland as well as organic growth in P&C and Disability. The expense ratio of the segment, excluding Health, decreased by 0.2%-points to 8.1%, which reflects the realisation of cost synergies.

Operating result

The operating result of the Non-life segment increased by € 91 million to € 469 million. This increase reflects pricing improvements, business growth, favourable weather conditions and the addition of Aegon Nederland.

The 2024 P&C result benefited from the absence of weather-related calamities, in 2023 the impact of these events was also limited. In addition, large claims were at a lower level compared to last year. Profitability improved as the portfolio is gradually reflecting the premium increases that were introduced over the past 12 months across our retail and commercial portfolios. In Disability, the result for 2024 has improved due to growth of the portfolio and improved pricing. The 2023 Disability result was negatively impacted by one-off strengthening of provisions in Group disability due to alignment of non-economic assumptions between sub portfolios. In Health the operating result decreased in comparison to 2023 due to the decline of the portfolio. The operating investment and finance result within the Non-life segment decreased by € 12 million to € 143 million.

Combined ratio

The combined ratio for the segment excluding Health improved by 1.7%-point to 91.9%, at the lower end of the target range of 92-94%. This is mostly related to favorable developments in P&C.

In P&C, the combined ratio decreased to 90.7% (2023: 93.6%) which is a result of a lower level of large claims, premium increases that gradually become applicable to a greater share of the portfolio as well as the absence of weather-related calamities versus the low level in 2023. In Disability, the combined ratio improved by 0.5%-point to 93.0%, partly due to one-off strengthening of provisions in 2023 but also due to improved pricing, mainly related to group disability.

The combined ratio of Health increased by 0.3%-points to 99.1% which reflects the deterioration of the average claims profile related to switching customers and the declining customer base in 2024.

Result before tax

Result before tax increased by € 216 million to € 487 million, reflecting a higher operating result as well as a positive impact from incidental items. The investment related incidentals amounted to € 48 million in 2024 (2023: € 29 million), related to positive revaluations following a decrease of swap rates in 2024. Non-investment related incidental items amounted to € -31 million (2023: € -136 million), primarily reflecting the impact of hedging for pre-recognition interest rate movements and restructuring provisions.

P&C

a.s.r. offers P&C products for the retail and commercial markets under the brand a.s.r. and the label '*Ik kies zelf van a.s.r.*'. In 2024, Aegon NL's portfolio was migrated to the a.s.r. P&C administration to create a single claims organisation in which customers and intermediaries of Aegon NL are retained as much as possible (within target). The Aegon NL's portfolio is well diversified (proportionally more fire then motor). The a.s.r. brand focuses on the retail and commercial markets through advisors and mandated brokers. '*Ik kies zelf van a.s.r.*' offers direct online distribution to individuals and travel and recreational insurance via travel agents. Additionally, the managing general agent Corins operates as an independent entity on the Dutch co-insurance market. Corins represents a panel of reputable international insurers and reinsurers, underwriting commercial and industrial risks.

In 2023, a.s.r. invested in more sustainable (repairs) insurance with two new partnerships. a.s.r. holds a majority interest in Soople and a minority interest in Fixxer. In 2024, a.s.r. expanded the partnership with Fixxer and opened an extra location for Soople in Vianen. Soople helps its customers by taking on full day-to-day maintenance of properties, including the initial contact with residents, planning, implementation and invoicing. By becoming co-owner of Soople, a.s.r. can conduct sustainable repairs for customers and ultimately add to this service sustainable maintenance and other sustainable services.

Fixxer is a new company set up in collaboration with Belfius Insurance and focuses on the management and further development of a digital service platform for claims of customers.

The combined ratio decreased to 90.7% (2023: 93.6%) primarily driven by the impact of a lower level of weather-related calamities, cost synergies of the Aegon NL portfolio, less major damages and a positive impact on the discounting of incurred claims. Premium increases were implemented in the retail portfolio and in the commercial portfolio.

Combined ratio P&C

(in %)

Market
The Dutch P&C market is fairly consolidated. The three top P&C insurers have a combined market share of 60.6%[1] (2022: 61.6%), a.s.r. ranks among the top three Property & Casualty (P&C) insurers in the Netherlands, with a market share of 14.7% in 2023 (2022: 14.6%), measured by GWP.

Consolidation has also occurred among the distribution partners and mandated brokers. Inflation has had a big impact on the P&C market in the last three years. Higher claims and expenses led to higher premiums.

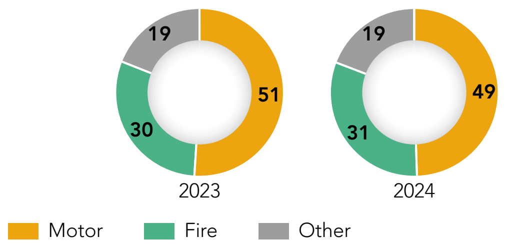
Per 1 July 2024 the new Dutch law (*Wijzigingsbesluit financiële markten 2023 actieve provisietransparantie bij schadeverzekeringen*) for retail P&C insurance came into effect. Advisors will therefore be required to actively inform customers of the average amount of commission per product and per person. This could provide a stimulus for change in the distribution landscape.

Products
a.s.r. offers a wide range of P&C products in the retail and commercial markets. This includes products in the following categories:

- Motor policies provide third party liability coverage for motor vehicles and commercial fleets, property damage and physical injury as well as coverage against theft, fire and collision damage.
- Fire policies provide cover against various property risks, including fire, flood, storms and burglary. Private cover is provided on both a single-risk and a multi-risk basis, with multi-risk policies providing cover against loss of, or damage to, dwellings and damage to personal goods.
- Other P&C insurance products such as liability, legal aid, travel and recreation, pet insurance and transport insurance.

Product share P&C

(in %)



Strategy and achievements
a.s.r. has a strong track record of being a profitable P&C insurer, with a good customer satisfaction score. Long-term growth is typically driven by the increase of the gross domestic product (GDP). a.s.r. is strongly represented among advisors, mandated brokers and in the co-insurance market, via Corins. In the direct channel, a.s.r.'s revenue ('*Ik kies zelf van a.s.r.*') is stable and profitable.

Simplifying and modernising the IT landscape is an important part of the strategy. This enables further digitalisation of the chain, improvement of services to customers and advisors, and cost reduction. Through further digitalisation/AI, the personal online environment My a.s.r. (*Mijn a.s.r.*) for customers has been expanded and a few activities are digitalised (such as speech to text and document handler).

The NPS-c measures customers satisfaction during contact moments. The 2024 NPS-c score of 39 is slightly lower compared to last year (2023: 41), this is partially due to the integration of Aegon NL.

NPS-c P&C

(score: -100 to 100)

Outlook for 2025
The portfolio of Aegon NL is migrated to the a.s.r. P&C administration to create a single claims organisation in which customers and intermediaries of Aegon NL are retained as much as possible (within target). The decommissioning of the Aegon NL platform will be finished at the beginning of 2025.

a.s.r. expects further growth of the P&C portfolio, by 3-5% per annum, with growth opportunities primarily in the commercial market. Inflation is continuously monitored in relation to the claims and pricing of the products.

In order to strengthen its position in the commercial market, a.s.r. will improve and simplify the business proposition. Additional measures will be implemented towards further digitalization/AI of the chain in order to improve a.s.r.'s customer service. '*Mijn a.s.r.*', will be expanded, and further digitalization/AI of the claims handling process is planned.

Disability
a.s.r. is the leading insurer in the disability market and it is focusing on organic growth. It has an extensive range of products and services for sustainable employability and preventing and reducing absenteeism.

The combined ratio is 0.5% better than FY 2023 mainly due to better performance of the collective portfolio and significant growth from the merger of the Aegon portfolio alongside organic growth. As the Insurance Contract Revenue grows with the increased operating result, the COR decreases slightly.

1 Source: Market shares DNB (2023), market shares 2024 are not available yet. The 2022 figure has been adjusted to include Aegon NL.

Combined ratio Disability

(in %)

Market

Distribution of disability (income) insurance products takes place mainly through insurance advisors. With the brands a.s.r. and Loyalis, a.s.r. is well positioned in the distribution channel serving self-employed individuals, SMEs, corporates and (semi) public sectors. a.s.r. is the market leader with a market share of 39.8% in 2023 (2022: 39.4%[1]) in terms of the gross written premiums (GWP). The income insurance market grew slightly in size to € 4.65 billion[2].

Products

a.s.r.'s income protection insurance business offers various products divided into the following business lines:

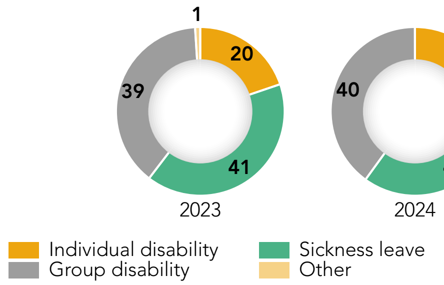
- Individual disability:
  - Products for self-employed individuals to protect against loss of income in the event of illness or disability until retirement age.
  - Products for employees to protect payment of fixed expenses and against loss of income above the maximum daily wage due to illness and disability.
- Sickness leave:
  - Products to protect employers during obligatory continued payment of wages for employees absent for up to two years.
- Group disability:
  - Products for employers to protect against the financial impact of self-insurance status for continued payment of employees absent for more than two and up to 12 years.
  - Products for employees to protect against loss of income in the event of (partial) disability, in accordance with the rules and guidelines of the Work and Income according to Labour Capacity Act (*Wet Werk en Inkomen naar Arbeidsvermogen* - WIA).

a.s.r. provides a wide range of prevention and reintegration services for customers of both a.s.r. and Loyalis. a.s.r.'s customers face societal developments that lead to high workloads and the need to keep themselves and their employees employable and vital. With its services, courses, training programmes and a.s.r. Vitality, a.s.r. helps business owners and employers to keep themselves and their staff employable in the present as well as in the long term. a.s.r. believes that, next to quality insurance products, this focus on and attention for employability is important on an individual level as well as for employers and society as a whole.

a.s.r. adapts its products and services to changes in the social security system and monitors political developments so that employers can focus on keeping their employees employable and meeting government requirements.

Product share Disability

(in %)



Strategy and achievements

a.s.r. aims to keep all its Disability customers employable and insured and strives to serve customers with best-in-class insurance products, prevention and reintegration services, and an excellent level of service. Customers (self-employed individuals and employers) have a need to stay employable and to retain their employees. However, if that is not possible for a certain period, they have the desire to be assured of an income. Through a.s.r.'s prevention and reintegration services, a.s.r. helps its customers to ensure optimal employability for themselves and their employees. This helps reducing absenteeism among customers and to control the cost of claims, keeping risks affordable and insurable.

a.s.r. focuses on further improving its service by digitalising customer processes, reducing paper flows, thereby offering convenience and personalised customer service. Examples include the 'Services Store' (*Dienstenwinkel*) with prevention and reintegration services, further development of '*Mijn a.s.r.*' and the integration of a.s.r.'s back-office with salary systems for uniform and user-friendly participant administration and links with Health & Safety Service agents.

In 2024, the Aegon NL income insurance portfolio was integrated within the a.s.r. organisation. The former Aegon NL clients can therefore now benefit from digitalised processes and integration with salary systems. They can also benefit from the prevention and reintegration services that are offered to all a.s.r clients, including the former Aegon NL clients.

1 The 2022 figure has been adjusted to include Aegon NL.
2 Source: Market shares DNB (2023). This does not include foreign providers licensed for the Dutch insurance market. 2024 market shares are not available yet. Based on the market survey of Baken adviesgroep, marktshare of non-Dutch based insurers amounts to approximately 3%.

In 2024, the preparations to make a.s.r. Vitality available to all insured workers and self-employed individuals in a.s.r's Disability insurance books were completed. In doing this,a.s.r emphasised the importance of its vitality programme in enhancing the employability of its customers.

In addition to a.s.r.'s professionalism and the skills of its employees, a.s.r.'s service is characterised by speed, quality and a personal approach. a.s.r. aims to build long-term relationships with its customers and insurance advisors. Customer appreciation is a key performance indicator, which is measured, through an NPS-c, among other methods.

The NPS-c measures customers satisfaction during contact moments, see the results in the graph.

a.s.r. is satisfied with the stable high level of customer satisfaction, especially in the view of the integration of the former Aegon portfolio and the effort this required from the internal organisation.

NPS-c Disability

(score: -100 to 100)

Outlook for 2025

In 2024, the Dutch government organisation Employee Insurance Agency (*Uitvoeringsinstituut Werknemersverzekeringen* - UWV) was faced with considerable operational challenges. This could impact the way politicians look at the social security system, although it is difficult to predict if and how this might happen. As a.s.r. is the leading insurer in the Disability market, it provides ideas and options to lessen UWV's workload, whilst maintaining a fair and high-quality social security system. a.s.r. keeps track of developments to understand their potential impact on operations and business, ensuring timely responses.

For the next years a.s.r. expects further revenue growth (of between 3 to 5%) of the portfolio by serving customers with best-in-class products and customer service. Uncertain factors include the impact of economic and geopolitical developments on inflation, interest rates, wage development and the economy. a.s.r. continues to focus on the ecosystem of long-term employability, with the aim of continued market leadership. It does this by leveraging its professionalism, knowledge of the social security market, and prevention and reintegration services, whilst offering excellent service to customers, advisors and intermediaries and pursuing further value chain integration.

Health

In 2024, a.s.r. was the sixth largest provider of health insurance in the Netherlands, based on the number of customers, with a market share of 3.5%[1] (2023: 4.3%). The four largest insurers had a joint market share of 85% (2023: 84%). a.s.r. offered health insurance under the brand a.s.r. and the label '*Ik kies zelf van a.s.r.*'.

The combined ratio of Health remained approximately stable at 99.1% (2023: 98.9%).

Combined ratio Health

(in %)

Markets

Two types of products are offered on the Dutch health insurance market: basic cover and supplementary cover. In the highly regulated healthcare market, all Dutch citizens are required to obtain basic health insurance based on an annual contract. The government determines the content of the basic cover, but the insurer can introduce certain variations to differentiate their products. Variation can be introduced in how claims are processed and the number of contracted medical providers whose treatment is eligible for cover.

Insurers are obliged to accept anyone who is legally required to obtain basic health cover as a policyholder. A state-managed risk equalisation system protects an insurer in case its customer base typically shows behaviour that is detrimental to its health situation, leading to higher costs for the insurer, and therefore balances risks across the industry. The compensation paid to insurers depends on the anticipated costs, based on the characteristics of their customer base. This risk equalisation system is constantly being adjusted.

In 2024, the number of policyholders that switched to another health insurer was the second highest since the introduction of the Health Insurance Act in 2006. The highest percentage was in 2023, when 8.5% switched; in 2024, 7.4% switched health insurer. Unlike basic health insurance, supplementary health cover is not compulsory. The number of insured people who choose supplementary insurance continues to decline. In 2024, 81.5% of policyholders on the Dutch market opted for supplementary health insurance (2023: 82.5%). Within a.s.r., the number of policyholders opting for supplementary health cover remained stable 96.2% in 2024 (2023: 96.3%).

Products

The types of health cover offered in 2024 under the a.s.r. brand and the label *'Ik kies zelf van a.s.r.'* were as follows:

- Basic insurance with a broad coverage of medical costs, as prescribed annually by the government. a.s.r. offers three types of basic health cover:
  - Contracted care policy, in which the insurer remunerates costs directly to contracted care providers.
  - Non-contracted care policy, in which the customer is reimbursed for medical care payments, including for treatment from non-contracted care providers.
  - A combination of the two, applied through a combination of both policies.
- Supplementary health insurance to cover specific risks not included under basic health insurance, such as the costs of dental treatment, physiotherapy, orthodontic treatment and medical support abroad.

1 Source: Vektis Zorgthermometer (2024)

The most popular basic health cover on the Dutch market is the contracted care policy[1]. At year-end 2024, 78% of total policyholders applied for contracted care policy.

Strategy and achievements

In 2024, the strategic direction of a.s.r. health was confirmed and the multi-year strategy was further completed in response to developments in the market and society, to provide future-proof healthcare, i.e. cover that is and will remain efficient, affordable and accessible. Furthermore, with the current strategic direction a.s.r. aims to maintain a stable customer base, and to refrain from further growth.

Regarding themes within CSRD related to healthcare purchasing, a.s.r. collaborates with other healthcare providers via the Dutch Association of Healthcare Insurers (*Zorgverzekeraars Nederland*). This way, a.s.r. limits the administrative burden on the healthcare field as much as possible, for this report but also for subsequent years.

a.s.r. health has developed various initiatives to promote future-proof health care, partly by encouraging policyholders to maintain a healthy lifestyle. During 2024, the ‘Take care of yourself’ app (*Zorg voor jezelf app*) has been developed and was launched on January 1st, 2025. With the app, a.s.r. provides an online doctor, a dietician, a mental coach, and healthcare programmes that could contribute to a healthy lifestyle suitable for each individual.

The NPS-c measures customers satisfaction during contact moments, see the results in the graph.

NPS-c Health

(score: -100 to 100)

With an NPS-c of 42 in 2024 (2023: 35), customer satisfaction within Health improved. The improvement was a result of the change management with continuous focus on improving customer value, including digitalisation initiatives and the use of AI to enlarge customer convenience and satisfaction.

Customer-driven service remains a key element of a.s.r.'s strategy and is thus constantly being improved. a.s.r. Health has made great progress in digitalisation and the use of AI with the digitalisation strategy. a.s.r. Health was the first within a.s.r. to implement a Gen AI driven application called ‘Speech 2 Text’, which transfers phone conversations into written text. Furthermore, a.s.r. Health is also working on a language-help robot (Lingo), a quality measurement robot (Coach), and a Chat-in-app function.

Outlook for 2025

a.s.r. expects customers to remain price-sensitive in 2025 due to the high level of inflation, which persisted throughout 2024. As a result, premiums will again be decisive in the choices made by customers during the premium review season.

In 2025, a.s.r. will continue to take steps to keep health care future-proof in the form of continued accessibility, appropriateness and sustainability.

1 Source: Vektis Zorgthermometer (2024)

A.2.3 Financial Performance Life segment

The Life segment comprises the life insurance entities and their subsidiaries. The life insurance entities offer financial products such as life insurance contracts and life insurance contracts on behalf of policyholders. The Life segment also includes ASR Premiepensioeninstelling N.V. (a.s.r. IORP) and Aegon Cappital B.V. (Aegon IORP) which offer investment contracts to policyholders that bear no insurance risk and for which the actual return on investments allocated to the contract is passed on to the policyholder. Furthermore, ASR Vooruit B.V., the investment firm that performs activities related to private investing for customers, is included.

Premiums and DC volume[1]

Premium and DC inflow in the Life segment increased by 40% to € 4.9 billion (2023: € 3.5 billion) driven by the additional six months' contribution of Aegon NL and growth in pensions DC and annuities.

Pension DC inflow increased to € 2.8 billion (2023: € 2.1 billion). The annuity inflow increased to € 581 million. Both increases are mostly related to the additional six months' contribution of Aegon NL and organic growth.

Pension buy-outs amounted to € 69 million Assets under Management (AuM) in 2024. The announced buy-out transaction with the Pension fund for Dentists and Dental-specialists (*Pensioenfonds Tandartsen en Tandarts-specialisten* - SPT) on 19 December 2024 of € 1.6 billion AuM is not yet included in this figure. The transaction is subject to the approval of the Dutch Central Bank (DNB), which is expected in the first half of 2025. The realised inflow and progress in pension buy-outs brings a.s.r. well on track to deliver on the growth targets in the Pension business.

AuM of DC pensions increased to € 26.7 billion (31 December 2023: € 21.9 billion), driven by growth in the number of participants, net inflow and positive market revaluations. The number of active participants in pension DC increased by 6% to over 552 thousand (2023: 521 thousand) driven by commercial success of the different DC propositions (including IORP).

Operating expenses

Operating expenses increased by € 66 million to € 467 million (2023: € 401 million). The increase primarily relates to the additional six months' contribution of Aegon NL and IT project expenses in Pensions.

Operating result

The operating result increased by € 385 million to € 1,076 million (2023: € 691 million) primarily driven by the additional six months' contribution of Aegon NL.

The Operating Insurance Service Result (OISR) including other result increased by € 160 million to € 442 million, mainly driven by the additional six months' contribution of the Aegon NL portfolio. The Operating Investment and Finance Result (OIFR) increased by € 225 million to € 634 million mainly driven by the additional six months' contribution of Aegon NL and a higher investment margin. The investment margin was positively impacted by re-risking initiatives, favorable spread developments and higher equity and real estate valuations.

Result before tax

The IFRS result before tax increased to € 1.151 million (2023: € 969 million) due to the increase of the operating result, partly offset by incidental items. Investment related incidental items amounted to € -15 million, in 2023 (€ 510 million) these items were impacted by market developments. Non-investment related incidental items amounted to € 90 million (2023: € -232 million) mainly due to changes in future services driven by non-economic assumption updates. 2023 was impacted by the provisioning related to the agreement with claim organisations on the unit-linked life insurance transparency file.

Pensions

a.s.r. is an important player in the changing Dutch pension market, well-positioned to capture the opportunities from the market on the back of new pension legislation. The portfolio consists of Defined benefit (DB) as well as Defined contribution (DC) schemes, with an overall market share of 32%. The total customer base consists of some 66 thousand schemes with 2.4 million participants.

a.s.r. offers a full range of pension products, including various DC options for employers and both fixed and variable pension products for employees at retirement. For employers with DB schemes, a.s.r. provides the option to purchase indexations of these rights. Additionally, for pension funds that prefer not to transfer their accrued rights to the new system under the Future Pensions Act (*Wet toekomst pensioenen* - WTP) but wish to transfer them to an insurer, a.s.r. offers a pension buy-out product.

Distribution of pensions takes place via independent advisors. a.s.r. maintains an important relationship with the advisory channel.

A large number of customers is served by the two Institutions for Occupational Retirement Provision (IORP): ASR Premiepensioeninstelling N.V. and Aegon Cappital B.V. These two IORPs are separate legal entities and are merged per 1 January 2025.

Market

Since the WTP came into effect on 1 July 2023, the pensions market is in full swing. The main purpose of this act is to enable all pensions to become contribution-based with individual pension capitals. Communications and advice on customer options and choices form important parts of the WTP.

All existing contracts must be adapted to this act before 1 January 2028. New contracts will be subject to the new regulations immediately. Consequently, all DB schemes will be converted into DC schemes in the coming years, however existing DB claims will remain in place.

In order to prepare for these changes, a.s.r. has developed a new administration system for all its DC products, with the aim of further digitalisation of communications and guidance on choices, while managing these products in a cost-efficient way. Customers expect to be able to arrange their financial affairs themselves, online, and a.s.r. aims to facilitate this. Together with TKP, a.s.r. also works on integrating the administrations of the two DB portfolios of a.s.r. and Aegon, resulting in an efficient platform for DB schemes in the future.

1 'Premiums and DC volume' is equal to the premiums invoiced plus the customer funds deposited by the insured DC-products and the IORP-products which, by definition, are not premiums.

Strategy and achievements

With a dominant market position and a wide range of pension solutions, a.s.r. leverages substantial scale and skill benefits. Such as its extensive experience in participant activation and option guidance, which are crucial factors in the transition to the Future New Pension Act (*Wet toekomst pensioenen* - WTP). Furthermore, a.s.r. is well positioned and ready to capture the opportunities that arise from the market for buy-outs of pension funds.

The current pensions strategy consists of five focus points:

- Customer: a.s.r's customers, employers and their employees receive uniform customer service and support. Whilst implementing new legislation, transformations, and integration work, a.s.r.'s primary focus remains on the customer.
- Transformation: a.s.r is creating a scalable pension company and building a joint culture that puts the participant at the centre. Additionally, a.s.r is taking the first steps in the use of (generative) AI.
- Sustainable value creation: a.s.r. creates value for customers, shareholders, employees, and society. a.s.r. aims for sustainable returns.
- Partners: a.s.r. collaborates with its partners with a long-term focus, developing, training, and innovating to transform pensions together.
- In Control: a.s.r. complies with all current legislation and regulations at all times and is in control of performance and processes.

To effectively manage the major transformation projects within a.s.r. pension, a transformation board has been established.

Additionally, Plexus, the future-proof IT solution for Pensions, went live for new business at the end of 2023. At the beginning of 2024, the Employees' Pension product was successfully migrated to the upgraded landscape. In 2024, a.s.r. successfully converted the first 1,000 schemes to a Future Pensions Act-proof scheme. In 2025, work will continue on optimising the landscape and the underlying customer processes. The remaining migrations within the DC proposition will follow to Plexus.

a.s.r. has confirmed the first buy-out, in which a pension fund transfers its assets and liabilities to a.s.r. a.s.r. recently announced the second buy-out of approximately € 1.6 billion which is subject to the approval of the DNB. The transfer of both pension funds will increase the assets and liabilities of a.s.r. by almost € 1.7 billion. Next to these realised transfers, a.s.r. is well positioned for further buy-outs.

The NPS-c measures customers' satisfaction during contact moments. The 2024 NPS-c result remained stable at 61 (2023: 62).

NPS-c Pensions

(score: -100 to 100)

Outlook for 2025

In 2025, a.s.r. will continue to focus on growing the business and retention of existing customers, while executing on the integration of the a.s.r. and Aegon NL pension businesses.

The implementation of the WTP is in full swing, and a.s.r. will support its customers with the transition to the new legislation.

Individual life and Funeral

The Individual Life and Funeral business unit combines the management of a.s.r.'s Individual life and Funeral insurance portfolios.

In 2024, preparations for the integration of Aegon NL Life with a.s.r. life were central. The conversion of the Aegon Life insurance portfolio to the a.s.r. target platform is planned for 2025. The implementation of the settlement agreement between a.s.r. and the representatives of Unit Linked insurance policies was also an important activity (see section 5.4.3.1.7 Unit linked insurance for more information). Both topics required a lot of capacity. The main objectives for 2024 were achieved, both financially and in terms of employee and customer satisfaction (NPS-c).

Market & product – Individual life

In 2024, a lot of media attention was paid to the importance of a financial safety net in the event of death, for homeowners, renters and self-employed individuals. The Dutch Association of Insurers encourages this awareness.

Term individual life insurance is the only individual life product that a.s.r. actively sells. Per Q3 2024 the market share of a.s.r. of the individual life insurance market was 1.13%. In 2024, production of our policies sold has increased by 46% compared to the previous year, and the goal is to grow profitable to a market share of 10% by 2027.

Market & product(s) – Funeral

a.s.r. sells funeral capital insurance policies, allowing customers to plan their own funeral with the amount paid out to their beneficiaries.

The market share for funeral insurance dropped to 14.3% (2023: 16.6%), partly due to fierce competition online. After the brand transition from Ardanta to a.s.r. Funeral Insurance in 2023, online production initially declined because a.s.r. was not directly associated with funeral products. In 2024, the first brand campaigns were launched on television and online to increase name and brand recognition. The intermediary channel brought in most of the new production in 2024.

Strategy and achievements

In financial terms, the combined Individual life and Funeral business also made a stable contribution to a.s.r.'s results in 2024. The scalability of the organisation ensures that costs move in line with portfolio movements. For a.s.r. Individual life and Funeral, customer service is provided through alignment with the digital agenda and with the support of a flexible workforce (temporary workers).

Since Q3 2024, a.s.r.'s individual term life insurance has been included in the Mortgage Data Network (HDN). This platform enables advisors and providers to allow consumers to easily and securely purchase their mortgage and mortgage-related products.

Customer satisfaction for Individual life (NPS-c of 47, 2023: 53) and Funeral (NPS-c of 53, 2023: 48) is above the a.s.r. target of +44. The decrease of the NPS-c score for Individual life is partially due to the onboarding of new colleagues, who are less experienced. The increase of the NPS-c score of Funeral is in line with the continues attention to improves customer satisfaction. Within the Funeral domain, intermediaries give their collaboration with a.s.r. a score of 8.1. The first AI initiatives, such as speech-to-text and Copilot, were implemented in Individual life in 2024, with Funeral to follow.

NPS-c Funeral

(score: -100 to 100)

NPS-c Individual life

(score: -100 to 100)

Outlook for 2025

a.s.r. reached a settlement agreement with the representatives of interest groups with a unit-linked insurance policy from Aegon NL and a.s.r. One of the conditions of the agreement is that 90% of the affiliated customers of these interest groups must agree on this final settlement.

The conversion of the Aegon NL Life portfolio will be completed per the end of 2025. Also, in 2024, the Internal Model Approval Process for a.s.r. life has started. This process will be continued during 2025.

a.s.r. remains vigilant for acquisition opportunities to extend or at least maintain the portfolios for both Indiviual life and Funeral.

A.3 Investment performance

a.s.r.'s investment policy is aimed at striking a balance between generating returns and preventing risks. Protecting the solvency position is an important factor in this context.

A.3.1 Revenues and costs of all assets

Investments

	31 December 2024	31 December 2023
At FVTPL	75,119	71,919
At FVOCI	2,841	3,312
At amortised cost	2,633	14,775
Total investments	**80,593**	**90,006**

2023 comparing figures are restated as a result of a reclassification of collateral to other assets of € 2.5 billion. See section 7.3.2 of the annual report of a.s.r. for further details.

Investments at FVTPL

Investments at FVTPL

	31 December 2024	31 December 2023
Financial investments - transferred under repurchase agreements		
Government bonds	-	213
Financial investments - own risk		
Real estate equity funds	5,428	5,253
Mortgage equity funds	2,031	997
Debt equity funds	639	772
Government bonds	15,774	15,854
Corporate bonds	10,621	9,948
Asset-backed securities	3,023	3,013
Other investment funds	2,366	2,153
Equities	255	247
Mortgage loans	25,398	24,494
Private loans	9,584	8,976
Total investments at FVTPL	**75,119**	**71,919**

Investments at FVTPL mainly increased mainly the result of positive fair value gains and additional investments. Increase in Mortgage equity funds relates to the transfer of the SAM fund to Aegon Asset Management out of mortgage loans.

For the real estate equity funds and mortgage equity funds for which a.s.r. has significant influence the exemption of IAS 28 was used, thereby measuring the investments at FVTPL and presenting them as a separate category within the investments at FVTPL. For a breakdown of the real estate equity funds and mortgage equity fund, see section 7.5.4 of the annual report of a.s.r.

a.s.r. has bonds amounting to € 3,427 million (2023: € 3,483 million), shares amounting to € 10 million (2023: € 24 million) and cash amounting to nil (2023: € 750 million) (see section 7.5.10 of the annual report of a.s.r.) that have been transferred, but do not qualify for derecognition. The majority of these investments are part of a securities lending programme whereby the investments are lent in exchange for a fee with collateral obtained as a security. The collateral furnished as security representing a fair value of € 4,925 million (2023: € 5,067 million) consists of mortgage loans and corporate and government bonds. See accounting policy N of the annual report of a.s.r. about securities lending.

Private loans consists for € 2,199 million (2023: € 2,285 million) of savings-linked mortgage loans.

At year-end 2024 and 2023, debt instruments at FVTPL consisted entirely of investments mandatorily measured as such.

Based on their contractual maturity, an amount of € 58,171 million (2023: € 57,936 million) of fixed income investments is expected to be recovered after more than one year after the balance sheet date. For assets without a contractual maturity date, it is expected that they will be recovered after more than one year after the balance sheet date.

For more detailed information about the fair value valuation of the investments, see section 7.7.1 of the annual report of a.s.r.

Investments at FVOCI

Investments at FVOCI

	31 December 2024	31 December 2023
Government bonds	-	359
Corporate bonds	-	521
Equities	2,696	2,348
Preference shares	134	79
Other participating contracts	11	5
Total investments at FVOCI	**2,841**	**3,312**

Investments at FVOCI mainly decreased due to the assets sold through the sale of Knab (see section 7.4.6 of the annual report of a.s.r.). After the sale of Knab, a.s.r. no longer has debt securities measured at FVOCI.

a.s.r. sold equity instruments held at FVOCI for an amount of € 1,218 million (2023: € 953 million) in the ordinary course of business. The sales resulted in a gain of € 156 million (2023: gain € 85 million) which is directly recognised in retained earnings.

For assets without a contractual maturity date, it is expected that they will be recovered after more than one year after the balance sheet date.

Investments at amortised cost

Investments at amortised cost	31 December 2024	31 December 2023
Mortgage loans	2,624	14,590
Private loans	9	185
Total investments at amortised cost	**2,633**	**14,775**

Investments at amortised costs decreased due to the assets sold through the sale of Knab (see section 7.4.6 of the annual report of a.s.r.).

Certain mortgage loans shown within the category investments at amortised cost are designated in portfolio fair value interest rate hedging relationships, and are fair valued with respect to the hedged interest rate. For 2024, this resulted in a higher carrying value of € 109 million (2023: € 289 million higher). None of the financial assets has been reclassified during the financial year.

Based on their contractual maturity, an amount of € 2,432 million (2023: 13,929 million) of debt instruments is expected to be recovered after more than one year after the balance sheet date. For assets without a contractual maturity date, it is expected that they will be recovered after more than one year after the balance sheet date.

Direct investment income

Direct investment income	2024	2023
Interest income from investments at FVTPL	2,160	1,435
Interest income from derivatives	3,449	2,168
Interest income from debt instruments at amortised cost	184	107
Total interest income	**5,793**	**3,710**
Dividends received	385	283
Investment income related to direct participating insurance contracts	11	10
Rental income from investment property	144	91
Other direct investment income	18	44
Total dividend and other investment income	**558**	**428**
Total direct investment income	**6,351**	**4,137**

Interest income increased mainly due to the assets acquired through the acquisition of Aegon NL. In addition, more interest income from derivatives is recognised compared to last year due to increasing interest rates.

For equity instruments measured at FVOCI, dividends received during the year amount to € 61 million (2023: € 72 million), of which € 8 million (2023: € 19 million) relates to instruments derecognised during the year.

The effective interest method has been applied to an amount of € 184 million (2023: € 107 million) of the interest income from financial instruments measured at amortised cost. Included within interest income is nil (2023: nil) of interest received on impaired fixed-income securities.

The interest income from interest derivatives and interest expenses on interest derivatives (see section 7.6.8 of the annual report of a.s.r.) is not netted in the income statement. However, the net interest result on interest derivatives amounts to € 54 million (2023: € 138 million).

A.3.2 Information about profit and losses in equity

Consolidated statement of comprehensive income for the year ended 31 December

(in € millions)	Note	2024	2023 (restated)
Net result		**944**	**1,086**
Continuing operations			
Remeasurements of post-employment benefit obligation		152	-162
Unrealised change in value of property for own use and plant		2	5
Equity instruments designated as FVOCI			
- Unrealised change in value of equity instruments designated as FVOCI		74	134
- Realised gains/(losses) on equity instruments designated as FVOCI		156	85
Income tax on items that will not be reclassified to profit or loss		-102	-6
Total items that will not be reclassified to profit or loss		**283**	**54**
Total other comprehensive income after tax		**283**	**54**
Total comprehensive income after tax from continuing operations		**1,227**	**1,140**
Discontinued operations			
Total comprehensive income after tax from discontinued operations		-7	7
Total comprehensive income after tax		**1,220**	**1,147**
Attributable to:			
Non-controlling interests		-2	-
- Shareholders of the parent		1,158	1,099
- Holders of other equity instruments		63	48
Total comprehensive income attributable to holders of equity instruments		**1,222**	**1,147**

A.3.3 Information about investments in securities

As a.s.r. has no investments in securitisation, no further information is included here.

A.4 Performance of other activities

No other activities are material.

A.5 Any other information

No other information is applicable.

B System of governance

B.1 General information on the system of governance

B.1.1 Corporate governance

B.1.1.1 Supervisory Board

In 2024, the SB convened seven regular meetings, one of which was an offsite meeting with the EB and MB, and eight extra meetings related to specific topics, such as the Knab transaction and Capital Markets Day (CMD). The SB members were available for consultation between scheduled meetings. Regular work meetings were also held in the absence of the EB and MB, at which matters such as the self-evaluation of the SB and the evaluation of the EB members were discussed.

The SB has a good working relationship with the EB and MB. The Chair of the SB is in regular contact with the CEO, and several members of the SB are periodically approached outside meetings to give advice on various topics. The SB as a whole also receives bi-monthly updates from the EB outside meetings on various developments within the company, such as business developments and (potential) M&A transactions. See section 5.1.4 of the annual report of a.s.r. for information about the attendance at SB and SB committee meetings.

Highlights

The SB looks back on a successful year marked by the integration of Aegon NL. The SB closely supervises this process and is satisfied that integration activities are on track. Several milestones were achieved during the year, such as the completion of conversions, harmonisation of processes and the progress made in implementing the partial internal model for a.s.r. The SB wishes to express its appreciation for the way in which the EB, MB and all employees have shown dedication and commitment to accomplishing this integration.

On 1 February 2024, a.s.r. announced that it had reached an agreement to sell Aegon Bank (Knab) to BAWAG Group AG. Following a thorough strategic review of Knab's activities and an assessment of BAWAG's proposal, the EB and SB concluded that Knab's and its service proposition to customers would be better served by being part of BAWAG. Intensive efforts were made towards the closing, which was successfully completed on 1 November 2024. This transaction marks an important step for Knab and a.s.r., maximising value for all stakeholders involved.

At the 2024 Annual General Meeting (AGM), Herman Hintzen resigned as a member of the SB. Additionally, the reappointment of Joop Wijn was approved during this AGM. Although the departure of Herman Hintzen meant parting with a valued and skilled member, the arrival of Bob Elfring has simultaneously strengthened the SB with an excellent member who brings extensive experience and expertise.

Another milestone was achieved on 27 June 2024, the Capital Markets Day (CMD), when a.s.r. presented its strategic vision and targets for the 2024–2026 plan period. The new strategy builds on a.s.r.'s strong track record and expresses the confidence the EB has in capturing the opportunities in the Dutch market; this is supported by the SB. The combined business is leading in various market segments, and the EB sees ample opportunities for profitable growth and to create sustainable value for all stakeholders.

Other important topics in 2024 included the implementation of the final settlement for unit-linked life insurance customers of Aegon and a.s.r., geopolitical developments and the preliminary questions submitted by the Court of Amsterdam to the Supreme Court on rent modification clauses.

Strategy based on long-term value creation

Each year, the EB presents various matters to the SB for approval, such as the (quarterly) figures, the multi-year budget, the investment plan and the risk appetite. These matters were all discussed and approved by the SB in 2024. Throughout the year, the progress of a.s.r.'s strategy, the realisation of sustainable value creation against the ambitious group and business targets for 2022–2024 and the setting of new business targets for 2024-2026 were discussed in detail. For a.s.r. as a multi-line insurer, this involves the portfolio strategy (see section 2.4 of the annual report of a.s.r.) and the strategy for targeted acquisitions.

In implementing the strategy, a.s.r. adheres closely to a strict financial discipline in which value over volume is a key principle. A focus on cost and upholding financial solidity is essential for the continuation of a.s.r.'s strong performance. Maintaining a strong balance sheet with financial flexibility offers scope for profitable growth. a.s.r. will continue to invest capital responsibly. As a result of the Aegon NL transaction, focus will also be on successfully integrating the two companies.

Sustainable value creation is an important part of a.s.r.'s strategy and, as such, an integrated part of the business processes. In the EB, the CEO is ultimately responsible for sustainable value creation. Targets, plans, progress and results are regularly discussed in the EB and MB and reported to the SB. Within the SB, sustainable value creation is integrated into the overall agenda. During the permanent education sessions of the EB, MB and the SB, attention is paid to current developments. This also includes the implementation of upcoming legislation and regulations.

In 2024, SB discussions covered the following topics:

- Review, oversight and involvement in the development of the overall strategy, including a.s.r.'s long-term value creation and growth in various business areas, such as P&C, Disability, Mortgages, Asset Management, Real Estate, Pensions DC, and key topics such as brand, reputation, sustainability and vitality;
- Digitalisation of customer service;
- Closing of the Knab transaction;
- Integration activities as a result of the Aegon transaction;
- Setting Financial and Non-Financial targets for 2024–2026 and the preparation for CMD;
- Corporate governance and composition of the SB, EB and MB;
- EB, MB and senior management succession planning;
- EB and SB remuneration, including the evaluation of the Remuneration Policy;
- HR and culture: reports on employee surveys, sustainable employability, DEI and compliance with the a.s.r. Code of Conduct;
- Cyber security, innovation and technological developments;
- NPS-c and NPS-r reports and developments in the field of customer service, including the focus on reducing the number of customer complaints in 2024. Furthermore the NPS-i was discussed in the context of (setting) the CMD targets;
- Financial and Enterprise Risk Management, including cyber security, Solvency II requirements and related EIOPA and DNB guidance, the Risk Appetite Statements and the ORSA;
- Annual and quarterly results, dividends, capital generation and the Solvency II capital position;
- Investor relations;
- Multi-year budget, including the medium-term financial and non-financial targets framework, and Capital & Dividend Policy;
- Legal, regulatory and supervisory topics, including the relationship with the Dutch supervisory authorities, as well as compliance issues;
- Tax policy and developments.

M&A
Although the EB and SB remain interested in other suitable acquisition opportunities, the focus in 2024 was on successfully integrating a.s.r. and Aegon NL.

Financial performance
The SB discusses the financial performance each quarter, covering standing issues such as developments in the premiums received, DC inflow, fee income, COR, Operating Result, long-term cost development, OCC and Solvency II ratio. The SB is pleased with a.s.r.'s financial performance in 2024. The Solvency II ratio increased to 198% (31 December 2023: 176%), reflecting a robust contribution from the OCC and the sale of Knab, which compensated for the effects of capital distributions and market and operational changes. The company has exhibited significant growth across all business segments, particularly through the successful integration with Aegon NL. These achievements demonstrate that a.s.r. is well-positioned to create sustainable value for customers, employees, and shareholders. The impact of various scenarios were calculated and discussed, including the development of interest rates and mortgage spread, management actions were identified and discussed in detail.

External auditor
As of 1 January 2020, KPMG is a.s.r.'s independent auditor. As part of the audit process, KPMG issued a management letter in December 2024 and a 2024 Audit report in March 2025 to the EB and SB.

KPMG has established that a.s.r. made significant steps in integrating the Aegon NL entities. High priority was given to the migration of systems. In addition, emphasis was placed on further harmonising key assumptions that previously differed between a.s.r. and Aegon NL. The IFRS 17 & 9 implementation has transitioned to a business-as-usual phase.

The business line Pensions is experiencing significant changes, including the integration of Aegon NL, new pension reforms, and the implementation of target landscape of DC business, Plexus. Although this will require significant management attention in the coming period, KPMG is of the opinion that the current governance and level of challenge of countervailing powers provide an adequate basis for further improvements within the business line Pensions.

Based on the inspection of various documentation, including the project plan, progress reports, KPMG determined that a.s.r. has implemented DORA in a structured manner. The governance regarding DORA is set up adequately, and progress of the DORA process is well monitored.

KPMG has also monitored the CSRD implementation within a.s.r. Although the CSRD has not yet been transposed into Dutch law, management has committed to complying with the current requirements of the CSRD and ESRS. Given the inherent uncertainties associated with the CSRD – such as developing framework, limited interpretations, and the need for estimations and judgments - KPMG has decided to include an emphasis of matter paragraph in assurance reports to highlight these uncertainties. This is in line with market practice, as agreed between audit firms and with the NBA.

KPMG has reported some observations regarding the existence and effectiveness of the risk and control framework. Notwithstanding these observations, KPMG noted that a.s.r. has consistently focused on improving its internal control organisation. KPMG has also provided an update on observations made in previous year.

Risk management and solvency
At the end of 2024, the SB approved the risk appetite for 2025 for a.s.r. and its supervised entities. a.s.r.'s risk appetite is primarily based on the Solvency II regime and a prudent approach to risk management, which is translated into standards for solvency, liquidity, efficient processes and achievable returns. The SB was satisfied with the execution of the risk management framework. The level of solvency remains acceptable and adequate, thanks to the organisation's prompt and effective response to external developments based on the chosen risk appetite and associated risk-mitigating measures. The risk appetite is an important criterion in making tactical and strategic decisions. The SB appreciates the prudent approach taken to comply with Solvency II and other regulations and regularly engages in dialogue with the EB concerning its views on the targets and intervention level relating to Solvency II ratios.

Culture and customer interest

The SB devotes attention to the development in customer satisfaction, based on the NPS-c report, the NPS-r report and the customer complaints report, amongst others. The SB observes that significant efforts are being made within a.s.r. to continuously improve the NPS scores.

Contacts with the Works Council

In 2024, all SB members attended one or more regular consultative meetings of the Central Works Council (COR a.s.r.). In addition to these meetings, the COR a.s.r. maintained regular contact with the Works Council-nominated SB members, Gisella Eikelenboom and Daniëlle Jansen Heijtmajer. The SB also held bilateral meetings with the COR a.s.r., which on several occasions were also attended by one or more members of the EB.

Taking into account the interests of a.s.r. and its employees, the COR a.s.r. thoroughly prepares when addressing the wide range of issues it is presented with. It engages in constructive dialogue with the EB and issues balanced, well-considered opinions and recommendations. This also applies to the numerous requests for advice regarding the integration, which are proceeding as scheduled. The SB wishes to express its gratitude for the continued engagement with the Works Council and the dedication shown by its members.

Contacts with external regulators and auditors

The SB periodically met with the DNB and AFM in 2024. The independent external auditor, KPMG, attended the SB meetings, at which the annual and interim financial results were discussed. During these meetings, the auditor elaborated on the audit reports and answered specific questions.

Supervisory Board committees

The SB operates through three specialised committees, each dedicated to addressing specific issues and preparing agenda items for the full SB's decision-making process. The Chair of each committee presents a summary of key discussion points and recommendations at the subsequent SB meeting. The minutes from these committee meetings are accessible to all SB members. The three committees are:

- Audit & Risk Committee;
- Remuneration Committee;
- Nomination & ESG Committee.

Audit & Risk Committee

The Audit & Risk Committee (A&RC) advises the SB and prepares decision-making on matters such as supervision of the integrity and quality of financial reporting and the effectiveness of internal risk management and control systems. This includes the application of information and communication technology, including cyber security risks.

The composition of the A&RC is such as to represent the specific business know-how, financial, accounting and actuarial expertise relating to the activities of a.s.r.

The A&RC held six regular meetings and one extra meeting in 2024. In accordance with the A&RC Rules of Procedure, meetings are also attended by the CFO, the CRO, the Director of Group Risk Management, the Director of Group Finance & Risk Reporting, the Manager of Compliance, the Director of Audit and the independent external auditor.

After each financial quarter, the committee discussed the financial results based on detailed financial, risk, compliance and internal and external audit reports and analyses. Progress on the recommendations of the internal and external auditor as well as of the Audit Function was monitored. The full 2024 reporting year was discussed in the first quarter of 2025, based on the quarterly internal finance report, the press release, the Annual Report, the financial statements, the Board report and the actuarial report.

The A&RC issued positive opinions on the Annual Report and on the financial statements to the SB. It discussed and adopted the external auditor's letter of engagement and the audit plan for 2024. The external auditors' independence and additional fees were reviewed each quarter. The external auditor's management letter, highlighting key internal control observations, was discussed. The external auditor's audit results report was also discussed and special attention was given to the reported key audit matters. The A&RC approved the updated charters and annual plans for 2025 of the Actuarial and Risk Management Function and the Compliance Function. It advised the SB to approve the updated charter and the audit plan 2024 of the internal Audit Function; this advice was followed.

Specific topics discussed by the A&RC included:

- Progress on the integration activities as a result of the Aegon NL transaction, specifically the impact on financial reporting;
- Areas of attention as a result of the application of IFRS 17/9;
- Progress on implementing the partial internal model as a result of the Aegon NL transaction;
- Use and limitations of the current PIM;
- Cyber risks and IT security;
- Compliance with rules and regulations.

a.s.r.'s solvency position was reviewed and discussed each quarter. Specific attention was paid to the impact of the Aegon transaction, inflation and interest rates and the development of operating costs. The A&RC discussed the risk scenarios and the outcomes of the Own Risk and Solvency Assessment (ORSA). In all the ORSA risk scenarios, the solvency ratio remains within the boundaries set by a.s.r., demonstrating the robustness of a.s.r.'s solvency and the effectiveness of certain management actions.

a.s.r.'s risk appetite is based on a prudent approach to risk management, which is translated into qualitative business guidelines for non-financial risks (NFR) matters and requirements for solvency, liquidity and returns for the financial risk (FR) matters. The A&RC also discussed a.s.r.'s updated Capital and Dividend Policy, after which the SB approved the updated Policy.

The A&RC regularly monitored the status of the risk appetite during the year through a.s.r.'s Integrated Risk Dashboard and the status report on the management of risk priorities. At the end of the year, the A&RC was informed of the outlines of the reinsurance programme for 2025.

Remuneration Committee
The Remuneration Committee (RC) advises the SB on matters including the Remuneration Policy for the EB and SB and the terms and conditions of employment of the EB, and the RC reviews the remuneration of senior management.

The RC held four regular meetings in 2024. Its meetings were also attended by the CEO (except when issues relating to the EB were discussed), the CHRO and the company secretary. The RC solicits support and advice from departments, including Group Risk Management, Investor Relations, Communications, Compliance, Audit and Human Resources. Where needed, it consults independent legal and pay & benefit experts.

In line with the policy, the RC advised the SB on target setting and performance appraisals, and the RC also prepared the annual Remuneration Disclosure.

The 2023 Remuneration Report was submitted to the AGM for an advisory vote; 98.19% of the votes cast were for the report and 1.81% were against. The results demonstrate the shareholders' continued broad support for a.s.r.'s Remuneration Policy.

Nomination & ESG Committee
The Nomination & ESG Committee (N&ESGC) advises the SB on its duties and prepares the SB's decision-making in this respect. The N&ESGC advises the SB on ESG topics, selection and appointment procedures and the composition of the EB and SB; it also prepares the (re)appointment of its members. The N&ESGC held five regular meetings in 2024. Its meetings were also attended by the CEO (except when issues relating to the EB were discussed), the CHRO and the company secretary.

The N&ESGC discussed various topics in 2024. For instance, the retirement schedule of the SB was reviewed. In the lead-up to the AGM of 2024, the proposed appointment of Bob Elfring and the reappointment of Joop Wijn was discussed. Other topics discussed by the N&ESGC were the revision of the DEI Policy, the 360 degree feedback tool for the EB, MB and senior management and target setting regarding the *Wet Ingroeiquotum en streefcijfers*, which is a Dutch law aiming to make the ratio of women to men at the top and sub-top more balanced. The N&ESGC also discussed the annual appraisals of senior management. Furthermore, the N&ESGC was informed on the results of the Denison Culture scan. For more information, please see section 3.2 of the annual report of a.s.r.

The N&ESGC discussed the various developments and related legislation regarding ESG and what this means for a.s.r., such as progress on the targets of the various themes, with a focus on the strategic pillars from the strategic framework for sustainability and internal and external developments in this area such as climate change and biodiversity. The N&ESGC also discussed about the double materiality analysis and the progress on the non-financial targets.

Financial statements and dividend
The EB prepared the Annual Report 2024 and discussed it with the SB in the presence of the external auditor. The 2024 financial statements will be submitted for adoption by the AGM on 21 May 2025. a.s.r. will propose a dividend of € 3.12 per ordinary share (including the interim dividend paid).

Appreciation
The SB extends its heartfelt thanks to all a.s.r. employees for their unwavering commitment in 2024. Collectively, we are building a robust and sustainable insurance leader in the Netherlands, aiding customers in sharing risks and accumulating capital for the future. The SB also wishes to acknowledge the members of the EB, MB and senior management for their outstanding leadership of a.s.r. and for delivering strong operational results. Finally, the SB wishes to express its appreciation to Herman Hintzen for his invaluable contributions during the eight years he was a member of the SB. His extensive expertise in M&A, capital markets, and financial management, along with his collaborative spirit, has been of great value to a.s.r.

Utrecht, The Netherlands, 26 March 2025

Joop Wijn (Chair)
Gerard van Olphen
Sonja Barendregt
Gisella Eikelenboom
Daniëlle Jansen Heijtmajer
Lard Friese
Bob Elfring

B.1.1.2 Corporate Governance

This chapter describes a.s.r.'s corporate legal structure and governance. ASR Nederland N.V. is a public limited company, listed on Euronext Amsterdam and is subject to Dutch corporate law. ASR Nederland N.V. is the parent undertaking of the ASR Group (the 'Group') and has a two-tier board structure. See sections 5.1.3 and 5.1.4 of the annual report of a.s.r. for more information on the board governance structure.

Corporate structure

ASR Nederland N.V. is the Group's ultimate holding company.

A personal union exists between the statutory boards of ASR Nederland N.V. on the one hand and the insurance entities ASR Levensverzekering N.V., Aegon Levensverzekering N.V., Aegon Spaarkas N.V. and ASR Schadeverzekering N.V. on the other hand, through cross-memberships of the Executive and Supervisory Boards of ASR Nederland N.V. and the other entities. A personal union also exists between the Executive Board of Aegon Hypotheken B.V. and ASR Nederland N.V.'s EB.

ASR Premiepensioeninstelling N.V. is an Institution for Occupational Retirement Provision (IORP). ASR Vermogensbeheer N.V. and ASR Real Estate B.V. are licensed Alternative Investment Fund Managers (AIFM) subject to the AIFM Directive. ASR Vooruit B.V. operates as an investment firm, pursuant to the MiFID (Markets in Financial Instruments Directive) and has a license as an insurance intermediary (pursuant to the Dutch Financial Services Act (Wet op het financieel toezicht). D&S Holding B.V. operates as an intermediate holding company for most of the entities within the segment Distribution & Services.

For the full ASR Nederland N.V. structure, see section 7.4.1 of the annual report.

General Meeting of Shareholders

In line with the articles of association of ASR Nederland N.V., at least one Annual General Meeting (AGM) is held each year, no later than 30 June. The main purpose of the AGM is to discuss and decide on matters as specified in the articles of association and under Dutch law, such as the adoption of the financial statements. The articles of association also outline the procedures for convening and holding general meetings and the decision-making process. The draft minutes of the AGM will be published on www.asrnl.com no later than three months following the AGM. Shareholders are given three months to respond to the draft minutes. The minutes of the AGM are subsequently adopted and signed by the Chair of the Supervisory Board (SB) and the company secretary.

In 2024, the AGM was held on 29 May. Shareholders had the option to attend the AGM physically or virtually. A total of 83.5% of the total issued share capital with voting rights was represented, either physically or represented by a proxy-holder with voting instructions. The agenda of the AGM included the following voting items:

- 2023 remuneration report (advisory vote);
- To adopt the financial statements for the 2023 financial year;
- To pay a dividend;
- To reappoint KPMG Accountant N.V. as external auditor for the financial years 2025 up to and including 2029;
- To grant discharge to each (former) Member of the EB and SB for the 2023 financial year;
- To extend the authorisation of the EB to issue ordinary shares and/or to grant rights to subscribe for ordinary shares;
- To extend the authorisation of the EB to restrict or exclude statutory pre-emptive rights;
- To acquire the company's own shares;
- To appoint Bob Elfring as a Member of the Supervisory Board;
- To reappoint Joop Wijn as member and Chair of the SB.

All agenda items were approved by the AGM. The next AGM will be held on 21 May 2025.

Consultation with shareholders

Contacts with shareholders are conducted entirely in line with the policy on fair disclosure and bilateral dialogue, as published on the website at asrnl.com. The Group's Disclosure Committee supervises compliance with laws and regulations in relation to the disclosure of price-sensitive information.

Transactions with majority shareholders

No transactions with majority shareholders, as referred to in best practice provision 2.7.5 of the Corporate Governance Code, took place in 2024. In connection with the Aegon NL transaction in 2023, ASR Nederland N.V. and Aegon Ltd. entered into a Relationship Agreement, in which the two parties agreed certain governance arrangements relating to ASR Nederland N.V. The terms of the Relationship Agreement were approved by the SB and are customary in the market, as required by best practice provision 2.7.5 of the Corporate Governance Code. For more information on the Relationship Agreement, see the convocation of the January 2023 AGM.

Anti-takeover measures

Stichting Continuïteit ASR Nederland (the Foundation) was established on 26 May 2016 under Dutch law in connection with a.s.r.'s listing on Euronext Amsterdam. The Foundation has an independent board consisting of three members. The role of the Foundation is to promote the interests of a.s.r., its business and stakeholders, and protect against possible influences that could threaten the continuity, independence, strategy and / or identity of a.s.r. or its associated business to the extent that they could conflict with the aforementioned interests. If the interests of a.s.r., its business, stakeholders or continuity were to be undermined, the Foundation would be entitled - provided certain conditions under the call option agreement are met - to exercise a call option right on preference shares such that the number of preference shares acquired under the call option would never exceed the total number of shares forming the issued capital of a.s.r. at the time the call option was exercised, minus the number of preference shares already held by the Foundation (if any) at the time and minus one. See section 8.2.4 of the annual report of a.s.r. for more information about the Foundation.

B.1.1.3 Executive Board and Management Board

The EB is the statutory board in accordance with Dutch corporate law and as described in the articles of association. The EB is collectively responsible for the day-to-day conduct of business at a.s.r. and for its strategy, structure and performance. In carrying out its duties, the EB is guided by a.s.r.'s interests, which include the interests of the businesses connected with it, which in turn include the interests of customers, employees, investors and society. The EB is accountable to the SB and the AGM regarding the performance of its duties.

Certain resolutions made by the EB require the approval of the SB and/or the AGM. These resolutions are outlined in the articles of association and the rules of procedure of the EB and Management Board (MB). Both documents can be viewed at www.asrnl.com.

Composition of the Executive Board

The articles of association specify that the EB must consist of a minimum of two members, including at least a Chief Executive Officer (CEO) and a Chief Financial Officer (CFO). Only candidates found to meet the fit and proper test under the Dutch Financial Supervision Act are eligible for appointment. In accordance with Article 2.2 of the Rules of Procedure of the EB and MB and Article 7.1 of the Rules of Procedure of the SB, the SB appoints the members of the EB and may suspend or dismiss an EB member at any time. In case a.s.r.'s current CEO, due to his earlier resignation or dismissal, does not serve his full term until the 2026 AGM, the appointment of the successor will require a unanimous vote of the SB (Schedule 8, part 2, Relationship Agreement). The SB notifies the AGM of proposed (re)appointments. During 2024, the composition of the EB remained unchanged, consisting of the following three members:

- Jos Baeten, CEO;
- Ewout Hollegien, CFO;
- Ingrid de Swart, COO/CTO.

Management Board

The MB was established in 2023 and meets every week. The MB conducts the day-to-day business at a.s.r. and implements and realises the business strategy.

Composition of the Management Board

Article 2.4 of the Rules of Procedure of the EB and MB specifies that the MB consists of all EB members, the CRO, the CHRO and the COO Life. MB members not being EB members are appointed, suspended and dismissed by the EB, with due observance of the DEI Policy. The SB is involved in the recruitment and selection of MB members, as prior coordination with the SB is required. During 2024, the composition of the MB remained unchanged, consisting of:

- The members of the EB;
- Rozan Dekker, CRO;
- Jolanda Sappelli, CHRO;
- Willem van den Berg, COO Life.

Permanent education

In 2024, specific permanent education sessions were attended by the SB, EB, and the MB, for the purpose of further education. A session, organised by representatives of the Pensions business unit, Asset Management and TKP, focused on the Future Pensions Act (*Wet toekomst pensioenen* - WTP). During this session the SB, EB and MB were educated on the developments and opportunities due to the WTP and the status of implementation of this legislation. Another session focused on sustainability. This session was led by the Sustainability team and provided an update on (legislation regarding to) sustainable entrepreneurship, (governance regarding to) CSRD and on the a.s.r. Sustainable Insurance Policy. Furthermore a session was held to educate the SB, EB and MB on US GAAS. In this session, led by Group Finance and Legal, an introduction of Generally Accepted Auditing Standards (US GAAS), the legal aspects and the impact on a.s.r. were given. As a US listed entity, Aegon Ltd. is audited under US GAAS . Due to Aegon Ltd.'s shareholding in a.s.r. Nederland N.V., US GAAS regulatory requirements have become (partly) applicable to a.s.r. A session led by the Data Office provided an update on developments with respect to Generative AI and the application within a.s.r. The final session focused on two subjects, the Major Model Change for the MR1 Interest Rate model ('MMC MR1') and the Strategic Asset Allocation ('SAA') and investment plan 2025. In the first part of the session the SB, EB, and the MB were educated by Group Risk Management on the MMC MR1, it's background and implications. The second part of the session, organised by representatives of Asset Management, focused on an analysis of the current investment policy and optimisation opportunities.

Evaluation

In 2024, the EB and MB conducted a comprehensive self-evaluation to assess its composition, role, and functioning. The self-evaluation session was conducted on the basis of a questionnaire and interviews. The outcome of the questionnaire was discussed with the MB and the company secretary. The evaluation highlighted the strength of the MB in its diversity, complementarity of roles, and effective communication. The MB operates as a cohesive team, demonstrating effective collaboration even in complex and large dossiers. The open and transparent communication within the MB allows for the discussion of sensitive issues and encourages members to challenge each other constructively. The collaboration with the SB has also been rated positively, with the SB effectively fulfilling its sparring partner role. The MB's decision-making processes are seen as effective and balanced, with a strong focus on the interests of key stakeholders, including customers, employees, shareholders, and society. The MB plans to continue fostering an open culture where diverse perspectives are valued and constructive challenges are encouraged. The MB's commitment to structured meetings, high participation, and productive discussions will remain a cornerstone of its operations, contributing to the overall success and growth of a.s.r.

The performance of the EB was also assessed by the SB as part of the scope of the annual assessment process; see section 5.3 of the annual report. In this context, interviews are held twice a year with the

Executive Board

Name	Years on Board	Date of initial appointment	Date of reappointment	Appointed until	Years of experience in insurance industry
Jos Baeten	16	26 January 2009	EGM 2023	AGM 2026	44
Ewout Hollegien	3	1 December 2021	-	AGM 2025	17
Ingrid de Swart	5	1 December 2019	AGM 2023	AGM 2027	25

individual EB members (by two SB members on each occasion) in which the results of the aforementioned self-evaluation are included.

The performance of MB members not being EB members was assessed by the CEO, with prior input from the SB. The assessment takes place through interviews held twice a year with the individual MB members, in which the results of the aforementioned self-evaluation are included.

Remuneration

See section 5.3 of the annual report for information on the Remuneration Policy for EB members and their individual remunerations.

Management Board

Executive Board

Jos Baeten

CEO
Male, Dutch, 1958

Responsible for
- Audit
- Services
- Corporate Communications
- Legal
- Company secretary

Additional positions
- Chair of the Executive Board of the Dutch Association of Insurers *(Verbond van Verzekeraars)*
- Member of the Supervisory Board of Efteling B.V.
- Member of the Advisory Board of the Nyenrode Executive Insurance Program
- Member of the Supervisory Board of DAF Trucks N.V.

Ewout Hollegien

CFO
Male, Dutch, 1985

Responsible for
- Asset Management
- Real Estate
- Group Finance & Risk Reporting
- Balance & Performance Management

Additional positions
- Chair of the Financial Economic Affairs committee of the Dutch Association of Insurers *(Verbond van Verzekeraars)*
- Member of the Supervisory Board of Amvest Vastgoed B.V.

Ingrid de Swart

COO/CTO
Female, Dutch, 1969

Responsible for
- Disability
- Distribution and Services
- P&C
- Health
- Mortgages
- Customer Experience & Digital
- IT&C
- a.s.r. Vitality

Additional positions
- Member of the Supervisory Board of HumanTouch Holding B.V.
- Member of the Supervisory Board of Salta Group B.V.

Willem van den Berg

COO Life
Male, Dutch, 1977

Responsible for
- Pensions
- Individual life
- Funeral
- TKP

Additional positions
- Member of the investment committee of the Erasmus MC Foundation

Rozan Dekker

CRO
Female, Dutch, 1972

Responsible for
- Group Risk Management
- Compliance

Additional positions
- Member of the Supervisory Board of the Economic Research Foundation
- Member of the Supervisory Board and chair of the of the Audit and Risk Committee of Knab N.V.

Jolanda Sappelli

CHRO
Female, Dutch, 1963

Responsible for
- Human Resources

Additional positions
- Chair of the Education and Labour Market committee of the Dutch Association of Insurers *(Verbond van Verzekeraars)*

More information about the biographies see www.asrnl.com

B.1.1.4 Supervisory Board

The SB has three roles: the supervisory role, the advisory role and the employer's role for the EB. The SB supervises the policy pursued by the EB and MB, as well as the general course of affairs at a.s.r. and its group entities. Specific powers are vested in the SB, including approving certain EB decisions.

Composition of the Supervisory Board

Article 2.1 of the Rules of Procedure of the SB specifies that the SB must consist of at least three members and no less than the number of members required to give effect to the nomination rights in respect of SB members under the Relationship Agreement. The SB currently consists of seven members: Joop Wijn (Chair), Gerard van Olphen, Sonja Barendregt, Gisella Eikelenboom, Daniëlle Jansen Heijtmajer, Lard Friese and Bob Elfring.

In line with the Dutch Corporate Governance Code, SB members are appointed by the AGM for a four-year term. They can be reappointed for a single additional four-year term and subsequently reappointed for a period of two years, which may be extended by two years at most. Reappointments following an eight-year period must be justified in the SB report.

All the SB members passed the fit and proper test required under the Dutch Financial Supervision Act.

Diverse representation

The SB has drawn up a projected profile for its size and composition, taking into account the nature of a.s.r.'s business, its activities and the desired expertise and background of its members. The SB profile can be viewed at www.asrnl.com.

Due to a combination of experience, expertise and independence of the individual members, the SB has the skills to assess the main aspects of the a.s.r. strategy and policies. The diversity of its members ensures the complementary profile of the SB. a.s.r. will continue to aim for an adequate and balanced composition of the SB in any future appointments by taking into account the DEI Policy and all relevant selection criteria such as executive experience, experience in finance and experience in the political and social environment.

Independence and conflicts of interest

In 2024, the SB was able to carry out its tasks independently pursuant to principles 2.1.7 to 2.1.9 of the Dutch Corporate Governance Code, in accordance with article 39 (1) Directive 2014/56/EU all SB members are independent as defined in the Corporate Governance Code, with the exception of Lard Friese (due to his position as CEO of Aegon Ltd.).

In order to prevent (potential) conflicts of interests, relevant SB members in respect of whom a potential conflict of interest could arise, have refrained from participation in and decision-taking with respect to Knab in the SB.

According to the Dutch Civil Code, a member of the SB of a listed company may not hold more than five supervisory board positions or equivalent roles within large Dutch companies and large Dutch foundations. This regulation ensures that supervisory board members can dedicate sufficient time and attention to their responsibilities. The members of the SB of a.s.r. comply with these requirements.

Furthermore no transactions were entered into in 2024 in which there were conflicts of interest with SB and/or EB members that are of material significance to a.s.r. and/or to the relevant board members.

Evaluation and permanent education

The SB is responsible for assessing the quality of its own performance. It therefore performs an annual self-assessment and discussion of its own performance and that of its committees and members. A self-assessment with external facilitator is carried out every three years, this last occurred in 2023.

The self-assessment for 2024 was carried out without external facilitator and was based on a questionnaire and a plenary SB evaluation session with the company secretary. The following aspects were assessed:

Supervisory Board

Name	Years on Board	Date of initial appointment	Date of reappointment	End of current term of appointment[1]	End of the term of appointment at AGM[2]
Joop Wijn	4	28 October 2020	29 May 2024	AGM 2028	2032
Herman Hintzen	8	1 January 2016		AGM 2024	
Gerard van Olphen	5	30 October 2019	31 May 2023	AGM 2027	2031
Sonja Barendregt	7	31 May 2018	25 May 2022	AGM 2026	2030
Gisella Eikelenboom	5	30 October 2019	31 May 2023	AGM 2027	2031
Daniëlle Jansen Heijtmajer	2	4 July 2023	-	AGM 2027	2028
Lard Friese	2	4 July 2023	-	AGM 2027	2028[3]
Bob Elfring	1	29 May 2024	-	AGM 2028	2036

1 SB members are reappointed or must resign no later than the next AGM held after this date.
2 Based on the possibility of an appointment for a maximum of 12 years (two times four years and two times two years in accordance with principle 2.2.2 of the Dutch Corporate Governance Code).
3 Duration of appointment term in accordance with the relationship agreement between a.s.r. and Aegon Ltd.

- Role and composition of the SB;
- Effectiveness of processes (information-gathering and decision-making);
- Role as an employer;
- Advisory role and strategy.

The outcome of the assessment was discussed by the members of the SB and the company secretary, and at a later stage with the members of the EB and MB.

The evaluation highlighted the SB's strong composition and functioning, including its diverse expertise, and constructive internal dialogue. The functioning and role distribution among the committees are well-regarded, and the oversight priorities are sufficiently clear. The SB looks back on a successful year marked by the integration of Aegon NL, closely monitoring the process and fulfilling its role as a sparring partner effectively. The onboarding process of the new SB member, Bob Elfring, was smooth and efficient. The meetings of the SB are well-prepared and efficiently conducted, with active participation from all members. Overall, the SB is committed to continuous growth and professionalisation and ensuring effective governance and oversight. For permanent educational sessions attended by the SB, please see section 5.1.3 of the annual report.

Supervisory Board

J. (Joop) Wijn
Male, Dutch, 1969

Appointments within a.s.r.
- Chair of the Supervisory Board
- Chair of the Nomination & ESG Committee
- Member of the Remuneration Committee

Additional positions
- Member of the Supervisory Board and Member of the Audit Committee, the Risk Policy and Compliance Committee, the Sustainability & Technology Committee of NIBC Bank. Nominated by Blackstone Group for which he is an advisor
- Member of the Supervisory Board of Euronext Amsterdam N.V.

G. (Gerard) van Olphen
Male, Dutch, 1962

Appointments within a.s.r.
- Vice-chair of the Supervisory Board
- Member of the Audit & Risk Committee
- Member of the Nomination & ESG Committee

Additional positions
- Chair of the Supervisory Board of Volksbank N.V.
- Chair of the *'Belanghebbenden Orgaan Beroepsregle-mentering'*

S. (Sonja) Barendregt
Female, Dutch, 1957

Appointments within a.s.r.
- Member of the Supervisory Board
- Chair of the Audit & Risk Committee

Additional positions
- Member of the Supervisory Board and Chair of the Audit & Risk Committee of Robeco Holding N.V.
- Member of the Supervisory Board and Chair of the Audit and Risk Committee of Robeco Institutional Asset Management B.V.
- Chair of the Oversight Committee Robeco Indices B.V.

G. (Gisella) Eikelenboom
Female, Dutch, 1970

Appointments within a.s.r.
- Member of the Supervisory Board
- Chair of the Remuneration Committee
- Member of the Nomination & ESG Committee

Additional positions
- Vice-chair of the Supervisory Board and Chair of the Remuneration Committee of Waarborgfonds Sociale Woningbouw
- Chair (a.i.) of the Supervisory Board of BUNQ
- Member of the Supervisory Board of MUFG BANK (Europe) N.V
- (Deputy) council member of the Enterprise Chamber of the Amsterdam Court of Appeal
- Member of the Strategic Audit Committee of the Ministry of Foreign Affairs
- Chair of the Chapter Zero Netherlands Foundation
- Chair of the Supervisory Board of the 100Weeks Foundation

D. (Daniëlle) Jansen Heijtmajer
Female, Dutch, 1960

Appointments within a.s.r.
- Member of the Supervisory Board
- Member of the Nomination & ESG Committee

Additional positions
- Global Director Finance, Enterprise Risk Management & Shared Services FrieslandCampina
- Member of the Supervisory Board and Chair of the Audit Committee of Uber Payments B.V.
- Member of the EMCF Curatorium of Amsterdam Business School
- Member of the Advisory Board Economics & Business of the University of Amsterdam

E. (Lard) Friese
Male, Dutch, 1962

Appointments within a.s.r.
- Member of the Supervisory Board
- Member of the Audit & Risk Committee

Additional positions
- CEO and Chairman of the Executive Committee, and Executive Director of the Board of Directors of Aegon Ltd.
- Vice Chairman of the Board of Directors of The Geneva Association
- Member of the Supervisory Board of Pon Holdings B.V

B. (Bob) Elfring
Male, Dutch, 1959

Appointments within a.s.r.
- Member of the Supervisory Board
- Member of the Audit & Risk Committee
- Member of the Remuneration Committee

Additional positions
- Chair of the Supervisory Board of Vuyk Holding B.V.
- Member of the Supervisory Board, Audit Committee and Remuneration Committee of Royal BAM Groep N.V.

More information about the biographies see www.asrnl.com

Independence (in %)	Female members (in %)	Male members (in %)	Average age (in years)
86 (2023: 86)	43 (2023: 43)	57 (2023: 57)	61 (2023: 61)

Attendance

	Joop Wijn[1]	Gerard van Olphen[1]	Herman Hintzen[2]	Sonja Barendregt	Gisella Eikelen-boom[1]	Daniëlle Jansen Heijtmajer	Lard Friese	Bob Elfring[3]
Supervisory Board	13/13 100%	13/13 100%	6/7 85%	15/15 100%	13/13 100%	15/15 100%	15/15 100%	8/8 100%
Audit & Risk Committee	-	7/7 100%	2/3 67%	7/7 100%	-	-	7/7 100%	4/4 100%
Remuneration Committee	4/4 100%	-	2/3 67%	-	4/4 100%	-	-	1/1 100%
Nomination & ESG Committee	5/5 100%	5/5 100%	-	-	5/5 100%	5/5 100%	-	-

Competencies

	Joop Wijn	Gerard van Olphen	Sonja Barendregt	Gisella Eikelenboom	Daniëlle Jansen Heijtmajer	Lard Friese	Bob Elfring
General business management strategy	✓	✓	✓	✓	✓	✓	✓
Finance (balance, solvency & reporting)	✓	✓	✓	✓	✓	✓	✓
Financial markets / Disclosure, communication	✓	✓	✓	✓	✓	✓	✓
Audit, risk, compliance, legal & governance	✓	✓	✓	✓	✓	✓	✓
Insurance (Life, Non-life and Asset Management)	✓	✓	✓	✓	✓	✓	✓
M&A	✓	✓	-	-	-	✓	✓
IT / Digital & innovation	✓	✓	-	-	✓	✓	-
Social / Employment	✓	✓	✓	✓	✓	✓	-
Sustainability / Climate change / Policies	✓	✓	✓	✓	✓	✓	✓

1 In total there were 15 meetings of the SB. In order to prevent (potential) conflicts of interest, Joop Wijn, Gerard van Olphen and Gisella Eikelenboom, have refrained from participation in two meetings with respect to Knab.
2 At the 2024 AGM (29 May 2024) Herman Hintzen resigned as a member of the SB. Therefore, he did not attend any meetings after this date, and is not part of the overview on the previous page.
3 At the 2024 AGM (29 May 2024) Bob Elfring was appointed and he attended all 8 meetings after this date.

Diversity, equity and inclusion
a.s.r. aims for diverse representation within the EB, MB and SB and an inclusive culture in which differences are recognised, valued and utilised. a.s.r.'s Diversity, Equity and Inclusion Policy (DEI Policy) is published on the website at asrnl.com. The EB, MB and SB believe that diverse representation, equity and belonging reinforce the success and relevance of a.s.r. as a socially desirable insurer and are necessary to create business models and develop (new) products that serve the society as a whole. See section 3.2.2 of the annual report for further information on the DEI Policy and a.s.r.'s targets in this area.

The current composition of the MB and SB meets the gender target of 2024 of having at least 35% female and 35% male members in the MB and SB. a.s.r. will aim for an adequate and balanced composition of the MB and SB in its future appointments by taking into account its DEI Policy and all relevant selection criteria such as executive experience, experience in finance and experience in the political and social environment.

Sustainability governance
a.s.r. strives to embed sustainability in its core processes and activities. In order to contribute to the transition to a sustainable and inclusive society within a.s.r., this transition to a sustainability society has been earmarked as a strategic topic. Within the EB, the CEO is ultimately responsible for a.s.r.'s sustainability strategy at group level.

The Sustainability Workforce, coordinated by the corporate sustainability team, supports the EB in its responsibility for the development and implementation of a.s.r.'s sustainability strategy and policies. This workforce includes delegates from the business as well as staff functions. The corporate sustainability team reports quarterly on a set of sustainability KPIs and targets to the MB, which evaluates the results achieved and takes action where necessary. The EB also sets strategic sustainability targets as part of the total set of financial and non-financial (including sustainability-related) KPIs.

Each year, the SB, with advice from the Nomination & ESG Committee, discusses and approves the strategic non-financial targets and progress made in these specific areas. a.s.r.'s sustainability team coordinates the implementation together with the workforce. All members of the workforce subsequently promote these strategy, policies and targets within their own focus areas.

Furthermore, the Sustainability Committee, an advisory body for dealing with a.s.r.-wide sustainability issues and dilemmas, is embedded in a.s.r.'s governance. The committee deals with dilemmas and conflicting interests in the field of sustainability (including ESG and CDD/KYC), making decision-making regarding these sustainability issues more transparent for the EB, MB and SB. Also the Sustainability Committee advises the EB on sustainability related policies at group level. These policies are evaluated periodically and updated when deemed necessary. The Sustainability Committee includes representatives from several departments including Communications, Risk, Legal, Sustainability and the business lines. The Committee meets at least every quarter; an emergency procedure applies to agenda items that cannot be postponed until the next quarterly meeting.

CSRD governance
Since 2023, in anticipation of the Corporate Sustainability Regulation Directive (CSRD) implementation, a project structure is set up with a central project team and several working groups, including representatives from the relevant product lines and staff functions. The MB is periodically informed on the project status, is involved in key discussions and decision-making on for instance the Double Materiality assessment and target-setting, and is ultimately responsible for monitoring and managing the impacts, risks, and opportunities. The MB is supported by second and third line representatives for ensuring a critical review and monitoring the project risks and progress and by topical experts, including sustainability experts on group level and product line level, for ensuring that the impacts, risks, and opportunities are handled with sufficient expertise. The internal quarterly business review updates the MB, among other information, on the actions, targets and progress related to the impacts, risks and opportunities as identified in the Double materiality assessment.

B.1.1.5 Corporate Governance Codes and regulations
The current articles of association are published on the Corporate Governance section of asrnl.com. The Rules of Procedure of the SB, EB and MB are also available on this site.

Dutch Corporate Governance Code
Since its listing on Euronext Amsterdam, a.s.r. has been required to comply with the Dutch Corporate Governance Code. a.s.r. complies with all the principles and best practices of the Dutch Corporate Governance Code, with the exception of those that are not applicable. In the Corporate Governance section of the corporate website, a.s.r. has published a detailed comply or explain list indicating which principles and best practices do not apply to the organisation.

The a.s.r. Code of Conduct is the guideline for behaving with due care and integrity. As required by best practice provision 2.5.2 of the Corporate Governance Code, the EB ensures compliance herewith by itself and employees. The EB informs the SB of its findings and observations regarding the operation of and compliance with the a.s.r. Code of Conduct.

Code of Conduct
The a.s.r. Code of Conduct is the guideline for behaving with due care and integrity. As required by best practice provision 2.5.2 of the Corporate Governance Code, the EB ensures compliance herewith by itself and employees. The EB informs the SB of its findings and observations regarding the operation of and compliance with the a.s.r. Code of Conduct.

Professional oath
On 1 January 2013, the Dutch financial sector introduced a mandatory oath for EB and SB members of financial institutions licensed in the Netherlands. With regard to insurance companies, in addition to the EB and SB members, individuals holding a management position immediately below the EB who are responsible for employees who could have a significant influence on the risk profile of the insurance company are also required to take the oath. This requirement was subsequently expanded to include employees whose activities can substantially affect the risk profile of the undertaking and employees directly involved in the provision of financial services

Notwithstanding the requirements mentioned the above, a.s.r. has decided that all employees and other individuals carrying out activities under its responsibility must also take the oath. New employees, including temporary and external employees, must take the oath within three months of joining the company.

Disclosure of sustainability-related information

In accordance with the requirements of the CSRD, a.s.r. provides extensive sustainability-related information in its Management Report, for the first time as per the financial year 2024. In previous years, a.s.r. provided (more limited) non-financial information in accordance with the requirements of the Non-Financial reporting Directive (NFRD). In addition, from 1 January 2022, large companies of public interest must publish information about how and to what extent their activities are associated with economic activities (eligibility) that qualify as environmentally sustainable as defined in Regulation (EU) 2020/852 (EU Taxonomy Regulation). As of 1 January 2023, the Taxonomy Regulation also requires companies to disclose to what extent their economic activities are aligned with two of the six environmental objectives, i.e., climate mitigation and climate adaptation. See section 6 of the annual report for the information required regarding the disclosure of sustainability-related information.

B.1.2 Remuneration report

The Supervisory Board (SB) continuously reviews and evaluates the Remuneration Policy of a.s.r. In accordance with the obligations imposed by law and the Dutch Corporate Governance Code for the implementation of the Remuneration Policy, the Remuneration Policy is submitted to the General Meeting (at least) once every four years. The current Remuneration Policy was adopted at the AGM of 2023.

The Remuneration Policy of a.s.r. is clear, comprehensible and focused on sustainable long-term value creation for the company. In addition, the policy reflects the interests of a.s.r.'s stakeholders. Four perspectives underpin the Remuneration Policy. Please see section 5.3.2 of the annual report of a.s.r. for more information.

a.s.r. believes that its current Remuneration Policy continues to meet the requirements of the Shareholder Rights Directive II, as incorporated into Dutch law. The Remuneration Policy explains how it contributes to a.s.r.'s strategy, sustainability and the interests of stakeholders. The identity and positioning of a.s.r. as well as the remuneration relationships within a.s.r. were considered by providing a framework based on four perspectives: the organisational perspective, the internal perspective, the external perspective and the stakeholder perspective.

During the 2024 AGM, shareholders cast their advisory vote on the 2023 remuneration report. The remuneration report received the support of over 98% of the shareholders. This is consistent with the approval rate of the Remuneration Policy from the previous year, which exceeded 99%.

B.1.2.1 Remuneration policy

The Remuneration Policy pertains to the remuneration of the Executive Board (EB) and the SB. The Remuneration Policy consists of:

- A fixed salary within a salary scale (no variable remuneration system);
- In principle EB members progress through the scales in the same way as a.s.r. employees;
- Part of the fixed salary is paid out in shares.

The following four perspectives are used as a basis for the Remuneration Policy:

1. The organisational perspective: how a.s.r. presents itself as a company;
2. The internal perspective: consistency in the internal salary structure;
3. The external perspective: competitive with the external market;
4. The stakeholders' perspective: taking into account the views of different stakeholder groups on remuneration: customers, shareholders, employees, and society.

The organisational perspective

It is a.s.r.'s view that society may expect it to be a valuable insurer which handles the funds entrusted to it and the environment in which it operates in a responsible way. With respect to the remuneration of the EB, society may expect this to be in line with a.s.r.'s profile, and that both the Remuneration Policy and the level of executive remuneration are reasonable from that perspective.

In line with this perspective, a.s.r. has a fixed salary only and no group wide variable remuneration scheme. a.s.r. is of the opinion that such a scheme is not in line with the company's culture. The opinion of society towards variable remuneration in the financial sector is also relevant in this respect.

The internal perspective

All a.s.r. employees have job-weighted salaries within defined salary scales that they progress through over time. The remuneration of EB members is determined by the various roles within the EB and fall within certain salary scales. The link between roles and salary scales is consistent throughout the organisation. For all employees including the EB, the maximum of a salary scale is at most around the median of the reference group.

In principle, EB members progress through the salary scales in the same way as employees. For employees, an annual growth of 3% of the maximum of the scale is applied (provided there is upward room in the scale). For EB members, the SB has the mandate to slightly adjust this growth path upwards or downwards (growth between 0% to 6%), taking into account a.s.r.'s performance and the principles of the Remuneration Policy. The SB accounts for this in the annual remuneration report.

The a.s.r. Collective Labour Agreement (CLA) applies to the EB with regard to salary indexation.

The external perspective

a.s.r. pays its employees a salary in line with the market. Market conformity is tested against a reference group. The reference group for the EB consists of Dutch financial institutions and Dutch listed companies, many of which have a social profile and of which at least half must be financial institutions including insurers. To be included in the reference group, the non-financial institutions must meet at least two of three criteria for comparable size with a.s.r. These criteria are: turnover, market capitalisation and number of employees. All remuneration data of companies in the reference group must be published individually. a.s.r.'s position is approximately in the middle of this reference group.

The SB also periodically tests the median against a Europe Control group, consisting of at least 10 European financial institutions. The Europe Control group serves as an additional check of the median that follows from the reference group, so that European developments in this area can also be monitored. The Europe Control group has no direct effect on the median or the remuneration set.

The 2023 reference group for other employees is the financial services industry. For some positions within Group Asset Management and Real Estate, the reference group is the asset management market. To prevent the salary scales of employees and the EB from diverging too much, partly as a result of the difference in reference groups, salary scales of the EB are validated against the reference group of other employees bi-annually. If the gap widens too much, this may be a reason to adjust the maximum of the salary scales of the EB members. The ratio between the remuneration of the CEO and the average remuneration of a.s.r.'s employees must be less than 20.

The stakeholders' perspective

The structure of the Remuneration Policy was reviewed against the views of shareholders, customers, employees and society. The views and interests of these different stakeholder groups are taken into account as much as possible.

Customers must be able to rely on a solid insurance company that offers understandable products and services at a reasonable price. Customers must be able to rely on the company to handle the funds entrusted to it with care; this includes a reasonable Remuneration Policy. Society expects a financial institution that contributes to society as a whole. Employees expect a reliable employer that ensures the long-term continuity of the company. Employees expect adequate remuneration for their efforts. With regard to board remuneration, they expect their remuneration and any changes to fit the character of the company and to be explainable. Shareholders benefit from a solid company that offers attractive returns. Shareholders expect alignment of the board with their interests, with executive remuneration keeping pace with the company's performance. The Remuneration Policy should be such that high-quality board members can be retained and attracted.

Periodical review

The Remuneration Committee reviews the principles of the Remuneration Policy against the four perspectives (at least) once every four years. The Remuneration Policy is submitted for a vote (at least) once every four years at an AGM. The market comparison (remuneration benchmark) is carried out once every two years by an external and independent consultancy firm.

The performance of each EB member is reviewed annually, based on a set of financial and non-financial targets approved by the SB. The targets for 2024 can be summarised as follows:

- Shareholder: realisation of the financial targets and the financial KPIs in the multi-year budget and realisation of the Aegon NL integration on time and on budget;
- Customer: creating a plan in 2024 to transition low-impact customer contacts to digital self-service environments. Also, a.s.r. aimed to achieve an NPS above the market average. Additionally, a.s.r. aimed to enhance its customer-driven positioning, reflected in positive NPS and reputation scores, while reducing service and performance complaints;
- Employee: maintaining the Denison scan score at 2023 levels, unless the baseline measurement indicates adjustments. Focus on improving eMood® scores throughout the year;
- Keep diversity and inclusion on the agenda demonstrating exemplary behaviour;
- Society: further expansion of the positioning of a.s.r. as a sustainable long-term value-creating insurer and socially conscious financial institution. This is measured by different ratings and benchmarks.

These targets are complemented by specific strategic priorities for each EB member, such as the integration of a.s.r. and Aegon NL, CSRD compliant reporting by the end of 2024, developing a vision on AI and establishing a clear AI ambition and roadmap for each business unit. Targets are discussed periodically during various evaluation meetings between the SB and (members of) the EB. Based on the evaluation of a.s.r.'s financial and non-financial targets, as well as the EB's performance in line with the Remuneration Policy, the SB has the discretion to adjust the salary growth of EB members within a range of 0% to 6%.

Contractual aspects

EB members work on the basis of an indefinite contract for services. Each contract ends by operation of law as soon as a party ceases to be an EB member. A contract can also be terminated with a notice period of six months for a.s.r. and three months for an EB member. The contracts also contain a provision for dismissal due to a change of control.

The following conditions apply to severance pay for policymakers (which includes EB members):

- The maximum severance pay is 100% of the (fixed) annual remuneration;
- Severance pay is not awarded in the event of the company's failure;
- No severance pay is awarded that can be classified as variable;
- Severance pay may not be awarded to any employee (including EB members) in the following cases:
  - If an employment relationship is terminated prematurely at the employee's own initiative, except where this is due to serious culpable conduct or neglect by the employer.
  - In the event of serious culpable conduct or neglect by the employee and/or an urgent reason for instant dismissal applies.

Pay ratio

a.s.r. is transparent concerning the remuneration of the EB, not only in terms of actual amounts, but also in accordance with Dutch law and the Dutch Corporate Governance Code as compared with the average remuneration of all employees of a.s.r. As laid down in the Remuneration Policy, the ratio between the remuneration of the CEO and the average remuneration of the employees at a.s.r. should at all times be less than 20. The current pay ratio is 1:16.9.

The increase of the pay ratio compared to 2023 is a result of:

- The rise of the CEO's remuneration (in accordance with the Remuneration Policy amended during the AGM of 2023 and due to the annual salary increase);
- Due to integration processes and organisational efficiencies, a relatively high turnover of employees, in particular in management positions, in 2024 compared to 2023.

The SB considers that the pay ratio is reasonable. Compared to the remuneration of other executive directors of comparable companies, this pay ratio is among the lowest.

Pay ratio

(units specified below)	2024	2023
Annual total compensation for the highest-paid individual (in €)	1,971,000	1,470,000
Average annual total compensation for all employees (in €)	117,000	111,000
Average pay ratio (in %)	16.9	13.2
Average pay ratio difference compared to previous year (in %)	28.0	14.8

B.1.2.2 Executive Board

The remuneration of current EB members is in accordance with the Remuneration Policy.

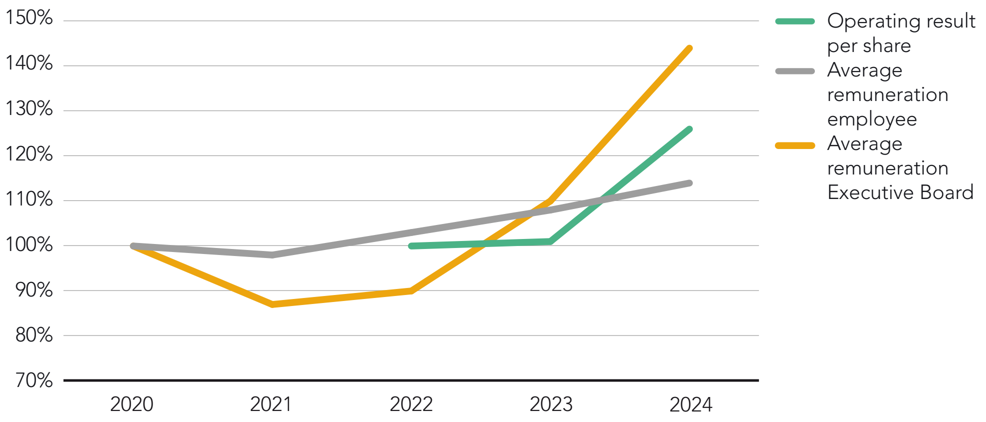
Neither a.s.r. nor any Group company provides any loans, advances or guarantees on behalf of an EB member. The comparative chart below shows the remuneration and company performance over the last five reported financial years. Company performance is expressed in terms of operating result per share. The average remuneration of employees (who are not EB members) is also shown, and this is also used to calculate the pay ratio. Finally, the average EB remuneration (CEO and CFO) is presented.

The full Remuneration Policy can be found at www.asrnl.com.

Pensions

The calculation of annual pension expenses is based on the total pension rights granted during a term of service at a.s.r. Pension expenses include:

- Pensions based on a maximum pensionable salary cap (€ 137,800, fiscal maximum);
- Compensation for the maximum pensionable salary cap (to be used for pensions at the employee's discretion);



1 Please note the Operating result per share figure is including Aegon NL. The Average remuneration employee figure is excluding Aegon NL. This is in line with the overall scope of this Annual Report.

- Pension benefits related to historically awarded pension rights;
- VPL (early retirement and life cycle; '*VUT, Prepensioen en Levensloop*').

All components of EB remuneration are included in the basis used for calculating pension benefits. EB members have the same pension scheme as a.s.r. employees.

The indexation of the defined benefit plan granted to EB members in 2024 is as following: Jos Baeten € 286,256 and over 2023 € 253,853, Ewout Hollegien € 6,273 and over 2023 € 4,880 and Ingrid de Swart € 894 and over 2023 € 751. In addition, the indexation granted in 2024 to former EB members who are participants in the defined benefit plan is € 72,599 and over 2023 € 1,256,396.

Remuneration in 2024

Based on the benchmark and in line with the Remuneration Policy, the CEO's salary scale is currently between € 1,023,840 and € 1,462,628. For the CFO and the COO/CTO, a salary scale of € 793,869 to € 1,134,099 applies. The benchmark is set every two years. The positioning, scale maximum and resulting bandwidth of the scales are then assessed and may be adjusted in relation to the resulting median.

The reference group 2024, which consists of 16 companies and the Europe Control group currently consists of 16 financial companies.

Reference group

Organisation	Index
Aalberts N.V.	AMX
ABN AMRO Bank N.V.	AEX
Achmea B.V.	Not listed
Aegon Ltd.	AEX
ASM International N.V.	AEX
Coöperatieve Rabobank U.A.	Not listed
De Volksbank N.V.	Not listed
IMCD N.V.	AEX
ING Groep N.V.	AEX
JDE Peet's N.V.	AMX
Koninklijke KPN N.V.	AEX
Koninklijke Vopak N.V.	AMX
NN Group N.V.	AEX
OCI N.V.	AMX
Signify N.V.	AMX
Van Lanschot Kempen N.V.	AMX

Europe Control group

Organisation
Ageas SA/NV
Bâloise Holding AG
Beazley plc
Direct Line Insurance Group plc
Gjensidige Forsikring ASA
Grupo Catalana Occidente, S.A.
Hannover Rück SE
Helvetia Holding AG
Hiscox Ltd
Phoenix Group Holdings plc
SCOR SE
Storebrand ASA
Tryg A/S
Unipol Gruppo S.p.A.
UnipolSai Assicurazioni S.p.A.
Wüstenrot & Württembergische AG

2024 was an outstanding year for a.s.r. The results remained robust, and several milestones were achieved. One of the highlights was the successful closing of the Knab transaction. Additionally, significant steps were taken in the integration process, such as the migration of Non-Life and several staff departments, which was completed entirely according to plan, ensuring continuity of service and a warm welcome for customers. In accordance with the recommendation of the Remuneration Committee, the SB has decided to grant a salary increase of 3% to all members of the EB as of 1 January 2025.

Furthermore, under the CLA (applicable from 1 July 2024 until 1 April 2025), a.s.r. employees were given an indexation of their salary of 4,75% from 1 July 2024. This increase also applies to EB members.

Remuneration in a.s.r. shares

As from 1 July 2023, part of the (fixed) remuneration of the EB members is paid in a.s.r. shares, being 20% of the fixed cash remuneration. For the current CEO, an exception applies until the end of his term of appointment (2026 AGM): 30% of his fixed cash remuneration is paid in a.s.r. shares. All shares must be held for at least five years. Furthermore, EB members (as long as they are employed) must hold at least 100% of their fixed gross annual salary in shares before they are allowed to sell any shares. Any sale of shares is subject to the a.s.r. regulations on the handling of private transactions in financial instruments and applicable law. The following table shows how much remuneration for each EB member was paid in a.s.r. shares in 2024.

Participation in a.s.r. shares

Until the amendment of the Remuneration Policy as per 1 July 2023, EB members were committed to purchasing a certain percentage of their remuneration in a.s.r. shares (75% for the CEO and 50% for other EB members) and holding these shares for at least five years. The shares are not variable remuneration, nor a remuneration in shares.

The number of shares that are allocated (granted) to EB members are calculated as a function of (1) the defined percentage of the fixed salary at allocation date and (2) the applicable stock price at Euronext. The applicable stock price is defined as the opening stock price on the 1st trading day after the salary-payment date in each month. The salary payment dates are pre-defined in the salary payment schedule and set by the Human Resources department. The shares are purchased by the EB at a discount of 18.5%. The average grant price of the shares was € 36.57, which is equal to the opening stock price on the Euronext Amsterdam stock exchange on the 1st trading day after the salary-payment date in each month. The shares are in a lock-up period of five years.

The participation of shares of the EB can be found in the table on the next page.

a.s.r. shares EB

(in numbers / %)	As at 1 January 2024	Participation in a.s.r. shares in 2024	Granted and vested in 2024	As at 31 December 2024	In % of gross annual salary[1]
Jos Baeten	12,684	-	4,800	17,484	46.1
Ewout Hollegien	2,892	-	2,438	5,330	21.4
Ingrid de Swart	5,889	-	2,613	8,502	30.1
Total	**21,465**	**-**	**5,051**	**31,316**	**n.a.**

1 Base salary in cash and shares

2024 remuneration for members of the Executive Board

(in € thousands)	Fixed remuneration				Variable remuneration					
Executive Board member	Base salary in cash	Base salary in shares	Fees	Fringe benefits[1]	One-year variable	Multi-year variable	Extraordinary items	Pension expense[2]	Total remuneration	Fixed portion of the total remuneration
Jos Baeten, CEO	1,159	348	-	16	-	-	-	449	1,971	100%
Ewout Hollegien, CFO	882	176	-	31	-	-	-	122	1,212	100%
Ingrid de Swart, COO/CTO	946	189	-	35	-	-	-	214	1,384	100%
Total	**2,987**	**713**	**-**	**82**	**-**	**-**	**-**	**785**	**4,567**	**100%**

2023 remuneration for members of the Executive Board

(in € thousands)	Fixed remuneration				Variable remuneration					
Executive Board member	Base salary in cash	Base salary in shares	Fees	Fringe benefits[1]	One-year variable	Multi-year variable	Extraordinary items	Pension expense[2]	Total remuneration	Fixed portion of the total remuneration
Jos Baeten, CEO	1,033	157	-	15	-	-	-	264	1,469	100%
Ewout Hollegien, CFO	756	80	-	24	-	-	-	100	960	100%
Ingrid de Swart, COO/CTO	846	86	-	24	-	-	-	161	1,117	100%
Total	**2,635**	**323**	**-**	**63**	**-**	**-**	**-**	**525**	**3,547**	**100%**

1 Variations arise as a result of the fiscal treatment of lease vehicles depending on the price and private use of the car, personal allowance and social security.
2 The post-employment defined benefit plan of a.s.r. ended 31 December 2020. A new defined contribution plan started from 1 January 2021. The defined benefit obligation will continue to exist, but no further regular annual premium contributions will be paid to the plan. All members of the Executive Board participate in the defined contribution plan. The annual pension expenditure is based on a premium table. Further changes in the cost of pension benefits are mainly due to the impact of age. The pension costs include defined contribution pensions based on maximum pensionable salary cap, compensation for the maximum pensionable salary cap (to be used for pensions at the employees' discretion in total), and VPL. The amount presented is excluding amounts related to the indexation of the defined benefit plan, as they are not expenses in the current year.

B.1.2.3 Supervisory Board

Remuneration paid to SB members is not linked to the financial performance of a.s.r. and none of the SB members own a.s.r. shares. SB members are entitled to the following remuneration, as adopted by the 2023 AGM:

- A base fee for each SB Member and the Chair;
- A committee fee for each Member and Chair of a committee of the SB.

An overview of the remuneration for the SB is shown in the table.

SB Members who also serve on the SB of ASR Basis / Aanvullende Ziektekostenverzekeringen N.V. receive an additional € 6,000 per annum. SB members who also serve on the SB of PPI, Cappital or Robidus receive an additional € 5,000 per annum. No additional fees are paid to EB Members who are also members of the SB of a Group company.

Remuneration of Supervisory Board members in 2024

The remuneration of current and former members of the SB is in accordance with the Remuneration Policy.

Neither a.s.r. nor any Group company provides loans, advances or guarantees on behalf of an SB member. A basic principle of a.s.r.'s current Remuneration Policy (both for the EB and the SB) is that remuneration should be at most around the median for the reference group. The reference group for the SB is the same as the reference group for the EB. The current remuneration of the SB is in accordance with the remuneration established during the 2023 AGM.

Supervisory Board fees

(in €)	2024[1]	2023
Supervisory Board		
Chair	90,000	75,000
Member	60,000	50,000
Audit & Risk Committee		
Chair	15,000	15,000
Member	10,000	10,000
Remuneration Committee		
Chair	10,000	10,000
Member	5,000	5,000
Nomination & ESG Committee		
Chair	10,000	10,000
Member	5,000	5,000

1 Change in SB fees applicable per 1 July 2024.

2024 remuneration for members of the Supervisory Board

(in € thousands)	Fixed remuneration			
	Base salary	Fees	Total remuneration	Fixed portion of the total remuneration
Joop Wijn[1]	83	15	98	100%
Herman Hintzen[2]	21	6	27	100%
Sonja Barendregt[3]	55	21	76	100%
Gisella Eikelenboom[4]	55	31	86	100%
Gerard van Olphen[5]	55	18	73	100%
Daniëlle Jansen Heijtmajer[6]	55	5	60	100%
Lard Friese[7]	55	10	65	100%
Bob Elfring[8]	34	9	43	100%
Total	**413**	**115**	**527**	**100%**

2023 remuneration for members of the Supervisory Board

(in € thousands)	Fixed remuneration			
	Base salary	Fees	Total remuneration	Fixed portion of the total remuneration
Joop Wijn[1]	63	15	78	100%
Herman Hintzen[2]	43	15	58	100%
Sonja Barendregt[3]	43	21	64	100%
Gisella Eikelenboom[4]	43	26	69	100%
Gerard van Olphen[5]	43	15	58	100%
Daniëlle Jansen Heijtmajer[6]	25	3	28	100%
Lard Friese[7]	25	5	30	100%
Total	**283**	**100**	**382**	**100%**

1 Fees in 2024 are amounts received as Chair of the N&ESGC (€ 10,000) and Member of the RC (€ 5,000). Fees in 2023 are amounts received as Chair of the N&ESGC (€ 10,000) and as Member of the RC (€ 5,000).
2 Herman Hintzen resigned during the 2024 AGM. Therefore, he received fees until 29 May 2024. Fees in 2024 include amounts received as Member of the A&RC (€ 4,168, reflecting a partial year) and the RC (€ 2,083, reflecting a partial year). Fees in 2023 are amounts received as Member of the A&RC (€ 10,000) and the RC (€ 5,000).
3 Fees in 2024 are amounts received as Chair of the A&RC (€ 15,000) and as Member of the Supervisory Board of ASR Basis/Aanvullende Ziektekostenverzekeringen N.V. (€ 6,000). Fees in 2023 are amounts received as Chair of the A&RC (€ 15,000) and as Member of the SB of ASR Basis/Aanvullende Ziektekostenverzekeringen N.V. (€ 6,000).
4 Fees in 2024 are amounts received as Chair of the RC (€ 10,000), and as Member of the N&ESGC (€ 5,000), as Member of the SB of ASR Basis/Aanvullende Ziektekostenverzekeringen N.V. (€ 6,000), as Member of the SB of PPI (€ 5,000), and as Member of the SB of Aegon Cappital (€ 5,000). Fees in 2023 are amounts received as Chair of the RC (€ 10,000), as Member of the N&ESGC (€ 5,000), as Member of the SB of ASR Basis/Aanvullende Ziektekostenverzekeringen N.V. (€ 6,000), and as Member of the SB of PPI (€ 5,000).
5 Fees in 2024 are amounts received as Member of the A&RC (€ 10,000), as Member of the N&ESGC (€ 5,000). Gerard van Olphen was appointed to the SB of Robidus on 1 July 2024. Fees in 2024 include amounts received as Member of the SB of Robidus (€ 2,500, reflecting a partial year). Fees in 2023 are amounts received as Member of the A&RC (€ 10,000) and as Member of the N&ESGC (€ 5,000).
6 Fees in 2024 include amounts received as Member of the N&ESGC (€ 5,000). Fees in 2023 include amounts received as a Member of the N&ESGC (€ 2,500, reflecting a partial year, since she was appointed as of 4 July 2023).
7 Fees in 2024 include amounts received as a Member of the A&RC (€ 10,000). Fees in 2023 include amounts received as a Member of the A&RC (€ 5,000, reflecting a partial year, since he was appointed as of 4 July 2023).
8 Bob Elfring was appointed to the SB on 29 May 2024. Fees in 2024 include amounts received as Member of the A&RC (€ 5,833, reflecting a partial year) and as Member of the RC (€ 2,917, reflecting a partial year).

B.1.3 Related party transactions

A related party is a person or entity that has significant influence over another entity, or has the ability to affect the financial and operating policies of the other party. Parties related to a.s.r. include associates, joint ventures, key management personnel, close family members of any person referred to above, entities controlled or significantly influenced by any person referred to above and any other affiliated entity.

The Group regularly enters into transactions with related parties during the conduct of its business. These transactions mainly involve loans, deposits and commissions, and are conducted on terms equivalent to those that prevail in at arm's length transactions.

Positions and transactions between a.s.r., associates, joint ventures and other related parties

The table below shows the financial scope of a.s.r.'s related party transactions:

- Associates;
- Joint ventures;
- Aegon Ltd. group and its group companies (since Aegon Ltd. has significant influence over a.s.r.).

Financial scope of a.s.r.'s related party transactions current year

	Associates	Joint ventures	Aegon Ltd. Group	Total
2024				
Balance sheet items with related parties as at 31 December				
Loans and receivables	46	1	8	55
Transactions in the income statement for the financial year				
Interest income	1	-	-	1
Fee income	39	-	22	61
Operating and other expenses	2	-	78	80

Financial scope of a.s.r.'s related party transactions prior year

	Associates	Joint ventures	Aegon Ltd. Group	Total
2023				
Balance sheet items with related parties as at 31 December				
Loans and receivables	44	1	4	49
Other liabilities	140	-	-	140
Transactions in the income statement for the financial year				
Fee income	75	-	12	87
Operating and other expenses	1	-	35	36

No provisions for impairments have been recognised on the loans and receivables for the years 2024 and 2023.

Aegon Ltd. group

Aegon Ltd. has an exclusive right until 4 July 2028 to nominate up to two members of the Supervisory Board (if Aegon Ltd. holds more than 20% of the shares it may nominate two members, if it holds 20% or less but more than 10% of the shares it may nominate one member). In addition, Aegon Ltd. has the right to designate its nominees for the Audit and Risk Committee and the ESG Committee if certain conditions are met. Furthermore, in case the incumbent CEO of a.s.r. does not serve the full term due to earlier resignation or dismissal, the appointment of the successor requires the unanimous vote of all Supervisory Directors in office.

Transitional service agreements (TSAs) safeguard the availability of services between a.s.r. and Aegon Ltd. group (including its subsidiaries), during the integration of the Aegon entities obtained with the business combination of 2023, such as IT infrastructure and asset management services. Prices are determined on an at arm's length basis. To ensure full disentanglement from the Aegon Ltd. group over the integration period, strict timelines and a strong governance have been put in place. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

The DB obligation of former Aegon NL classifies as multiple-employer contract. For more information, see section 7.5.15.1 of the annual report of a.s.r.

In 2024, a.s.r. paid € 188 million dividend to Aegon Ltd. (2023: € 68 million).

Key management personnel
The remuneration of the key management personnel is disclosed in section 7.7.5 of the annual report of a.s.r.

At 4 July 2023 the Management Board (MB) was introduced and replaced the Business Executive Committee (BEC). The three members of the Executive Board (EB) are also members of the MB. The members of the MB have mortgage loans with a.s.r. amounting to € 2,282 thousand (2023: € 2,413 thousand). The mortgages have been issued subject to normal employee conditions. The employee conditions include limits and thresholds to the amounts that qualify for a personnel interest-rate discount. For mortgage loans higher than € 340 thousand arm's length condition apply. The average interest on the mortgage loans for MB-members is 2.44% (2023: 2.45%). In 2024, the mortgage loans of MB-members were settled for an amount of € 131 thousand (2023: € 89 thousand). The Supervisory Board (SB) has no mortgage loans.

B.1.4 Consolidation method and aggregation of data
The diagram below provides an overview of the consolidation method at a.s.r. for Solvency II purposes.

Overview of consolidation method for Solvency II purposes

Entity	IFRS classification	Type of equity	Treatment SII
Insurance subsidiary	Subsidiary	Insurer	Full consolidation
ASR Vermogensbeheer N.V.	Subsidiary	Credit Institution	Adjusted net equity
ASR Real Estate N.V.	Subsidiary	Credit Institution	Adjusted net equity
ASR Vooruit B.V.	Subsidiary	Credit Institution	Adjusted net equity
ASR Premiepensioeninstelling N.V.	Subsidiary	Inst. for Occupational Retirement Prov.	Adjusted net equity
Aegon Hypotheken B.V.	Subsidiary	Credit Institution	Adjusted net equity
Aegon Cappital B.V.	Subsidiary	Inst. for Occupational Retirement Prov.	Adjusted net equity
Ancillary service entities >50%	Subsidiary	Ancillary services	Full consolidation
Ancillary service entities <50%	Participation	Ancillary services	Adjusted net equity
Various entities	Investment	n/a	Financial instrument

The classification of entities is based on Solvency II guidelines (Directive 2000/12/EG).

Since other entities do not have sectoral required or available capital which deviate from the SII volumes, the remaining entities are processed on the basis of full consolidation in accordance with IFRS principles and are part of the SCR calculation if applicable.

Furthermore, interpretation of a.s.r. is that all non-insurance entities have an ancillary character because they are supportive to the insurance process. In line all daughters who are not insurers, banks or asset managers, are classified as 'ancillary'. This includes for example entities of ASR Deelnemingen or the entities acquired in the distribution channel as part of integration of insurance chain (Dutch ID, Van Kampen Groep).

The interpretation above is based on the Solvency II definition of an ancillary entity: a non-regulated legal entity the principal activity of which consists in owning or managing property, managing data-processing services, health and care services, or any other similar activity which is ancillary to the principal activity of one or more insurance or reinsurance undertakings.

a.s.r. has many real estate entities. Given the definition of an ancillary entity (the main activity consists of the owning or managing property) a.s.r. classifies these entities as ancillary.

As part chain integration, a.s.r. did acquisitions in the distribution channel (for example Dutch ID, van Kampen). These entities are also 'supportive to the main process' and are classified as ancillary entity.

B.2 Fit and Proper requirements

a.s.r. has a policy that sets out principles and criteria to ensure that persons who effectively run the undertaking and other key functions are fit and proper. The fit and proper policy provides guidance on the assessment process and contributes to controlled and sound business operations and promotes the stability and integrity of a.s.r. as well as customer confidence.

a.s.r. assesses all employees (internal and external FTEs) for their reliability and integrity prior to their appointment and periodically during the course of employment. This includes persons who effectively run the undertaking and other key functions.

The fit and proper requirements that are imposed on persons who effectively run the undertaking and other key functions are included in the job profile, which is used as a basis for recruitment. a.s.r. has a program for the continuing education of persons who effectively run the undertaking and other key functions.

B.3 Risk management system

It is of great importance to a.s.r. that risks within all business lines are timely and adequately controlled. In order to do so, a.s.r. implemented a Risk Management (RM) framework based on internationally recognised and accepted standards (such as COSO ERM and ISO 31000 RM principles and guidelines). Using this framework, material risks that a.s.r. is, or can be, exposed to, are identified, measured, managed, monitored, reported and evaluated. The RM framework is both applicable to a.s.r. group and the underlying (legal) business entities.

B.3.1 Risk Management Framework
The figure shows the RM framework as applied by a.s.r.

Risk Management framework
The RM framework consists of risk strategy (including risk appetite), risk governance, systems and data, risk policies and procedures, risk culture, and RM process. The RM framework contributes to achieving the strategic, tactical and operational objectives as set out by a.s.r. The overall effectiveness of the RM framework is evaluated as part of the regular internal review of the system of governance.

Risk strategy (incl. risk appetite)
Risk strategy is defined to contain at least the following elements:
- Strategic, tactical and operational objectives that are pursued;
- The risk appetite in pursuit of those strategic, tactical and operational objectives.

a.s.r.'s risk strategy aims to ensure that decisions are made within the boundaries of the risk appetite, as stipulated annually by the EB and the MB (see chapter Risk strategy and risk appetite).

Risk governance
Risk governance can be seen as the way in which risks are managed, through a sound risk governance structure and clear tasks and responsibilities, including risk ownership. a.s.r. employs a risk governance framework that entails the tasks and responsibilities of the Risk Management organisation and the structure of the Risk committees (see chapter Risk governance).

Systems and data
Systems and data support the RM process and provide management information to the risk committees and other relevant bodies. a.s.r. finds it very important to have qualitatively adequate data, models and systems in place, in order to be able to report and steer correct figures and to apply risk-mitigating measures timely. To ensure this, a.s.r. has designed a policy for data quality and model validation in line with Solvency II. Tools, models and systems are implemented to support the RM process by giving guidance to and insights into the key risk indicators, risk tolerance levels, boundaries and actions, and remediation plans to mitigate risks (see chapter Systems and data).

Risk policies and procedures:
Risk policies and procedures are part of the a.s.r. policy house. Policy documents are submitted for approval to the relevant (risk) committee in accordance with the applicable governance. Policies are evaluated annually, tested against internal and external market developments, and changes in laws and regulations, and updated as necessary in accordance with the governance defined in the policy.

Each risk policy must include at least:

- The scope within a.s.r. to which the policy applies.
- A demonstrable and consistent link with relevant laws and regulations and/or strategy.
- Key requirements to achieve the policy's objectives.
- The risk categories to which the policy line applies
- Description of the method for controlling the risk.
- Specific risk tolerances and limits within the relevant risk categories in accordance with the risk appetite statements.
- The frequency and content of regular stress tests and the circumstances that would justify ad-hoc stress tests.
- The processes and reporting procedures applied.
- Exceptions and Escalations.

The classification of risks within a.s.r. is performed in line with, but is not limited to, the Solvency II risks. Each risk category consists of one or more policies or procedures that explicates how risks are identified, measured and controlled within a.s.r. (see chapter Risk policies and procedures).

Risk culture
An effective risk culture is one that enables and rewards individuals and groups for taking risks in an informed manner. It is a term describing the values, beliefs, knowledge, attitudes and understanding about risk. All the elements of the RM framework combined make an effective risk culture.

Within a.s.r. risk culture is an important element that emphasises the human side of Risk Management. The MB has a distinguished role in expressing the appropriate norms and values (tone at the top). a.s.r. employs several measures to increase the risk awareness and, in doing so, the risk culture (see chapter Risk culture).

Risk management process
The RM process contains all activities within the RM processes to structurally 1) identify risks; 2) measure risks; 3) manage risks; 4) monitor and report on risks; and 5) evaluate the risk profile and RM framework. At a.s.r., the RM process is used to implement the risk strategy in the steps mentioned. These five steps are applicable to the risks within the company to be managed effectively (see chapter Risk Management process).

Based on the integration of Aegon NL, the beneficial elements from Aegon's Risk Management (RM) framework are incorporated into the a.s.r. RM framework. The main developments in 2024 include the integration and refinement of risk appetite, risk management policies and procedures, control frameworks and reports, as well as the redesign and standardisation of the Governance, Risk, and Compliance (GRC) tooling Cerrix.

B.3.1.1 Risk management strategy and risk appetite

a.s.r.'s risk strategy aims to ensure that decisions are made within the boundaries of the risk appetite, as stipulated annually by the EB and the MB.

Risk appetite is defined as the level and type of risk a.s.r. is willing to bear in order to meet its strategic, tactical and operational objectives. The risk appetite is formulated to give direction to the management of the (strategic) risks. The risk appetite contains a number of qualitative and quantitative risk appetite statements and is defined for both financial (FR) and non-financial risks (NFR). The statements highlight the risk preferences and limits of the organisation and are viewed as key elements for the realisation of the strategy. The statements and limits are defined at both group level and at legal entity level and are determined by the a.s.r. risk committee and approved by the SB.

The statements are evaluated yearly to maintain alignment with the strategy. Since 2024, we have adopted a new, more detailed taxonomy for non-financial risks consisting of two levels. This means that in each risk report, risk colours are assigned to both level 1 risks and level 2 risks. The risk taxonomy at level 1 has remained largely the same, however the number of risk categories at this level (generic level) has changed from 8 to 6. The risk categories "Sustainability" and "Outsourcing" have been moved to level 2. The level 2 risk categories have been introduced. This second level provides more depth and substantiation of the 'main categories' (19 risks in total).

The NFR statements have not changed compared to 2023. The year 2024 focused on data collection and reporting of non-financial risks according to the new taxonomy. FR statements have not been changed at a.s.r. group level.

Risk appetite statement ASR Nederland N.V. 2024		
1a	ASR Nederland N.V. places long-term value creation at the forefront of its (strategic) operations and ensures that all stakeholders' interests (customer, society, employee, investors) are met in a balanced and sustainable way.	NFR
1b	ASR Nederland N.V. acts in accordance with the a.s.r. sustainability objectives and sufficiently manages its sustainability risks.	NFR
1c	ASR Nederland N.V. provides customers with a digital environment that handles matters easily and quickly, whereby the customer data quality is in order.	NFR
2a	ASR Nederland N.V. has effective and controlled (business) processes.	NFR
2b	ASR Nederland N.V. manages its internal and external outsourcing in a controlled and effective manner.	NFR
3	ASR Nederland N.V. processes information safely (in accordance with availability, confidentiality and integrity requirements) and is cyber threat resilient.	NFR
4	ASR Nederland N.V. has controlled projects (in terms of timeliness, budget and/ or quality).	NFR
5a	ASR Nederland N.V. has reliable financial reports, whereby IFRS and Solvency II data quality is in order.	NFR
5b	ASR Nederland N.V. maintains a moderate risk appetite for losses resulting from modelling incidents, including events such as flawed and/or inadequately documented methods, model design and development, assumptions and expert judgment; poor data quality; coding errors; inappropriate use of models; or misinterpretation of model results.	NFR
6a	ASR Nederland N.V. meets the legitimate expectations and interests of its stakeholders and puts customer interests first in its proposition. a.s.r. therefore offers products and services that are cost-efficient, useful, safe and understandable for customers, distribution partners, society and a.s.r. By acting with integrity, a.s.r.'s reputation is protected and strengthened.	NFR
6b	ASR Nederland N.V. only wants to do business with relationships who are honest and reliable. a.s.r. therefore does not enter into or continue a business relationship with parties involved in crimes, socially undesirable acts and/or unethical behavior, including money laundering and terrorist financing. a.s.r. takes appropriate measures to guarantee its sound and controlled business operations and thus protect and strengthen its reputation.	NFR
6c	ASR Nederland N.V. handles personal data with care, including those of its customers. a.s.r. processes personal data lawfully, fairly and transparently, taking into account the principles of purpose limitation, data minimization, accuracy and storage limitation and taking measures to ensure the integrity and confidentiality of personal data. By taking appropriate measures, a.s.r. maintains a sound and ethical operational management and thus protects and strengthens its reputation.	NFR

7	ASR Nederland N.V. has a minimum SCR ratio of 120%.	FR
8	ASR Nederland N.V. remains within the bandwidth of periodically reassessed market risk budgets.	FR
9	ASR Nederland N.V. has at least a single A rating and therefore holds an AA rating in accordance with the S&P Capital Model.	FR
10	ASR Nederland N.V. assesses the amount of dividend payments against the current and expected future solvency ratio and economic outlook. Dividend payments are in line with the conditions laid down in the capital and dividend policy of ASR Nederland N.V.	FR
11	ASR Nederland N.V. has a maximum financial leverage ratio of 40%. Financial leverage ratio = Debt / (Debt + Equity).	FR
12	ASR Nederland N.V. has a maximum double leverage ratio of 135%.Double leverage ratio = Total value of associates / (equity attributable to shareholders + hybrids and subordinated liabilities).	FR
13	ASR Nederland N.V. has a minimum interest coverage ratio of 4. Interest coverage ratio = EBIT operational / interest expense.	FR
14	a. ASR Nederland N.V. is capable of releasing liquidities worth up to € 2 billion over a 1-month period following stress. b. ASR Nederland N.V. remains capable of meeting its collateral requirements in the event of an (instant) increase of 3% interest rate.	FR
15	ASR Nederland N.V. generates a robust and high-quality operational ROE, i.e. pursues an overall ROE > 12% and seeks an ROE > 10% for individual investment decisions, where in exceptional cases an ROE > 8% is accepted.	FR
16	ASR Nederland N.V. (excl. ASR Ziektekosten) has a maximum combined ratio of 99%. The management target is 96%.	FR
17	ASR Nederland N.V. has a total SCR market risk which will be a maximum of 50% of the total risk.	FR

B.3.1.2 Risk governance

a.s.r.'s risk governance can be described by:

- risk ownership;
- the implemented three lines model and associated (clear delimitation of) tasks and responsibilities of key function holders; and
- the risk committee structure to ensure adequate decision making.

Risk ownership

The EB has the final responsibility for risk exposures and management within the organisation. Part of the responsibilities have been delegated to persons that manage the divisions where the actual risk-taking takes place. Risk owners are accountable for one or more risk exposures that are inextricably linked to the department or product line they are responsible for. Through the risk committee structure, risk owners provide accountability for the risk exposures.

Three lines model

The risk governance structure is based on the 'three lines' model. The three lines model consists of three lines with different responsibilities with respect to the ownership of controlling risks. The table below provides insight in the organisation of the three lines model within a.s.r.

Three lines model

First line • Executive Board / Management Board • Management teams of the business lines and their employees • Finance & risk decentral	**Ownership and implementation** • Responsible for the identification and the risks in the daily business • Has the day-to-day responsibility for operations (sales, pricing, underwriting, claims handling, etc.) and is responsible for implementing risk frameworks and policies.
Second line • Group Risk Management department - Risk management function - Actuarial function • Compliance - Compliance function	**Policies and monitoring implementation by 1st line** • Challenges the 1st line and supports the 1st line to achieve their business objectives in accordance with the risk appetite • Has sufficient countervailing power to prevent risk concentrations and other forms of excessive risk taking • Responsible for developing risk policies and monitoring the compliance with these policies
Third line • Audit department - Internal audit function	**Independent assessment of 1st and 2nd lines** • Responsible for providing dedicated assurance services and oversees and assesses the functioning and the effectiveness of the first two lines of defence

Positioning of key functions

Within the risk governance, the key functions (compliance, risk, actuarial and audit) are organised in accordance with Solvency II regulation. They play an important role as countervailing power of management in the decision-making process. The four key functions are independently positioned within a.s.r. In all the risk committees one or more key functions participate. The second line report to the CRO, which is a member of the management board. All key functions have direct communication lines with the EB and can escalate to the chairman of the Audit & Risk Committee of the SB. Furthermore, the key functions have regular meetings with the supervisors of the Dutch Central Bank (DNB) and / or The Dutch Authority for the Financial Markets (AFM).

Group Risk Management
GRM is responsible for the execution of the RM function (RMF) and the Actuarial Function (AF). The department is led by the RMF holder. At year-end GRM consists of the following four sub-departments:
- Operational Risk Management;
- Financial Risk Management;
- Model Validation;
- Methodology.

Operational Risk Management
Operational Risk Management (ORM) is responsible for second-line strategic and operational (including IT) RM and the enhancement of the risk awareness for a.s.r. and its subsidiaries. The responsibilities of ORM include the development of risk policies and procedures, the annual review and update of the risk strategy (risk appetite), the coordination of the SRA process leading to the risk priorities and emerging risks and Own Risk and Solvency Assessment (hereafter: ORSA) scenarios and the monitoring of the non-financial risk profile. For the management of operational risks, a.s.r. has a solid Risk-Control framework in place that contributes to its long-term solidity. The quality of the framework is continuously enhanced by the analysis of operational incidents, periodic risk assessments and monitoring by the RMF. ORM actively promotes risk awareness at all levels to contribute to the vision of staying a socially relevant insurer.

Financial Risk Management
Financial Risk Management (FRM) is responsible for the second line financial RM and supports both the AF and RMF. An important task of FRM is to be the countervailing power to the EB and management in managing financial risks for a.s.r. and its subsidiaries. FRM assesses the accuracy and reliability of the market risk, counterparty risk, insurance risk and liquidity risk, risk margin and best estimate liability. As part of the AF, FRM reviews the technical provisions, monitors methodologies, assumptions and models used in these calculations, and assesses the adequacy and quality of data used in the calculations. Furthermore, the AF expresses an opinion on the underwriting policy and determines if risks related to the profitability of new products are sufficiently addressed in the product development process. The AF also expresses an opinion on the adequacy of reinsurance arrangements. Other responsibilities of financial RM are e.g. support monitoring Solvency II compliancy (e.g. changes in Solvency II regulation), updating policies on valuation and risk, activities related to the DNB, assessment of the ORSA (financial parts), assessment of strategic initiatives.

Model Validation
Model Validation (MV) is responsible for performing validation activities or having them carried out in accordance with the drawn up annual model validation plan. MV is responsible for supervising compliance with the model validation policy, discussing and challenging the (draft) validation reports and advising the Model Committee. The MV is a separate sub-department within GRM. The MV is part of the RMF and operates independent of the AF.

Methodology
Methodology is responsible for establishing methodologies for Partial Internal Model (hereafter: PIM). The Methodology department is responsible for setting up the internal model, including documentation and maintenance of the documentation. It also handles continuous education by: (1) updating training materials; (2) providing training sessions; (3) assessing the suitability of training levels. Additionally, it analyses the functioning of the internal model, periodically calibrates the internal model parameters, monitors the suitability of the internal model, and conducts annual comparisons of PIM and SF results.

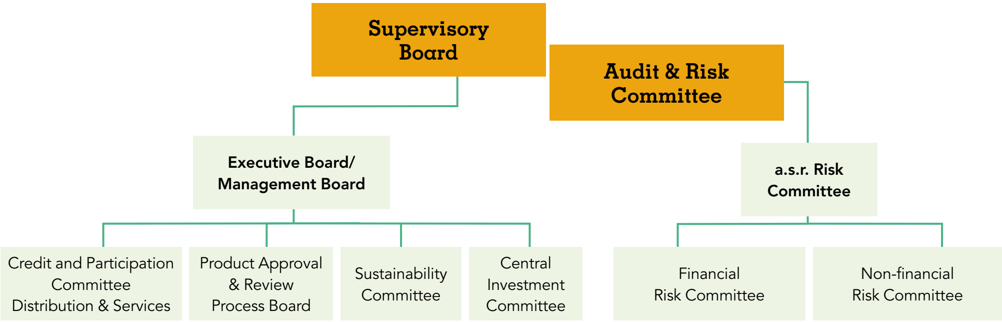
Compliance
The responsibilities of Compliance include the development of compliance policies and procedures, the annual review and update of the compliance risk strategy (risk appetite) and the monitoring of the non-financial risk profile concerning compliance risks. An important task of Compliance is to be the countervailing power to the EB and other management in managing compliance risks for a.s.r. and its subsidiaries. The mission of the compliance function is to enhance and ensure a controlled and sound business operation.

As second line, Compliance encourages the organisation to comply with relevant rules and regulations, ethical standards and the internal standards derived from them ('rules') by providing advice and formulating policies. Compliance supports the first line in the identification of compliance risks and assesses the effectiveness of RM on which Compliance reports to the relevant risk committees. In doing so, Compliance uses a compliance risk and monitoring framework. In line with RM, Compliance also creates further awareness to comply with the rules and desired ethical behaviour. Compliance coordinates interaction with regulators in order to maintain effective and transparent relationships with those authorities.

Audit
The Audit department, the third line, provides an independent opinion on governance, risk and management processes, with the goal of supporting the EB and other management of a.s.r. in achieving the corporate objectives. To that end, Audit evaluates the effectiveness of governance, risk and management processes, and provides pragmatic advice that can be implemented to further optimise these processes. In addition, senior management can engage Audit for specific advisory projects.

Risk committee structure
a.s.r. has established a structure of risk committees with the objective to monitor the risk profile for a.s.r. group, its legal entities and its business lines in order to ensure that it remains within the risk appetite and the underlying risk tolerances and risk limits. When triggers are hit or likely to be hit, risk committees make decisions regarding measures to be taken, being risk-mitigating measures or measures regarding governance, such as the frequency of their meetings. For each of the risk committees a statute is drawn up in which the tasks, composition and responsibilities of the committee are defined. In the first half of 2024 the committee structure was further rationalised, which led to the elimination of the separate committees for Aegon entities.

Risk committee structure



Audit & Risk Committee

The Audit & Risk Committee was established by the Supervisory Board to gain support, among other things, in the following matters:

- Assessment of the risk appetite proposal and quarterly monitoring of the risk profile;
- Assessment of the annual report, including the financial statements of a.s.r.;
- The relationship with the independent external auditor, including the assessment of the quality and independence of the independent external auditor and the proposal by the SB to the AGM to appoint the independent external auditor;
- The performance of the audit function, compliance function, the AF and the RMF;
- Compliance with rules and regulations; and
- The financial position.

The Audit & Risk Committee has four members of the SB, one of whom acts as the chairman.

a.s.r. risk committee

The a.s.r. risk committee monitors a.s.r.'s overall risk profile on a quarterly basis. At least annually, the a.s.r. risk committee determines the risk appetite statements, limits and targets for a.s.r. This relates to the overall a.s.r. risk appetite and the subdivision of risk appetite by financial and non-financial risks. The risk appetite is then submitted to the a.s.r. Audit & Risk Committee, which advises the SB on the approval of the risk appetite. The a.s.r. risk committee also monitors the progress made in managing risks included in the risk priorities and emerging risks of the EB.

All members of the MB participate in the a.s.r. risk committee, which is chaired by the CEO. The involvement of the EB ensures that risk decisions are being addressed at the appropriate level within the organisation. In addition to the EB, the Key Functions (Risk management, Compliance, Internal audit, Actuarial function) are members of the Committee.

Non-Financial Risk Committee

The Non-Financial Risk Committee (NFRC) discusses, advises and decides upon non-financial risk policies and procedures. The most relevant non-financial risk policies are approved by the a.s.r. risk committee. The NFRC monitors a.s.r.'s overall non-financial risk profile, in particular whether non-financial risks of a.s.r. and the business entities are managed adequately and whether the risk profile stays within the agreed risk limits. If the risk profile exceeds the limits, the NFRC takes mitigating actions. The NFRC reports to the a.s.r. risk committee. The NFRC is chaired by a member of the EB. The NFRC discusses the most important risks from the underlying non-financial risk committees (Business Risk Committee (BRC).

Financial Risk Committee

The Financial Risk Committee (FRC) discusses, advises and decides upon financial risk policies. The most relevant financial risk policies are approved by the a.s.r. risk committee. The FRC monitors that financial risks of a.s.r. and the business entities are managed adequately and monitors that the risk profile stays within the agreed risk limits. If the risk profile exceeds the limits, the NFR takes mitigating actions. The FRC reports to the a.s.r. risk committee. The Chairman of the FRC is the CFO. In mid-2024, the committee structure was further rationalised. The FRC now oversees the financial risk for all entities, leading to the dissolution of the separate committees for Aegon entities.

Credit and Participation Committee Distribution & Services

In the Credit and Participation Committee Distribution & Services (hereafter: CPC D&S), acquisition, credit, and combined participation and credit proposals (D&S proposals) within the scope of the Distribution and Services segment of a.s.r. (D&S segment) are assessed. The CPC D&S is authorised to decide on proposals with a total investment between € 2 million and € 7.5 million. The management of D&S is independently authorised for decisions up to € 2 million. Decisions on proposals above € 7.5 million are reserved for the Board of Directors, with advice from the CPC D&S. The chair of the CPC D&S is the CFO of a.s.r.

Product Approval and Review Process Board

The Product Approval & Review Process Board (PARP Board) is responsible for the final decision-making process around the introduction of new products and adjustments in existing products. The committee evaluates if potential risks in newly developed products are sufficiently addressed. New products need to be developed in such a way that they are cost efficient, reliable, useful and secure for our clients. New products also need to have a strategic fit with a.s.r.'s mission to be a solid and trustful insurer. In addition, the risks of existing products are evaluated, as requested by the PARP as a result of product reviews. The PARP Board is chaired by the managing Director of Services.

Sustainability Committee

The Sustainability Committee (hereafter: SC) aims to review and advise on central and decentralised draft policies related to sustainability before these policies are submitted for approval to the Board of Directors or the competent committee. Additionally, dilemmas, complications, and conflicting interests in the field of sustainability (including ESG and CDD/KYC) that arise at a.s.r. and/or one of the (sub)committees are discussed. The chair of the SC is the Director of Communications.

Central Investment Committee

In addition to the risk committee structure, the Central Investment Committee (CIC) monitors tactical decisions and the execution of the investment policy. It takes investment decisions within the boundaries of the strategic asset allocation as agreed upon in the FRC. The CIC bears particular responsibility for investment decisions exceeding the mandate of the investment department. The CIC is chaired by the CFO.

B.3.1.3 Systems and data

GRC tooling is implemented to support the RM process by giving guidance and insight into the key risk indicators, risk tolerance levels, boundaries and actions and remediation plans to mitigate risks. The availability, adequacy and quality of data and IT systems is important in order to ensure that correct figures are reported and risk mitigating measures can be taken in time. It is important to establish under which conditions the management information that is submitted to the risk committees has been prepared and which quality safeguards were applied in the process of creating this information. This allows the risk committees to ascertain whether the information is sufficient to base further decisions upon.

a.s.r. has a Data Quality policy in place to support the availability of correct management information. This policy is evaluated on an annual basis and revised at least every three years to keep the standards in line with the latest developments on information management. The quality of the information is reviewed based on the following aspects, based on Solvency II:

- completeness (including documentation of accuracy of results)
- adequacy
- reliability
- timeliness

Adherence to this policy is ensured by the three lines model. With a Central Data Office, additional measures are taken to increase maturity in data management practices.

The data risk governance and committee structure in place ensures that ownership and decision making regarding assumptions and the plausibility of the results is effectively organised.

The information involved tends to be sensitive. To prevent unauthorised persons from accessing it, it is disseminated using a secure channel or protected files. a.s.r.'s information security policy contains guidelines in this respect.

a.s.r.'s information security policy is based on relevant laws and market standards, like ISO 2700x, COBIT 2019, NIST Cybersecurity framework, SOC2 principles, PCI DSS, COSO, BS 25999, ISO 31000, ITIL. These standards describes best practices for the implementation of information security. For the Digital Operational Resilience Act (hereafter: DORA), important changes in 2024 per DORA pillar are:

- ICT Risk Management: a strengthened, centralised, and top-down approach has been adopted through an IT Risk Framework for ICT governance and risk management. Best practice controls are now mandatory and implemented via comply-or-explain principles.
- Incident Management: IT incident monitoring has been intensified with a new process to promptly notify and report major DORA incidents to regulators. There is now more focus on business continuity rather than solely IT continuity.
- Digital Resilience: focus on the critical and important business functions, with controls formalised or adjusted as necessary to comply with DORA.
- Management of Third-Party Risk: concentration risks and critical suppliers have been identified. Reporting has been improved, and a processing register along with mandatory reporting templates have been implemented. Where necessary, contracts with third-party suppliers have been revised.
- ICT Information Sharing: information exchange between a.s.r., other financial institutions, and regulators has been improved, with active contributions to collaborations.

From 2025, a.s.r. meets the DORA regulations, and DORA will be part of a.s.r.'s information security policy.

There are technical solutions for accomplishing this, by enforcing a layered approach (defence-in-depth) of technical measures to avoid unauthorised persons to compromise a.s.r. data and systems. In this perspective, one may think of methods of logical access management, intrusion detection techniques, in combination with firewalls are aimed at preventing hackers and other unauthorised persons from accessing information stored on a.s.r. systems. Nevertheless, confidential information can also have been committed to paper. On top of technical measures a.s.r. implemented physical measures and measures that help create the desired level of awareness of personnel as part of the information security environment. The resilience of these measures is actively tested.

When user defined models (e.g. spreadsheets) are used for supporting the RM framework, the 'a.s.r. Standard for End user computing' defines and describes best practices in order to guard the reliability and confidentiality of these tools and models. a.s.r. recognises the importance of sound data quality and information management systems.
The management of IT and data risks of the implemented tools, models and systems (including data) is part of the Operational (IT) RM.

B.3.1.4 Risk policies and procedures

a.s.r. has established guidelines, including policies that cover all main risk categories (market, counterparty default, liquidity, underwriting, strategic and operational). These policies address the accountabilities and responsibilities regarding management of the different risk types. Furthermore, the methodology for risk measurement is included in the policies. The content of the policies is aligned to create a consistent and complete set. GRM maintains the risk policies, Compliance maintains the compliance policies and both GRM and Compliance monitor the proper implementation in the business. New risk policies or updates of existing risk policies are approved by the risk committees as mentioned previously. a.s.r. has drawn up an integrated policy calendar which includes all risk related documents. This guarantees that policies are drawn up and reassessed in a timely manner and that tasks and responsibilities are clear.

a.s.r. employees gain risk management knowledge and skills through the implementation of risk management policies, procedures and practices and the execution and testing of controls within business processes for sound and controlled business operations. Training courses that cover the main risk-related topics, presentations, workshops, gamification and the use of governance, risk & compliance tooling also contribute to this. Courses include, for example, sustainability risk specifically ESG factors to better understand and identify material risks. In addition, risk management employees keep their knowledge and skills up to date through training courses - including in the context of permanent education - that cover specific risk-related topics.

B.3.1.5 Risk culture

Risk awareness is a vital component of building a sound risk culture within a.s.r. that emphasises the human aspect in the management of risks. In addition to gaining sufficient knowledge, skills, capabilities and experience in RM, it is essential that an organisation enables objective and transparent risk reporting in order to manage them more effectively.

The MB clearly recognises the importance of RM and is therefore represented in all of the major group level risk committees. Risk Management is involved in the strategic decision-making process, where the company's risk appetite is always considered. The awareness of risks during decision-making is continually addressed when making business decisions, for example by discussing and reviewing risk scenarios and the positive and / or negative impact of risks before finalising decisions.

It is very important that this risk awareness trickles down to all parts of the organisation, and therefore management actively encourages personnel to be aware of risks during their tasks and projects, in order to avoid risks or mitigate them when required. The execution of risk analyses is embedded in daily business in, for example, projects, product design and outsourcing.

In doing so, a.s.r. aims to create a solid risk culture in which ethical values, desired behaviours and understanding of risk in the entity are fully embedded. Integrity is of the utmost importance at a.s.r.: this is translated into a code of conduct and strict application policies for new and existing personnel, such as taking an oath or solemn affirmation when entering the company, and the 'fit and proper' aspect of the Solvency II regulation, ensuring that a.s.r. is overseen and managed in a professional manner.

Furthermore, a.s.r. believes it is important that a culture is created in which risks can be discussed openly and where risks are not merely perceived to be negative and highlight that risks can also present a.s.r. with opportunities. Risk Management (both centralised and decentralised) and Compliance are positioned as such, that they can communicate and report on risks independently and transparently, which also contributes to creating a proper risk culture.

B.3.1.6 Risk management process

The RM process typically comprises of five important steps: 1) identifying; 2) measuring; 3) managing; 4) monitoring and reporting; and 5) evaluating. a.s.r. has defined a procedure for performing risk analyses and standards for specific assessments. The five different steps are explained in this chapter.

Identifying
Management should endeavour to identify all possible risks that may impact the strategic, tactical and operational objectives of a.s.r., ranging from the larger and / or more significant risks posed on the overall business, down to the smaller risks associated with individual projects or smaller business lines. Risk identification comprises of the process of identifying and describing risk sources, events, and the causes and effects of those events.

Measuring
After risks have been identified, quantitative or qualitative assessments of these risks take place to estimate the likelihood and impact associated with them. Methods applicable to the assessment of risks are:
- Sensitivity analysis
- Stress testing
- Scenario analysis
- Expert judgments (regarding likelihood and impact)
- Portfolio analysis

Managing
Typically, there are four strategies to managing risk:
- *Accept*: risk acceptance means accepting that a risk might have consequences, without taking any further mitigating measures.
- *Avoid*: risk avoidance is the elimination of activities that cause the risk.
- *Transfer*: risk transference is transferring the impact of the risk to a third party.
- *Mitigate*: risk mitigation involves the mitigation of the risk likelihood and / or impact.

RM strategies are chosen in a way that ensures that a.s.r. remains within the risk appetite tolerance levels and limits.

Monitoring and reporting
The risk identification process is not a continuous exercise. Therefore, risk monitoring and reporting are required to capture changes in environments and conditions. This also means that RM strategies could, or perhaps should, be adapted in accordance with risk appetite tolerance levels and limits.

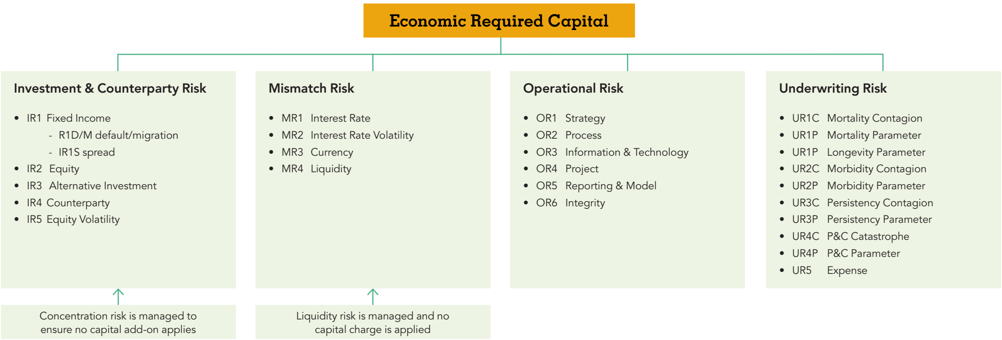
Evaluating
The evaluation step is twofold. On the one hand, evaluation means risk exposures are evaluated against risk appetite tolerance levels and limits, taking (the effectiveness of) existing mitigation measures into account. The outcome of the evaluation could lead to a decision regarding further mitigating measures or changes in RM strategies. On the other hand, the RM framework (including the risk management processes) is evaluated by the RM function, in order to continuously improve the effectiveness of the RM framework as a whole.

B.3.2 a.s.r.'s risk categories

a.s.r. is exposed to a variety of risks. Aegon life and Aegon spaarkas use a PIM to calculate the solvency position. a.s.r. is currently in the process of expanding the PIM to a.s.r. life. In 2024, the Internal Model Approval Process (IMAP) for a.s.r. life has started. The project aims to implement the expanded model for FY 2025, subject successful completion of the project and approval by DNB. Introduction of PIM to a.s.r. life results in a positive outlook for FY 2025.

As a result of PIM, the risk universe of Aegon life and Aegon spaarkas is therefore different and captures all material risks that the company is exposed to. The emerging risk process ensures that the risk universe will remain up to date. An overview of Aegon life and Aegon spaarkas risk universe is provided in the following graph.

Risk universe PIM entities



For the other insurance entities there are six main risk categories that a.s.r. recognises, as described below and furhter explained in the following risk paragraphs. The most important risks from the risk universe for the PIM entities are explained within these six risk categories used for the Solvency II Standard Formula (SF). In addition, a.s.r. recognises sustainability risks arising from environmental, social or governance (ESG) events or conditions. These risks can be financial and non-financial and can be both strategic and operational. This means that all six main risk categories that a.s.r. recognises can be affected by sustainability risks. In chapter 6 of the annual report and in the paragraph climate change, a.s.r. briefly describes how a.s.r. identifies, measures and manages climate risks and opportunities for its business.

a.s.r. is working on integrating the different risk categories into a single overarching risk taxonomy. This harmonised overarching taxonomy will consist of both the Solvency II SF risk categories and the risk categories from the PIM and is expected to be implemented in 2025.

Insurance risk

Insurance risk is the risk that premium and / or investment income or outstanding reserves will not be sufficient to cover current or future payment obligations, due to the application of inaccurate technical or other assumptions and principles when developing and pricing products. a.s.r. recognises the following insurance risks:

- Life insurance risk
- Health insurance risk
- Non-life insurance risk

Market risk

The risk of changes in values caused by market prices or volatility of market prices differing from their expected values. The following types of market risk are distinguished:

- Interest rate risk
- Equity risk
- Property risk
- Spread risk
- Currency risk
- Concentration risk / market concentration risk

Counterparty default risk

Counterparty default risk is the risk of losses due to the unexpected failure to pay or credit rating downgrade of counterparties and debtors. Counterparty default risk exists in respect of the following counterparties:

- Reinsurers
- Consumers
- Intermediaries
- Counterparties that offer cash facilities
- Counterparties with which derivatives contracts have been concluded
- Healthcare providers
- Zorginstituut Nederland

Liquidity risk

Liquidity risk is the risk that a.s.r. is not able to meet its financial obligations to policyholders and other creditors when they become due and payable, at a reasonable cost and in a timely manner.

Operational risk

Operational risk is the risk of losses caused by weak or failing internal procedures, weaknesses in the action taken by personnel, weaknesses in systems or because of external events. The following subcategories of operational risk are used:

- Process
- Information technology
- Project
- Reporting & Model
- Integrity

Strategic risk

Strategic risk is the risk of a.s.r. or its business lines failing to achieve the objectives due to incorrect decision-making, incorrect implementation and / or an inadequate response to changes in the environment. Such changes may arise in the following areas:

- Macro-economic
- Geopolitical instability
- Climate change and energy transition
- Cyber and information security
- Regulation
- Biodiversity
- Social tensions
- Pandemics

Strategic risk may arise due to a mismatch between two or more of the following components: the objectives (resulting from the strategy), the resources used to achieve the objectives, the quality of implementation, the economic climate and / or the market in which a.s.r. and / or its business lines operate.

B.3.3 Climate change & Biodiversity

In addition to the six main categories, a.s.r. recognises sustainability risks arising from environmental, social or governance (ESG) events or conditions. These risks can be financial and non-financial and can be both strategic and operational. This means that all six main risk categories that a.s.r. recognises can be affected by sustainability risks.

Climate-related risks are divided into physical, transition and reputational risks. Physical risks arise from more frequent and severe climate events. Physical risks can be acute, such as extreme weather events, or chronic when they arise from gradual changes such as water shortages or rising temperatures. Transition risks result from the process of adjustment towards a climate-neutral society. The failure to appropriately address these adjustments can result in reputational risk.

Technical provisions

The net impact of climate change and biodiversity loss on the current Solvency II Technical Provisions or SCR estimation is considered to be limited. In the previous years several assessments have been performed that substantiate this. E.g. the impact of sustainability factors on the portfolio has been assessed. Based on the portfolio characteristics and product features the potential adverse effect on the value of liabilities has been assessed. In addition an assessment is made to identify the the impact of sustainability factors to the prudential risks. Based on these and other analysis the limited net impact is confirmed. For the Life and Pension business the impact of climate change on life expectancy is considered to be limited. Increased inflation caused by social or geopolitical factors is adequately valued in the liabilities. The inflation sensitivity of the technical provisions is hedged with inflation swaps and inflation bonds. The Non-life business is characterised by a short contract boundary, most premiums can therefore yearly be adjusted to the gradually impact of climate change.

In 2024 the double materiality assessment was finalised, including the financial materiality assessment (see section 6.1.4.3 of the a.s.r. annual report). The double materiality assessment did not result in different conclusions regarding the scope of the Actuarial Function. The material financial risks that were identified are related to climate change, biodiversity loss and consumers and/or end-users. These risks are related to future developments (medium- and long term horizons) and are not directly related to the current Solvency II Technical provisions. E.g. the future development of climate change does not have impact on current frequency and severity of events. The Actuarial Function has continuously attention for developments of ESG risks and the potential impact on the technical liabilities, the reinsurance contracts and pricing- and underwriting policies.

Based on the assessments a.s.r. does not consider ESG to have impact on the method or results of current Solvency II Technical Provisions or SCR estimation. The ESG risks are expected to be within the limits of the Solvency II Capital Requirement. This conclusion is applicable to both the a.s.r and Aegon portfolios.

Reference is made to section 6.1.3.4 of the a.s.r. annual report for more information how a.s.r. identifies, measures and manages climate risks and opportunities for its business.

Risk assessments

Transition risks apply in particular to investments and financing. The scenario analysis for transition risks is performed by considering the proposal from the Strategic Asset Allocation (SAA) 2024 under four climate scenarios. The dynamically managed market risk budgets are resilient to the climate impact with regard to the development of the SII ratio over the coming 20 years.

The ORSA assesses the overall solvency needs of a.s.r. in the context of the strategic plans making allowance for the current and expected solvency positions, the risk appetite and solvency targets. Physical climate risks are mainly associated with the Non-life portfolio and adequately priced in the products. Physical climate risks (a major storm and major flood) are assessed in the ORSA combined business scenario's for the Non-life portfolio. Within life and health insurance, the impact is mainly in the longer term and was not quantified in the standard ORSA horizon of 5 years. Therefore, since the ORSA 2023, a.s.r. introduced a climate scenario with a horizon of 10 years. Starting point for this climate scenario is the failed transition, which is the most negative scenario from the SAA study. In addition a.s.r. Real estate, Non-Life, Health and Disability are exposed to physical climate risk.

As part of the CSRD project a.s.r. started the double materiality assessment in 2023 and finalised the assessment in 2024. This assessment led to identification of material sustainability topics that are included in the Sustainability Statements (chapter 6 of the a.s.r. annual report). Furthermore, a.s.r. is in the process of integrating the risk management activities related to CSRD sustainability reporting in its existing integrated risk management framework and governance. In 2024 risks have been identified and controls have been determined to ensure the correctness, completeness and timeliness of the sustainability reporting in particular with respect to newly disclosed items. The aforementioned risks and controls have been included in the reporting manuals which have been drafted at the level of each individual product line. Furthermore, a governance structure has been in place for addressing sustainability matters, including reporting. a.s.r. is in the process of integrating the risk management activities related to CSRD sustainability reporting in its existing integrated risk management framework and governance. By having this fully integrated it will enhance organisational efficiency, strengthen reliable reporting, and ensure compliance with the regulatory requirements.

Overall, climate risks as a result of climate change and the energy transition are incorporated into a.s.r.'s risk appetite and part of the regular risk management processes such as the annual group-wide SRA process. Material climate risks identified in the SRA process, including storms and floods, are incorporated into the scenario analysis of the ORSA and quantified by the business actuary teams.

B.4 Internal control system

Within a.s.r., internal control is defined as the processes, affected by the board of directors, senior management, and other personnel within the organisation, implemented to obtain a reasonable level of certainty with regard to achieving the following objectives:

- High-level goals, aligned with and supporting the organisation's mission
- Effective and efficient use of resources
- Reliability of operational and financial reporting
- Compliance with applicable laws regulations and ethical standards
- Safeguarding of company assets

B.4.1 Strategic and operational risk management

The system of internal control includes the management of risks at different levels in the organisation, both operational and strategic.

B.4.1.1 Strategic Risk Management

Strategic risk management aims to identify and manage the most important risks that may impact a.s.r.'s strategic objectives. The process of strategic risk analysis (SRA) is designed to identify, measure, manage, monitor, report and evaluate those risks that are of strategic importance to a.s.r.:

Identifying

Through the SRA process, identification of risks is structurally organised through the combined top-down and bottom-up SRA approach. The SRA outcomes are jointly translated into 'risk priorities' and 'emerging risks', in which the most important risks for a.s.r. are represented.

Measuring

Through the SRA process, the likelihood and impact of the identified risks are assessed, taking into account (the effectiveness of) risk mitigating measures and planned improvement actions. Information from other processes is used to gain additional insights into the likelihood and impact. One single risk priority can take multiple risks into account. In this manner, the risk priorities provide (further) insights into risk interdependencies.

Managing

As part of the SRA processes, the effectiveness of risk mitigating measures and planned measures of improvement is assessed. This means risk management strategies are discussed, resulting in refined risk management strategies.

Monitoring and reporting

The output of the SRA process is translated into day-to-day risk management and monitoring and reporting, both at group level and product line levels. At group level, the risk priorities are discussed in the a.s.r. risk committee and the Audit & Risk Committee. At the level of the product lines, risks are discussed in the BRC's.

Evaluating

Insights regarding likelihood and impact are evaluated against solvency targets in the SRA process. Based on this evaluation, conclusions are formulated regarding the adequacy of solvency objectives at group and individual legal entity level.

Climate change

One of the areas within Strategic Risk Management concerns climate change. For a.s.r., climate change is a direct and indirect risk, both to its assets and liabilities. In section 5.4.3 Identified risks of the Annual report of a.s.r. and 6.2.1 Climate cahnge of the Annual report of a.s.r., the relevant climate related risks for a.s.r. are discussed including how these risks are managed. Climate change related risks have had no direct impact on the valuation in the current accounting and disclosures of a.s.r.'s assets and liabilities.

B.4.1.2 Operational Risk Management

Operational Risk Management (ORM) involves the management of all possible risks that may influence the achievement of the business goals and that can cause financial or reputational damage. ORM includes the identification, analysis, prioritisation and management of these risks in line with the risk appetite. The policy on ORM is drafted and periodically evaluated under the coordination of ORM. The policy is implemented in the (decentralised) business entities under the responsibility of the management boards. A variety of risks is covered by ORM policies, such as the Process, IT, outsourcing, project, reporting etc.

Identifying

With the operational targets as a starting point, each business entity performs risk assessments to identify events that could influence these targets. In each business entity the first line risk manager facilitates the periodic identification of the key operational risks. All business processes are taken into account to identify the risks. All identified risks are prioritised and recorded in a risk-control framework.

The risk policies prescribe specific risk analyses to be performed to identify and analyse the risks. For IT systems, Information Security Analyses (DIVA – Dienstverlening en Informatie Veiligheids Analyse) have to be performed and for large outsourcing projects a specific risk analysis is required.

Measuring

All risks in the risk-control frameworks are assessed on likelihood and impact. Where applicable, the variables are quantified, but often judgments of subject matter experts are required. Based on the estimation of the variables, each risk is labelled with a specific level of concern (1 to 4). Gross risks with a level of concern 3 or 4 are considered 'key'.

Managing

For each risk, identified controls are implemented into the processes to keep the level of risk within the agreed risk appetite (level of concern 1 or 2). In general, risks can be accepted, mitigated, avoided or transferred. A large range of options is available to mitigate operational risks, depending on the type. An estimation is made of the net risk, after implementing the control(s). A more effective and efficient approach to managing risks is required driven by increased complexity of processes, data processing and the need for a timely and accurate view on the risk profile. a.s.r. is therefore in the process of shifting towards a more automated approach to manage risks, for example automated controls, data analysis and the use of AI for reporting purposes.

Monitoring and reporting

The effectiveness of operational risk management is periodically monitored by a first line risk manager at each business line or legal entity. For each key control in the risk-control framework a testing calendar is established based on auditing standards. Each key control is tested regularly and the outcomes of the effectiveness of the management of key risks are reported to the (local) management. Outcomes are also reported to the NFRC and a.s.r. risk committee.

Evaluating

Periodically, yet at least annually, the risk-control frameworks and ORM policies are evaluated to see if revisions are necessary. The risk management function also challenges the business lines and legal entities regarding their risk-control frameworks.

Operational incidents
Operational incidents are reported to GRM, in accordance with the operational risk policy. Root cause analyses are performed to evaluate the causes of losses in order to learn from these experiences. An overview of the largest operational incidents and the level of operational losses is reported to the NFRC. Actions are defined and implemented to avoid repetition of operational incidents.

ICT
Through IT risk management, a.s.r. devotes attention to the confidentiality, integrity and availability of ICT, including End User Computations. The logical access control for key systems used in the financial reporting process remains a high priority in order to enhance the integrity of applications and data. The logical access control procedures also prevents fraud by improving segregation of duties and by offsetting current and desired access levels within the systems and applications. Proper understanding of information, security and cyber risks is essential and the reason for which continuous actions are carried out to create awareness among employees. All of a.s.r.'s security measures are tested periodically. To increase cyberresilience, a.s.r. is participating in de DNB Threat Intel Based Ethical Red Teaming exercise.

Business Continuity Management
Operations and the execution of critical processes can be disrupted significantly by unforeseen circumstances or calamities. Preparation and practice enable a.s.r. to resume its most important business activities with limited interruptions and to react quickly and effectively during such situations.

Critical processes and the people, assets and technology needed to run them are identified during the Business Impact Analysis. The factors and calamities that can threaten the availability these processes are identified in the Threat Analysis. If the impact of certain events can be unacceptable large, mitigating actions are taken. In response to the large dependence of a.s.r of automated systems, cyber threats are always addressed during these analyses.

a.s.r. defines a crisis as: one or more business lines are (in danger of being) disrupted due to a calamity or potentially suffering reputational damage beyond the acceptable. In order to manage the crisis, and to be able to react timely, efficiently and effectively, a.s.r. has set up a crisis organisation.

There is a central crisis team led by a member of the board. Additionally each business line has its own team to deal with smaller crises. The measures to ensure continuity of critical processes are tested regularly and all crisis teams are trained annually to be able to act effectively during such situations. The plans to deal with the various scenarios, including cyber threats, are also practiced periodically.

Recovery and Resolution
a.s.r. has to comply with Dutch legislation that addresses the recovery and settlement of insurance companies ('Wet herstel en afwikkeling van verzekeraars' in Dutch). The objective is that insurance companies and supervisors are better prepared against a crisis and that insurance companies can recover from a crisis without government aid. On 5 April 2023 a new policy rule on resolvability of insurance companies was published. The policy rule specifies the criteria DNB has to take into account when identifying impediments to resolution in relation to Dutch insurance companies.

As part of the legislation a.s.r. is obliged to have a Preparatory Crisis Plan ('Voorbereidend Crisisplan' in Dutch) in place that has been approved by DNB. In 2024, a.s.r.'s Preparatory Crisis Plan is updated and helps to be prepared and supports the organisation in various scenarios of extreme financial stress. The Preparatory Crisis Plan describes and quantifies the measures that can be applied to handle a crisis situation and to resume business. These measures are tested in the scenario analysis, in which the effects of each recovery measure on a.s.r.'s financial position (solvency and liquidity) are quantified. The required preparations for implementing the measures, their implementation time and effectiveness, potential obstacles, impact on clients and operational effects are also assessed. The main purpose of the Preparatory Crisis Plan is to increase the chances of early intervention in the event of a financial crisis situation and to further guarantee that the interest of clients and other stakeholders are protected.

Reasonable assurance and model validation
a.s.r. aims to obtain reasonable assurance regarding the adequacy and accuracy of the outcomes of models that are used to provide best estimate values and solvency capital requirements. To this end, multiple instruments are applied, including model validation. Triggers for model (re)validation are diverse, e.g. regulation, conversions, analysis of change. Materiality is determined by means of an assessment of impact and complexity. Impact and complexity is expressed in terms of High (H), Medium (M), or Low (L).

In the pursuit of reasonable assurance, model risk is mitigated and unacceptable deviations are avoided, against acceptable costs.

B.4.2 Compliance function
The Compliance department is a centralised function within a.s.r., headed by the Compliance key function-holder. Being part of the second line, Compliance is considered a key function in line with the Solvency II regulation. The Compliance key function holder is hierarchically managed by and reports to the Chief Risk Officer (CRO), a Member of the Management Board (MB). The CRO ensures that the Compliance annual plan proposed by the Compliance key function holder is adopted by the MB.

The compliance key function holder also has an escalation line to the CEO, the Chair of the Audit & Risk Committe (AR&C) and/or the Chair of the Supervisory Board (SB) in order to safeguard the independent position of the compliance function and to allow it to operate autonomously.

To enhance and ensure sound and controlled business operations, Compliance is responsible for:

- Encouraging compliance with relevant legislation and regulation, self-regulation, ethical standards and the internal standards derived from them (the rules) by providing advice and drafting policies.
- Creating awareness of the need to comply with the rules and desired ethical behaviour, including monitoring compliance with the rules.
- Monitoring management of compliance risks by further developing adequate compliance risk management, including, where necessary, advising on business measures and actions where necessary.
- Interaction with regulators in order to maintain effective and transparent relationships.

The Compliance key function holder reports quarterly on compliance matters and on the progress made with regard to recommended business measures and actions at a.s.r. group level and supervised entity (*Onder toezicht staande ondernemingen* - OTSO) level. The subsidiaries D&S, TKP and Robidus have their compliance officer who report to the Compliance department. The quarterly report at group and OTSO levels is presented to and discussed with members of the MB, the Non-Financial Risk Committee, the Risk Committee and with the A&RC of the SB. The report is shared and discussed with Dutch Central Bank (*De Nederlandsche Bank* - DNB), the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten* - AFM), and the internal and external auditors.

Related to the integration of Aegon NL, Compliance established several work flows to further integrate the compliance function. Key considerations included the standardisation of policies and processes, monitoring and reports, and included good practices of Aegon NL. These activities were largely completed in 2024.

Compliance risks

a.s.r. continuously tracks evolving laws, evaluates their impact on the organisation, and determines the necessary measures to address them. These actions, combined with managing identified compliance risks, form the foundation of the annual compliance plan and monitoring activities. a.s.r. monitors business operations, including the management of reputational risks. The framework for monitoring and reviewing is based on the rules, regulations and standards of a.s.r. itself, including the a.s.r. Code of Conduct.

In 2024, a.s.r. focused on several key areas:

- Customer due diligence (CDD), including anti-money laundering and anti-terrorist financing.
- Privacy laws and regulations, including the General Data Protection Regulation (GDPR). a.s.r. considers it important for personal data to be handled with care.
- EU sustainability regulations, such as the SFDR, the EU Taxonomy Regulation and the CSRD.
- The further development and safeguarding of the Product Approval and Review Process (PARP), in collaboration with the PARP Board and the relevant business units.
- Compliance participated in conversion processes of portfolios and systems from Aegon to those of a.s.r.

In addition, a.s.r. continued to work on further improving ongoing monitoring activities by reviewing the compliance risk and monitoring framework and its translation into the business units' risk control matrix (RCM). This effort also aims to integrate behaviour and culture as part of optimising the NFR. a.s.r. aspires to increasingly incorporate behaviour into its monitoring surveys. A thorough understanding of behaviour and culture, combined with the analysis of process design and monitoring, provides a comprehensive view of the control environment.

The CDD Office is continuously working on an improvement plan for CDD-related risks, using insights and good practices from Aegon NL.

B.5 Internal audit function

The Audit Department evaluates the effectiveness of governance, risk management and internal control processes, and gives practical advice on process optimisation. This statement of duties has been set down in the Audit Charter for a.s.r. and its subsidiaries. The Audit Department reports its findings to the EB of a.s.r., to the managing boards of the legal entities and, by means of the quarterly audit management report, to the a.s.r. Risk Committee and to the Audit and Risk Committee. The Audit Universe of Internal Audit a.s.r. includes both all activities of a.s.r. as well as activities that are outsourced by a.s.r. to third parties, including group entities.

The Audit Department has an independent position within a.s.r., as set down in the Audit Charter. The SB of a.s.r. guarantees Audit and its employees an independent, impartial and autonomous position in order to execute the mission of Audit. The head of the Audit Department reports to the chairman of the EB of a.s.r. and has a reporting line to the chairman of the SB of a.s.r. health basic and to the chairman of the a.s.r. Audit and Risk Committee. The Chief Audit Executive is appointed by the SB of a.s.r. In order to maintain the independence and impartiality of the internal audit function, the audit function is not influenced by the EB of a.s.r. and the managing board of a.s.r. health basic in the execution of an audit and the evaluation of and reporting on audit outcomes. The audit function is not subjected to any inappropriate influence from any other function, including the key functions.

The persons carrying out the internal audit function do not assume any responsibility for any other (key) function. The Audit Department has periodic consultations with the supervisors (DNB and AFM) to discuss the risk assessment, findings and audit plan. The Audit Department's risk assessment is performed in close consultation with the independent external auditor. The department also takes the initiative to organise a 'tripartite consultation' with DNB and the independent external auditor at least once a year. In 2024, one tripartite consultation was held.

The Audit Department sets up a multi-year audit plan based upon an extensive risk assessment. The Audit Department's risk assessment is performed in consultation with the independent external auditor. The audit plan is approved by the a.s.r. Audit and Risk Committee. At least once a year, the audit plan is evaluated and any changes to the plan must be approved by the a.s.r. Audit and Risk Committee.

All Audit officers took the oath for the financial sector and are subject to disciplinary proceedings. All Audit officers have committed themselves to the applicable code of conduct of a.s.r., follow the Code of Ethics of the Institute of Internal Auditors (IIA) and comply with the specific professional rules of the Netherlands Institute of Chartered Accountants (NBA) and the professional association for IT-auditors in the Netherlands (NOREA).

Audit applies the standards of the IIA, NBA and NOREA for the profession of internal auditing. Each year, Audit performs a self-assessment and an internal quality review and reports the results to the chairman of the board and to the members of the Audit and Risk Committee. In accordance with the standards of the IIA, an external quality review is performed every five years. During the last external review in 2022, Audit was approved by the IIA and received the Institute's quality certificate.

For ASR Premiepensioeninstelling N.V. And Aegon Cappital B.V. separate Audit Charters are applicable.

B.6 Actuarial function

The Actuarial Function (AF) is one of four key functions in a.s.r.'s system of governance.

The main tasks and responsibilities of the AF are to:
- coordinate the calculation of technical provisions;
- ensure the appropriateness of the methodologies, underlying models and the assumptions made in the calculation of technical provisions;
- assess the sufficiency and quality of the data used in the calculation of technical provisions;
- compare best estimates against experience;
- inform the administrative, management or supervisory body of the reliability and adequacy of the calculation of technical provisions;
- express an opinion on the overall underwriting policy;
- express an opinion on the adequacy of reinsurance arrangements; and
- contribute to the effective implementation of the risk management system.

The AF is part of the second line and operates independently of both the first line (responsible for determining the technical provisions, reinsurance and underwriting), as well as the other three key functions (internal audit, risk management and compliance).

The AF for both a.s.r. and the insurance legal entities is operationally part of a.s.r. GRM. The AF is performed by persons who have profound knowledge of actuarial and financial mathematics, proportionate to the nature, scale and complexity of the risks present in a.s.r.'s businesses.

There are two AF Holders. One is responsible for the legal entities in the Life segment (Individual Life & Funeral and Pensions business lines) as well as for the overall Life segment of a.s.r. The other for the entities in the Non-life segment (Property & Casualty, Disability and Health business lines) as well as for the overall Non-life segment of a.s.r.

The AF function is represented in several risk committees. At least annually the AF drafts a formal report, which is discussed with the a.s.r. Risk Committee (or alternatively with the MB)) and the a.s.r. Audit & Risk Committee.

Independence of the AF is secured through several measures:
- The AF holders are appointed and dismissed by the Board. Both the appointment and the dismissal of the holders is, together with an advice from the Audit and Risk Committee, submitted to the SB for approval;
- The AF holders have unrestricted access to all relevant information necessary for the exercise of their function;
- The AF holders have a direct reporting line to the a.s.r. Risk Committee or EB and the Audit and Risk Committee of a.s.r. The AF is free to report to one of the management or risk committees when considered necessary;
- The AF is free to report all relevant issues;
- In case of a conflict of interest with the CRO, the function holders may escalate directly to the CEO and to the Chairperson of the Audit & Risk Committee of a.s.r.;
- If the AF is asked to perform tasks that are outside the formal scope described in a charter, the function holder(s) assess if there is a conflict of interest. If so, the AF will not execute the task unless there are sufficient additional measures to mitigate conflicts of interest;
- The Internal Audit Department evaluates periodically the governance of a.s.r. including the (independent) operation of the AF;
- Target setting and assessment of the function holders is done by the CRO taking into account the opinion of the Executive Board and the Audit & Risk Committee.

B.7 Outsourcing

a.s.r. has outsourced some of its (operational) activities and/or processes to external service providers, including certain critical and/or important activities that are part of material (operational) processes. Part of the outsourced activities is related to front-, mid- or back office activities of supervised entities within the group. In addition, the management and service of some supporting systems is outsourced.

When activities are outsourced, a.s.r. remains fully accountable for these activities and the processed data and a.s.r. retains full control ('volledige zeggenschap' in Dutch) over the outsourced activities. To manage the risks related to outsourcing, a.s.r. has implemented an outsourcing policy to safeguard controlled and sound business operations which ensures compliance with laws and regulatory requirements. Solid risk management, governance, monitoring and a complete overview of outsourced activities are essential to manage those risks. The outsourcing policy outlines the relevant procedures and is applicable to a.s.r. and its supervised entities. The policy is also applicable to intragroup outsourcing.

To define the respective rights and obligations, a.s.r. drafts and agrees a written outsourcing contract with the service provider. The contract includes amongst others the obligations for all parties involved, commitment to comply with applicable laws and regulatory requirements, right to audit and information security requirements.

Confidentiality, quality of service, and continuity are key for a.s.r. in carrying out its activities. To safeguard the quality of outsourced activities, service providers are carefully examined prior to selection and during the period of service provision. a.s.r. monitors compliancy with the terms of the contract and performance of the outsourced activities. The findings of the monitoring activities serve as input for the regular consultation on operational, tactical and strategic level with the service provider and in case of non-compliance immediate action is taken.

In light of recent developments, it's worth noting that a.s.r. is updating the outsourcing policy and practices with regards to the impact of DORA and the Corporate Sustainability Reporting Directive (CSRD). DORA introduces specific and prescriptive requirements that have impact on how financial organisations manage ICT and cyber risks. As for the CSRD, it is EU legislation that requires to publish regular reports on environmental and social impact activities.

B.8 Any other information

Other material information about the system of governance is not applicable.

C Risk profile

Risk management is an integral part of a.s.r.'s day-to-day business operations. a.s.r. applies an integrated approach to managing risks and ensuring that business targets are met. Value is created by striking the right balance between risk, return and capital whilst ensuring that obligations to stakeholders are met.

Risk governance

The risks identified are clustered into:

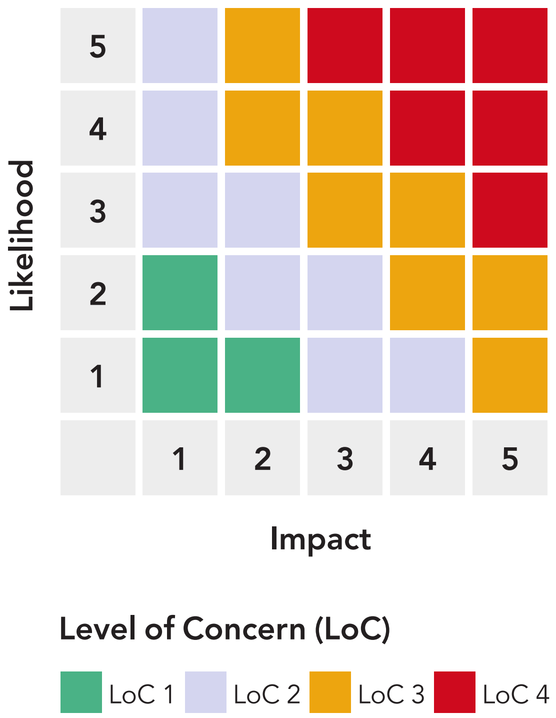
- Strategic risks;
- Emerging risks;
- Financial risks;
- Non-financial risks.

Management of strategic risks and emerging risks

a.s.r.'s risk priorities and emerging risks are defined as a.s.r.'s main strategic risks. a.s.r.'s risk priorities are existing risks with impact on the achievement of the strategic objectives. a.s.r.'s emerging risks are new or existing risks with a potentially major impact on the achievement of the strategic objectives. Emerging risks often result from large-scale events that are outside a.s.r.'s direct sphere of influence. a.s.r.'s risk priorities and emerging risks are defined annually by the MB, based on strategic risk analyses. Group Risk Management (GRM) monitors developments in risks and actions of the risk priorities and emerging risks centrally. Relevant updates are reported to the MB on a half-yearly basis at the minimum. See section 5.4.3 of the annual report of a.s.r. for a.s.r.'s risk priorities and emerging risks.

To gauge the degree of risk, a.s.r. uses a risk scale (see LoC figure) based on likelihood and impact. The degree of risk is expressed as the Level of Concern (LoC). For each risk priority, the LoC is determined for the gross and net risks. For each emerging risk, the LoC is determined for the gross risk. Gross risk is the degree of risk when no (control) measures are in place. Net risk is the degree of risk with mitigating (control) measures in place. If the degree of risk of a risk priority is not within a.s.r.'s risk appetite, then additional actions are taken in order to include the risk priority within the risk appetite. See section 5.4.3 of the annual report of a.s.r. for a.s.r.'s risk priorities and emerging risks.

Risk scale



Management of financial risks

Financial risk appetite statements (RAS) are in place to manage a.s.r.'s financial risk profile within the limits; see section B.3.1.1. a.s.r. aims for an optimal trade-off between risk, return and capital. Steering on risk, return and capital takes place via decision-making through the entire product cycle, from the product approval and review process (PARP) to the payment of benefits and claims. At a more strategic level, decision-making takes place through balance sheet management. A robust solvency position takes precedence over profit, premium income and direct investment income.

Risk tolerance levels and limits are disclosed in the financial RAS and are monitored by the Financial Risk Committee (FRC). The FRC evaluates financial risk (FR) positions against the RAS on a monthly basis. Where appropriate, a.s.r. applies additional mitigating measures. In 2024, the Actuarial Function (AF) performed its regulatory tasks by assessing the adequacy of the Solvency II technical provisions, giving an opinion on reinsurance and underwriting, contributing to the Risk Management Framework and supporting the Risk Management Function (RMF). The AF report on these topics was discussed by the MB, FRC and A&RC. See section B.3.1.1 for further information.

Management of non-financial risks

Non-financial risk appetite statements (RAS) are in place to manage a.s.r.'s non-financial risk profile within the limits; see section B.3.1.1. a.s.r. aims for an optimal trade-off between risk, return and capital. For non-financial risk, a.s.r. has prepared statements relating to strategy, processes, information and technology, projects, reporting and model, and integrity. Employees should use these statements as a framework for risk management decisions.

Risk tolerance levels and limits are disclosed in the non-financial RAS and are monitored by the Non-Financial Risk Committee (NFRC). The non-financial risk profile and internal control performance of each business line is discussed with senior management in the business risk committees each quarter. The Non-Financial Risk Committee (NFRC) monitors and discusses on a quarterly basis whether non-financial risks (NFR) are adequately managed. Where appropriate, a.s.r. applies additional mitigating measures.

For more detailed information on the identified risks for the several risk categories described above, reference is made to chapter 5.4 of the Annual Report 2024 of a.s.r.

Risk appetite

Risk appetite is defined as the level and type of risk a.s.r. is willing to bear in order to meet its targets while maintaining the right balance between risk, return and capital. a.s.r.'s risk appetite contains a number of qualitative and quantitative Risk Appetite Statements (RAS) and gives direction to the management of both financial risks (FR) and non-financial risks (NFR). The statements highlight the organisation's risk preferences and limits and are viewed as key elements for the realisation of a.s.r.'s strategy.

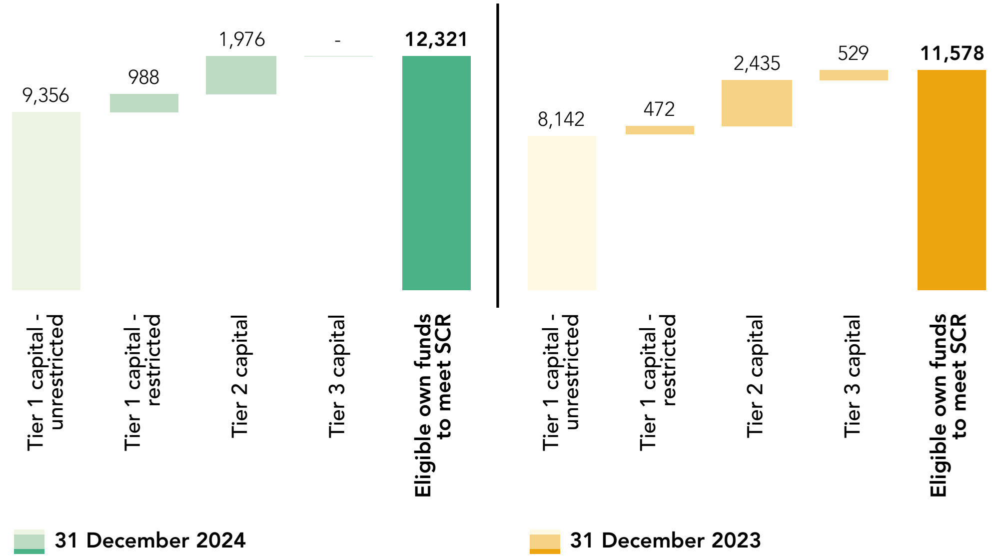
According to the annual risk management cycle in 2024, to ensure alignment with a.s.r.'s overall strategy and risk strategy, the RAS and RAS limits were evaluated and updated by the MB and approved by the SB. See section B.3.1.1 for a.s.r.'s RAS.

Quantitative description of a.s.r.'s risk priorities

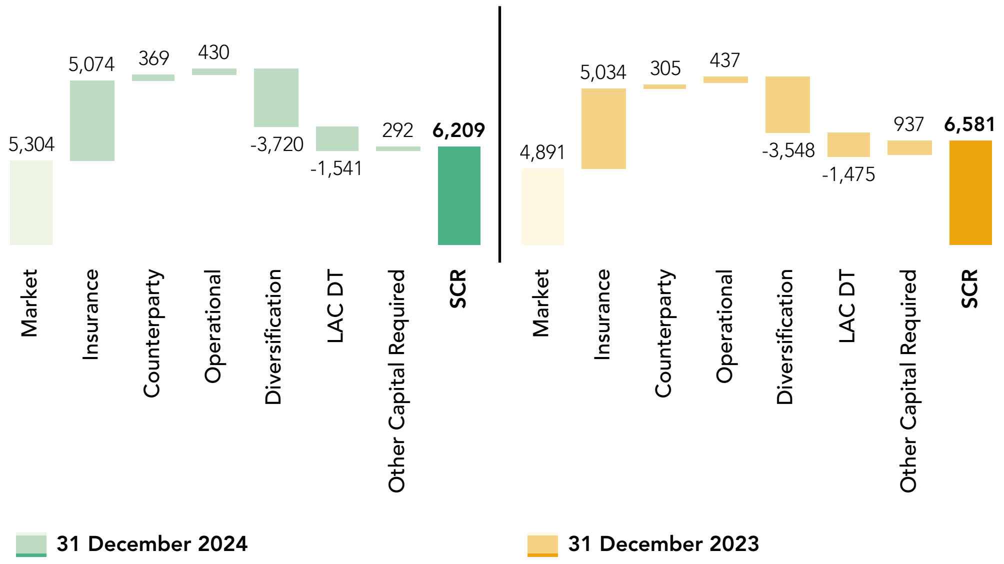
Solvency II ratio in 2024

In 2024, the solvency ratio increased from 176% (31 December 2023) to 198% (after deduction of the proposed dividend) at year end. This can be explained by the changes shown in the graph below. The Solvency II ratios presented are not final until filed with the regulators.

Eligible own funds



SCR



The EOF increased to € 12,321 million (31 December 2023: € 11,578 million) mainly driven by positive expected excess returns on investments (€ +957 million), value of new business (€ +117 million) and market and operational developments (€ +698 million), partly offset by the decrease in eligible own funds due to the Knab transaction (€ -254 million) and capital management actions (dividend € -653 million and share buy back € -100 million).

Required capital decreased to € 6,209 million (31 December 2023: € 6,581 million), driven by the Knab transaction (€ -649 million), capital release (€ -79 million) and market and operational developments (€ +356 million).

Other Capital Required relate to other financial sectors such as de Hoop, TKP and Knab (only in 2023).

SCR Partial Intern Model

	31 December 2024	31 December 2023
Life insurance risk (SF)	1,718	1,807
Life insurance risk (IM)	1,039	1,013
Health insurance risk (SF)	1,572	1,508
Non-life insurance risk (SF)	745	706
Market Risk (SF)	3,485	3,086
Market Risk (IM) (incl. DA)	1,818	1,805
Counterparty default risk (SF)	369	305
Operational risk (SF)	430	437
LAC DT	-1,541	-1,475
Total undiversified components	**9,636**	**9,192**
Diversification	-3,720	-3,548
PIM SCR after diversification	**5,917**	**5,644**
Other Capital requirements	90	74
Capital Requirement Financial Institutions	202	863
Group PIM SCR	**6,209**	**6,581**

Solvency II sensitivities

The sensitivities of the solvency ratio as at 31 December 2024, expressed as the impact on the group solvency ratio (in percentage points) are as presented in the table. The total impact is split between the impact on the solvency ratio related to movement in the available capital and the required capital. The sensitivities are based on the situation per 31 December 2024 and include Financial Institutions.

Solvency II sensitivities - market risks

Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
UFR 3.2%	-1	-4	-	-	-1	-4
Interest rate +0.5% (2024 incl. UFR=3.30% / 2023 incl. UFR=3.45%)	-4	-2	+3	+3	-1	+1
Interest rate -0.5% (2024 incl. UFR=3.30% / 2023 incl. UFR=3.45%)	+4	+2	-3	-4	+1	-2
Interest steepening +10 bps	-1	-1	-	-	-1	-1
Volatility Adjustment -10 bps	-10	-10	+6	+5	-4	-5
Spread shock sovereigns +50bp en VA +8bp (2023: VA +10bp)	-7	-5	+6	+3	-2	-2
Mortgage spread +50 bps	-12	-10	+4	+3	-8	-7
Equity prices -20%	-10	-7	+14	+9	+3	+1
Property values -10%	-11	-10	+2	+2	-9	-8
Spread widening +75bp en VA +19bp (2023: VA +17bp)	+15	+14	-7	-6	+7	+7
Inflation +30 bps	-1	-1	-	-	-1	-2

Solvency II sensitivities - explanation

Risk	Scenario
Interest rate risk - UFR 3.2%	Measured as the impact of a lower UFR. For the valuation of liabilities, the extrapolation to the UFR of 3.2% after the last liquid point of 20 years remained unchanged. The impact on available capital, required capital and ratio relates to a comparison with a solvency ratio measured at a UFR=3.30% for 2024 (UFR=3.45% for 2023).
Interest rate risk (incl. UFR=3.30% / 3.45%)	Measured as the impact of a parallel 0.5% upward and downward movement of the interest rates. For the liabilities, the extrapolation to the UFR (UFR=3.30% for 2024 and UFR=3.45% for 2023) after the last liquid point of 20 years remained unchanged.
Interest steepening	Measured as the impact of a linear steepening of the interest rate curve between 20Y and 30Y of 1 bps to 10 bps.
Volatility Adjustment	Measured as the impact of a 10 bps decrease in the Volatility Adjustment.
Government spread	Measured as the impact of an increase of spread on Government bonds of 50 bps. At the same it is assumed that the Volatility Adjustment will increase by +8bp (2023: +10bp).
Mortgage spread	Measured as the impact of a 50 bps increase of spreads on mortgages.
Equity risk	Measured as the impact of a 20% downward movement in equity prices.
Property risk	Measured as the impact of a 10% downward movement in the market value of real estate.
Spread risk (including impact of spread movement on VA)	Measured as the impact of an increase of spread on loans and corporate bonds of 75 bps. At the same time, it is assumed that the Volatility Adjustment will increase by +19bp (2023: +17bp) based on reference portfolio.
Inflation risk	Measured as the impact of a 30 bps parallel increase of the inflation rates (EUSWI-curve). The extrapolation of the UFI remains unchanged.

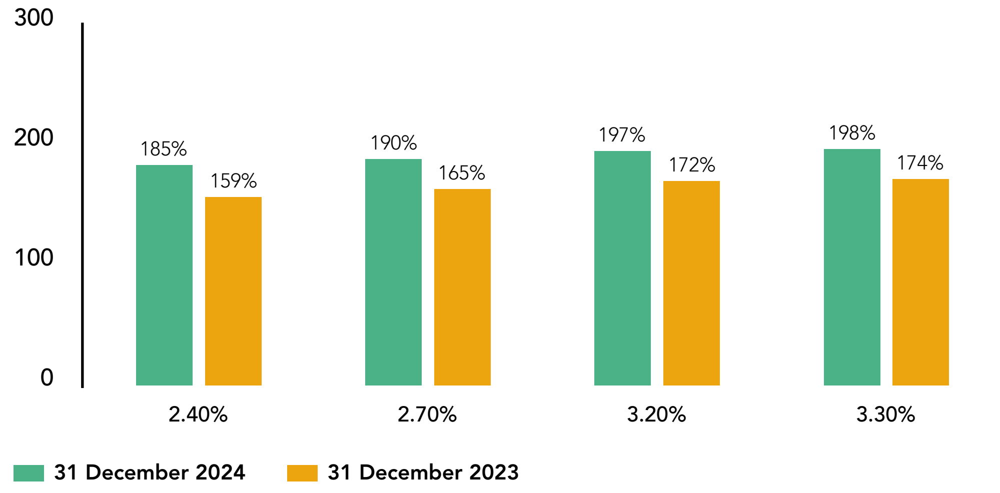
Expected development Ultimate Forward Rate

European Insurance and Occupational Pensions Authority (EIOPA) will reduce the ultimate forward rate used to extrapolate insurers' discount curves to better reflect expected inflation and real interest rates. There are various scenarios regarding lowering the Ultimate Forward Rate (UFR).

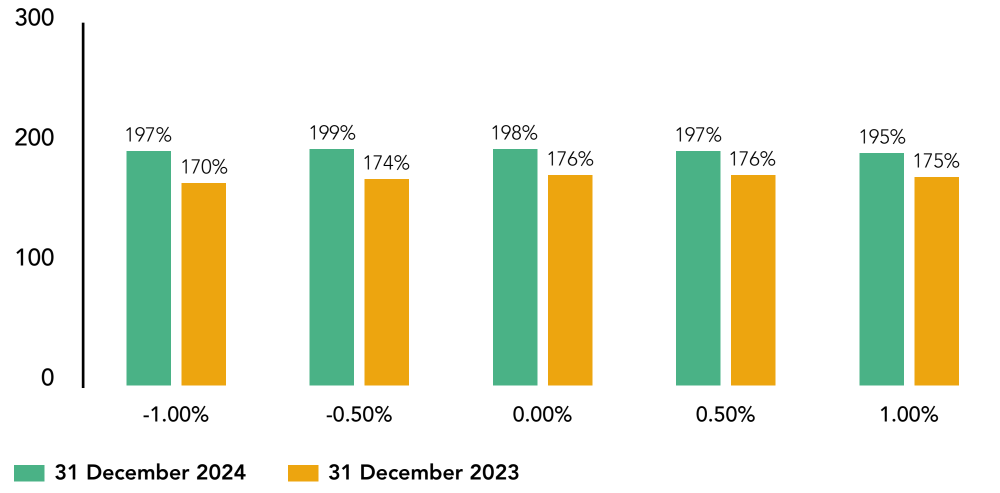
In 2024 the UFR decreased by 15 basis points to 3.30% (2023 at 3.45%). The solvency ratio remains above internal solvency objectives.

Changes in the UFR have an almost linear effect on the solvency ratio. The impact on the solvency ratio of various UFR levels is stated below.

Sensitivities Solvency II ratio to UFR[1]



Sensitivities Solvency II ratio to interest rate[1]



Interest rate sensitivity of Solvency II ratio

The impact of the interest rate on the Solvency II ratio, including the UFR effect, is stated below. The UFR methodology has been applied to the shocked interest rate curve. The figure shows the increased impact of the interest rate sensitivity, mainly caused by a change in dominant interest rate scenario.

The impact of the interest rate sensitivity of the solvency ratio decreased, because the interest rate sensitivty of the EOF is brought more into line with interest rate of the SCR in comparison with previous year.

Loss Absorbing Capacity of Deferred Tax

After a 1-in-200 shock a.s.r suffers an economic loss equal to the BSCR* which is defined as the basic SCR (BSCR) plus operational risk (OR) plus the adjustment for the Loss Absorbing Capacity of the Technical Provisions (LAC TP). This loss (corrected for any tax exempted losses) may be partly offset by the Loss Absorbing Capacity of Deferred Taxes (LAC DT). Conceptually, the loss under Solvency II in any shock scenario results in loss of taxable income, which results in tax reductions if taxable profits are available to offset these taxable losses. This way, a.s.r. can transfer a portion of the 1-in-200 shock loss to its tax authority, which reduces the loss of Own Funds compared to the original loss of the shock and therefore allows for a reduction of the SCR.

The LAC DT is calculated according to the requirements as stated in the Solvency II (SII) regulations, which provide a principle-based approach for the LAC DT substantiation. The methodology reflects a.s.r.'s current interpretation of both the Solvency II regulations combined with the guidance provided by De Nederlandsche Bank (DNB) on this topic:

- Solvency II regulation requires firms to comply with the recognition criteria set out in relevant articles of the International Accounting Standards (IAS 12). IAS 12 states that any net deferred tax assets (DTA) can only be recognised when it is concluded that their recoverability is probable (i.e. more likely than not). This applies to both DTA and LAC DT. By periodically performing a recoverability test, a.s.r. demonstrates that any losses that lead to these deferred tax positions can – more likely than not – be offset with sufficient future taxable profits.

1 Impact Solvency II ratio include Financial Institutions

- Local guidance, in the form of the DNB Q&A and Good Practices, provides additional regulation around the substantiation of a net DTA. A net DTA should be substantiated within the Solvency II framework. Therefore, the LAC DT model is used to substantiate both a potential net DTA position (pre-shock) as well as the LAC DT (post-shock). Additionally, the Q&A gives some guidance on how to deal with uncertainty in future profits.

As a result, a.s.r. needs to demonstrate that for both the pre-shock as well as the post-shock situation, sufficient future taxable profits are available to offset future losses that lead to deferred tax positions on its balance sheet. For the post-shock situation the LAC DT model serves as recoverability test for this purpose, whereby the recoverability of the BSCR* shock loss is expressed through a LAC DT factor, which is a factor between 0% and 100%. For the pre-shock situation the LAC DT model serves as a projection model to provide evidence that the DTA position can be substantiated with the DTL position and/or future profit sources.

In 2024, different from previous year, the same (harmonised) projection model is used for all Solvency II entities within a.s.r., albeit with entity-specific input. Below, an overview of the building blocks of the LAC DT model is presented:

LAC DT building blocks

Sources of DTA	Sources of DTL
BSCR* shock loss	(Future) fiscal profits
Unwind DTA	Unwind DTL
Future profits	Previous year profit (LCB)

The following steps are used in determining the recoverability of the pre-/post-shock DTA:

- The unrounded LAC DT factor is determined based on fiscal profits from the previous year available for loss carry back and the unwind of the DTL position. To determine what part of the remaining DTA (both before and after shock) is recoverable, future profits are taken into account of which most importantly excess returns on GA assets (+), new business (+), release of risk margin (+) and drag impacts (-).
- Multiple scenarios of varying input (such that uncertainty increases over time and is larger post-shock than pre-shock) are used to substantiate that sufficient future taxable profits are available against which the DTA (pre-shock) and LAC DT (post-shock) can actually be utilised. These scenarios are combined into a weighted average LAC DT factor.
- The resulting weighted average LAC DT factor is adjusted to a final setting to be used in reporting. The main rationale is to have a relatively stable LAC DT setting during the year. For this, the weighted average LAC DT factor is rounded down to the nearest 5% and capped by an entity specific upper bound. The value of the upper bound is set at the lower end of the reasonable expected range of model outcomes, based on past/expected future performance and model/entity dynamics. The upper bound is reassessed on an annual basis. In this year's reassessment experts decided to decrease the top bucket floors for a.s.r. Life and a.s.r. non-life by 5% to 80% and 85% respectively to align with the top bucket floor for Aegon life and to provide a sufficient buffer to limit future volatility. For the other entities the experts were comfortable with keeping the top bucket floors at their current levels.

Above steps are performed for each Solvency II entity. The amount of LAC DT in the consolidated SCR at group level consists of the sum of the LAC DT of all Solvency II entities within a.s.r. adjusted for the group diversification effects. This results in a LAC DT of € 1,541 million.

Loss Absorbing Capacity of Technical Provisions

Loss Absorbing Capacity of Technical Provisions (LAC TP) is the part of the technical provisions that can be used to absorb some of the SCR shock losses, as the expected future profit sharing to policyholders will be reduced if actual losses would arise. LAC TP is applicable to insurance policies with discretionary profit sharing. For Aegon life and Aegon spaarkas there is no LAC TP applied.

C.1 Insurance risk

Insurance risk is the risk that future insurance claims and benefits cannot be covered by premium and / or investment income, or that insurance liabilities are not sufficient, because future expenses, claims and benefits differ from the assumptions used in determining the best estimate liability. Insurance risk manifests itself in both the Non-life and the Life portfolio. The Non-life portfolio covers the property and casualty, disability and healthcare sectors. The Life portfolio consists of individual life and funeral and pensions business.

Risk-mitigating measures are used to reduce and contain the volatility of results or to decrease the possible negative impact on value as an alternative for the capital requirement. Proper pricing, underwriting, reinsurance, claims management, and diversification are the main risk mitigating actions for insurance risks. By offering a range of different insurance products, with various product benefits and contract lengths, and across Life, Disability and Health and P&C insurance risk, a.s.r. reduces the likelihood that a single risk event will have a material impact on a.s.r.'s financial condition.

The solvency buffer is held by a.s.r. to cover the risk that claims may exceed the available insurance provisions and to ensure its solidity. The solvency position of a.s.r. is determined and continuously monitored in order to assess if a.s.r. meets the regulatory requirements.

Aegon life and Aegon spaarkas use a Partial Internal Model (PIM) to calculate the solvency position. The PIM contains Internal Models for (i) mortality risk and (ii) longevity risk. For the other risks, the Solvency II standard formula is applied. a.s.r. life, a.s.r. non-life and a.s.r. health use the Solvency II standard formula (SF) to calculate the solvency position.
The Solvency Capital Requirement (SCR) for each insurance risk is determined as the change in own funds caused by a predetermined shock which is calibrated to a 1-in-200-year event. The basis for these

calculations are the Solvency II technical provisions which are calculated as the sum of a best estimate and a risk margin.
The insurance risk arising from the insurance portfolios of a.s.r. is as follows:

Insurance risk - required capital

	31 December 2024		31 December 2023	
(in € million)	Total	IM	Total	IM
Life insurance risk	2,757	1,039	2,820	1,013
Health insurance risk	1,572	-	1,508	-
Non-life insurance risk	745	-	706	-
Total excluding diversification between insurance risks	**5,074**	**1,039**	**5,034**	**1,013**

The Life insurance risk decreased meanly as a result of non-economic assumption changes and portfolio developments.

The Health and Non life insurance risk increased as a result of the growth of the sum insured.

Solvency II sensitivities

a.s.r. has assessed the impact of various sensitivities on the solvency ratio. The sensitivities as at 31 December 2024 and 2023, expressed as impact on the group solvency ratio (in percentage points) are as follows:

Solvency II sensitivities - insurance risks

Effect on:	Available capital		Required capital		Ratio	
Type of risk (%-points)	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Expenses +10%	-5	-5	-1	-1	-6	-6
Mortality rates, all products -5%	-5	-5	-	-	-5	-5
Lapse rates -10%	-	-	-	-	-	-

Solvency II sensitivities - explanation

Risk	Scenario
Expense risk	Measured as the impact of a 10% increase in expense levels.
Mortality risk	Measured as the impact of a 5% decrease in all mortality rates.
Lapse risk	Measured as the risk of a 10% decrease in lapse rates.

The table shows that the SCR sensitivities in 2024 are (almost) similar to the sensitivities of 2023. The impact on the ratio is the opposite if a reversed scenario is taken into account.

C.1.1 Life Insurance risk

The Life portfolio can be divided into Individual life and Funeral and Pensions. The insurance contracts are sold primarily to retail and wholesale clients through intermediaries.

The products are sold as insurance products in cash or unit-linked contracts. With respect to products in cash, the investment risk is fully borne by the insurer whereas, in the case of unit-linked products, the majority of the investment risk is for the policyholder's account.

The solvency capital requirement (SCR) for Life insurance risks is determined per policy for the Funeral and Life portfolio and per participant for the Pension portfolio. All shocks are applied to each policy/participant and an SCR value is only determined if applying the shock leads to a higher best estimate.

The following Life insurance risks are involved:

Mortality risk

Mortality risk is associated with (re)insurance obligations, such as endowment or term assurance policies, where a payment or payments are made in case of the policyholder's death during the contract term. The required capital for this risk under SF is calculated as the change in own funds of a permanent increase of mortality rates by 15% for all ages and each policy. For Aegon life and Aegon spaarkas an Internal Model is used to calculate the risk factor. This contains shocks on both the level (experience) and the trend (population) of the mortality table. It projects mortality rates by age and gender.

Longevity risk

Longevity risk is associated with (re)insurance obligations where payments are made until the death of the policyholder and where a decrease in mortality rates results in higher technical provisions. The required capital for this risk under SF is calculated as the change in own funds of a permanent decrease of mortality rates by 20%. For Aegon life and Aegon spaarkas an Internal Model is used to calculate the risk factor. This contains shocks on both the level (experience) and the trend (population) of the mortality table. It projects mortality rates by age and gender.

Disability-morbidity risk

Morbidity or disability risk is associated with all types of insurance compensating or reimbursing losses (e.g. loss of income, adverse changes in the best estimate of the liabilities) caused by changes in the morbidity or disability rates. Solvency II prescribes a 35% increase in disability rates for the first year, 25% for subsequent years, combined with a decrease in recovery rates of 20%. The disability-morbidity risk is calculated on policy level by increasing the experience percentage with 35% for the first year and 25% in the second. For the IBNR reserve the shock is simplified to an average of 30% for the 2-year IBNR cashflow. Because revalidation risk is very small, no shock is modelled for this risk.

Lapse risk

Lapse risk is the risk of losses (or adverse changes in the best estimate of the liabilities) due to an unanticipated (higher or lower) rate of policy lapses, terminations, changes to paid-up status (cessation of premium payment) and surrenders.

Lapse risk arises from economic losses due to policyholder behaviour deviating from expectations. Insurance contracts typically provide policyholders with a variety of options that they may or may not exercise. Lapse risk is the risk that actual policyholder behaviour deviates from the assumptions built into the reserve calculations. This includes assumptions about lapses, withdrawals, premium payment levels, allocation of funds, and the utilisation of possible options in the products.

In general, a lapse shock is only applied if a Solvency II lapse event is actually considered possible under the conditions of the insurance contract. For instance a paid-up policy that cannot be surrendered is not taken into account.

The effect of the lapse risk is equal to the highest result of a permanent increase in lapse rates of 50%, a permanent decrease in lapse rates of 50% or a mass lapse event (an instant lapse event of 40% of all policies). For the mass lapse event, the lapse risk is calculated as the maximum on policy level of a mass surrender or a mass paid-up event.

Within the Individual life portfolio there is a group of policies directly linked to a mortgage loan ('Spaarhypotheken'). In case the mortgage loan is not provided by a.s.r., but by another party, which is the case for most of these policies, the interest that a.s.r. reimburses to the policyholder is claimed from the party that has provided the mortgage loan. This cashflow of interests from the provider of the mortgage loan to a.s.r. represents an asset. The cashflow and value of this asset depends on the cashflow of the linked savings policy. Therefore, the change in this asset value due to mortality or lapse is taken into account when determining the SCR for Life insurance risks.

Prepayment risk on mortgages constitutes an important component of lapse risk; it is the risk of higher or lower prepayments that anticipated, including early redemption rates, thus impacting the value of the mortgage portfolio. Mortgage prepayment risk is divided into two categories: parameter risk (lapse persistency mortgages), which describes financial losses due to adverse misestimation of best estimate prepayment parameter, and contagion risk (lapse contagion liabilities), which describes financial losses due to contagion events causing temporary adverse deviations from best estimate prepayment behaviour.

Expense risk

A calculation is made of the effect on own funds of a permanent increase in costs used for determining the best estimate. It consists of an increase in the costs of 10% and an increase in the cost inflation of 1 percentage point per year. For investment costs only an increase of 10% applies, since it has been substantiated that increases due to inflation including a shock can be absorbed by the Best Estimate itself and asset management for external parties.

Life catastrophe risk

Catastrophe risk arises from extreme events which are not captured in the other Life insurance risks, such as pandemics. The capital requirement for this risk is calculated as a 1.5 per mille increase in mortality rates in the first projected year for (re)insurance obligations where the increase in mortality rates leads to an increase in technical provisions.

Employee benefits

a.s.r. has a number of defined benefit plans for own staff in place. These are schemes, under which staff are awarded pension benefits upon retirement, usually dependent on one or more factors such as years of service and salary. The defined benefit obligation is calculated by independent actuaries at each reporting date. Due to the acquisition of Aegon NL the ended defined benefit plan for own staff of Aegon NL was added to the defined benefit obligation per 2023.

Pension obligations are calculated using the projected unit credit method. Inherent to this method is the application of actuarial assumptions to discount rates, mortality rates and consumer price indices.

The assumptions are reviewed and updated at each reporting date based on available (market) data. The discount rate (31 December 2024: 3.51%) is based on the return (zero coupon rate) of high-quality corporate bonds (AA rating) and the cash flow pattern of the pension obligation. For SCR purposes, the IFRS value of the own pension contract is based on the IAS19 valuation methodology. The explanatory guidelines explain that the IAS19 valuation is consistent with Solvency II.

As of 1 January 2021 a defined contribution plan is in place. The accrued pensions (until 1 January 2021) will remain guaranteed at a.s.r. life and are not transferred to the defined contribution plan. The former employees of Aegon NL were added to the defined contribution plan as of 1 October 2023.

Other information

Within a.s.r. life the longevity risk is dominant and arises from group pension business and individual annuities. The longevity risk is partly offset by mortality risk that arises from the funeral portfolio and individual policies with mortality. The other main risks a.s.r. life is exposed to are expense risk and lapse risk.

The table summarises the required capital for abovementioned life insurance risks based on the standard model after application of Loss Absorbing Capacity of Technical Provisions (LAC TP). The impact of LAC TP increased in 2024 to € 165 million (2023: € 156 million).

Life insurance risk - required capital

	31 December 2024	31 December 2023
Mortality risk	237	238
Longevity risk	1,855	1,792
Disability-morbidity risk	24	20
Lapse risk	474	464
Expense risk	861	998
Revision risk	0	0
Catastrophe risk	246	181
Lapse persistency mortgages	216	342
Lapse contagion liabilities	78	100
Diversification	-1,234	-1,315
Life insurance risk	**2,757**	**2,820**

For expense risk and lapse persistency mortgages the impact has decreased mainly due to the assumption updates. Catastrophe risk has increased mainly due to the complete modelling of product "Doen Pensioen" and new business "Doen Pensioen" and "Werknemers Pensioen".

For the Life portfolio, the provision at year-end (provided figures are without reductions resulting from reinsurance contracts) can be broken down as follows under Solvency II:

Life portfolio - technical provisions per segment

	31 December 2024	31 December 2023
Insurance with profit participation		
Best estimate	21,106	23,238
Risk margin	846	950
Technical provision	**21,952**	**24,188**
Other life insurance		
Best estimate	30,640	28,426
Risk margin	1,048	1,040
Technical provision	**31,687**	**29,466**
Index-linked and unit-linked insurance		
Best estimate	37,119	34,677
Risk margin	585	600
Technical provision	**37,704**	**35,277**
Total		
Best estimate	**88,865**	**86,341**
Risk margin	**2,478**	**2,589**
Technical provision	**91,343**	**88,930**

In 2024 the technical provision increased with € 2,413 million. This was mainly caused by the development of economic parameters, which has an upward effect on the BEL of the traditional portfolio, however the growth in the unit linked portfolio is dominant. The risk margin decreased in 2024 with € 111 million, mainly due to change in the non-economic assumptions for death rates and expenses.

C.1.1.1 Managing Life insurance risk

Life insurance risk is mitigated by pricing, underwriting policies and reinsurance.

Pricing is based on profit capacity calculations. A calculation is made of the price required to cover the insurance liabilities, expenses and risks.

Underwriting policies describe the types of risks and the extent of risk a.s.r. is willing to accept. Policyholders may be subjected to medical screening for both Individual life and Funeral insurance.

Reinsurance
Reinsurance and other risk-mitigating measures are used to reduce the volatility of results or to decrease the possible negative impact on value as an alternative to the capital requirement. Reinsurance arrangements have been set up to mitigate the effects of catastrophes on earnings.
The level of retention in different reinsurance contracts is aligned with the size and the risk profile of the underlying portfolios. This includes taking account of the cost of reinsurance on the one hand, and the risk that is retained on the other.

In order to optimise its balance sheet risks, a.s.r. entered into a reinsurance agreement with Legal and General Re in 2015. The share of Legal and General Re is on behalf of a specific buy-out portfolio. The total share of the reinsurances for a.s.r. amounts to € 114 million per 31 December 2024.

Per 31 December 2019, Aegon life entered into an indemnity swap, Sunrise, with Canada Life Reinsurance. The underlying portfolio corresponded to around € 7.5 billion of liabilities. Per 31 December 2021, Aegon life entered into a new indemnity swap, Solaris, external party is Reinsurance Group of America. The underlying portfolio amounts to approximately € 5 billion. Both agreements cover the longevity risk associated with Aegon's policyholders, including deferred pensioners and in-payment policies of pensioners and dependents during the full run-off of these policies.

Both agreements are collateralised to mitigate any potential counterparty risk and the agreements have no impact on the services and guarantees that Aegon provides to its policyholders. At year-end 2024 € 332 million (market value € 358 million) has been posted as collateral with respect to the longevity reinsurance contract with Canada Life Reinsurance (2023: € 375 million collateral, market value € 334 million) and € 159 million (market value € 161 million) has been posted as collateral with respect to the longevity reinsurance contract with RGA (2023: € 200 million collateral, market value € 178 million).

Together, these two agreements mitigate approximately 40% of the longevity risk exposure of Aegon life. As such, these agreements strongly reduce the concentration of Aegon's risk exposure in longevity risk and help to diversify the risk profile of Aegon life.

C.1.2 Health insurance risk and Non-life insurance risk

C.1.2.1 Health insurance risk

The Health insurance portfolio of a.s.r. is diverse. The portfolio can be divided into two main product types:
- SLT Health portfolio (Similar to Life Techniques) Income Protection, which can be divided into:
  - Individual Disability (Zelfstandigen)
  - Group Disability (WIA)
  - Premium waiver in case of disability (PVI)
- NSLT Health portfolio (Not Similar to Life Techniques), which can be divided into:
  - Income Protection (Sickness, and Individual and Group Accident)
  - Medical Expenses (Basic and Supplementary)

The insurance contracts are sold primarily to retail and wholesale clients through intermediaries.

The Health insurance portfolio of a.s.r. contains the following insurance risks:
- SLT Health risk
  - This risk is applicable to the SLT Health portfolio. The calculation is scenario-based, according to the standard formula.
- NSLT Health risk
  - This risk is applicable to the NSLT Health portfolio. The calculation is factor-based. The risk is calculated similarly to the Non-life insurance risk.
- Health Catastrophe risk
  - This risk is applicable to the entire Health portfolio. The calculation is scenario-based.

SLT Health Risk
Mortality risk
Mortality risk is associated with (re)insurance obligations where payments are made upon the death of the policyholder and where an increase in mortality rates results in higher technical provisions. The required capital is calculated as the change in own funds of a permanent 15% increase in mortality rates. The increase in mortality rates is applied to portfolios where payments are contingent on mortality risk. The increase in mortality rates leads to an increase of the own funds. Therefore the mortality risk is zero for the Health portfolio.

Longevity risk
Longevity risk is associated with (re)insurance obligations where payments are made until the death of the policyholder and where a decrease in mortality rates results in higher technical provisions. The required capital is calculated as the change in own funds of a permanent 20% decrease in mortality rates. The decrease in mortality rates is applied to portfolios where payments are contingent on longevity risk.

Disability-morbidity risk
Morbidity or disability risk is the main risk to the SLT Health portfolio. The scenario analysis consists of a 35% increase in disability rates for the first year, 25% for subsequent years, combined with a decrease in revalidation rates of 20%.

Expense risk
A calculation is made of the effect of a permanent increase in costs, which is used for determining the best estimate. The scenario analysis contains an increase in the costs of 10% and an increase in the cost inflation of 1 percentage point per year.

Revision risk
The revision risk is the risk that a higher benefit is caused by either inflation or a revision of the disability percentage. Benefits that are sensitive to inflation and / or an increase in the disability percentage will be increased by 4%.

Lapse risk
Lapse risk is the risk of losses (or adverse changes in the best estimate of the liabilities) due to an unanticipated (higher or lower) rate of policy lapses, terminations, changes to paid-up status (cessation of premium payment) and surrenders. The effect of the lapse risk is equal to the highest result of a permanent 50% increase in lapse rates, a permanent 50% decrease in lapse rates or a mass lapse event (40% mass lapse). For the SLT Health portfolio, the mass lapse event is dominant.

Future management action
According to the insurance conditions, a.s.r. non-life has the ability to adjust the premiums and insurance conditions group wise in the future for the disability portfolio. Therefore, the contract boundary of the disability contracts without an individual risk assessment at acceptance is equal to the contract term. For contracts with an individual risk assessment at acceptance, the contract boundary is equal to the end age, because the contracts will be tacitly renewed until the end age is reached, without repeating the risk assessment. These contracts with an individual risk assessment involve the Individual Self-employed and the Individual Employees portfolio's. For these portfolio's, a.s.r. non-life applies a future management action (FMA), as noted in article 23 of the Delegated Acts. The trigger, as defined in the FMA, is hit in the Income Protection Disability-Morbidity Risk (article 156 DA) scenario.

For a number of Loyalis products within the group disability portfolio, it is determined annually whether the insured amounts are indexed. For the majority of the portfolio, there is a conditional indexation based on a (discretionary) management decision, based among other things on interest result. In a financially unfavourable year, there is the possibility of not paying out indexation, which is a FMA as noted in article 23 of the Delegated Acts.

NSLT Health Risk
NSLT Premium and reserve risk
The premium risk is the risk that the premium is not adequate for the underwritten risk. The premium risk is calculated over the maximum of the expected earned premium of the next year, and the earned premium of the current year. The reserve risk is the risk that the current reserves are insufficient to cover their run-off over a 12 month time horizon.

The NSLT Premium and reserve risk can be split into the following insurance risks:
- Medical Expense
  - The premium risk is the risk that the premium is not adequate for the underwritten risk. The premium risk is calculated over the maximum of the expected earned premium of the next year, and the earned premium of the current year.
    Reserve risk is the risk that the current reserves are insufficient to cover the claims over a 12-month time horizon.
- Income Protection
  - This component is calculated for policies for which an increase in mortality rates or morbidity rates or disability rates leads to an increase in the best estimate. There are three scenarios, which are calculated for all NSLT Health and portfolios.

NSLT lapse risk
The basic and additional health insurance are compulsory insurance contracts for one year without intermediate possibility of termination and therefore lapse risk is negligible for the basic health insurance.

Health catastrophe risk
Medical Expense
A health catastrophe for the NSLT Health portfolio is an unexpected future event with a duration of one year. The risk is determined ultimo year. The amount of catastrophe risk is apparent from the number of insured and parameters for mass accident scenario and pandemic scenario that have been approved by DNB in consultation with Health Insurers Netherlands. Accident concentration is not applicable for NSLT Health. The catastrophe risk has a projection of one year (T) following from the contract boundary of one year in accordance with the Dutch Health Insurance Act. After year T the risk is 'zero'. Catastrophe risk for a.s.r. health supplementary equals zero because these contracts have a maximum compensation for claims.

Income Protection Mass accident scenario
In this scenario, an accident takes place during a major public event. The risk is that 10% of the attendees are killed, 3.5% are permanently disabled, 16.5% are disabled for 12 months and 30% need medical attention.

Income Protection Accident concentration scenario
In this scenario, an accident takes place on site, with the most of our insured at the same location. The risk is that 10% of those present are killed, 3.5% are permanently disabled, 16.5% are disabled for 12 months and 30% need medical attention.

Income Protection Pandemic scenario
In this scenario, there is a pandemic, which causes 1% of those affected to be hospitalised and 20% to see a local practitioner.

The table summarises the required capital for abovementioned Health insurance risks based on the standard model.

Health insurance risk - required capital

	31 December 2024	31 December 2023
Health SLT	1,234	1,187
Health Non-SLT	499	472
Catastrophe Risk (subtotal)	88	88
Diversification (negative)	-249	-239
Health (Total)	**1,572**	**1,508**
Mortality risk	-	-
Longevity risk	79	66
Disability-morbidity risk	1,021	985
Expense risk	156	145
Revision risk	288	276
Lapse risk	296	295
Diversification (negative)	-605	-581
Health SLT (subtotal)	**1,234**	**1,187**
Medical expenses insurance and proportional reinsurance	155	162
Income protection insurance and proportional reinsurance	403	370
Diversification (negative)	-59	-60
Health Non-SLT (subtotal)	**499**	**472**
Mass accident risk	27	27
Accident concentration risk	75	75
Pandemic risk	38	37
Diversification (negative)	-51	-51
Catastrophe risk (subtotal)	**88**	**88**

The SCR for the Health Non-SLT risk differs from the sum of the amounts reported in the OTSO QRTs. This difference is caused due to a diversification benefit on group level.

For the SLT Health portfolio, the provision at year-end can be broken down as follows under Solvency II.

SLT Health portfolio - technical provisions per segment

	31 December 2024	31 December 2023
Best estimate	4,968	4,657
Risk margin	545	584
Technical provision	**5,513**	**5,241**

For the NSLT Health portfolio, the provision at year-end can be broken down as follows under Solvency II.

NSLT Health portfolio - technical provisions per segment

	31 December 2024	31 December 2023
Best estimate	603	612
Risk margin	60	61
Technical provision	**663**	**673**

C.1.2.2 Non-life insurance risk

Non-life Insurance risk can be broken down into:

- Premium and reserve risk
- Non-life catastrophe risk
- Lapse risk

Premium- and reserve risk

The premium- and reserve risk is derived at the level of a legal entity based on the standard model. The premium- and reserve risk is the risk that the premium respectively the reserve is not adequate for the underwritten risk. The reserve risk is associated with historical years, and the premium risk is associated with the future year(s). The premium risk is calculated over the maximum of the expected earned premium for the next year and the earned premium for the current year. For the calculation of the premium- and reserve risk, several input data and parameters are necessary, as described in the standard model. The geographical spread, when a (re)insurer underwrites products in different countries, is not relevant for a.s.r. non-life as there is no material exposure outside the Netherlands.

Non-life Catastrophe Risk Module

Catastrophe risk is defined as the risk of loss or adverse change in the value of insurance liabilities, resulting from significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events. The Non-life SCR Catastrophic Risk Module used, consists of natural catastrophe risk (Windstorm and Hail), man-made catastrophe risk (Fire, Motor and Liability) and other Non-life catastrophe risk. The Non-life Catastrophe Risk Module is derived at the level of a legal entity based on the standard model.

Lapse risk
The lapse risk is the loss in basic own funds caused by the discontinuance of 40% of the policies for which discontinuation would result in an increase of technical provisions (without the risk margin). The calculation is based on the type of discontinuance which most negatively affects the basic own funds, which is for Non-life immediately termination of the policy.

The table summarises the required capital for abovementioned Non-life insurance risks based on the standard model.

Non-life insurance risk - required capital

	31 December 2024	31 December 2023
Premium and reserve risk	670	640
Lapse risk	58	51
Catastrophe risk	193	175
Diversification (negative)	-177	-160
Non-life insurance risk	**745**	**706**
Natural catastrophe risk	168	148
Man-made catastrophe risk	94	91
Other non-life catastrophe risk	19	20
Diversification (negative)	-87	-85
Catastrophe risk (subtotal)	**193**	**175**

For the Non-life portfolio, the provision at year-end can be broken down as follows under Solvency II:

Non-life portfolio - technical provisions per segment

	31 December 2024	31 December 2023
Best estimate	1,872	1,802
Risk margin	108	105
Technical provision	**1,980**	**1,907**

C.1.2.3 Managing Health and Non-life insurance risk
Health and Non-life insurance risk is managed by monitoring claims frequency, the size of claims, inflation, handling time, benefit and claims handling costs, and biometrical risks (disability, recovery, illness, death). Concentration risk also qualifies as an insurance risk.

In recent years, measures have been taken to improve profitability and reduce risk. Examples are: premium increases, stricter acceptance criteria, shorter claims filing terms and making use of the claims reassessment arrangement between the Dutch Association of insurers and social security institute UWV. Effects are being monitored closely and assessed to be effective.

Claims frequency, size of claim and inflation
To mitigate the risk of claims, a.s.r. bases its underwriting policy on claims history and risk models. The policy is applied to each client segment and to each type of activity. In order to limit claims and / or ensure that prices are adjusted correctly, the acceptance policy is continually refined using a number of indicators and statistical analyses. The product lines also use knowledge or expectations with respect to future trends to estimate the frequency, size and inflation of claims. The risk of unexpected major damage claims is contained by policy limits, the concentration of risk management and specific risk transfer contracts (e.g. reinsurance).

Handling time
The time required for handling and settling claims is an important factor. The settlement of claims that have a long handling time, such as liability claims, can take many years. Analyses are performed regularly and based on a.s.r.'s experience in similar cases, historical trends – such as the pattern of liabilities – increases in risk exposure, payment of damages, the scale of current and not yet settled damage claims, court rulings and economic conditions.

Benefit and claims handling costs
Taking estimated future inflation into account, benefit and claims handling costs are managed based on regular reviews and related actions.

Disability risk
Disability risk is controlled by means of regular evaluation of historical claims patterns, expected future developments and price adjustments. Disability risk is mitigated by a.s.r. through underwriting criteria and a proactive reintegration policy. a.s.r. non-life ended the mitigation of its disability risk through reinsurance in 2023. The Individual Health SLT portfolio and a small part (Aegon) of the Group Health SLT portfolio is reinsured by a reinsurance contract. For the a.s.r. part of the portfolio this consists of inactive contracts only, for the Aegon part there is one remaining contract active until 1 January 2026. The reinsuring cash flows concern existing claims and are calculated separately in the cash flows models.

Concentration risk
Geographically, the risk exposure of a.s.r. on its health and Non-life portfolio is almost entirely concentrated in the Netherlands. Concentration of insurance risks is particularly prevalent in the fire risk portfolio (i.e. home and content, with storm and flood risk forming the most important factor). Storm and flood risk is managed by means of suitable reinsurance (see also 'Reinsurance').

There is also a concentration of risk in group disability schemes. Group disability contracts are underwritten within the scope of disability cover for employees in the Netherlands (WIA).

Reinsurance
When deemed effective in terms of capital relief versus costs incurred, a.s.r. enters into reinsurance agreements to mitigate Non-life insurance risks. Reinsurance can be taken out for each separate claim (per risk), for the accumulation of claims due to natural disasters or to human actions (per event), or for both these risks.

The level of retention in the various reinsurance contracts is aligned with the size and the risk profile of the underlying portfolios, taking into account of the cost of reinsurance on the one hand, and the risk that is retained on the other.

C.2 Market risk

Market risk is the risk of potential losses due to adverse movements in financial market variables. Exposure to market risk is measured by the impact of movements in financial variables such as equity prices, bond prices, property prices and interest rates.

The various types of market risk which are discussed in this section, are:
- interest rate risk (including interest rate volatility risk)
- equity risk (including equity volatility risk)
- property risk
- currency risk
- spread risk
- concentration risk

Aegon life and Aegon spaarkas use a Partial Internal Model (PIM) to calculate the solvency position. The PIM contains separate modules for (i) interest rate risk, (ii) equity risk, (iii) property risk and (iv) spread risk. For the other risks, the Solvency II standard formula is applied. a.s.r. life, a.s.r. non-life and a.s.r. health use the Solvency II standard formula to calculate the solvency position. The total market risk is therefore the sum of the SF and IM.

The table summarises the required capital for market risks based on the SF and IM and excluding Deterministic Adjustment (DA).

Market risk - required capital

	31 December 2024	31 December 2023
Interest rate (volatility) risk	1,465	1,281
Equity (volatility) risk	1,892	1,678
Property risk	1,709	1,602
Currency risk	403	226
Spread risk	2,218	2,091
Concentration risk	0	0
Diversification	-2,235	-2,074
Market Risk	**5,452**	**4,803**

The main market risks of a.s.r. are interest rate, equity, property and spread risk. This is in line with the risk budgets based on the strategic asset allocation study. The total market risk amounted to € 5,452 million per year-end 2024 (2023: € 4,803 million). This increase is mainly the result of the increase of the equity portfolio, due to positive returns on equity markets and transactions.

The total market risk of € 5,452 million can be split into a SF component of € 3,485 million (2023: € 3,086 million) and an IM component of € 1,966 million (2023: € 1,716 million).

a.s.r. accepts and manages market risk for the benefit of its customers and other stakeholders. a.s.r.'s risk management and control systems are designed to ensure that these market risks are managed effectively and efficiently, aligned with the risk appetite for the different types of market risks. Market risk reports are submitted to the FRC at least once a month. In these reports different types of market risks are monitored and tested against the limits according to the financial risk policies.

The value of investment funds at year-end 2024 was € 10,756 million (2023: € 8,250 million). a.s.r. applies the look through approach for investment funds to assess the market risk.

As part of PIM the DA is identified for Aegon life to mitigate volatility caused by the basis risk between (i) the EIOPA VA reference portfolio and (ii) the asset portfolio of Aegon life. The value of the DA at year-end 2024 was € -148 million (2023: € 88 million). Note that the DA is not included in the required capital for market risks when determining the diversification between risks. In the presented figures the DA is excluded in the market risk. Including DA the market risk for 2024 amounted to € 5,304 million.

The diversification effect shows the effect of having a well-diversified investment portfolio.

Further explanations of the material market risk components are provided in the paragraphs below.

C.2.1 Interest rate risk
Interest rate risk is the risk that the value of assets or liabilities will change due to fluctuations in interest rates. a.s.r. is exposed to interest rate risk, as both its assets and liabilities are sensitive to movements in long- and short-term interest rates. Insurance products are exposed to interest rate risk. Especially the life insurance products are long-term and therefore particularly sensitive to interest rate risk. The interest

rate risk of insurance products depends, besides the term to maturity, on interest rate guarantees and profit-sharing features.

Interest rate risk is managed by aligning fixed-income investments to the profile of the liabilities. Among other instruments, swaptions and interest rate swaps are used for hedging the specific interest rate risk arising from interest rate guarantees and profit sharing features in life insurance products. An interest rate risk policy is in place for a.s.r. as well as for the registered insurance companies. Interest rate risk reports are submitted to the FRC at least once a month. In these reports the interest rate risk is monitored and tested against the limits according to the financial risk policies.

The required capital for interest rate risk is determined by calculating the impact on the available capital due to changes in the yield curve.

The Solvency II SF interest rate risk is the maximum loss of (i) an upward shock and (ii) a downward shock of the yield curve.

- The used shocks vary by maturity and the absolute shocks are higher for shorter maturities (descending: 75% to 20% and ascending: -70% to -20%):
- The yield curve up shock contains a minimum shock of 100bps;
- The yield curve down shock is zero in case the yield curve is negative;
- The yield curves of all currencies are shocked simultaneously.
- All adjustments (credit spread, volatility adjustment) on the yield curve are considered constant.
- The yield curve is extrapolated to the UFR. The yield curve after shock is not extrapolated again to the UFR.

The Solvency II IM for interest rate risks differ from the standard formula results for the following reasons:

- The Solvency II PIM interest rate curve shocks are calibrated based on historical market data;
- The Solvency II PIM assumes that the UFR does not change in a shock scenario, while the standard formula interest rate shock assumes that the whole curve moves, including the UFR;
- In addition, the Solvency II PIM includes a capital requirement for interest rate volatility risk. This is defined as the risk of adverse financial impacts due to the difference in interest rate volatility sensitivity between assets and liabilities.

a.s.r. has assessed various scenarios to determine the sensitivity to interest rate risk. The impact on the solvency ratio is calculated by determining the difference in the change in available and required capital and include financial institutions.

Solvency II sensitivities - interest rate

Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
UFR 3.2%	-1	-4	-	-	-1	-4
Interest rate +0.5% (2024 incl. UFR=3.30% / 2023 incl. UFR=3.45%)	-4	-2	+3	+3	-1	+1
Interest rate -0.5% (2024 incl. UFR=3.30% / 2023 incl. UFR=3.45%)	+4	+2	-3	-4	+1	-2
Interest steepening +10 bp	-1	-1	-	-	-1	-1
Volatility Adjustment -10 bp	-10	-10	+6	+5	-4	-5

C.2.2 Equity risk

The equity risk takes into account the risk arising from the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of equities. Exposure to equity markets exists in both assets and liabilities. Asset exposure exists through direct equity investments. In order to maintain a good understanding of the actual equity risk, a.s.r. applies the look-through approach for investment funds to assess the equity risk. The equity risk of insurance products depends on guarantees, profit-sharing features and fees charged to 'gespareerde beleggingdepot' (GB) clients.

The Solvency II SF equity risk is determined by calculating the impact on the available capital due to an immediate drop in equity prices.

- Equities listed in regulated markets in countries in the EEA or OECD are shocked by 39% together with the symmetric adjustment (type I).
- Equities in countries that are not members of the EEA or OECD, unlisted equities, alternative investments, or investment funds in which the look-through principle is not possible, are shocked by 49% together with the symmetric adjustment (type II).
- Investments of a strategic nature are shocked by 22%.
- The equity capital of the renewable investments qualifying as an infrastructure investment (e.g. wind farm Wieringermeer) is shocked by 30% together with the symmetric adjustment.

The Solvency II IM includes an equity shock, which differs from the standard formula shock:

- Equity risk shocks are calibrated based on Aegon life's own portfolio.
- The equity exposures are also shocked for equity volatility risks.

Solvency II sensitivities - equity prices

Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Equity prices -20%	-10	-7	+14	+9	+3	+1

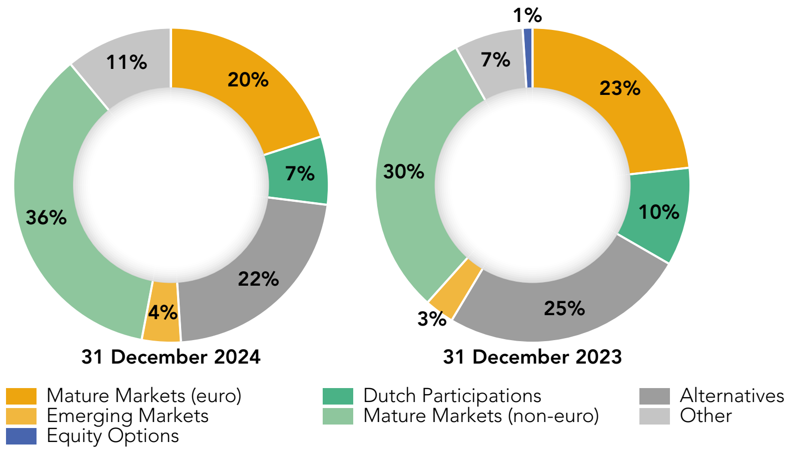
Composition of equity portfolio

The total fair value of equities and similar investments at year-end 2024 was € 4,732 million (2023: € 3,738 million). The increase of the equity portfolio is both due to transactions and positive returns on the equity markets. Please note that the total fair value of equities and similar investments referred to in this section does not include "Assets held for index-linked and unit-linked contracts". Although the risks of these assets are primarily for the policyholders, guarantees within certain products may transfer some of the risk to a.s.r.

The equities are diversified across the Netherlands (including participating interests), other European countries and the United States. A limited part of the portfolio consists of investments in emerging markets and alternatives. A portfolio of equity derivatives with a value of € -13 million is in place to mitigate the equity risk.

The table shows the exposure of the equity portfolio to different categories. The total value is including the equities in externally managed funds. The category Other contains the investments of ASR infrastructure Renewables (AIR) in windmill - and solarparks which are in scope of 'Qualifying infrastructure equities other than corporate' (€ 392 million).

Composition equity portfolio



C.2.3 Property risk

The property risk takes into account the risk arising from the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of real estate. The property risk depends on the total exposure to real estate. In order to maintain a good understanding of the actual property risk, a.s.r. applies the look through approach for investment funds and participations which activities are primarily real estate investments.

The Solvency II SF property risk is determined by calculating the impact on the available capital due to an immediate drop in property prices by 25%. Both assets and liabilities are taken into account. The product Agrarische Impact Erfpacht (AIE) has effectively a lower charge due to the underlying risk mitigating characteristics of this product.

The Solvency II IM for property risk includes an IM property shock on the real estate portfolio, calibrated on the portfolio itself as opposed to a 25% shock in the SF.

The sensitivity of the solvency ratio to changes in property value is monitored on a monthly basis. Sensitivity of regulatory solvency (Solvency II) to changes in property prices is shown in the following table.

Solvency II sensitivities - property values

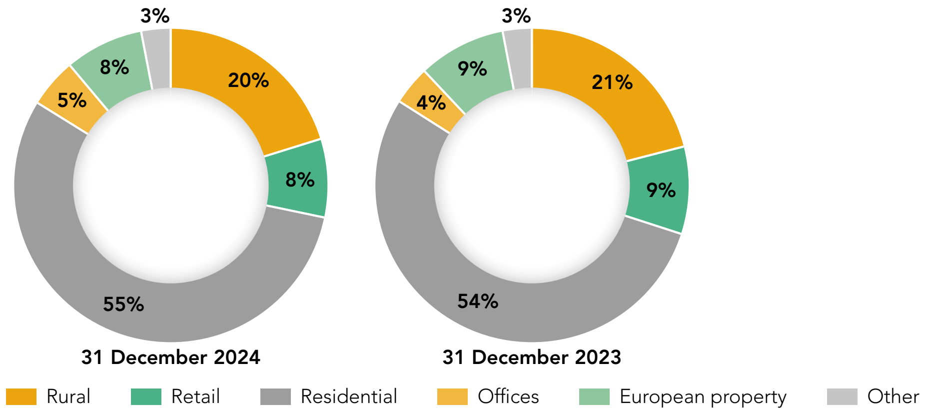
Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Property values -10%	-11	-10	+2	+2	-9	-8

Composition of property portfolio

The property risk depends on the total exposure to property, which includes both property investments and property held for own use. The fair value of property was € 9,712 million at year-end 2024 (2023: € 9,193 million). The increase of the real estate portfolio is both due to transactions and positive returns on the real estate markets.

Please note that the total exposures to property referred to in this section does not include "Assets held for index-linked and unit-linked contracts". Although the risks of these assets are primarily for the policyholders, guarantees within certain products may transfer some of the risk to a.s.r.

Composition property portfolio



C.2.4 Currency risk

Currency risk measures the impact of losses related to changes in currency exchange rates. The table provides an overview of the currencies with the largest exposures. a.s.r. has currency risk to insurance products in mainly American dollars (USD) and Australian dollars (AUD).

A currency risk policy is in place for a.s.r. as well as for the registered insurance companies. For different investment categories a.s.r. has defined a target hedge ratio. Currency risk reports are submitted to KLFC at least once a month. In these reports the currency risk is monitored and tested against the limits according to the financial risk policies.

The required capital for currency risk is determined by calculating the impact on the available capital due to a change in exchange rates. Both assets and liabilities are taken into account and a look-through approach is applied for investment funds. For each currency the maximum loss due to an upward and a downward shock of 25% is determined except for a small number of currencies where lower shocks are applied (a.o. Danish crown).

Currency risk - required capital

	31 December 2024	31 December 2023
SCR currency risk - required capital	403	226

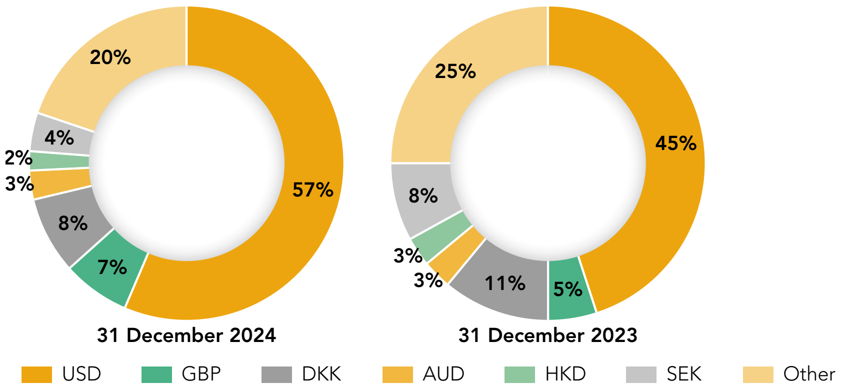
In 2024 the Solvency II SF currency risk has increased with € 177 million. The increase in currency risk is the result of a changed hedge policy in 2024.

Specification currencies with largest exposure

The total foreign exchange exposure at year-end 2024 was € 1,523 million (2023: € 772 million). The increase in 2024 (approximately € 856 million) is the result of a changed hedge policy in 2024.

Please note that the total foreign exchange exposure referred to in this section does not include "Assets held for index-linked and unit-linked contracts". Although the currency risk of these assets are primarily for the policyholders, guarantees within certain products may transfer some of the risk to a.s.r.

Composition currency portfolio



C.2.5 Spread risk

Spread risk arises from the sensitivity of the value of assets and liabilities to changes in the level of credit spreads on the relevant risk-free interest rates. a.s.r. has a policy of maintaining a well-diversified high-quality investment grade portfolio while avoiding large risk concentrations. Going forward, the volatility in spreads will continue to have possible short-term effects on the market value of the fixed income portfolio. In the long run, the credit spreads are expected to be realised and contribute to the growth of the own funds. Exposure to spread risk exists in both assets and liabilities. Asset exposure exists mainly through fixed income investments and mortgages. In order to maintain a good understanding of the actual spread risk, a.s.r. applies the look-through approach for investment funds. The spread risk of insurance products depends on guarantees and profit-sharing features.

The Solvency II SF spread risk is equal to the sum of the capital requirements for bonds, structured products and credit derivatives. Bonds and loans guaranteed by governments or international organisations could be in scope of counterparty default risk instead of spread risk. The capital requirement depends on (i) the market value, (ii) the modified duration and (iii) the credit quality category.

The Solvency II PIM for spread risk includes an IM spread shock which differs from the standard formula:

- Spread shocks are calibrated on the basis of Aegon life's fixed income portfolio.
- In contrast to the standard formula, government bonds are shocked with a factor larger than zero.
- Mortgages are in scope of the spread risk module, while under the standard formula mortgages are in scope of counterparty default risk. Hence, as a result, the spread risk inherent in a.s.r.'s mortgage portfolio is partly included in this section and partly under counterparty default risk. In particular, the mortgage portfolios of Aegon life and Aegon spaarkas are included in this section since these entities use the Partial Internal Model (PIM), while the mortgage portfolios of a.s.r. life, a.s.r. non-life and a.s.r. health are included under counterparty default risk since these entities apply the Solvency II Standard Formula (SF).
- Furthermore, the Solvency II PIM makes use of a dynamic volatility adjustment approach within Aegon life, while the standard formula does not. The Dynamic Volatility Adjustment (DVA) methodology follows an asset-only approach, ensuring spread widening is the biting scenario.
- The performance of the fixed income portfolio is assessed under a broad range of credit scenarios and the model determines which part of the (short-term) losses experienced by the assets are recouped.

The sensitivity to spread risk is measured as the impact of an increase of spread on loans and corporate bonds of 75 bps. The VA is based on a reference portfolio. An increase of 75 bps of the spreads on loans and corporate bonds within the reference portfolio leads to an increase of the VA with 19 bps in 2024 (2023: 17 bps). The credit spread sensitivity remained at +7 increase in solvency ratio for a 75 bps spread shock, combined with a 19 bps VA shock.

Solvency II sensitivities - spread risk

Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Spread +75 bp / VA +19bp (2023: VA +17bp)	+15	+14	-7	-6	+7	+7

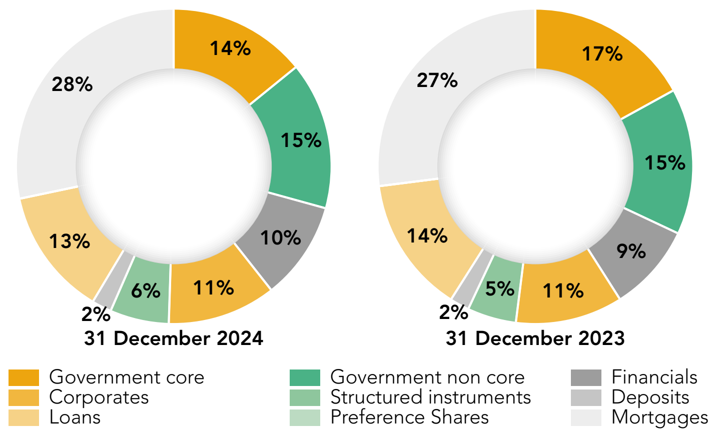
Composition of fixed income portfolio

Spread risk is managed on a portfolio basis within limits and risk budgets established by the relevant risk committees. Where relevant, credit ratings provided by the external rating agencies are used to determine risk budgets and monitor limits. A limited number of fixed-income investments do not have an external rating. These investments are generally assigned an internal rating. Internal ratings are based on methodologies and rating classifications similar to those used by external agencies.

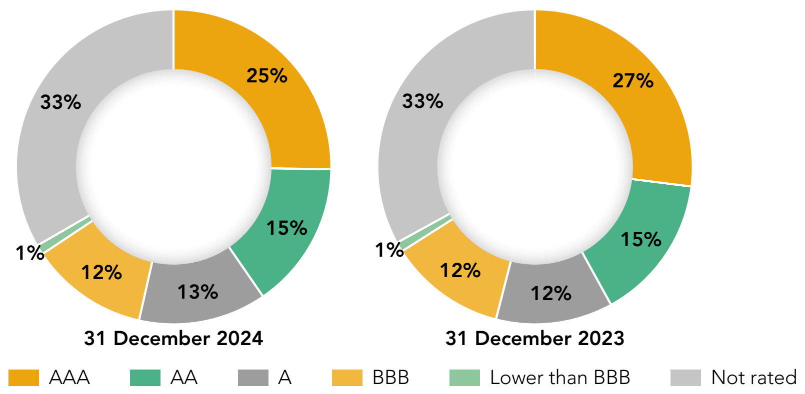
The following tables provide a detailed breakdown of the fixed-income exposure by (i) rating class and (ii) sector. Assets in scope of spread risk are, by definition, not in scope of counterparty default risk. The total exposure of assets in scope of spread risk is € 54,693 million (2023: € 51,911 million). The portfolio composition is similar to 2023.

Please note that the total fixed-income exposure referred to in this section does not include "Assets held for index-linked and unit-linked contracts". Although the risks of these assets are primarily for the policyholders, guarantees within certain products may transfer some of the risk to a.s.r.

Composition fixed income portfolio by sector



Composition fixed income portfolio by rating



C.2.6 Market risk concentrations
Concentrations of market risk constitute an additional risk to an insurer. Concentration risk is the concentration of exposures to the same counterparty. Other possible concentrations (region, country, etc.) are not in scope. The capital requirement for concentration risk is determined in three steps:
1. determine the exposure above threshold. The threshold depends on the credit quality of the counterparty;
2. calculation of the capital requirement for each counterparty, based on a specified factor depending on the credit quality;
3. aggregation of individual capital requirements for the various counterparties.

According to the spread risk module, bonds and loans guaranteed by a certain government or international organisation are not in scope of concentration risk. Bank deposits can be excluded from concentration risk if they fulfil certain conditions.

a.s.r. continuously monitors exposures in order to avoid concentrations in a single obligor outside of the risk appetite and has an overall limit on the total level of the required capital for market risk concentrations. The calculation of the market risk concentrations applies to the total investment portfolio, where, in line with Solvency II, government bonds are not included.

The required capital for market risk concentrations is nil as per year-end 2024 (2023: nil).

C.3 Counterparty default risk

Counterparty default risk reflects possible losses due to unexpected default or deterioration in the credit standing of counterparties and debtors. Counterparty default risk affects several types of assets:
- mortgages
- savings-linked mortgage loans
- derivatives
- reinsurance
- receivables
- cash and cash equivalents

Assets that are in scope of spread risk are, by definition, not in scope of counterparty default risk and vice versa. The Solvency II regime makes a distinction between two types of exposures:
- Type 1: These counterparties generally have a rating (reinsurance, derivatives, current account balances, deposits with ceding companies and issued guarantee (letter of credit). The exposures are not diversified.
- Type 2: These counterparties are normally unrated (receivables from intermediaries and policyholders, mortgages with private individuals or SMEs). The exposures are generally diversified.

The total capital requirement for counterparty risk is an aggregation of the capital requirement for type 1 exposure and the capital requirement for type 2 exposure by taking 75% correlation.

Counterparty default risk - required capital

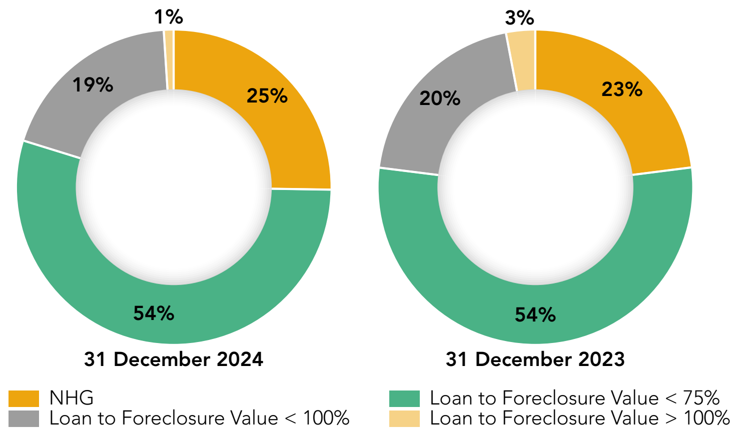
	31 December 2024	31 December 2023
Type 1	159	190
Type 2	234	136
Diversification (negative)	-24	-20
Total	369	305

In 2024 the Solvency II SF Counterparty default has increased with € 64 million. The counterparty risk type 1 is lower compared to previous year, mainly due to the decreased cash position. The counterparty risk type 2 was higher, per year-end 2024, mainly due to the increase of the mortage portfolio.

C.3.1 Mortgages
Mortgages are granted for the account and risk of third parties and for a.s.r.'s own account. The a.s.r. portfolio consists only of Dutch mortgages with a limited counterparty default risk. The fair value of a.s.r.'s mortgage portfolio in scope of Counterparty default risk was € 11,846 million at year-end 2024 (2023: € 10,285 million[1]).

Please note that the mortgages of both Aegon life and Aegon spaarkas are in scope of Solvency II IM spread risk.

Composition mortgage portfolio



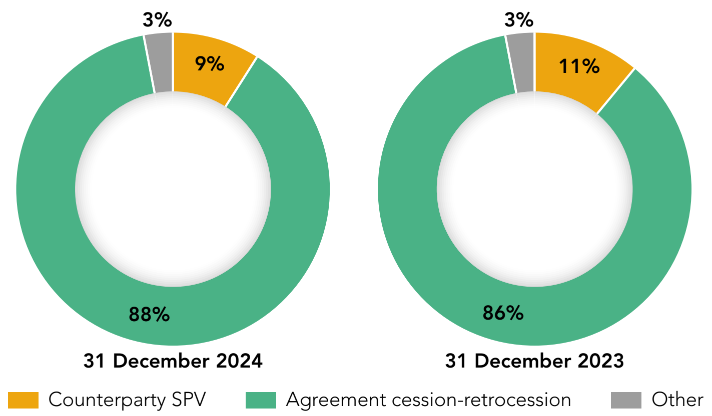
1 The 2023 figure is adjusted compared to the 2023 report (€ 9,975 million) for participations in Aegon mortgages (impact € +310 million).

The Loan-to-Value ratio is based on the value of the mortgage according to Solvency II principals with respect to the a.s.r. calculated collateral. The percentage of mortgages which are in arrears for over three months remained stable at 0.04% in 2024 (2023: 0.04%).

C.3.2 Savings-linked mortgage loans

The counterparty default risk of the savings-linked mortgage loans ('Spaarlossen') depends on the counterparty. For 9% of the portfolio, the counterparties are Special Purpose Vehicles. The risk is limited due to the robust quality of the mortgages in the Special Purpose Vehicles in combination with the tranching. a.s.r. has a cession-retrocession agreement with the counterparty for 88% of the portfolio, for which the risk is limited. Effectively, a.s.r. recognises the underlying receivable from the counterparty (or in the case of insolvency of the counterparty the mortgage loans transfers as collateral), mitigating the counterparty default risk of the savings-linked mortgage loans.

Composition savings-linked mortgage loans portfolio



C.3.3 Derivatives

Over the Counter (OTC) derivatives are primarily used by a.s.r. to manage the interest-rate risks incorporated into the insurance liabilities. Interest-rate derivatives are traded with a well-diversified and qualitative dealer panel with whom there is an established International Swaps and Derivatives Association (ISDA) contract and a Credit Support Annex (CSA) in place. These CSAs include specific agreements on the exchange of collateral limiting market and counterparty risk. The outstanding value of the interest rate derivative positions is matched by collateral received from eligible counterparties, minimising the net counterparty default risk. In addition, a sizeable part of the interest-rate swap portfolio (and virtually all new interest rate swaps) are centrally cleared, which significantly reduces counterparty default risk.

C.3.4 Reinsurance

a.s.r. collaborates with reinsurers. When entering into reinsurance contracts a.s.r. requires the counterparty to be rated at least single A. With respect to long-tail business and other sectors, the minimum permitted rating is single A.

The table shows the exposure to reinsurers which are in scope of counterparty default risk. The total exposure to reinsurers at year-end 2024 was € 340 million (2023: € 355 million). Counterparty default risk is immaterial for Aegon life's reinsurance exposure and therefore not in scope of the Composition table.

Composition reinsurance counterparties by rating

	31 December 2024	31 December 2023
AAA	0%	0%
AA	87%	87%
A	11%	10%
NR	2%	0%
Total	**100%**	**100%**

C.3.5 Receivables

The receivables with a counterparty default risk amounted to € 2,317 million at year-end 2024. This mainly consists of insurance and intermediaries receivables (€ 232 million), reinsurance receivables (€ 21 million) and other (non-insurance) receivables (€ 2,064 million).

C.3.6 Cash and cash equivalents

The current accounts in scope of counterparty default risk amounted € 2,494 million in 2024 (2023: € 4,303 million), this excludes commercial papers.

Composition cash accounts by rating

	31 December 2024	31 December 2023
AAA	40	773
AA	176	514
A	2,278	3,017
Lower than A	0	0
Total	**2,494**	**4,303**

C.4 Liquidity risk

Liquidity risk is the risk that a.s.r. is not able to meet its financial obligations to policyholders and other creditors when they become due and payable, at a reasonable cost and in a timely manner. Liquidity risk is not quantified in the SCR of a.s.r. and is therefore separately discussed.

a.s.r. recognises different levels of liquidity management. First, short-term liquidity management which covers the day-to-day cash requirements and aims to meet short term liquidity risk targets. Second level covers the medium-tolong-term liquidity management. This, among others, considers the strategic matching of liquidity & funding needs in different business conditions in which market liquidity risk could materialise. Finally stress liquidity management refers to the ability to respond to a potential crisis situation as a result of a market event and/or an a.s.r.-specific event.

a.s.r. experienced changes in the liquidity as a result of cash variation margin in- and outflow related to the ISDA/CSA- and Clearing agreements of derivatives. Cash outflow was financed by returning earlier received cash collateral to counterparties and, when necessary, by liquidating assets. As at 31 December 2024 a.s.r. is a net receiver of cash collateral. Other sources of liquidity risk are (unexpected) lapses in the insurance portfolios and catastrophe risk. a.s.r. monitors its liquidity risk via different risk reporting and monitoring processes including cash management reports, cash flow forecasts, liquidity stress tests and liquidity dashboards in which liquidity outflows are calculated for different (stress) scenarios. For long-term liquidity management purposes, liquidity is also taken into account in the strategic asset allocation process.

a.s.r.'s liquidity management principle consists of three components. First, a well-diversified funding base in order to provide liquidity for cash management purposes. A portion of assets must be held in overnight liquidity (directly available) and invested in unencumbered marketable securities so it can be used for collateralised borrowing or asset sales. In order to cover liquidity needs in stress events a.s.r. has committed repo-facilities in place to ensure liquidity under all market circumstances. Second, the strategic asset allocation should reflect the expected and contingent liquidity needs of liabilities. Finally, an adequate and up-to-date treasury mandate, liquidity policy and contingency plan are in place to enable management to act effectively and efficiently in times of crisis.

In managing the liquidity risk from financial liabilities, a.s.r. relies on holding liquid assets comprising cash and cash equivalents and investment grade securities for which there is an active and liquid market. These assets can be readily sold or lend to meet liquidity requirements. As at 31 December 2024, a.s.r. had cash (€ 3,372 million), short-term secured deposits (€ 653 million) and liquid government bonds (€ 15,775 million).

Expected profit included in future premiums

The expected profit included in future premiums (EPIFP) means the expected present value of future cash flows which result from the inclusion in technical provisions of premiums relating to existing insurance and reinsurance contracts that are expected to be received in the future, but that may not be received for any reason, other than because the insured event has occurred, regardless of the legal or contractual rights of the policyholder to discontinue the policy.

EPIFP

	31 December 2024	31 December 2023
EPIFP	1,453	1,474

The EPIFP decreased to € 1,453 million at the end of 2024 (2023: € 1,474 million).

C.5 Operational risk

Operational risk concerns the risk of direct and / or indirect losses which can occur within a.s.r. as a result of inadequate or failing (changing) internal processes, people, systems and/or as a result of external events. Operational risks occurred are most times being caused by the failure of processes, people, systems, external events or a combination of these factors.

Operational risk - required capital

	31 December 2024	31 December 2023
SCR operational risk - required capital	430	437

The SCR for operational risk amounts to € 430 million at the end of 2024 (2023: € 437 million) and is determined with the standard formula under Solvency II. The operational risk is based on the basic SCR, the volumes of premiums and technical provisions, and the amount of expenses.

There is no benefit of diversification for operational risk.

C.6 Other material risks

As part of the regular ORSA process, the overall risk profile and associated solvency capital needs are assessed against a.s.r.'s actual solvency capital position. The most important risks to which a.s.r. is exposed, including risks that are not incorporated into the standard formula, are identified through a combined top-down (strategic risk assessment) and bottom-up (control risk self-assessments) approach. After assessment of the effectiveness of the mitigating measures, the risks with the highest 'Level of Concern' (LoC) are translated to the a.s.r. risk priorities and relevant risk scenarios for the ORSA. The following risks, outside the scope of the standard formula, are recognised by a.s.r. as being potentially material:

- Inflation risk;
- Reputation risk;
- Liquidity risk;
- Contagion risk;
- Legal environment risk;

- Model risk;
- Risks arising from non-insurance activities (non-OTSOs);
- Strategic risk;
- Climate risk and sustainability risk;
- Emerging risk;
- Environmental, Social & Governance (ESG) risk.

As part of the appropriateness assessment of the standard formula mitigating measures regarding these risks are identified and evaluated.

C.7 Any other information

C.7.1 Description of off-balance sheet positions

Off balance sheet positions different from the financial statements do not exist.

C.7.2 Reinsurance policy and risk budgeting

C.7.2.1 Reinsurance policy

When deemed effective in terms of capital relief versus costs incurred, a.s.r. enters into reinsurance agreements to mitigate non-life insurance risks. Reinsurance can be taken out for each separate claim (per risk), for the accumulation of claims due to natural disasters or to human actions (per event), or for both these risks.

The level of retention in the various reinsurance contracts is aligned with the size and the risk profile of the underlying portfolios, taking into account of the cost of reinsurance on the one hand, and of the risk that is retained on the other. By determining the retention, the impact on the statement of financial position is taken into account as well.

To limit risk concentration, reinsurance contracts are placed with various reinsurance companies. a.s.r. requires the counterparties to be rated at least single A-. The structure of the reinsurance program has remained largely the same as in previous years in terms of cover and limits. In 2023 a.s.r. purchased excess of loss reinsurance for accident year 2024 for Windstorm in excess of € 50 million with a limit of € 750 million.

C.7.2.2 Risk budgeting

The FRC assesses the solvency position and the financial risk profile on a monthly basis. Action is taken where appropriate to ensure the predefined levels in the risk appetite statement will not be violated.

C.7.3 Monitoring of new and existing products

Group Risk Management, Compliance, and Legal Affairs participate in the Product Approval and Review Process Board. All these departments evaluate whether risks in newly developed products are sufficiently addressed. New products need to be developed in a way that they are cost efficient, reliable, useful and secure for the client. New products must also be strategically aligned with a.s.r.'s mission to be a solid and trustworthy insurer. In addition, the risks of existing or modified products are evaluated, as requested by the PARP, as a result of product reviews.

C.7.4 Prudent Person Principle

a.s.r. complies with the prudent person principles as set out in Directive 2009/138/EC/article 132: Prudent person principle. The prudent person principle ensures that assets are managed on behalf of its subsidiaries, policyholders or other stakeholders in a prudent manner, and covers aspects that relate to market, credit, liquidity and operational risk. a.s.r. has mandated ASR Vermogensbeheer N.V. as their asset manager.

a.s.r. ensures that assets of policyholders or other stakeholders are managed in a prudent manner. a.s.r. complies with the Prudent Person Principle by investing only in assets and instruments which a.s.r. can adequately assess, measure, monitor, control, maintain and report the risks. All assets will be assessed against solvency criteria according to article 45 (1a).

Derivatives are only used when these contribute to a lower risk or when it can be used to manage/hedge the portfolio more efficient. Mortgages, real estate and illiquid assets, which are not traded on regulated financial markets, are limited to a prudent level.

Governance of Investments

Within the Three Lines model, investments are managed in the first line by ASR Vermogensbeheer NV, reporting to the CFO of a.s.r.

ASR Vermogensbeheer NV manages its investments within the boundaries of a.s.r.'s Risk Appetite Framework, Strategic Asset Allocation and its Market-Risk Budget. The Market-Risk Budgets are calculated on a quarterly basis by Group Finance (GF), taking into account the Risk Appetite Framework. Group Risk Management (GRM), acting as the second line, is responsible for the review. Internal Audit acts as the third line.

a.s.r. has established a structure of risk committees with the objective to monitor the risk profile for a.s.r. group, its legal entities and its business lines in order to ensure that it remains within the risk appetite and the underlying risk tolerances and risk limits. When triggers are hit or likely to be hit, risk committees make decisions regarding measures to be taken, being risk-mitigating measures or measures regarding governance, such as the frequency of their meetings.

All investment related activities are performed according to mandates as set by a.s.r., clients or policyholders. Mandates for investments for own account, clients and for account of policyholders are set out in internal guidelines, in order to ensure that prudent person principles are satisfied. This should always be in line with internal policies and internal constraints (such as the Policy on Responsible Investments) and external constraints (such as regulatory limits).

D Valuation for Solvency Purposes

This chapter contains information regarding the valuation of the balance sheet items. For each material asset class, the bases, methods, and main assumptions used for valuation for Solvency II purposes are described. Separately for each material class of assets a quantitative and qualitative explanation of any material difference between the valuation for Solvency II purposes and valuation in the financial statements. When accounting principles are equal or when line items are not material, line items are clustered together.

Valuation of assets is based on fair value measurement as described below. Each material asset class is described in paragraph D.1. Valuation of technical provisions is calculated as the sum of the best estimate and the risk margin.This is described in paragraph D.2. Other liabilities are described in paragraph D.3. Information for each material line item is based on the balance sheet below. For each line item is described:

- Methods and assumptions for valuation;
- Difference between Solvency II valuation and valuation in the financial statements.

The numbering of the line items refers to the comments below.
Based on the differences in this template a reconciliation is made between IFRS equity and Solvency II equity.

Reconciliation IFRS balance sheet and Solvency II balance sheet

Balance sheet	31 December 2024 IFRS	Revaluation	Deconsolidation Financial Institutions	31 December 2024 Solvency II
1. Deferred acquisition costs	-	-	-	-
2. Intangible assets	592	-592	-	-
3. Deferred tax assets	101	-98	-2	-
4. Property, plant, and equipment held for own use	253	-	-	253
5. Investments - Property (other than for own use)	3,804	-	-	3,804
6. Investments - Equity	14,016	-40	353	14,329
7. Investments - Bonds	30,289	399	-	30,688
8. Investments - Derivatives	11,109	66	-247	10,928
9. Unit-linked investments	33,019	-182	0	32,837
10. Loans and mortgages	37,367	-753	-2,633	33,982
11. Reinsurance recoverables	485	-556	-	-71
12. Cash and cash equivalents	4,223	288	-485	4,026
13. Any other assets, not elsewhere shown	2,662	269	-428	2,503
Total assets	**137,920**	**-1,200**	**-3,442**	**133,278**
14. Technical provisions (best estimates)	61,226	-2,037	-	59,189
15. Technical provisions (risk margin)	-	2,607	-	2,607
16. Unit-linked best estimate	41,408	-4,288	-	37,119
17. Unit-linked risk margin	-	585	-	585
18. Pension benefit obligations	4,974	-	-	4,974
19. Deferred tax liabilities	-	373	7	379
20. Subordinated liabilities	3,014	-49	-	2,964
21. Other liabilities	18,364	583	-3,409	15,538
Total liabilities	**128,985**	**-2,227**	**-3,402**	**123,355**
Excess of assets over liabilities	**8,935**	**1,027**	**-40**	**9,922**

For a reconciliation between the excess of assets over liabilities to eligible own funds, see section E.1.

D.1 Assets

Valuation of most financial assets is based on fair value. In the paragraph below, this valuation methodology is described. For different line items will be referred to this method. In this paragraph line items 1 – 13 from the simplified balance sheet above are described.

D.1.1 Fair value measurement

In accordance with the Delegated Regulation, Solvency II figures are based on fair value. In line with the valuation methodology described in article 75 and further of the Delegated Regulation and articles 9 and 10, the following three hierarchical levels are used to determine the fair value of financial instruments and non-financial instruments when accounting for assets and liabilities at fair value:

Level 1: Fair value based on quoted prices in an active market.
Level 1 includes assets and liabilities whose value is determined by quoted (unadjusted) prices in the primary active market for identical assets or liabilities. A financial instrument is quoted in an active market if:

- Quoted prices are readily and regularly available (from an exchange, dealer, broker, sector organisation, third party pricing service, or a regulatory body); and
- These prices represent actual and regularly occurring transactions on an arm's length basis.

Financial instruments in this category primarily consist of bonds and equities listed in active markets. Cash and cash equivalents are also included as level 1.

Level 2: Fair value based on observable market data
Determining fair value on the basis of Level 2 involves the use of valuation techniques that use inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices of identical or similar assets and liabilities). These observable inputs are obtained from a broker or third party pricing service and include:
- Quoted prices in active markets for similar (not identical) assets or liabilities;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Input variables other than quoted prices observable for the asset or liability. These include interest rates and yield curves observable at commonly quoted intervals, volatility, loss ratio, credit risks and default percentages.

This category primarily includes:
I. Financial instruments: unlisted fixed-interest preference shares and interest rate contracts;
II. Financial instruments: loans and receivables (excluding mortgage loans)[1];
III. Other financial assets and liabilities.

Level 3: Fair value not based on observable market data
The fair value of the level 3 assets and liabilities are determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument and for which any significant inputs are not based on available observable market data. The financial assets and liabilities in this category are assessed individually.

Valuation techniques are used to the extent that observable inputs are not available. The basic principle of fair value measurement is still to determine a fair, arm's length price. Unobservable inputs therefore reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are generally based on the available observable data (adjusted for factors that contribute towards the value of the asset) and own source information.

This category primarily includes:
I. Financial instruments: private equity investments (or private equity partners) and real estate equity funds third parties;
II. Financial instruments: loans and receivables – mortgage loans, and mortgage equity funds;
III. Investment property, real estate equity funds associates and buildings for own use;
IV. Financial instruments: asset-backed securities.

D.1.2 Assets per asset category

The balance sheet reports specify different asset categories. In this section, we describe the valuation of each material asset category. The figures correspond to the extended balance sheet which has been reported as QRT S.02.01.

1. Deferred acquisition costs
a.s.r.'s accounting policy is that all costs incurred to acquire insurance contracts (acquisition costs) are charged directly to the income statement, generally within one year.

2. Intangible assets
The intangible assets related to goodwill and other intangible assets are not recognised in the Solvency II framework and are set to nil.

3. Deferred tax assets
The basis for the deferred tax assets (DTA)/deferred tax liabilities (DTL) position in the IFRS balance sheet is temporary differences between fiscal and commercial valuation. This DTA / DTL position is the base for this line item on the Solvency II balance sheet, adjusted for Solvency II revaluations.
In accordance with the Delegated Regulation and the recommendations of DNB, netting is only allowed with same tax authority and with same timing. In the assessment of this timing, carry back/forward rules can be taken into account. The DTA that cannot be offset based on the netting principles is recorded as Tier 3 capital, taking into account relevant tiering restrictions and provided that there are sufficient future fiscal profits available to substantiate this DTA. The remaining DTL is recorded as Tier 1 capital. Based on these netting principles, a.s.r. records DTL on the balance sheet per year-end 2024.

1 Not measured at fair value on the balance sheet and for which the fair value is disclosed.

4. Property plant, and equipment held for own use
a.s.r. recognises property at market value, equal to Solvency II measurement.

5. Investments - Property (other than for own use)
a.s.r. recognises the following categories of investment property; the method for calculating their fair value has been added:
- Residential –based on reference transaction and discounted cash flow method (DCF method);
- Retail – based on reference transaction and income capitalisation method;
- Rural – based on reference transaction and DCF method;
- Offices – based on reference transaction and DCF method;
- Other – based on reference transaction and DCF method;
- Under construction - based on both DCF and income capitalisation method.

6. Investments – Equity
Valuation of listed equities is based on the level 1 method of the fair value hierarchy. Unlisted fixed-interest preference shares are valued based on the level 2 method of the fair value hierarchy. The valuation techniques for financial instruments start from present value calculations; derivatives are valued based on forward-pricing and swap models. The observable market data contains yield curves based on company ratings and characteristics of unlisted fixed-interest preference shares. The main non-observable market input for private equity investments is the net asset value of the investment as published by the private equity company (or partner).

Valuation of private equity investments is based on the level 3 method of the fair value hierarchy. The main non- observable market input for private equity investments is the net asset value of the investment as published by the private equity company (or partner).

The revaluation from IFRS to Solvency II can be explained mainly by the deconsolidation of financial institutions.

7. Investments – Bonds
The valuation of these assets is consistent with the IFRS fair value hierarchy as described in paragraph D.1.1.

8. Investments – Derivatives
The valuation of these assets is consistent with the fair value hierarchy as described in paragraph D.1.1. The valuation of listed derivatives is based on the level 1 method of the fair value hierarchy. The valuation of unlisted interest rate contracts is based on the level 2 method of the fair value hierarchy. The valuation techniques for financial instruments start from present value calculations; derivatives are valued based on forward-pricing and swap models. The observable market data contains yield curves based on company ratings and characteristics of unlisted fixed-interest preference shares.

9. Unit-Linked investments
The valuation of these assets is consistent with the IFRS fair value hierarchy described in paragraph D.1.1.

10. Loans and mortgages
The valuation of loans is based on the level 2 and level 3 (mortgages) method of the fair value hierarchy. The fair value of the loans is based on the discounted cash flow method. It is obtained by calculating the present value based on expected future cash flows and assuming an interest rate curve used in the market that includes an additional spread based on the risk profile of the counterparty. This asset category includes savings linked mortgages.

Many of the savings-linked mortgages that a.s.r. has sold in the past were combined with a mortgage loan from an external bank. This bank has undertaken to pay mortgage interest on the savings accrued in the insurance policy. To this end, the insurer transfers the premiums to a special deposit account with the bank. For the purpose of both IFRS and Solvency II, both the insurance policy and the loans are measured at fair value, allowing for any securities the insurer receives on the funds deposited with the bank. Future payments from saving-linked mortgages are reported as a derivative contract in accordance with the Delegated Regulation and the guidance provided by DNB.

The valuation method used to determine the fair value of a.s.r.'s mortgage portfolio bases the spread on the interest rate curve for discounting the mortgage portfolio cash flows on consumer rates, the risk profile of contract and corrects it for initial costs.

11. Reinsurance recoverables
Contracts that transfer a significant insurance risk from a.s.r. to third parties are accounted for as reinsurance contracts, and are classified as outgoing reinsurance.

The amounts that can be collected from reinsurers are estimated using a method that is in line with the reinsurance contract and the fair-value method for determining liabilities arising from reinsurance contracts described in Section D.2.

Assets arising from reinsurance contracts are recognised under reinsurance contracts, including receivables from reinsurers. At each reporting date, a.s.r. assesses whether objective evidence of impairment exists. If a reinsurance asset is impaired, its carrying amount is reduced to its recoverable amount. Therefore, current receivables from reinsurers are valued comparable with IFRS.

12. Cash and cash equivalents
The valuation of cash and cash equivalents is based on the level 1 method of the fair value hierarchy. Cash and cash equivalents include cash in hand, deposits held at call with banks, cash collateral and other short-term highly liquid investments with original maturities of three months or less.

13. Any other assets, not elsewhere shown
The valuation of these assets is based on the Solvency II valuation method. Other assets include different investments and interest income, property developments, tax assets and accrued assets.

D.2 Technical provisions

D.2.1 Introduction

In this section, the policies regarding methodology and assumptions for the technical provisions are described. These liabilities arise from insurance contracts issued by a.s.r. that transfer significant insurance risks from the policyholder to a.s.r. The following lines of business are distinguished:

- Life insurance
- Health insurance
- Non-life insurance In this paragraph line items 14 – 17 from the simplified balance-sheet above (from paragraph D) are described.

The table provides an overview of the legal entities within a.s.r. and the lines of business involved.

Legal entities within a.s.r. and the lines of business involved

	Life insurance		Non-life			Health
Legal entity	Traditional Life	Unit-linked and Index-linked	Property and Casualty	Health SLT Income Protection	Health NSLT Income Protection	Health NSLT Medical Expenses
ASR Levensverzekering N.V.	X	X				
Aegon Levensverzekering N.V.	X	X				
Aegon Spaarkas N.V.	X	X				
ASR Schadeverzekering N.V.			X	X	X	
ASR Basis Ziektekostenverzekeringen N.V.						X
ASR Aanvullende Ziektekostenverzekeringen N.V.						X

D.2.2 Technical provisions methods

This section describes the general methodology for calculating the technical provisions.

The technical provision is the sum of the best estimate and the risk margin. The best estimate includes the intrinsic value and the time value of options and guarantees (TVOG).

14 and 16. Technical Provisions and Unit – linked (best estimates)

The intrinsic value is the net present value of projected cash flows from insurance contracts, i.e. benefits and claims, profit-sharing liabilities and costs less premiums. These cash flows are estimated using best estimate assumptions with respect to mortality, morbidity, disability, recovery, claims experience, lapse, expense and inflation. Where applicable, the participating features of the insurance contracts, such as profit-sharing, are taken into account in the future cash flows. The cash flows are discounted using the term structure of risk-free interest rates (including volatility adjustment) as prescribed under Solvency II for the valuation of underwriting liabilities. The TVOG is calculated using stochastic techniques with respect to interest scenarios.

For unit-linked contracts with a guaranteed minimum benefit on maturity the best estimate is increased with the loss on maturity date because of this guarantee if a loss occurs in the best estimate scenario.

15 and 17. Technical Provisions and Unit – linked (risk margin)

The risk margin is determined using the Cost of Capital (CoC) method, using a Cost-of-Capital rate of 6%, in line with the Delegated Regulation. The risk margin is based on the SCR of all insurance risks, operational risk, unavoidable market risk (excluding interest rate risk) and counterparty default risk for reinsurance arrangements, SPVs and other material exposures which are closely related to insurance liabilities.

The SCRs involved are determined at the valuation date under the assumption that no VA is applicable. They are projected separately into the future using suitable risk drivers per risk group per entity. These SCRs are aggregated in each future year, making allowance for the correlations between risks using correlation factors as define in the standard model.

In determining the risk margin, allowance is also made for diversification benefits between risk groups within a legal entity.

The risks that are factored into the risk margin are mortality risk, longevity risk, disability-morbidity risk, lapse risk, catastrophe risk, expense risk and operational risk.

Risk-free yield curve

The basis for the reference rate of the best estimate is the swap rate at the date of valuation (31 December 2024. The following adjustments have been made to the swap curve:

- Reduction by 10 bps to account for counterparty default risk (30 December 2023: 10 bps);
- Extrapolation from year 20 to the ultimate forward rate of 3.30% in year 60 using the Smith-Wilson extrapolation method;
- Inclusion of a volatility adjustment (VA) of 23 bps, as provided by EIOPA, to the zero rates for the first 20 years (31 December 2023: VA 20 bps).

Impact volatility adjustment

a.s.r. applies the volatility adjustment for discounting cash flows to determine the best estimate and in determining the capital requirement under the SCR. The following table shows the impact of this volatility adjustment on the financial position and own funds of a.s.r. including other financial institutions (ASR Vermogensbeheer, ASR Vastgoed Vermogensbeheer, ASR Vooruit, a.s.r. PPI, Aegon Hypotheken and Aegon Cappital).

Impact of applying VA = 0 bps

	VA = 23 bps	VA = 20 bps	VA = 0 bps		Impact	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
TP	99,500	96,751	101,461	98,570	1,961	1,819
SCR	6,209	6,581	7,384	7,257	1,175	676
MCR	2,295	2,629	2,632	2,590	337	-39
Basic own funds (total)	11,968	10,460	10,513	9,111	-1,455	-1,349
Eligible own funds	12,321	11,578	10,866	10,229	-1,455	-1,349

Basic own funds (total) is presented excluding financial institutions.

The EOF and the SCR of a.s.r. including other financial institutions equals € 12,321 million and € 6,006 million respectively.

D.2.3 Level of uncertainty

a.s.r. distinguishes between two sources of uncertainty with regard to the level of the technical provisions. These sources are model risk and process risk. The uncertainty associated with these risks has been mitigated as described below.

Process risk

The process risk is mitigated using the Risk Control Matrix (RCM), which creates a reasonable degree of assurance as to the reliability of financial reports. Key controls have been identified and to a larger extend implemented for the calculation process. In addition, the effectiveness of the RCM framework is verified by an independent party and supplementary checks are performed where needed. As part of RCM or the additional checks, the four-eye principle has demonstrably been applied to the calculation of the technical provision.

Model risk

The second risk that a.s.r. has identified in relation to the technical provisions is model risk. Regular procedures have provided adequate certainty with regard to this risk. To illustrate, the reporting manager in charge signs off documents to demonstrate that the reported figures do not contain any material mistakes or that no key facts have been omitted. As part of the second line Model Validation performs independent validations on the used models which are discussed and approved by the Model Committee. In addition, FRM, in its role as the second line, performs an independent internal review of the technical provisions as described in the previous phase.

D.2.4 Reinsurance and special purpose vehicles

Contracts that transfer a significant insurance risk from a.s.r. to third parties are accounted for as reinsurance contracts, and are classified as outgoing reinsurance.

Assets arising from reinsurance contracts are recognised under reinsurance contracts, except for current receivables from reinsurers, which are included under reinsurance receivables. At each reporting date a.s.r. assesses whether objective evidence of impairment exists. If a reinsurance asset is impaired, its carrying amount is reduced to its recoverable amount.

Therefore, current receivables from reinsurers are valued comparable with IFRS.

a.s.r. life has reinsured a substantial part of all underwriting risk of a certain group pension contract on a proportional basis.

a.s.r. non-life can be split in:

P&C

For reinsurance contracts the premiums and claims are administered. When applicable, reinstatement premiums are taken into account. For a first (early) estimation of the (gross) impact of (new) catastrophes also external models (for example from brokers and/or Verbond voor Verzekeraars) are used . The reinsurance part can be derived from this estimation. The actuarial department estimates the ultimate claims. If applicable, in this calculation the reinsurance limit is also taken into account.

For the Best Estimate claim provision the ratio of the total net and gross provision is used and is projected on the total gross Best Estimate claim provision to derive the net Best Estimate claim provision. For the reinsurance part of the Best Estimate premium provision the outgoing (premium) cash flow and expected incoming (claim payments) cash flow is taken into account.

Health

The Individual Health SLT portfolio and a small part of the Group Health SLT portfolio is reinsured by a reinsurance contract. For the a.s.r. part of the portfolio this consists of inactive contracts only, for the Aegon part there is one remaining contract active until 1-1-2026. The reinsuring cash flows concern existing claims and are calculated separately in the cash flows models. The reinsured best estimate is € 170 million.

The Health NSLT portfolio is not reinsured.

Special purpose vehicles

a.s.r. does not make use of special purpose vehicles (SPVs) which transfer a significant insurance risk to third parties.

D.2.5 Technical provisions

In this table a reconciliation is made between the Solvency II and the IFRS valuation of provisions. Solvency figures are part of the balance sheet S.02.01. The table describes a brief explanation of these differences.

Technical provisions: IFRS versus Solvency II

31 December 2024	IFRS	Revaluation	Solvency II
Non-life			
Best estimate	-		1,872
Risk margin	-		108
Technical provision	**6,612**	**-4,632**	**1,980**
Similar to non-life			
Best estimate	-		603
Risk margin	-		60
Technical provision	**-3,518**	**4,181**	**663**
Similar to life			
Best estimate	-		4,968
Risk margin	-		545
Technical provision	**4,865**	**648**	**5,513**
Life			
Best estimate	-		51,745
Risk margin	-		1,893
Technical provision	**53,266**	**373**	**53,639**
Index-linked and unit-linked			
Best estimate	-		37,119
Risk margin	-		585
Technical provision	**41,408**	**-3,703**	**37,704**
a.s.r. total			
Best estimate	**-**		**96,308**
Risk margin	**-**		**3,192**
Technical provision	**102,633**	**-3,133**	**99,500**

D.2.6 Reconciliation between IFRS and Solvency II

Under Solvency II, the technical provisions are calculated using a different method compared to IFRS17. In this section the reconciliation between IFRS17 and Solvency II is described per business line.

Non-life

The revaluation for the Best estimate is mainly caused by:

- The applied yield curve;
- Different methods to determine Best Estimate premium liabilities;
- Investment expenses are taken into account under Solvency II.

The revaluation for the Risk adjustment / Risk margin is mainly caused by:

- The applied yield curve;
- Counterparty default risk and operational risk is taken into account for Solvency II;
- In IFRS17 no expected profit is taken into account.

Similar to Non-life and Similar to Life

The revaluation for the Best estimate is mainly caused by:

- The applied yield curve;
- Contract boundary and recognition of profitable contracts;
- Investment expenses are taken into account under Solvency II

The revaluation for the Risk adjustment / Risk margin is mainly caused by:

- The applied yield curve;
- Counterparty default risk and operational risk is taken into account for Solvency II;
- Different diversification effects.

Life

The revaluation for the Best estimate is mainly caused by:

- The applied yield curve;
- Contract boundary and recognition; Solvency II comprises the total of new business written for 2025 whereas IFRS17 comprises only the loss component for onerous contracts written for 2025.
- Investment expenses related to nominal insurance policies are taken into account only under Solvency II
- Accounting methodology differences; some parts of the SII best estimate are not accounted for in the IFRS17 best estimate, but elsewhere on the balance sheet.

The revaluation for the Risk adjustment / Risk margin is mainly caused by:

- The applied yield curve;
- Operational risk is taken into account only for Solvency II;

- Investment expenses related to nominal insurance policies are taken into account only under Solvency II, which affects the underlying expense and mass lapse shock.

Index-linked and unit-linked
The revaluation for the Best estimate is mainly caused by:

- The applied yield curve;
- Contract boundary and recognition; Solvency II comprises the total of new business written for 2025 whereas IFRS17 comprises only the loss component for onerous contracts written for 2025.
- Accounting methodology differences; some parts of the SII best estimate are not accounted for in the IFRS17 best estimate, but elsewhere on the balance sheet.

The revaluation for the Risk adjustment / Risk margin is mainly caused by:

- The applied yield curve;
- Operational risk is taken into account only for Solvency II.

D.3 Other liabilities

D.3.1 Valuation of other liabilities

In line with the valuation of assets, the accounting principles for other liabilities used in the Pillar III reports are generally also based on the IFRS as adopted by the EU. Any differences between the methods for IFRS and Solvency II purposes are addressed in detail per liability category. In this paragraph line items 18-21 from the simplified balance sheet above are described.

18. Pension benefit obligations
a.s.r. has a number of defined benefit plans for own staff in place. These are schemes, under which staff are awarded pension benefits upon retirement, usually dependent on one or more factors such as years of service and salary. The defined benefit obligation is calculated by independent actuaries at each reporting date. Due to the acquisition of Aegon NL the ended defined benefit plan for own staff of Aegon NL was added to the defined benefit obligation per 2024.

Pension obligations are calculated using the projected unit credit method. Inherent to this method is the application of actuarial assumptions to discount rates, mortality rates and consumer price indices.

The assumptions are reviewed and updated at each reporting date based on available (market) data. The discount rate (31 December 2024: 3.51%) is based on the return (zero coupon rate) of high-quality corporate bonds (AA rating) and the cash flow pattern of the pension obligation. For SCR purposes, the IFRS value of the own pension contract is based on the IAS19 valuation methodology. The explanatory guidelines explain that the IAS19 valuation is consistent with Solvency II.

As of 1 January 2021 a defined contribution plan is in place. The accrued pensions (until 1 January 2021) will remain guaranteed at a.s.r. life and are not transferred to the defined contribution plan. The former employees of Aegon NL were added to the defined contribution plan as of 1 October 2023.

19. Deferred tax liabilities
See 3. Deferred tax assets.

20. Subordinated liabilities
In IFRS the perpetual hybrid loans are classified as equity as there is no requirement to settle the obligation in cash or another financial asset or to exchange financial assets or financial liabilities under conditions that are potentially unfavourable for a.s.r.

According to IFRS, the perpetual hybrid loans are measured at amortised cost. For the purpose of Solvency II, they are measured at fair value. Directed by the regulator, in Solvency II reporting the perpetual hybrid loans are classified as subordinated liabilities.

21. Other liabilities
Other liabilities contains different line items:

Other long-term employee benefits
Plans that offer benefits for long-service leave but do not qualify as post-employment benefit plans, such as jubilee benefits, are measured at present value using the projected unit credit method and changes are recognised directly through profit or loss.

Other post-retirement obligations
Plans that offer post-retirement benefits, such an arrangement for mortgage loans at favourable interest rates. The entitlement to these benefits is usually conditional on the employee remaining in service up to their retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology that is similar to that for defined benefit plans.

Vacation entitlements
A liability is formed for leave days not taken at year-end.

The regulatory curve is used to determine the discount rate under Pillar 3. For IFRS purposes, the discount rate is determined based on the return (zero coupon rate) on high-quality corporate bonds (AA rating).
All assumptions and the projected unit credit calculation method are consistent with those applied in the accounting policies used in the IFRS financial statements.

Debts owed to credit institutions
The valuation of these liabilities follows the Solvency II fair value hierarchy as described in paragraph D.1.1.

Financial liabilities other than debts owed to credit institutions
The valuation of these liabilities follows the IFRS fair value hierarchy as described in paragraph D.1.1.

The valuation has to be consistent with the requirements of Article 75 of the Solvency II directive. Therefore, no adjustments to take account of the change in own credit standing shall take place. However, adjustments for changes in the risk-free rate must be accounted for. This means that the subordinated loans are discounted using the risk-free rate plus a credit spread at inception of the liability.

Insurance and Intermediaries payables
The valuation of these liabilities follows the Solvency II fair value hierarchy as described in paragraph D.1.1 This category is subject to the same valuation as the asset category Cash and Cash equivalents.

Trade payables (non-insurance)
The valuation of these liabilities follows the Solvency II fair value hierarchy as described in paragraph D.1.1 This category is subject to the same valuation as the asset category receivables.

Any other liabilities not disclosed elsewhere
The valuation of these liabilities follows the Solvency II fair value hierarchy as described in paragraph D.1.1. This item consists primarily of tax payables.

Contingent liabilities
Contingent liabilities are defined as:
- a possible obligation depending on whether some uncertain future event occurs, or
- a present obligation but payment is not probable or the amount cannot be measured reliably.

Contingent liabilities are recognised on the IFRS balance sheet if there is a probability of >50% that the contingent liability leads to an 'outflow of resources'. These liabilities are also recognised on the Solvency II balance sheet.

Solvency II prescribes that all contingent liabilities be recognised on the Solvency II balance sheet. This covers cases where the amount cannot be measured reliably or when the probability is <50%. For these cases, a regular process is in place to determine whether contingent liabilities should be recognised on the Solvency II balance sheet.

Using a calculation based on 'opportunity' and 'impact', an amount contingent liabilities is determined. This amount has no material impact on SII balance sheet. As a result the a.s.r. Solvency II capital ratio does not include contingent liabilities.

Actuarial assumptions may differ considerably from actual results due to changes in market conditions, economic developments, mortality trends and other assumptions. Any change in these assumptions can have a significant impact on the defined benefit obligation and future pension costs. Changes in the expected actuarial assumptions and differences with the actual actuarial outcomes are recognised in actuarial gains and losses included in other comprehensive income (component of total equity).

D.3.2 Reconciliation from Solvency II equity to EOF

The differences described in the sections above are the basis for the reconciliation of IFRS equity to Solvency II equity. To reconcile from Solvency II equity to EOF, the following adjustments are taken into consideration:

Subordinated liabilities
In accordance with the Delegated Regulation, the subordinated liabilities are part of the EOF. Further information of this liabilities is described in section E.1.4.

Foreseeable dividends and distributions
Dividends for 2024 that are approved after the reporting date are deducted from the available capital position as foreseeable dividends and distributions.

Deductions for participations in financial and credit institutions
Participations in financial and credit institutions are not supervised by the Solvency II framework and are therefore excluded from the eligible own fund items in this overview.

Own shares
In accordance with the Delegated Regulation, the amount of own shares held by the insurance and reinsurance undertaking should be eliminated.

Tier 3 limitations
In accordance with the Delegated Regulation, the EOF is divided in tiering components. However, these components have to meet boundary conditions and an exceedance of these limits results in a capping of the EOF. For a.s.r., capping does not apply per year-end 2024.

D.4 Alternative methods for valuation

a.s.r. does not apply alternative methods for valuation.

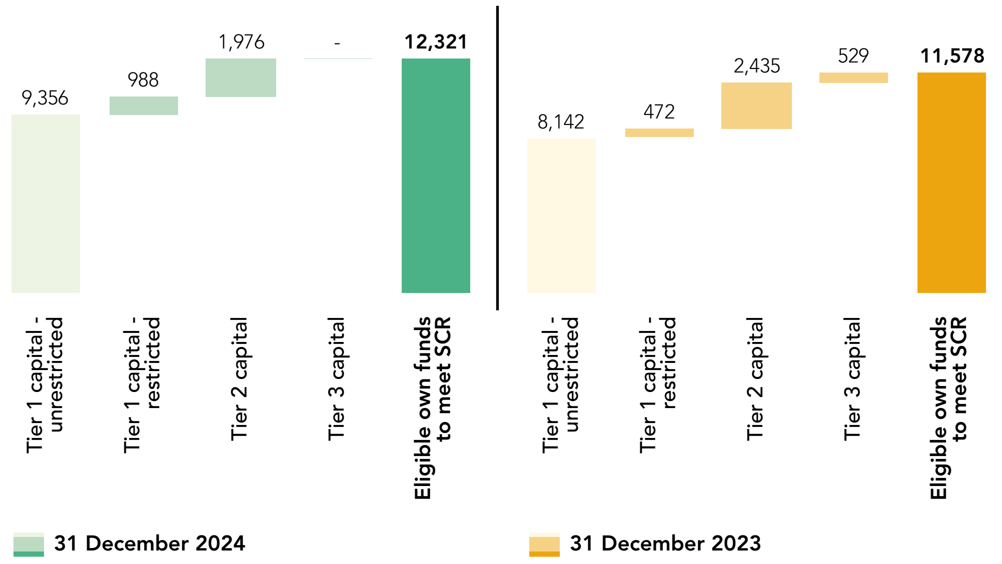
D.5 Any other information

Other material information about valuation does not apply.

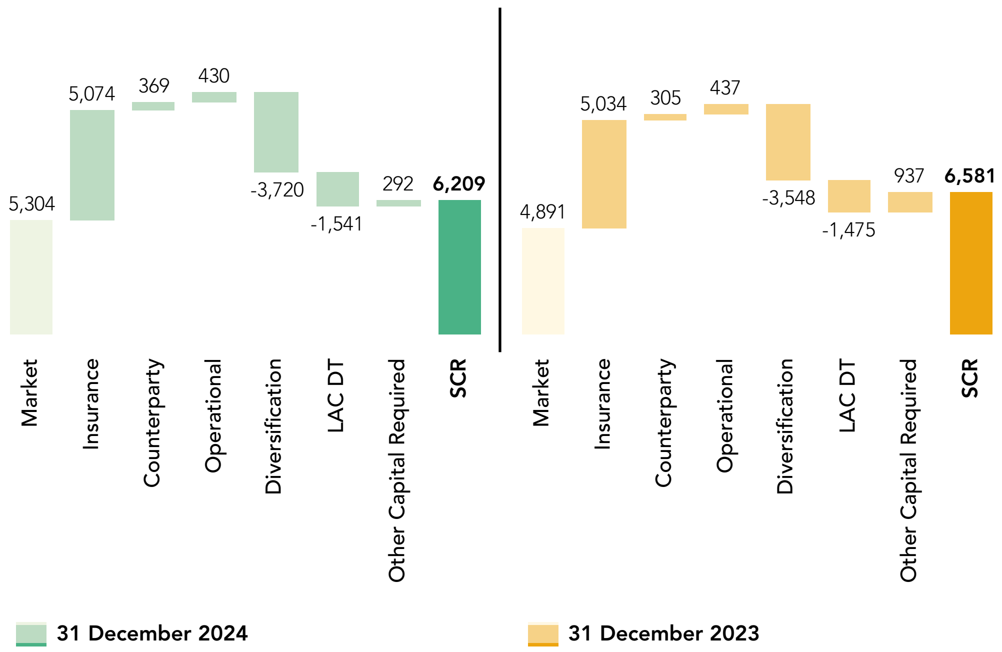
E Capital management

Key figures

Eligible own funds



SCR



The Solvency II ratio increased to 198% (31 December 2023: 176%) and includes a deduction for share buy back (€ 100 million), interim dividend 2024 (€ 244 million) and final dividend 2024 (€ 409 million) and positive impact from the Knab transaction.

The EOF increased to € 12,321 million (31 December 2023: € 11,578 million) mainly driven by positive expected excess returns on investments (€ +957 million), value of new business (€ +117 million) and market and operational developments (€ +698 million), partly offset by the decrease in eligible own funds due to the Knab transaction (€ -254 million) and capital management actions (dividend € -653 million and share buy back € -100 million).

The SCR decreased to € 6,209 million (31 December 2023: € 6,581 million), driven by the Knab transaction (€ -649 million) and capital release (€ -79 million), partly compensated by an increase following market and operational developments (€ +356 million), among which model changes for LAC DT and harmonisation of mortgage valuation of a.s.r. and Aegon.

Other Capital Required relate to other financial sectors such as de Hoop and TKP (Knab was included in 2023).

Reconciliation Total equity IFRS vs EOF Solvency II

	31 December 2024	31 December 2023
IFRS equity	9,833	9,377
Adjustments	-898	-997
Elimination intangible assets	-633	-715
Gross revaluation insurance liabilities	2,421	2,045
Other revaluations	-801	-615
Excess of assets over liabilities	**9,922**	**9,096**
Subordinated liabilities in OF	2,964	2,907
Other EOF items	-566	-425
Eligible own funds to meet SCR	**12,321**	**11,578**

The table presents the reconciliation of IFRS equity to the solvency II. The main differences between the IFRS equity and EOF Solvency II are:

- Adjustment of other equity instruments (the other equity instruments excludes any discretionary interest);
- Elimination of intangible assets, such as goodwill, as this is not recognised under Solvency II;
- Gross revaluation of insurance liabilities due to differences between IFRS 17 and SII, such as the applied yield curve. This is before tax-impact of 25.8%;
- Other revaluations for example the revaluation of Financial Institutions;
- The addition of subordinated liabilities and other equity instruments (excluding any discretionary interest);
- Other EOF items, for example foreseeable dividend and non-available minority interest.

E.1 Own funds

E.1.1 Capital management objectives

Management

Overall capital management is administered at group level. a.s.r. currently intends to consider investing capital above the management target Solvency II ratio (calculated based on the partial internal model) of 160% with the objective of creating value for its shareholders. If and when a.s.r. operates at a certain level (which may change over time) that is considerably above the management target, and it assesses that it cannot invest this capital in value-creating opportunities for a prolonged period of time, a.s.r. may decide, but is not obliged, to return (part of this) capital to its shareholders.

If a.s.r. chooses to return capital, it plans to do so in a form that is efficient for shareholders at that time. a.s.r. actively manages its in-force business, which is expected to result in free capital generation over time. Additionally, business improvement and balance sheet restructuring should improve the capital generation capacity while advancing the risk profile of the company. The legal entities are individually capitalised and excess capital over management's targets for the legal entities is intended to be upstreamed to the holding company as far as is needed for amongst others covering external dividend, coupon payments on hybrids / senior financing instruments and holding costs and in so far the local regulations and the internal risk appetite statement allow. Excess capital that is upstreamed to the holding company is added to and managed in the holding cash buffer until it is further distributed and used to cover dividends, coupons and other holding expenses. The capital and cash attribution to the holding is closely monitored and managed on a continuous basis.

Objectives

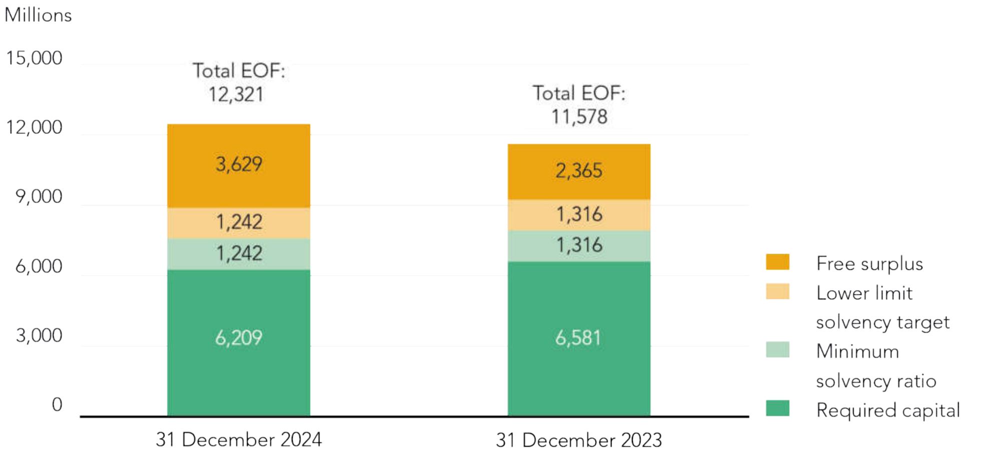
The group is committed to maintain a strong capital position in order to be a robust and sustainable insurer for its policyholders and other stakeholders. The objective is to maintain a solvency ratio well above the minimum levels as defined in the risk appetite statements and above the relevant management threshold levels. Sensitivities are periodically performed for principal risks and annual stress tests are performed to test a.s.r.'s robustness to withstand moderate to severe scenarios. An additional objective is to achieve a combination of a capital position and a risk profile that supports at least a 'single A' rating by Standard & Poor's.

The SCR is reported on a quarterly basis and proxies are made on both a monthly and weekly basis. The internal minimum solvency ratio for a.s.r. as formulated in the risk appetite statement is 120%. The lower limit solvency target is 140%. The management threshold level for the solvency ratio is above 160%. The solvency ratio stood at 198% at 31 December 2024 including financial institutions and after final dividend, which was comfortably above the internal requirement of 120% and the management threshold level of 160%.

In accordance with a.s.r.'s dividend policy, the liquidity of the underlying entities is not taken into account for the liquidity position of the group. However, the capital is recognised in the capital position of the group, since a.s.r. has the ability to realise the capital of this OTSO, for example by selling the entity. Specifically regarding a.s.r. health basic in 2024, no dividend or capital withdrawals have taken place.

The graph shows how the eligible own funds of a.s.r. relate to the different capital targets.

Market value own funds under SCR



E.1.2 Tiering own funds

The next table details the capital position of a.s.r. as at the dates indicated. With respect to the capital position, Solvency II requires the insurers to categorise own funds into the following three tiers with differing qualifications as eligible available regulatory capital:

- Tier 1 capital consists of Ordinary Share Capital, Reconciliation reserve and restricted capital as described below;
- Tier 2 capital consists of ancillary own funds and basic Tier 2. Ancillary own funds consist of items other than basic own funds which can be called up to absorb losses. Ancillary own fund items require the prior approval of the supervisory authority. a.s.r. has no ancillary own fund items;
- Tier 3 of a.s.r. capital consists of deferred tax assets. a.s.r. has no Tier 3 own fund items at year-end 2024 (2023: € 529 million).

The rules impose limits on the amount of each tier that can be held to cover capital requirements with the aim of ensuring that the items will be available if needed to absorb any losses that might arise.

Eligible Own Funds to meet the SCR

	31 December 2024	31 December 2023
Tier 1 capital - unrestricted	9,356	8,142
Tier 1 capital - restricted	988	472
Tier 2 capital	1,976	2,435
Tier 3 capital	-	529
Eligible own funds to meet SCR	**12,321**	**11,578**

The perpetual hybrid loans are classified as equity, as there is no requirement to settle the obligation in cash or another financial asset or to exchange financial assets or financial liabilities under conditions that are potentially unfavourable for a.s.r. To be sure that the perpetual hybrids may be classified under Own Funds, terms and notes are proposed with DNB.

Together with the consultation regarding the perpetual hybrids, also the tiering is part of this consultation.

E.1.3 Own funds versus MCR

The minimum capital requirement (MCR) calculation is based on the standard formula and excludes financial institutions. The MCR is only calculated for a.s.r.'s insurance and reinsurance undertakings.

Eligible Own Funds to meet the MCR

	31 December 2024	31 December 2023
Tier 1 capital - unrestricted	9,003	7,024
Tier 1 capital - restricted	988	472
Tier 2 capital	458	526
Tier 3 capital	-	0
Eligible own funds to meet MCR	**10,450**	**8,022**

The total amount of EOF to cover the MCR is lower than the EOF to cover the SCR, as part of Tier 2 capital and Tier 3 (this only applies to 2023, as per year-end 2024 Tier 3 capital is nil) is not considered eligible to meet MCR.

E.1.4 List of hybrid loans

a.s.r. has issued hybrid loans. The details of these loans are shown in the following table:

Hybrid loans

Nr	Description	Nominal amount	Issue date	Tiering
1	ASR NEDERLAND_4.625%_19/04/2199	500,000,000	19-07-2017	1
2	ASR NEDERLAND_6.625%_27/12/2199	500,000,000	27-03-2024	1
3	ASR NEDERLAND_5.125%_29/09/2045	500,000,000	29-09-2015	2
4	ASR NEDERLAND_3.375%_02/05/2049	500,000,000	02-05-2019	2
5	ASR NEDERLAND_7%_07/12/2043	1,000,000,000	22-11-2022	2

Tiering of the loans is based on self-assessments. These self-assessments have been reviewed by DNB.

E.1.5 Additional information

1. Capital Market transactions
On 20 March 2024, a.s.r. has successfully priced € 500 million perpetual subordinated 8.25 year Restricted Tier 1 capital securities ("New Securities"). The New Securities were priced at a fixed rate coupon of 6.625% per annum until the first reset date on 27 June 2032. The New Securities are first callable six months prior to the first reset date and on each interest payment thereafter.

In 2024, the 2014 5% perpetual T2 hybrid capital instrument of € 500 million has been fully redeemed.

2. Share buyback programme
In 2024, it was determined that the expected developments of the OCC combined with a robust balance sheet will allow for the resumption of additional capital distribution to shareholders. This was interrupted in 2022 following the announcement of the transaction with Aegon Netherlands. For the financial years 2024, the intention was determined and communicated during the Capital Markets Day 2024 to buy back treasury shares for an amount of € 125 million. This will be decided with the publication of the full annual results with a test of whether the conditions set in the capital and dividend policy for the purchase of own shares have been met.

On 7 November 2024, ASR Nederland N.V. (a.s.r.) announced a share buyback program of € 100 million in own shares following the successful completion of the sale of Knab to BAWAG. The buyback program was completed on 11 December, 2024. In total there are 2.213.413 shares of a.s.r. repurchased at an average price of € 45.18 per share. An independent broker, appointed by a.s.r., carried out the repurchase.

3. Dividend
a.s.r. has proposed a total dividend of € 3.12 per share over the full year 2024 (2023: € 2.89 per share). Taking into account the interim dividend of € 1.16 per share, the final dividend amounts to € 1.96 per share. The final dividend amounts to € 409 million based on the number of shares per 31 December 2024. a.s.r. maintains a progressive dividend policy which increases dividend by mid to high single digit annual growth until 2026.

E.2 Solvency Capital Requirement and Minimum Capital Requirement

E.2.1 Method for determining the group solvency capital

Group supervision
a.s.r. is subject to group supervision in accordance with article 212 of the Solvency II directive.
No entities have been excluded from group supervision in accordance with article 214 of the Solvency II directive.

Group solvency
The Solvency II directive prescribes two methods for the calculation of the group solvency:
- method 1 - Standard method based on consolidation of financial statements (Solvency II Directive - article 230, Delegated Regulation - articles 336-340);
- method 2 - Alternative method based on deduction and aggregation (Solvency II Directive - article 233, Delegated Regulation - article 336-342).

a.s.r. applies method 1 (Solvency II Standard method) for the determination of the group solvency. The basis for this is the consolidation structure used for the IFRS financial statements, with exemption of financial institutions.

The consolidated data are calculated based on the consolidated financial statements, which is valued in accordance with the Solvency II regulations concerning the determination and valuation of the balance sheet, as well as the inclusion and treatment of the associated companies.

The Solvency II ratio excluding and including financial institutions are both presented in the next paragraph. However, in external publications only the Solvency II ratio excluding financial institutions is reported, as the majority of the a.s.r. activities are insurance related.

Group solvency is calculated as the difference between:
a) the own funds eligible to cover the SCR, calculated based on consolidated data;
b) the SCR at group level calculated based on consolidated data.

The determination of the group Solvency II requirement and EOF is discussed below.

Group capital add-on If the consolidated group SCR does not appropriately reflect the risk profile of the group, a capital add-on to the SCR may be imposed.

The group capital add-on consists of the following components:
- risk profile capital add-on;
- governance capital add-on.

a.s.r. applies no group capital add-on.

Calculation of the group consolidated Solvency Capital Requirement

The starting point in determining the consolidated SCR of the group is the consolidated Solvency II balance sheet as described above. The risk calculations are performed on the following basis:

- market risks are based on the consolidated balance sheet;
- insurance risks are based on the sum of the underlying insurance risks for each insurance undertaking;
- counterparty default risk is based on the consolidated balance sheet;
- operational risk is based on the consolidated balance sheet.

Differences may arise between the results of the risk calculations of the group and the sum of the underlying entities:

- diversification benefits within the market risk as a result of using consolidated data. a.s.r. calculates the market risk for the insurance entities and for the group. At group level all subsidiaries are consolidated, which results in additional market risk (equity risk) for these entities;
- intercompany relationships between entities, and between entities and the holding company are eliminated at group level.

For the calculation of the required capital that should be held for the participations, it is of interest if the look-through approach is applicable or not. The underlying investments should be shocked by the relevant SCR modules (interest rates, real estate, counterparty concentration) if the look through approach is applicable.
a.s.r. applies Method 1 for consolidation; this means that, amongst others, the ancillary service entities are to be consolidated on line-by-line basis. The individual SCRs are calculated on this basis. The look through approach has to be applied.

Finally, at group level the SCR of financial institutions are added. Financial institutions are not consolidated. All other entities within the group are consolidated.

E.2.2 Solvency Capital Requirement

SCR

The required capital stood at € 6,209 million per 31 December 2024 (2023: € 6,581 million). The required capital (before diversification) consists for 2024 € 5,304 million out of market risk and the insurance risk amounted to € 5,074 million.

a.s.r.'s Solvency II ratio, including financial institutions, complied during 2024 with the applicable externally imposed capital requirement. The capital requirements of the financial institutions fall under a different sectoral supervision regime.

The table presents the solvency ratio at group level as at the date indicated.

Eligible own funds to meet the SCR

	31 December 2024	31 December 2023
Eligible Own Funds Solvency II	11,968	10,460
Required capital	6,006	5,718
Solvency II ratio excluding Financial Institutions	**199%**	**183%**
Eligible Own Funds Solvency II	12,321	11,578
Required capital	6,209	6,581
Solvency II ratio including Financial Institutions	**198%**	**176%**

The Solvency II ratio stood at 199% (excluding financial institutions) at 31 December 2024 (2023: 183%). The Solvency II ratio including financial institutions stood at 198% as at 31 December 2024 (2023: 176%). The Solvency II ratios presented are not final until filed with the regulators.

Under Solvency II it is permitted to reduce the required capital with the mitigating tax effects resulting from a 1-in-200-year loss (Shock loss). There is a mitigating tax effect to the extent that the Shock loss (BSCR + Operational risk) is deductible for tax purposes and can be compensated with taxable profits. This positive tax effect can only be taken into account when sufficiently substantiated ('more likely than not'). a.s.r. included a beneficial effect on its solvency ratio(s) due to the application of the LAC DT. The LAC DT benefit was € 1,541 million at year-end 2024 (2023: € 1,475 million).

Furthermore, the a.s.r. SCR includes LAC TP which is the part of the technical provisions that can be used to absorb some of the SCR shock losses, as the expected future profit sharing to policyholders will be reduced if actual losses would arise. LAC TP amounted to € 165 million at year-end 2024 (2023: € 156 million).

On 8 January 2025, the amendments to the Solvency II Directive have been published in the Official Journal of the European Union. The changes contained in the amended Directive must be incorporated into national legislation by 29 January 2027, and become applicable to insurers as of 30 January 2027.

The amendments consist of various changes to the Solvency II framework, affecting most notably the liability discount curve, the risk margin and the volatility adjustment (VA), the Dynamic volatility Adjustment (DVA) and the long term impact of the climate change transition plan on the Solvency II requirements. The amendments to the Solvency II Directive will require amendments to the Solvency II Delegated Regulation and/or the introduction of additional delegated acts and guidelines, to be developed by EIOPA.

In addition to the revisions to the Solvency II Directive, an agreement was reached on the Insurance Recovery and Resolution Directive (IRRD), which provides for recovery and resolution framework for insurance companies at European level and to be implemented by EU member states, comparable to the Act on Insurance Recovery and Resolution, currently in force in the Netherlands.

a.s.r. ratings
Standard & Poor's confirmed the single A rating of a.s.r., a.s.r. life, a.s.r. non-life, Aegon life on 12 November 2024.

Ratings per legal entity

Ratings Standard & Poor's	Type	Rating	Outlook	Rating & outlook since
ASR Nederland N.V.	ICR	BBB+	Positive	12 September 2024
ASR Levensverzekering N.V.	IFSR	A	Positive	12 September 2024
ASR Levensverzekering N.V.	ICR	A	Positive	12 September 2024
ASR Schadeverzekering N.V.	IFSR	A	Positive	12 September 2024
ASR Schadeverzekering N.V.	ICR	A	Positive	12 September 2024
Aegon Levensverzekering N.V.	IFSR	A	Positive	12 September 2024
Aegon Levensverzekering N.V.	ICR	A	Positive	12 September 2024

ICR: Issuer Credit Rating
IFSR: Insurer Financial Strength Rating

Rating reports can be found on the corporate website: www.asrnl.com

E.2.3 Minimum Capital Requirement

The MCR of a.s.r. equals the sum of the MCR of the related insurance undertakings. The MCR for 2024 equals € 2.716 million (2023 € 2,629 million).

Minimum Capiltal Requirement

	31 december 2024	31 december 2023
a.s.r. life	873	862
Aegon life	999	994
Aegon spaarkas	10	9
a.s.r. health basic	72	76
a.s.r. health supplementary	5	5
a.s.r. non-life	758	682
Total	**2,716**	**2,629**

According to (Directive 2009/138 EU article 230 Sub 2a) the consolidated group SCR shall have as a minimum the sum of the following:

a. the MCR as referred to in Article 129 of the participating insurance or reinsurance undertaking;
b. the proportional share of the MCR of the related insurance and reinsurance undertakings. According to Delegated Regulation article 248 to 251 the MCR of the related insurance and reinsurance undertakings is calculated as a linear function of premiums, technical provisions and capital at risk.

E.3 Use of standard equity risk sub-module in calculation of Solvency Capital Requirement

a.s.r. applies the Standard equity risk sub-module according article 168 and 169 of the Delegated Acts. In this module a.s.r. recognises four types of equities:

- Equities Type 1
- Equities Type 2
- Strategic Participations
- Qualifying infrastructure equities

Article 170, which describes the Duration-based equity risk sub-module, is not applied by a.s.r.

Article 171a, which describes the long-term equity investments module, is not applied by a.s.r.

E.4 Differences between Standard Formula and internal models

a.s.r. applies a PIM as it better reflects the risk profile of the Aegon life insurance entities (namely Aegon life and Aegon spaarkas) and facilitates better risk management purposes. In 2024, the Internal Model Approval Process (hereafter: IMAP) for a.s.r. life has started. For the other entities, the Solvency II SF is applied.

The main differences between the methodologies and assumptions of the Solvency II PIM and the standard formula are described per risk type below.

Market risk
On credit risk, the fixed income risk for bonds differs because Solvency II PIM shocks are calibrated on the basis of the fixed income portfolio. In contrast to the standard formula, government bonds are shocked under the internal model. Furthermore, the Solvency II PIM makes use of a dynamic volatility adjustment approach within a.s.r., while the standard formula does not.

This dynamic volatility adjustment methodology follows an asset-only approach, ensuring spread widening is the biting scenario. The performance of the fixed income portfolio is assessed under a broad range of credit scenarios and the model determines which part of the (short-term) losses experienced by the assets are recouped.

Under PIM, an internal model feature is used to mitigate the volatility caused by the basis risk between the EIOPA VA reference portfolio and its own reference asset portfolio.

As part of credit risk, for mortgages, the Solvency II PIM contains a spread shock, while the standard formula implies a counterparty default risk shock.

Equity risk shocks are calibrated based on the own portfolio of Aegon entities. In addition, the equity exposures are also shocked for equity volatility risks.

Under PIM property risk shocks on the real estate portfolio are specifically calibrated on the portfolio as opposed to a 25% shock in the standard formula.

For currency risk, the shocks are calibrated on the own portfolio of Aegon entities. In addition, the Solvency II PIM allows for diversification between exposures to different currencies, as opposed to no diversification between currency exposures in the standard formula.

The Solvency II PIM results for interest rate risks differ from the standard formula results for the following reasons:

- The standard formula interest rate shock only considers a parallel shift in the interest rate curve, whereas the Solvency II PIM considers not only a parallel shift, but also a flattening and twisting of the interest rate curve;
- The Solvency II PIM interest rate curve shocks are calibrated based on historical market data relevant for Aegon's portfolio;
- The Solvency II PIM assumes that the Ultimate Forward Rate (UFR) does not change in a shock scenario, while the standard formula interest rate shock assumes that the whole curve moves, including the UFR;
- In addition, the Solvency II PIM includes a capital requirement for interest rate volatility risk.

Life Insurance risk
The Solvency II PIM for longevity and mortality risk differs from the standard formula as follows:

- The Solvency II PIM distinguishes between a population mortality shock and an experience factor shock while the standard formula assumes a fixed decrease in all mortality rates;
- The Solvency II PIM projects mortality rates by age and gender, while the standard formula assumes the same shock for all ages and both genders.
- The Solvency II PIM includes pre-payment (lapse) risk on the mortgage portfolio.

Diversification
Diversification between the internal model and the standard formula components of the Solvency II PIM are calculated using Integration Technique 3 (IT3). This EIOPA prescribed integration technique describes how an implied linear correlation coefficient between the internal model and standard formula components is calculated. This correlation coefficient is subsequently used to calculate the total Solvency II PIM SCR using a square root formula. The standard formula makes use of correlation matrices to calculate the diversifications by risk module and on a total level.

E.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

As a.s.r. has not faced any form of non-compliance with the MCR or significant non-compliance with the SCR during the reporting period or at the reporting date, no further information is included here.

Contact details

Contact

a.s.r. likes to receive feedback or questions from stakeholders on the Annual Report. If you want to give a.s.r. feedback, please feel free to contact us.

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