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

2021 full-year results

ANALYST CONFERENCE CALL
23 February 2022

Jos Baeten, CEO

Ewout Hollegien, CFO

Strong financial performance across all segments in 2021

- Operating result increased by € 136m (15.4%), reflecting improved performance in all segments
- OCC increased by € 94m (18.8%) to € 594m, driven by solid business performance and higher investment returns
- Combined ratio[2] improved to 91.8% mainly due to lower claims. Indicative positive COVID-19 impact of 3%-pts
- Solvency II ratio robust at 196% after proposed dividend
- Proposed full year dividend up by 18.6% to € 2.42 dividend per share. The final dividend amounts to € 1.60 dividend per share
- Share buyback of € 75m announced; delivering on stated commitment for plan period '19-'21
- Operating ROE improved by 1%-pts to 16.3%, well above the target range

Operating result

€ 1,021m

+15.4%

(2020: € 885m)

Solvency II (SF)[1]

196%

-3%-pts

(2020: 199%)

Dividend per share

€ 2.42

+18.6%

(2020: € 2.04)

Operating ROE

16.3%

Target **12-14%**

(2020 15.3%)

Organic capital creation

€ 594m

+18.8%

(2020: € 500m)

Combined ratio[2]

91.8%

Target **94-96%**

(2020: 93.6%)

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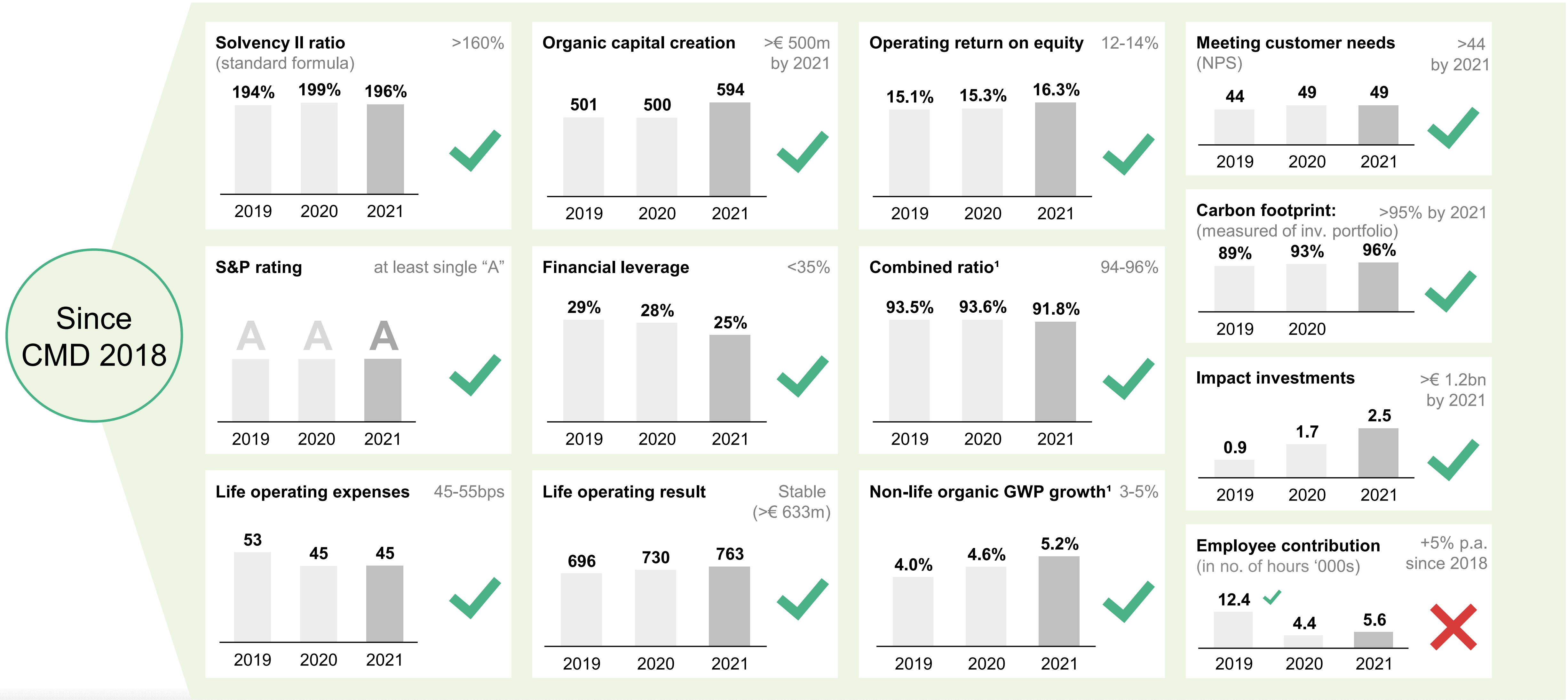
[1] After proposed dividend
[2] P&C and Disability

Strong delivery against ambitious medium-term targets



a.s.r. [1] P&C and Disability

Sustainable value creation for all stakeholders is key to a.s.r.

Customer – *Best financial service provider*

- Products and services with better than average market NPS-r
- Leveraging on strong franchise with intermediary channel
- Strong financial solidity

Society – *Positive impact on society and environment*

- Financial self-reliance and inclusiveness
- Vitality and (sustainable) employability
- Climate change and energy transition

Sustainable value creation

Employees – *Most appreciated employer*

- Reliable employer with long-term continuity
- Focus on inclusion and diversity
- Sustainable employability and responsible remuneration

Investors – *Long term sustainable investment*

- Long term value creation
- Strong track record in capital allocation
- Robust Solvency II position and ample financial flexibility

ESG ratings[1]

Dow Jones Sustainability Indexes	#8	World Insurance
MSCI	A	Scale: CCC – AAA
Sustainalytics	#2	World Insurance
CDP (Disclosure Insight Action)	B	Scale: D- – A
Vigeo Eiris	#5	Europe insurance
ISS ESG	C (Prime)	Scale: D- – A+
VBDO	#3	Dutch Insurance
Bloomberg Gender-Equality Index 2022	included	Gender-Equality Index

[1] ESG ratings as at 16 February 2022

2021 COVID-19 update

Customers

- Clients in need were offered customised solutions, including payment arrangements. Limited number of bankruptcies and arrears within our customer base
- Excellent customer satisfaction, illustrated by a stable NPS-c of 49 during the pandemic, well above the medium-term target of 44

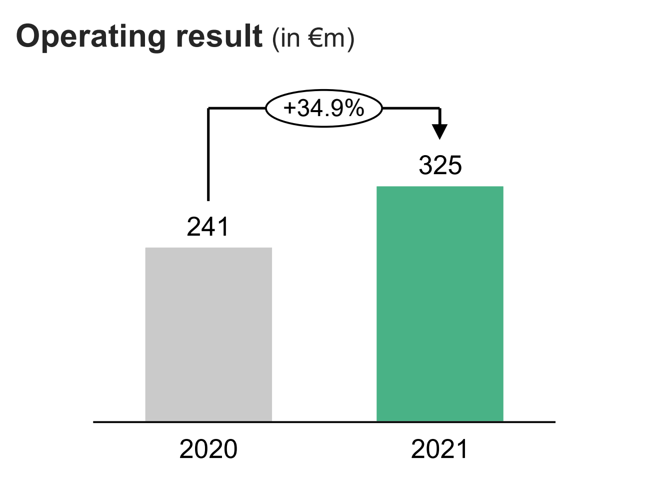
Employees

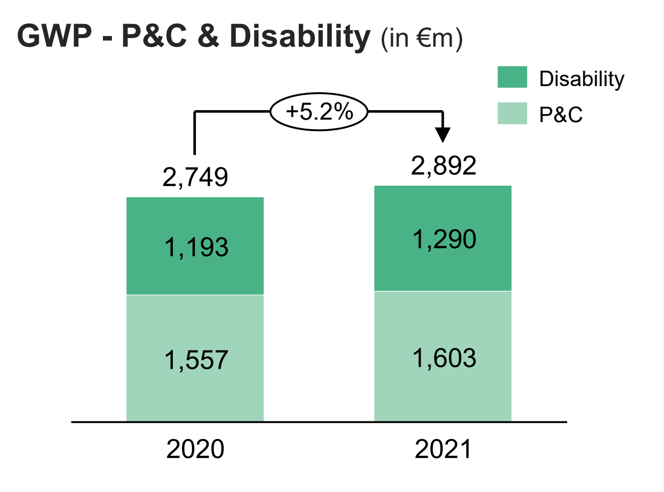
- Mood monitor (HR tool), which measures the employees' well-being, motivation and vitality, remained high at 7.5 out of 10 in 2021
- The COVID-19 restriction resulted in fewer opportunities for employees to participate in foundation related projects

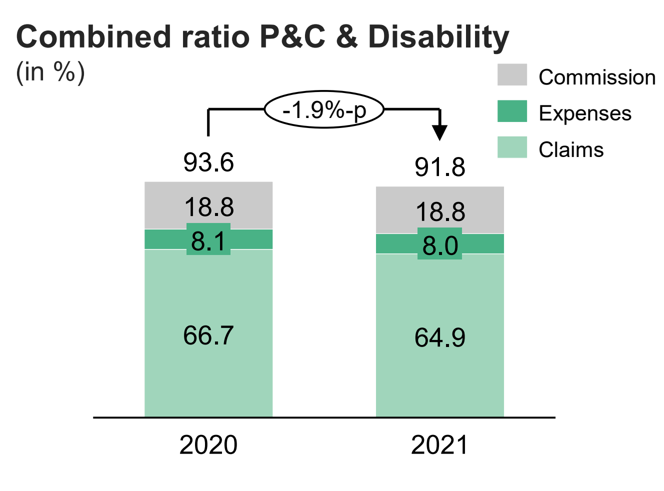
Financial results

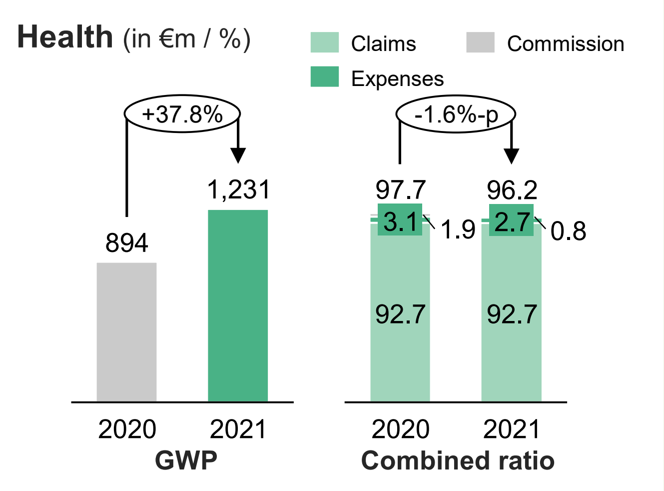
- COVID-19 had a positive impact on operating result (indicative) of € 77m in 2021
- Negative impact within Disability and Life segment is more than offset by a positive impact within P&C
- Impact on Life mainly related to lower dividends and rental income, impact on mortality result is negligible due to diversification of the various business lines

Non-life: strong increase in operating result and continued organic growth







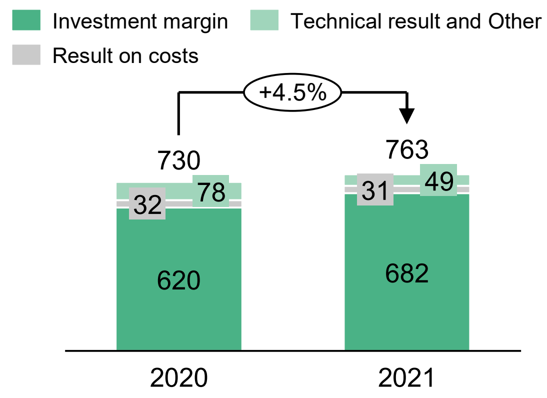


- Non-life operating result up by € 84m, reflecting lower claims in Disability and profitable organic growth in all business lines
- Organic growth of P&C and Disability combined is 5.2%, exceeding target of 3-5% growth p.a. driven by increased sales volumes and tariff adjustments (mainly in Disability)
- Disability GWP continues to grow strongly. Profitability improved, reflecting better performance of the sickness leave portfolio
- Lower claims in P&C, particularly in motor and fire. Negative impact of claims following the floods in Limburg (€ 20m) and strengthening of the reserves
- Combined ratio[1] improved to 91.8%, mainly due to lower claims. COVID-19 impact of around 3%-pts (2020: approx. 1%-pts)
- Higher contribution of Health in operating result due to a strong underlying business performance, primarily driven by the growth of the portfolio

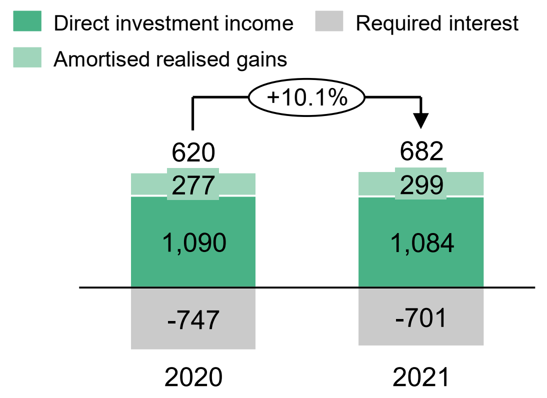
[1] P&C and Disability

Life: higher operating result driven by investment margin

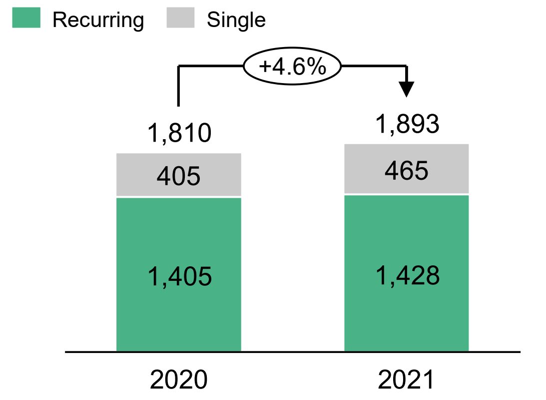
Operating result (in €m)



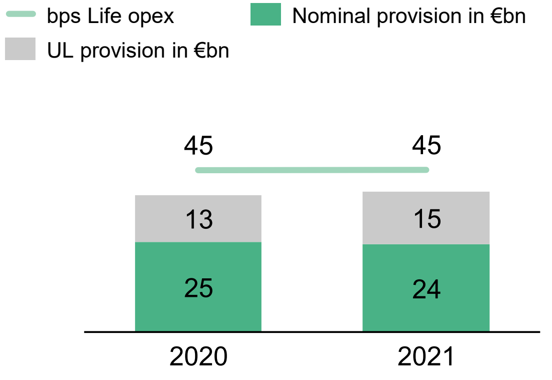
Investment margin (in €m)



Gross Written Premiums (in €m)



Life operating expenses
(in bps of basic Life provision)

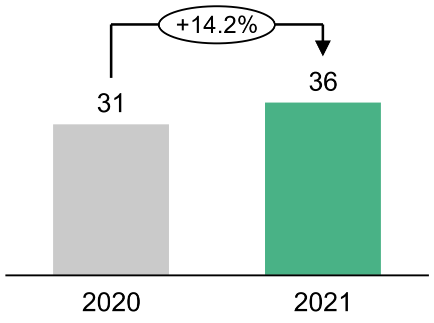


- Operating result of Life segment increased by € 33m to € 763m as a result of higher investment margin, which more than offset a lower technical result
- Investment margin improved by € 62m to € 682m mainly driven by further optimisation of the investment portfolio and lower required interest on technical provisions due to regular run-off in the Individual life portfolio
- Technical result (including result on cost) decreased, reflecting lower result on disability cover in pensions as well as the regular run-off of the Individual life portfolio
- GWP up by 4.6%, driven by a strong growth in recurring premiums in Pension DC (WnP), which rose by 37% due to new business and high retention
- Increase in Pension DC[1] AuM by € 1.7bn to € 5.0bn
- Life operating expenses remained stable at 45bps of basic Life provision, which is at the lower range of the target range of 45-55bps. This includes the investments in IT systems

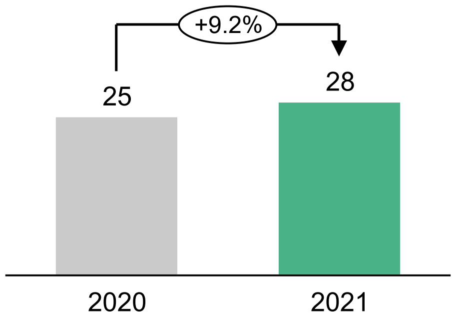
[1] Includes WnP (Werknemers Pensioen), Brand New Day IORP and DIP (immediate annuity)

Fee-based businesses: solid growth of operating result

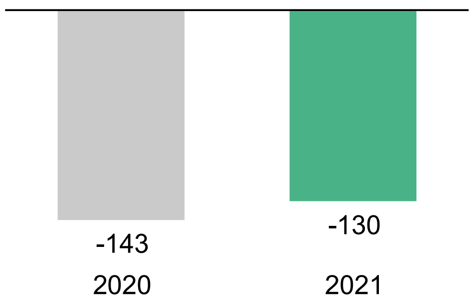
Operating result Asset Management[1]
(in €m)



Operating result Distribution and Services[1]
(in €m)



Operating result Holding and Other
(in €m)



- Fee-based businesses operating result amounts to € 64m for 2021 (2020: € 57m). Increase of 12% exceeds the target of 5% growth per annum
- Operating result of Asset Management increased by 14.2% or € 4m. Higher fee income from growth in third-party AuM was partly offset by lower fees from the retail real estate portfolio
- Total AuM for third parties increased by € 3.7 billion to € 28.0 billion (2020: € 24.3 billion), which was driven by a continued growth of net inflows into the mortgage funds and inflows in the mix funds of the a.s.r. Pension DC ('Werknemers Pensioen')
- Operating result of Distribution and Services increased by 9.2% or € 2m, mainly due to various acquisitions and expansion of services
- Improvement in operating result of Holding and Other reflects lower operating expenses as a result of the introduction of a DC pension scheme for a.s.r. employees

[1] Rounding differences occur

Significant step-up in capital distributions

€ 2.42 DPS

- 18.6% increase compared to 2020
- 2021 dividend as base for progressive dividend going forward

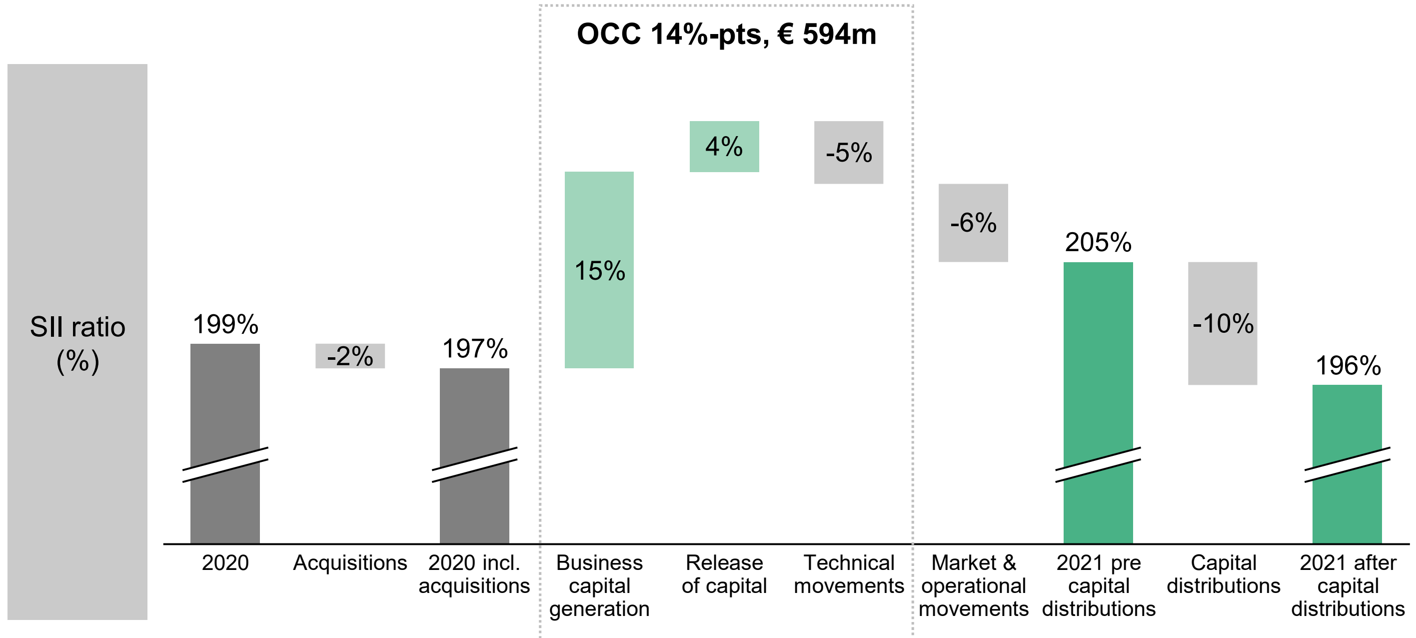
€ 75m SBB

- Starts on 24 February 2022 and will end on 24 May 2022 at the latest
- Intention ≥€ 100m annually for plan period 2022 - 2024

Solvency and capital position

Ewout Hollegien, CFO

Solvency II ratio movements in 2021

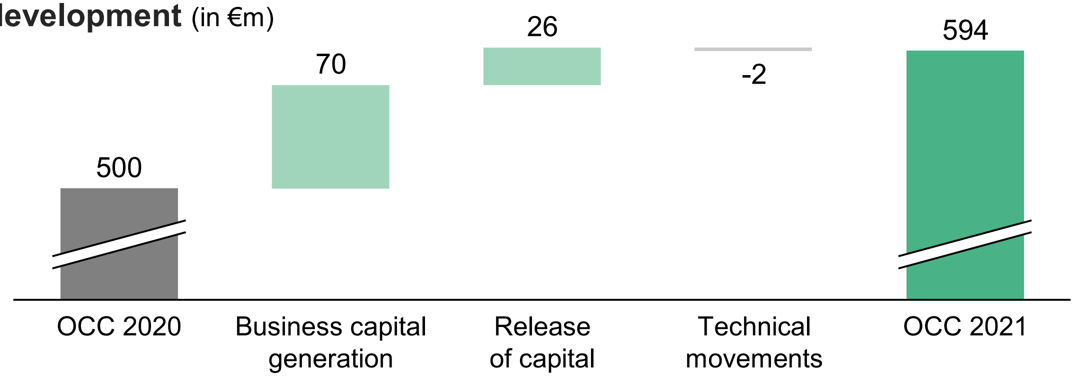


	2020	Acquisitions	2020 incl. acquisitions	Business capital generation	Release of capital	Technical movements	Market & operational movements	2021 pre capital distributions	Capital distributions	2021 after capital distributions
EOF (€m)	**8,273**	-80	**8,193**	639	60	-202	-97	**8,592**	-404	**8,189**
SCR (€m)	**4,159**	-	**4,159**	-	-49	-	75	**4,185**	-	**4,185**

- Solvency II ratio remained robust at 196% after deduction of the interim dividend (€ 111m), the final dividend (€ 217m) and the executed SBB in 2021 (€ 75m)
- OCC increased by € 94m to € 594m, mainly due to improved performance in the Non-life segment (partly COVID-19), as well as an increase in investment returns
- Acquisitions include the closing of the BND IORP and an acquisition within the Distribution and Services segment
- Market & operational movements: positive impact mainly of interest rate and spreads movements, more than offset by impact of lowering of the UFR, lower VA, higher inflation and optimisation of the investment portfolio

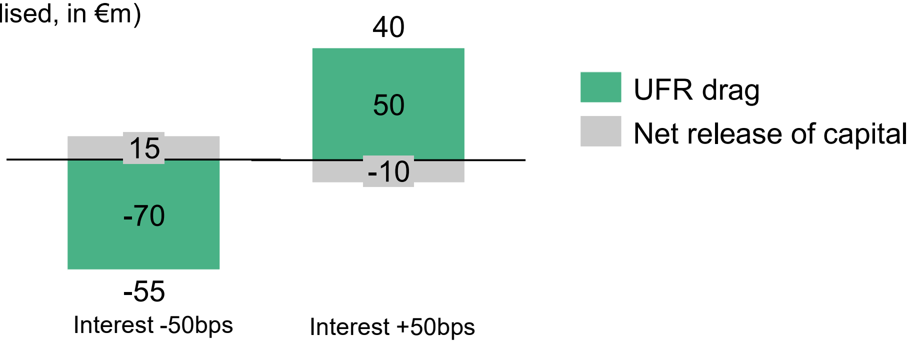
OCC development driven by improved business performance

OCC development (in €m)



	Business capital generation	Release of capital	Technical movements
2021	639	157	-202
2020	568	131	-199

OCC sensitivity[2] (annualised, in €m)



Business capital generation (€ +70m)

- Increased performance in the Non-life segment including one-off COVID-19 benefit, partly offset by reserve strengthening
- Higher investment returns from optimisation of the investment portfolio and higher equity valuations, partly offset by lower mortgage spreads
- Improved operating result in fee-based businesses

Release of capital (€ +26m)

- Higher release of market risk
- Lower NB strain due to higher profitability in Non-life

Technical movements (€ -2m)

- UFR drag[1] remains fairly stable due to averaging methodology
- For more details on our methodology, see appendix I

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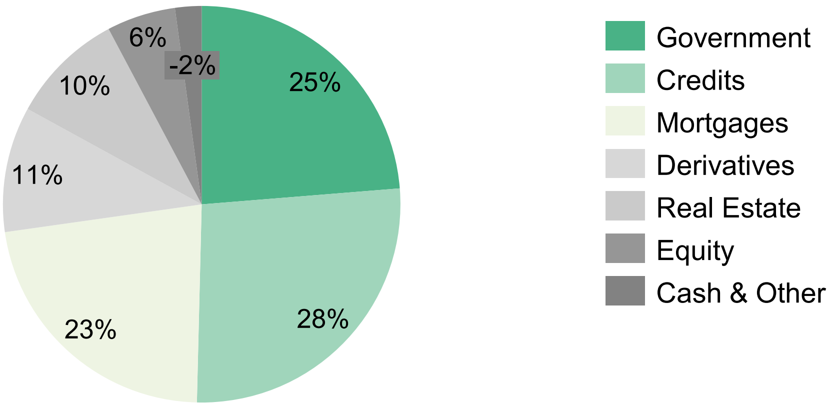
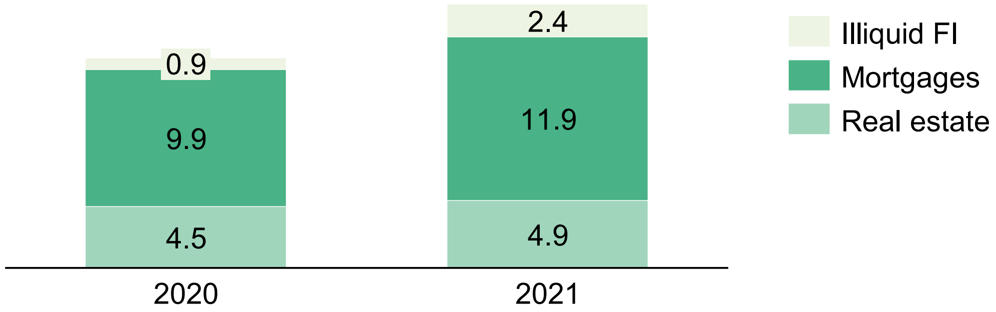
[1] Contains averaging methodology, i.e. taking average of the € 241m UFR drag p.a. at rates at 1/1/2021 and the € 170m UFR drag p.a. at rates at 31/12/2021
[2] UFR drag sensitivity included in the annualised OCC sensitivity represents an estimated delta in the UFR drag p.a. and does not take the OCC averaging methodology into account

Robust investment portfolio

Investment portfolio € 50.8bn[1,2] (in %)



Allocation to illiquids (in €bn)

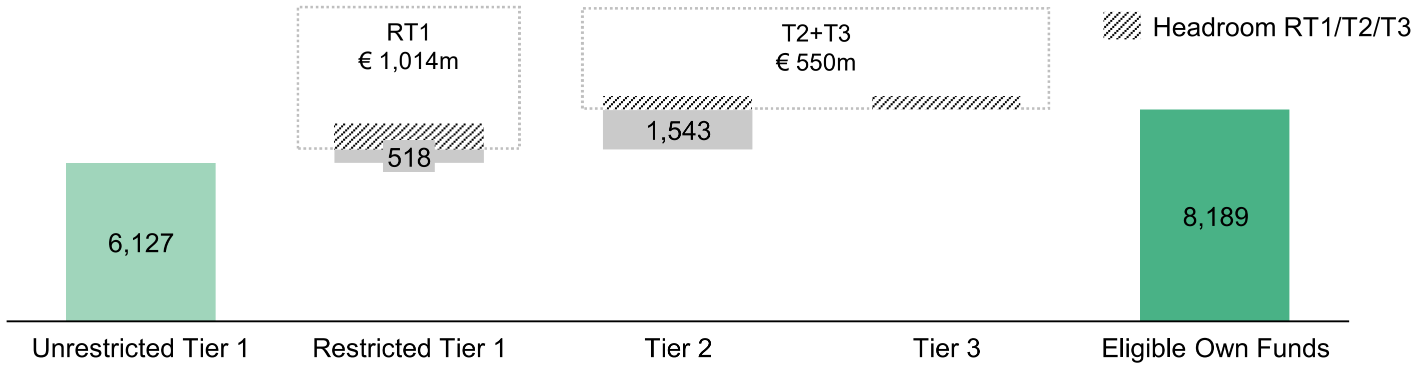


- Diversified and robust investment portfolio with skew to quality
- High quality fixed income portfolio with limited exposure to BBB rates government bonds and predominantly investment grade credits
- Opportunity to benefit from allocation towards illiquid assets:
  - Strong return on SCR
  - Illiquidity + complexity premium
  - Matches with long duration of liabilities
- Impact investments increased to € 2.5bn, exceeding the € 1.2bn target for 2021

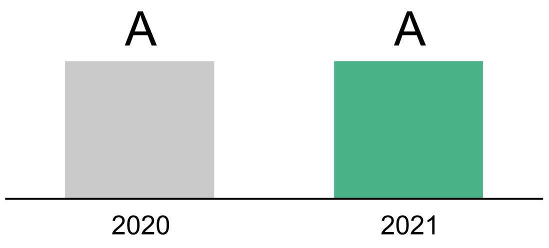
[1] Investment portfolio for own account. Distinguishes different investment categories from an asset management perspective. Therefore, this breakdown differs from the financial statement presentation based on IFRS
[2] Please note that this chart contains a negative figure relating to Cash & Other. For more details see appendix J

Strong balance sheet with ample flexibility

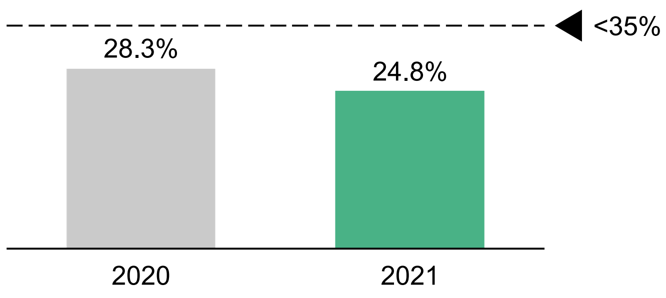
Eligible Own Funds and SII headroom (in €m)



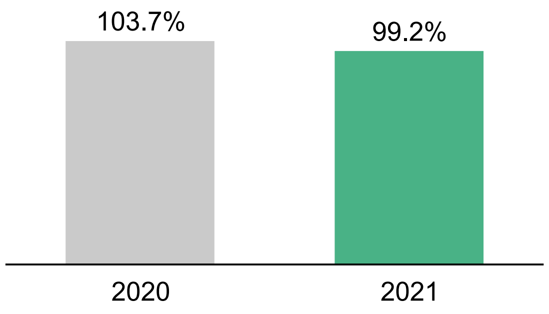
S&P IFS rating



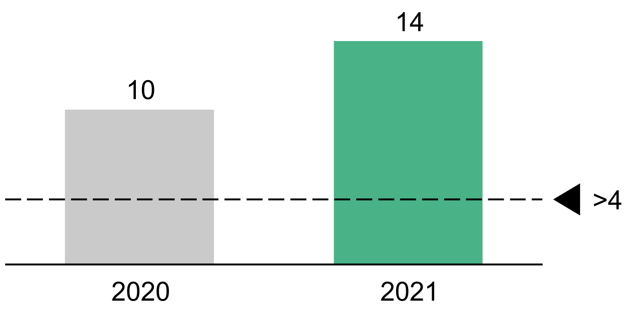
Financial leverage (IFRS)



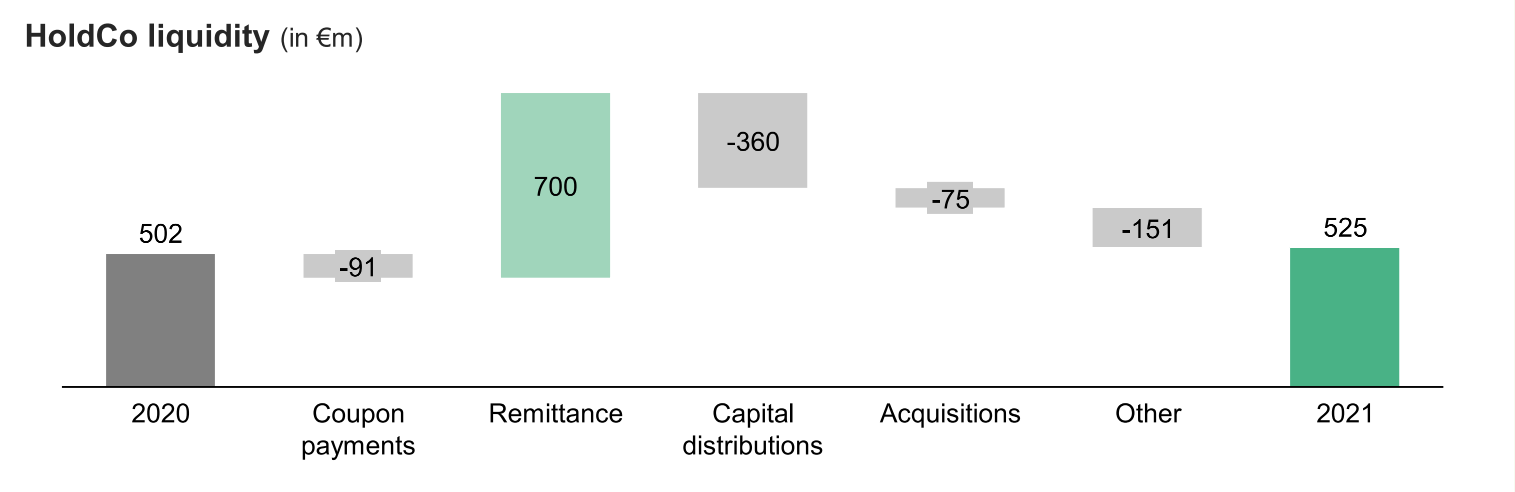
Double leverage (IFRS)

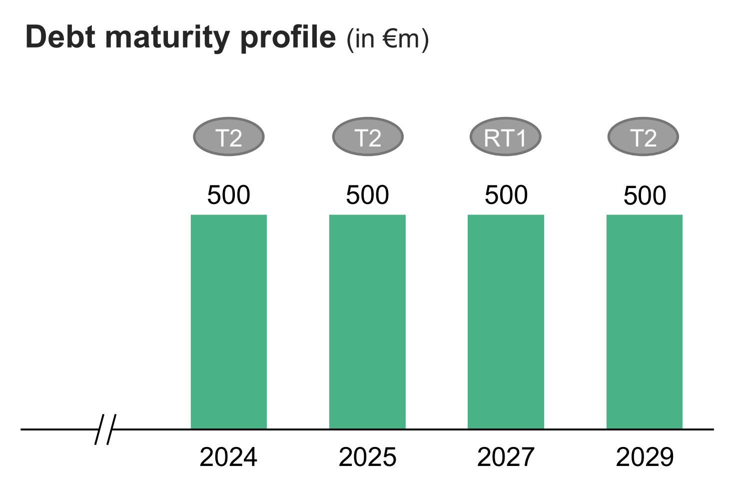


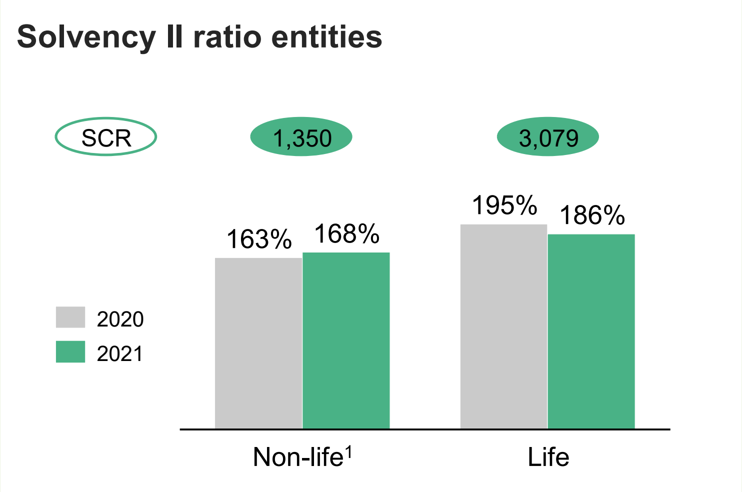
Interest coverage ratio (IFRS, multiple)



Strong solvency and cash support our businesses and dividends





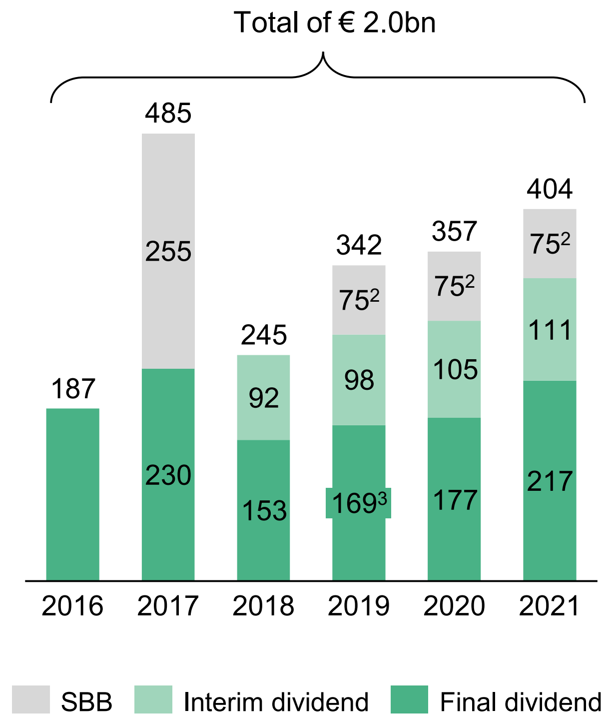


- HoldCo liquidity at 31 December 2021 stood at € 525m, in line with a.s.r.'s policy of maintaining capital at operating entities and only upstream to cover dividends, coupons and other Holding expenses for the current year
- Life Solvency II ratio declined by 9%-pts, mainly due to lowering of the UFR and tightening of the VA
- Non-life Solvency II ratio improved by 5%-pts, primarily due to better performance
- Cash remittance include € 501m from Life, € 142m from Non-life and the remaining € 57m from other segments

[1] Non-life ratio excluding Health

Strong track record in capital return to shareholders

Ample capital return since IPO (in €m)



(in €m)

		2019	2020	2021
IFRS based	Operating result	**858**	**885**	**1,021**
	Dividend base[1]	595	628	730
	Dividend pay-out ratio	45%	45%	45%
Ordinary dividend (in €m)		**267**	**282**	**329** = **Base for progressive dividend policy**
Share buyback[2] (in €m)		**75**	**75**	**75**

Solvency II based	2019 BCG	2019 OCC	2020 BCG	2020 OCC	2021 BCG	2021 OCC
Total pay-out ratio (incl. SBB)	**65%**	**68%**	**63%**	**71%**	**63%**	**68%**
	526	501	568	500	639	594

[1] Net operating result after hybrid costs
[2] SBB announced at FY 2019, FY 2020 and FY 2021 results and executed in 2020, 2021 and 2022, respectively
[3] Special dividend of € 1.20 per share equals the postponed final dividend for FY19

Wrap-up

Jos Baeten, CEO

Key take-aways

- Best ever result to date, driven by strong performance in all segments and achieving all our financial medium-term targets
- Robust balance sheet and solvency with ample financial flexibility and strong organic capital creation
- Proposed full year dividend of € 2.42 per share, 18.6% uplift in 2021, locked in by progressive dividend policy going forward
- Finalising on committed € 75 million share buyback, intention for at least € 100 million SBB annually for upcoming three years
- New ambitious targets focused on sustainable long term value creation for all stakeholders

Appendix

Appendices

A. Financial ratios
B. Combined ratio per product line
C. Calculation of operating ROE
D. IFRS profit vs. operating result per segment
E. IFRS equity and SII EOF multi-year development
F. SCR movement in 2021
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N. Fixed Income portfolio Corporates and Financials credit rating
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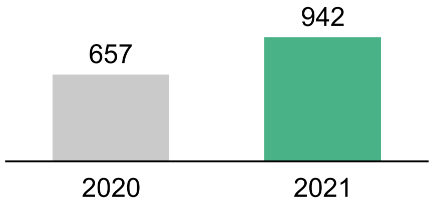
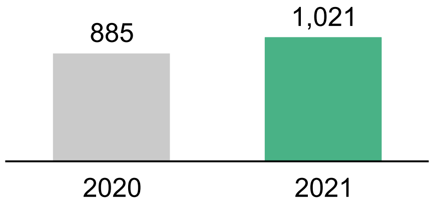
U. Medium-term non-financial objectives (2022 – 2024)

A. Financial ratios

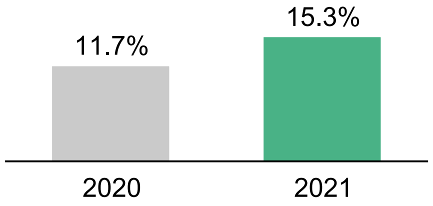
Net result (in €m)



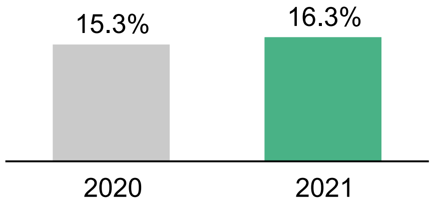
Operating result (in €m)



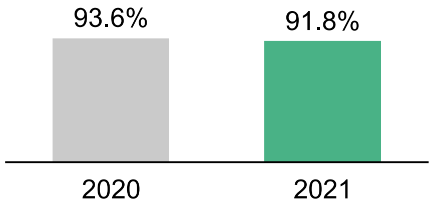
ROE



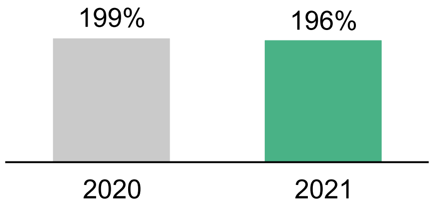
Operating ROE[1]



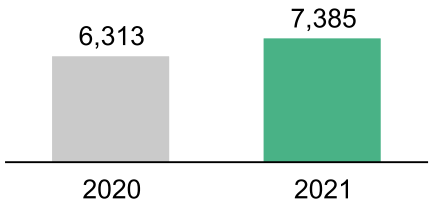
Combined ratio[2]



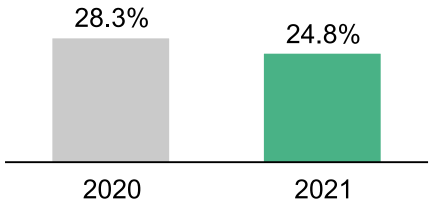
Solvency II ratio[3]



Total equity (in €m)

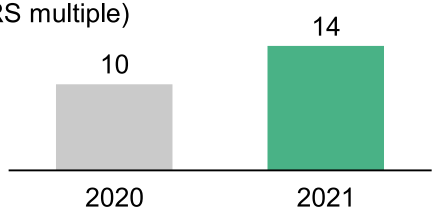


Financial leverage

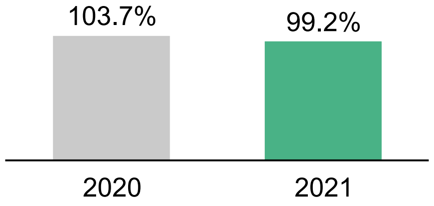


Interest coverage ratio

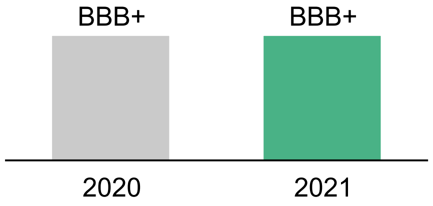
(IFRS multiple)



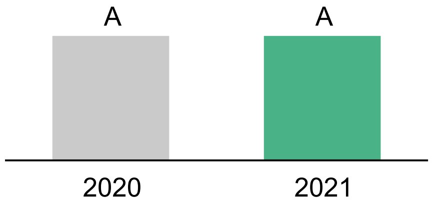
Double leverage



S&P holding rating



S&P IFS rating



[1] Restated due to tax deductibility of net costs for restricted Tier 1 capital
[2] P&C and Disability
[3] Calculation based on standard formula, excluding financial institutions other than insurers

B. Combined ratio per product line

		2020	2021
Property & Casualty	Net earned premiums (in €m)	1,492	1,531
	Claims ratio	58.2%	57.5%
	Expense ratio	8.1%	8.2%
	Commission ratio	26.2%	26.2%
	Combined ratio	**92.5%**	**91.9%**
Disability	Net earned premiums (in €m)	1,182	1,280
	Claims ratio	77.4%	73.9%
	Expense ratio	8.1%	7.8%
	Commission ratio	9.5%	9.9%
	Combined ratio	**95.1%**	**91.6%**
P&C & Disability	Net earned premiums (in €m)	2,674	2,811
	Claims ratio	66.7%	64.9%
	Expense ratio	8.1%	8.0%
	Commission ratio	18.8%	18.8%
	Combined ratio	**93.6%**	**91.8%**
Health	Net earned premiums (in €m)	894	1,231
	Claims ratio	92.7%	92.7%
	Expense ratio	3.1%	2.7%
	Commission ratio	1.9%	0.8%
	Combined ratio	**97.7%**	**96.2%**
Non-life segment[1]	Net earned premiums (in €m)	3,568	4,042
	Claims ratio	73.6%	73.7%
	Expense ratio	7.0%	6.5%
	Commission ratio	14.6%	13.3%
	Combined ratio	**95.2%**	**93.6%**

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

C. Calculation of operating ROE

(in €m)	2019	2020	2021
Operating result (before tax, annualised)	858	885	1,021
Minus: Interest on hybrid instruments through equity[1]	60	48	48
Operating result after hybrid costs (before tax, annualised)	798	837	973
Tax effect (25% tax rate)	203	209	243
Operating result after hybrid costs (net of taxes)	**595**	**628**	**730**
(in €m)	**2019**	**2020**	**2021**
Equity attributable to shareholders	5,089	5,309	6,363
Minus: Unrealised gains and losses reserve[2]	937	1,137	1,461
Minus: IFRS equity discontinued[3]	54	56	43
Adjusted IFRS equity	4,098	4,116	4,858
Average adjusted IFRS equity	**3,937**	**4,107**	**4,487**
Operating ROE	**15.1%**	**15.3%**	**16.3%**

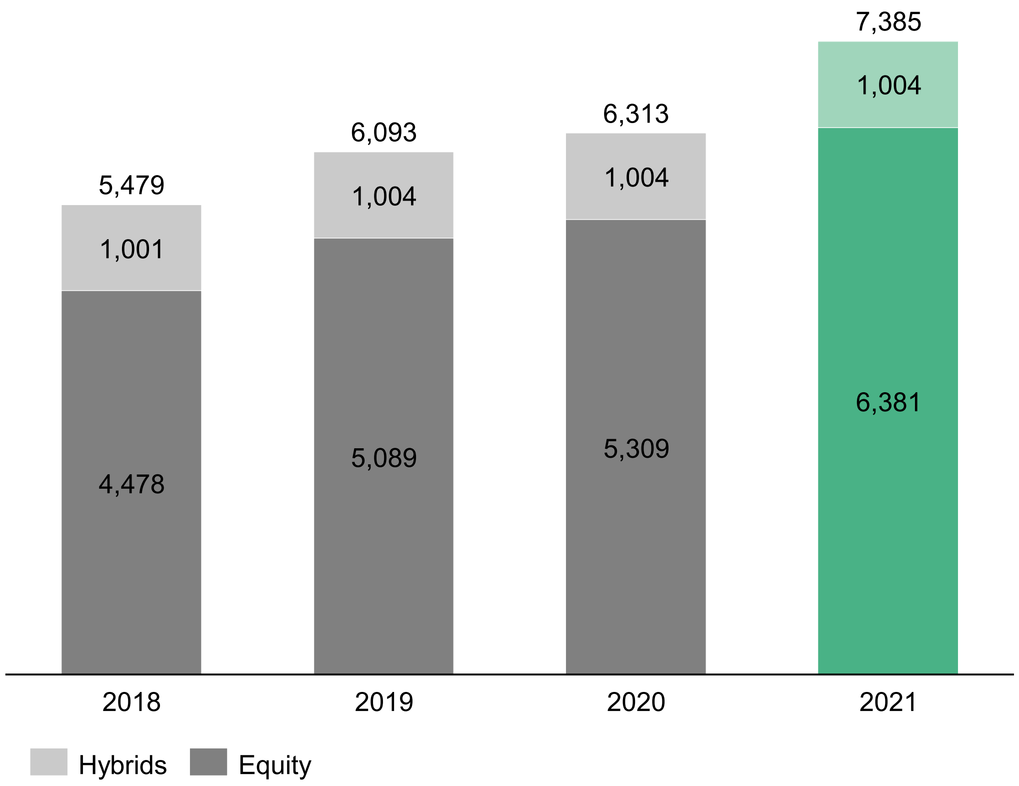
[1] Interest on hybrid instruments is deducted to show the return to equity shareholders after hybrid costs
[2] Unrealised revaluation reserves are excluded as the operating result adjusts all capital gains and losses
[3] Discontinued equity (Real Estate Development) is excluded from the calculation as it is also excluded from the operating result due to its 'non on-going' classification

D. IFRS profit vs. operating result per segment

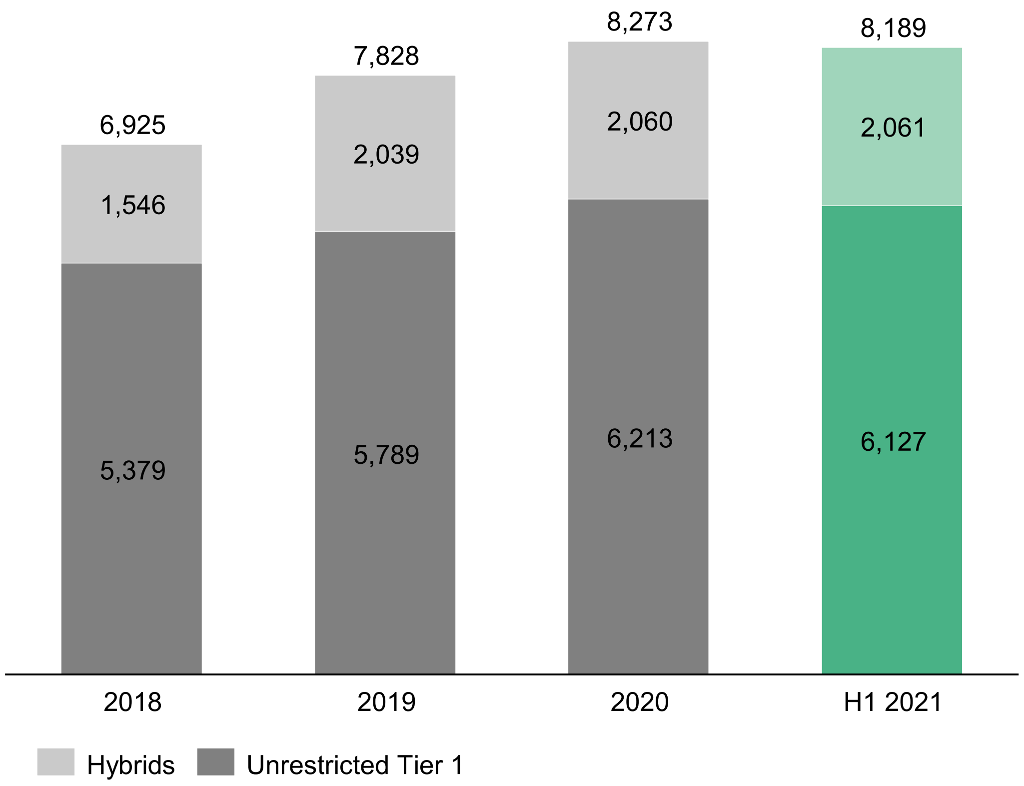
	IFRS profit before tax	Investment related	Incidentals	Operating result	IFRS profit before tax	Investment related	Incidentals	Operating result
	2020 (in €m)				**2021** (in €m)			
Non-life	261	38	-18	241	357	54	-22	325
Life	747	139	-122	730	981	208	11	763
Asset Management	30	0	-1	31	36	0	0	36
Distribution and Services	-6	0	-31	25	10	0	-18	28
Holding and Other / Eliminations	-203	8	-68	-143	-175	29	-75	-130
Total	**829**	**185**	**-241**	**885**	**1,209**	**291**	**-104**	**1,021**

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

IFRS equity (in €m)



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



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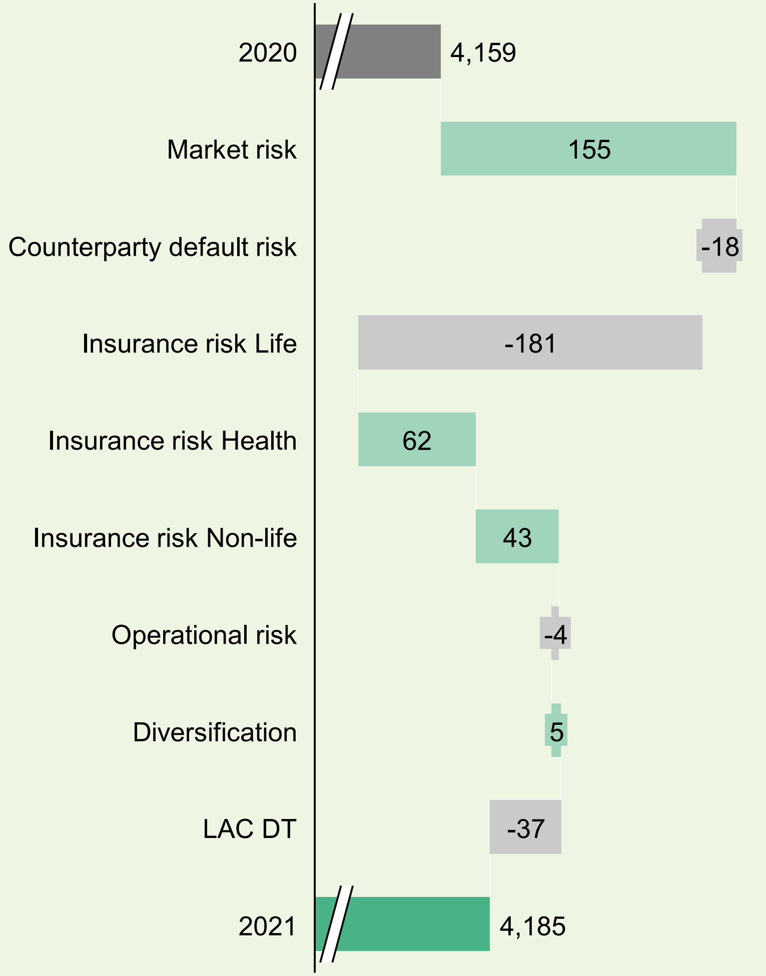
[1] After deduction of proposed (interim) dividend payments

F. SCR movements in 2021 (in €m)



SCR decreases in

Market risk:
- Interest rate risk
- Currency risk

Counterparty default risk

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

Operational risk

LAC DT

SCR increases in

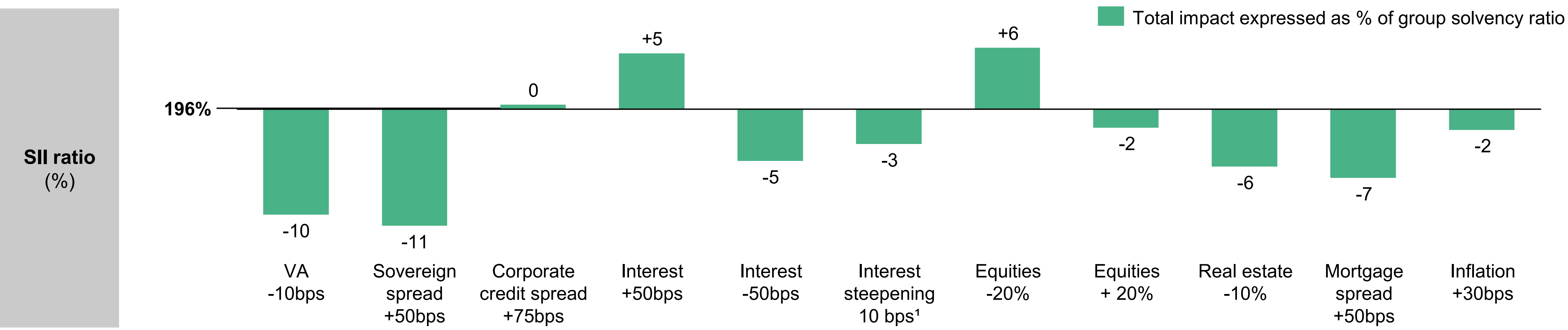
Market risk:
- Equity risk
- Real estate risk
- Spread risk

Insurance risk Health:
- HNSLT risk
- HSLT risk

Insurance risk Non-life:
- Premium reserve risk

Diversification

G. Sensitivities Solvency II ratio



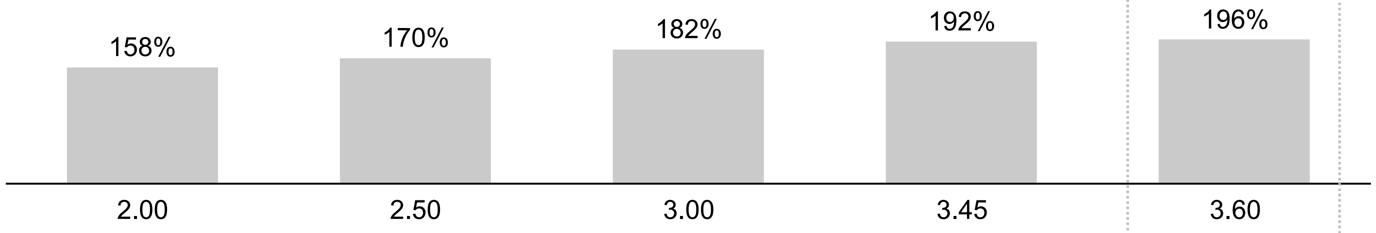
	VA -10bps	Sovereign spread +50bps	Corporate credit spread +75bps	Interest +50bps	Interest -50bps	Interest steepening 10 bps[1]	Equities -20%	Equities + 20%	Real estate -10%	Mortgage spread +50bps	Inflation +30bps
EOF[2] (%)	-9	-11	-1	-4	+4	-3	-11	+12	-9	-7	-2
SCR[2] (%)	-2	-	+2	+9	-8	-	+18	-13	+4	+1	-1

- Sovereign and corporate spread sensitivities are stated excluding VA[4]. Corporate spread sensitivity includes impact of spread widening on IAS19 pension provision
- Non-linearity of the equity sensitivity due to the dynamics of the equity dampener
- Current solvency level enables a.s.r. to potentially absorb multiple downward adjustments while remaining safely above the cash dividend payment level (>140%), entrepreneurial level (>160%) and the threshold for additional capital return (>175%)

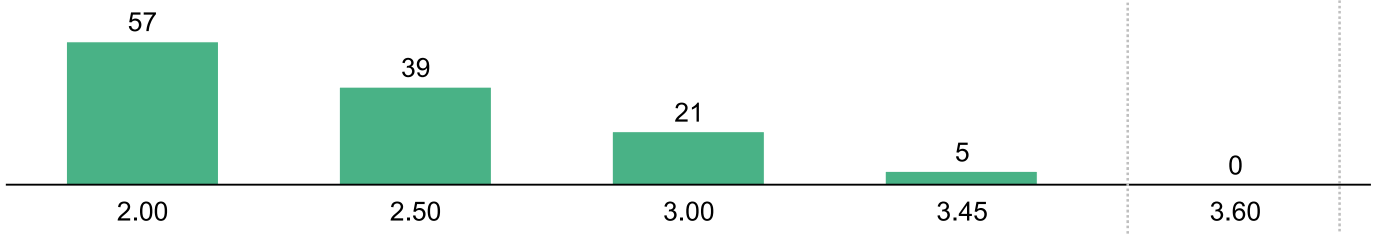
[1] Steepening of the curve of 10bps between 20Y and 30Y
[2] Impact on EOF / SCR expressed as % of Solvency II ratio
[3] Please note that spread widening will lead to a VA increase. At 31/12/2021, a corporate spread widening of 75bps corresponded with c. 19bps of VA increase. A 50bps of sovereign spread widening corresponded with c.11bps VA increase

H. Sensitivities Solvency II ratio – to UFR

Solvency II ratio ('stock')



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



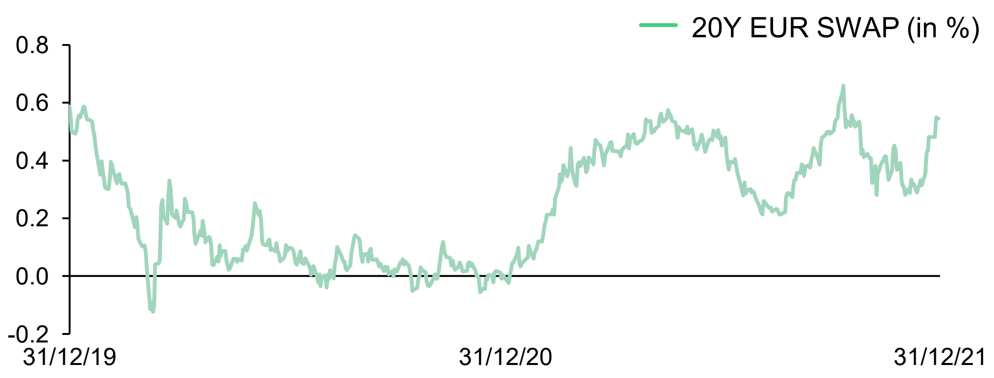
Eligible Own Funds (in €m)

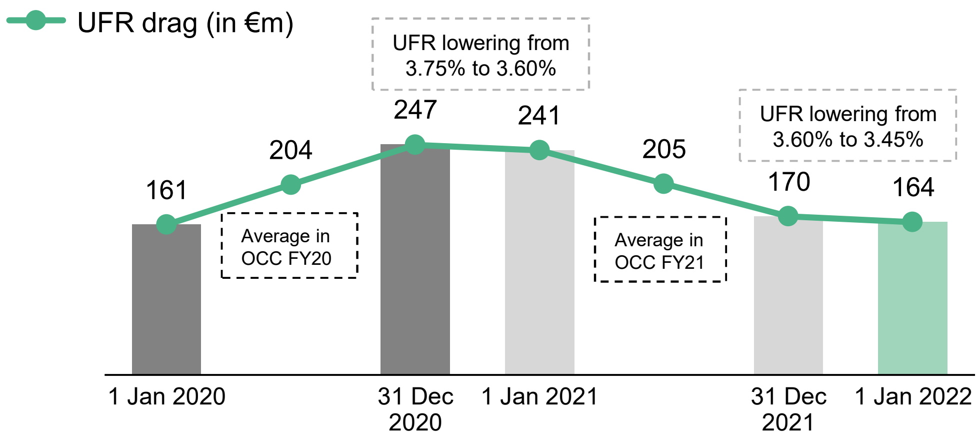
6,652	7,159	7,646	8,055	8,188
2.00	2.50	3.00	3.45	3.60

- EIOPA intends to lower the UFR towards the current target of 3.45%[1] in steps of max. 15bps per annum
- Lowering the UFR would lead to lower 'stock' of capital but would increase organic capital creation ('flow') because of reduced UFR unwind

[1] As reported by EIOPA on 21 April 2021 'report on the calculation of the UFR for 2022'

I. UFR drag methodology and sensitivity





- The absolute value of the UFR benefit in Solvency II Own Funds and therefore the unwind of the benefit (UFR drag) depends on;
  - The current level of interest rates and
  - The shape of the curve
- UFR benefit amortised over time, resulting in UFR drag p.a.
- The UFR drag is a (negative) part of the OCC (in technical movements) and is the average of the beginning of period and end of period UFR drag calculations to minimise volatility between reporting periods
- The UFR drag is sensitive to interest rate movements, where lower interest rates lead to higher UFR drag (negative impact on OCC) and vice versa
- The difference between the 1 January 2022 UFR drag calculation (€ 164m) and the average for 2021 (€ 205m) is the positive echo effect for 2022 (approx. € 40m), assuming interest rates remain flat from the end of 2021 onwards

J. Investment portfolio

Assets (in €bn, fair value)	2020	2021	Delta[1]	% of total
Fixed income	35.2	32.2	-3.0	63%
Equities	2.7	3.0	0.2	6%
Real estate	4.5	4.9	0.4	10%
Mortgages / other loans	9.9	11.9	2.0	23%
Cash (equivalents) for investments	0.5	-1.2	-1.7	-2%
Other[2]	0.1	0.1	0.0	0%
Total investments	**52.9**	**50.8**	**-2.0**	**100%**
Investments on behalf of policyholders	10.2	11.6	1.4	
Other assets[3]	14.1	12.7	-1.5	
Total balance sheet	**77.2**	**75.1**	**-2.1**	

- Decrease in fixed income was mainly due to market effects, largely driven by rates movements
- An increase in real estate portfolio as a result of investments in rural real estate, non-listed funds, office buildings and revaluations
- Mortgage exposure further increased. Mortgage origination stood at € 6.0bn in 2021, of which € 2.5bn for own book
- Mortgages also include exposure of € 2.7bn through (fixed income) mortgage funds
- Cash for investments is negative because cash collateral is used for the regular investment portfolios and the strong increase in interest rates at year end

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

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[1] Rounding differences occur
[2] 'Other' mainly represents equity associates
[3] 'Other assets' mainly represents loans and receivables (mainly due from credit institutions), cash and cash equivalents
[4] Cash Collateral is not shown in this overview to avoid double counting

K. Details of fixed-income portfolio

- The core of the FI portfolio consists of AAA and AA government bonds, with selective peripheral sovereign exposure and investment grade corporate bonds
- The decrease in value of the fixed income portfolio was mainly due to an increase in the interest rates
- An increase in structured credits due to € 1bn investments in less liquid investment grade sovereign guaranteed and multi asset structured credits
- Mortgage portfolio is well protected as 30% is NHG (government guarantee) and remains robust with an average LtV of 67% and limited arrears positions
- The corporate bond portfolio increased mainly as a result of € 400m investments in private loans. No defaults and limited downgrades occurred
- Derivatives decreased due to rising interest rates in 2021

Fixed income (in €m)	**2020**	**2021**	***Delta***	**% of total**
Government	14,116	12,597	*-11.1%*	39%
Financials	6,573	6,041	*-8.1%*	19%
Structured[2]	454	1,428	*214.4%*	4%
Corporate[2]	6,262	6,680	*6.7%*	21%
Derivatives	7,711	5,439	*-29.5%*	17%
Total	**35,167**	**32,184**	***-8.5%***	**100%**

Mortgages (in €m)	**2020**	**2021**	***Delta***	**% of total**
NHG	3,278	3,539	*8.0%*	30%
LtMV <55%	1,645	2,418	*47.0%*	20%
LtMV <65%	625	1,178	*88.6%*	10%
LtMV <85%	2,280	3,096	*35.8%*	26%
LtMV <95%	1,072	769	*-28.3%*	6%
LtMV <110%	598	467	*-21.8%*	4%
LtMV >110%	20	7	*-67.6%*	0%
Subtotal	**9,519**	**11,475**	***20.6%***	**97%**
Other mortgage funds[1]	393	398	*1.2%*	3%
Total	**9,912**	**11,873**	***19.8%***	**100%**

Governments (in €m)	**2020**	**2021**	***Delta***	**% of total**
Netherlands	2,943	2,269	*-22.9%*	18%
Germany	2,678	2,546	*-4.9%*	20%
Supranationals	1,429	1,389	*-2.8%*	11%
Belgium	1,392	1,213	*-12.9%*	10%
France	1,137	1,096	*-3.6%*	9%
Austria	1,083	965	*-10.9%*	8%
Spain	787	684	*-13.1%*	5%
Ireland	684	625	*-8.7%*	5%
United States	452	401	*-11.3%*	3%
Other	1,580	1,410	*-10.8%*	11%
Total	**14,166**	**12,597**	***-11.1%***	**100%**

[1] LtMV not provided for these (external) funds
[2] Reclassification as at FY 2020 of Corporate (€ 46m) products to Structured

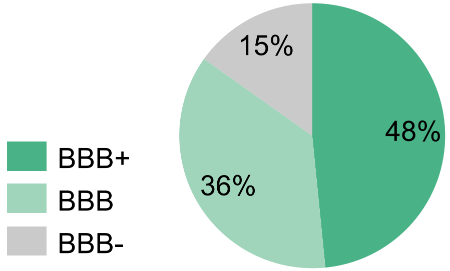
L. Details of Corporates and Financial bond portfolio

Comments on Corporates portfolio

- The decrease of € 532m in the Financials portfolio was mostly due to changes in valuation as a results of increased interest rates and active sales, partly offset by spread tightening
- Investments were made predominantly in private loans (Other Corporates)

Portfolio quality

- >98% of the Corporates and Financials portfolio, excluding fixed income funds and preferred shares, is rated investment grade or higher
- BBB category is skewed towards BBB+



- If 20% of the entire Corporates and Financials credit portfolio experienced a full letter downgrade (3 notches), it would result in approximately 4%-pts impact on our Solvency II ratio[1] due to higher SCR

Corporates portfolio (in €m)	2020	2021	Delta	% of total
Automotive	488	459	-29	4%
Basic industry	458	492	35	4%
Capital goods	473	493	20	4%
Consumer goods	705	602	-103	5%
Energy	365	332	-33	3%
Healthcare	618	562	-56	4%
Leisure	0	0	0	0%
Media	40	11	-28	0%
Real estate	30	39	9	0%
Retail	226	192	-34	2%
Services	420	366	-54	3%
Technology & Electronics	190	133	-57	1%
Telecommunications	367	343	-23	3%
Transportation	358	311	-46	2%
Utility	793	735	-58	6%
Other Corporates	732	1,608	876	13%
Subtotal	**6,262**	**6,680**	**417**	**53%**
Financials	6,573	6,041	-532	47%
Total	**12,881**	**12,720**	**-161**	**100%**

[1] Based on the required capital for spread risk

M. Fixed Income portfolio government credit rating

Market value governments (in €m)	0-1	1-2	2-3	3-5	5-10	10-20	20-30	30+	Total	Delta[1]	% of total
AAA	597	237	60	362	883	1,541	2,236	107	**6,024**	-941	48%
AA	480	94	149	165	825	815	932	1,721	**5,183**	-377	41%
A	136	33	60	68	245	21	11	14	**587**	6	5%
BBB	241	204	140	134	83	0	0	0	**802**	-256	6%
BB	0	0	0	0	0	0	0	0	**0**	0	0%
B or below	0	0	0	0	0	0	0	0	**0**	-1	0%
Not rated	0	0	0	0	0	1	0	0	**1**	0	0%
Total	1,453	567	409	730	2,037	2,378	3,180	1,842	**12,597**	-1,569	100%

[1] Delta with FY 2020

N. Fixed Income portfolio Corporates and Financials credit rating

Market value credits (in €m)	**0-1**	**1-2**	**2-3**	**3-5**	**5-10**	**10-20**	**20-30**	**30+**	**Total**	**Delta[2]**	**% of total**
AAA	664	96	15	15	78	131	0	0	**999**	295	8%
AA	153	145	88	181	292	81	1	0	**942**	-174	8%
A	743	762	623	1,000	1,544	313	3	0	**4,989**	-239	41%
BBB	1,007	704	842	1,111	1,167	199	22	0	**5,052**	204	41%
BB	55	17	39	64	19	0	0	0	**194**	-96	2%
B or below	12	0	0	0	14	0	0	0	**26**	10	0%
Not rated	22	1	0	0	0	6	0	0	**29**	-13	0%
Total	2,657	1,725	1,607	2,371	3,115	729	25	0	**12,230**	-14	100%

Table contains Financials, Structured and Corporates from slide K.
Details of fixed-income portfolio totalling € 14,149m. Excluded are:

- Preference shares € 311m
- Fixed income funds € 1,607m

Fixed income funds contain, on a look through basis:

- Investment grade (>BB) € 652m
- Not rated € 623m[1]
- High yield € 332m

[1] Management estimates 50% of not-rated bonds and 50% of derivatives
[2] Delta with FY 2020

O. Details of equities and real estate portfolio

Highlights

Equities

- Total exposure to equities increased by € 249m primarily driven by higher equity markets
- Continuation of the active hedging policy for the illiquid part of the portfolio

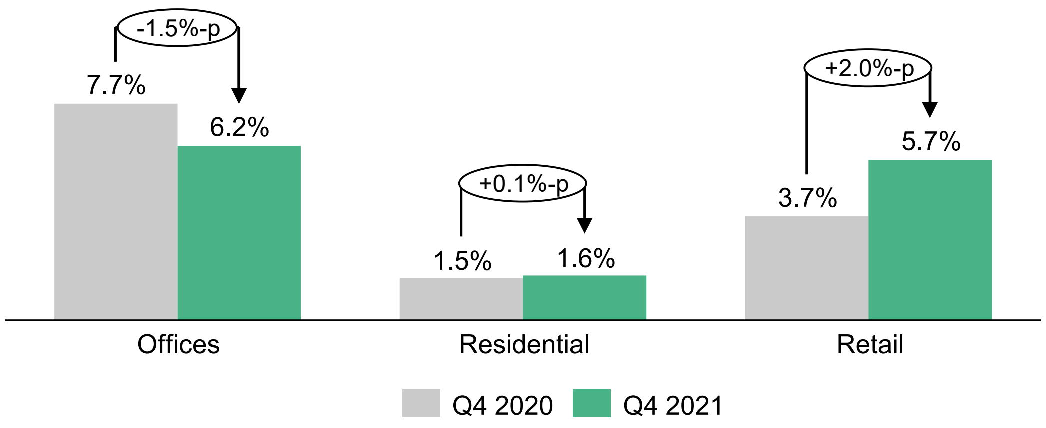
Real estate

- Total increase in real estate portfolio (excluding renewables) is 7.1%, mainly as a result of investments within Rural real estate, Offices & unlisted funds and revaluations
- Vacancy for the Retail portfolio increased during 2021, mainly due to the (former) Hudson's Bay Company properties (of which three were sold at the end 2021), while the vacancy rate for Offices decreased

Equities (in €m)	**2020**	**2021**	***Delta***
Equities	2,288	2,554	*11.6%*
Private equities	147	125	*-15.1%*
Hedge funds	0	0	*1.0%*
Other funds	288	278	*-3.5%*
Derivatives	13	28	*114.5%*
Total	**2,736**	**2,985**	***9.1%***

Real estate (in €m)	**2020**	**2021**	***Delta***
Offices	175	178	1.5%
Retail	164	147	-9.9%
Rural	1,717	1,840	7.2%
Renewables	-	118	-
Parking & other	64	89	39.2%
Total real estate (excluding funds & own use)	**2,119**	**2,372**	**11.9%**
ASR Dutch Prime Retail Fund	649	625	-3.7%
ASR Dutch Core Residential Fund	976	1,079	10.5%
ASR Dutch Mobility Office Fund	110	113	2.5%
Other Funds	464	578	24.5%
Total real estate (excluding own use)	**4,318**	**4,767**	**10.4%**
Offices in own use	154	140	-9.2%
Total real estate	**4,473**	**4,907**	**9.7%**

Real estate vacancy rates[1] (%)



[1] Excluding Other Funds and Offices in own use

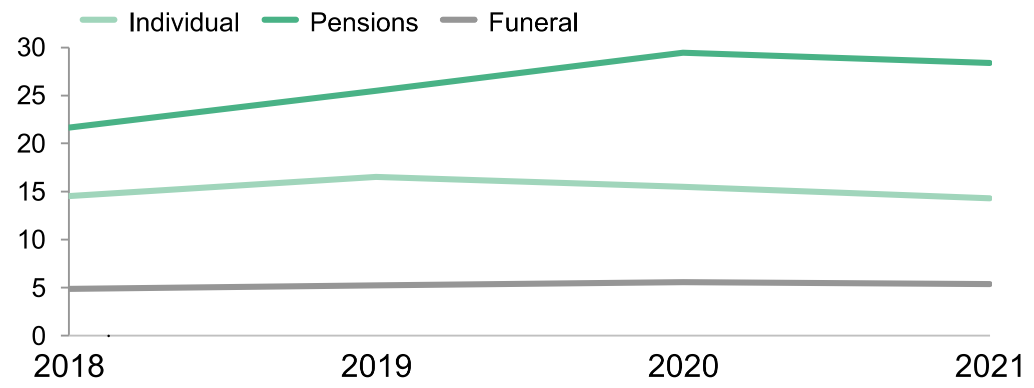
P. Calculation of asset leverage

Risky assets (€m)	**2020**	**2021**
Equities	2,736	2,985
Real estate[1]	2,601	2,927
BB bonds or below	350	250
Preference shares	316	311
Fixed income funds (not-rated & high yield)	333	643
Mortgages with LtMV >110%	20	7
Total risky assets	**6,357**	**7,123**
Unrestricted Tier 1	6,326	6,127
Asset leverage	**100%**	**116%**

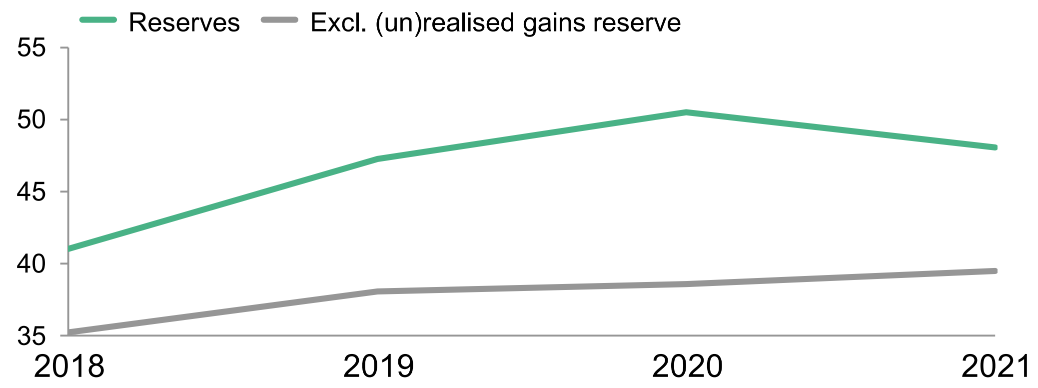
a.s.r. [1] Excluding Rural real estate and Offices in own use

Q. Life segment book development

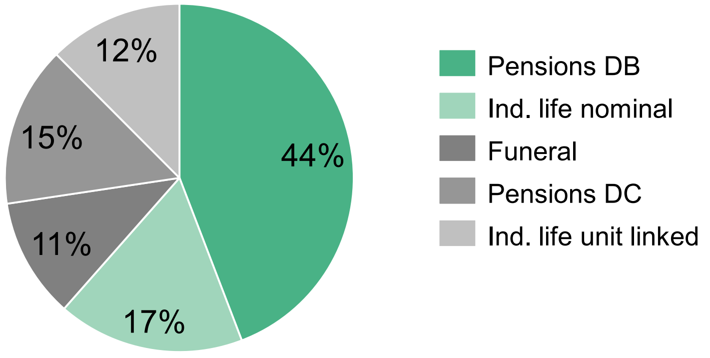
Life reserves development (in €bn)



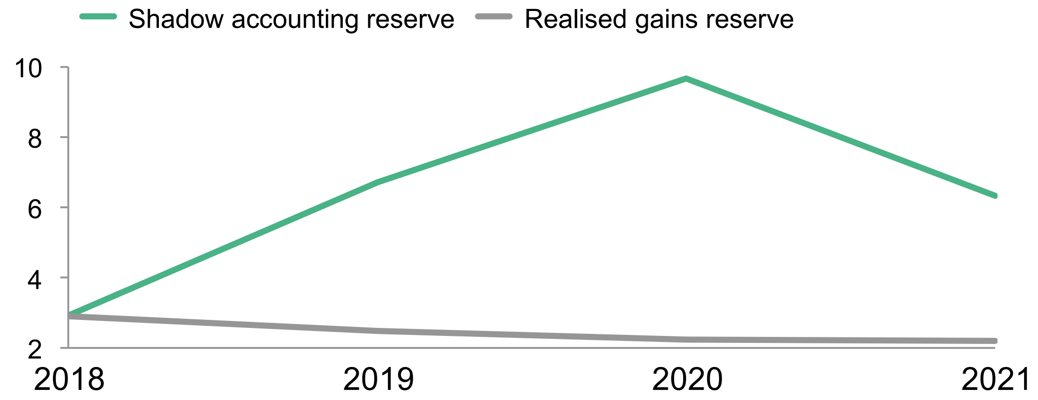
Life reserves (in €bn)



Reserves – 2021 (€ 48.1bn)



(Un)realised reserves development (in €bn)



R. Life segment investment contribution

(in €m)	H2 2018	H1 2019	H2 2019	H1 2020	H2 2020	H1 2021	H2 2021
Direct investment income[1]	519	535	527	562	528	550	534
Amortisation of realised gains reserve	159	161	137	132	145	144	156
Total investment contribution	**678**	**696**	**664**	**694**	**673**	**694**	**690**
Required interest on liabilities[2,3]	-420	-384	-394	-376	-371	-359	-342
Investment margin[3]	**258**	**312**	**270**	**318**	**302**	**334**	**348**
Shadow accounting reserve (Life)	2,914	6,018	6,719	9,156	9,672	6,782	6,339
Realised gains reserve (Life)	2,897	2,906	2,483	2,398	2,241	2,291	2,202
Nominal basic provision (Life)	24,179		24,988		24,890		24,393

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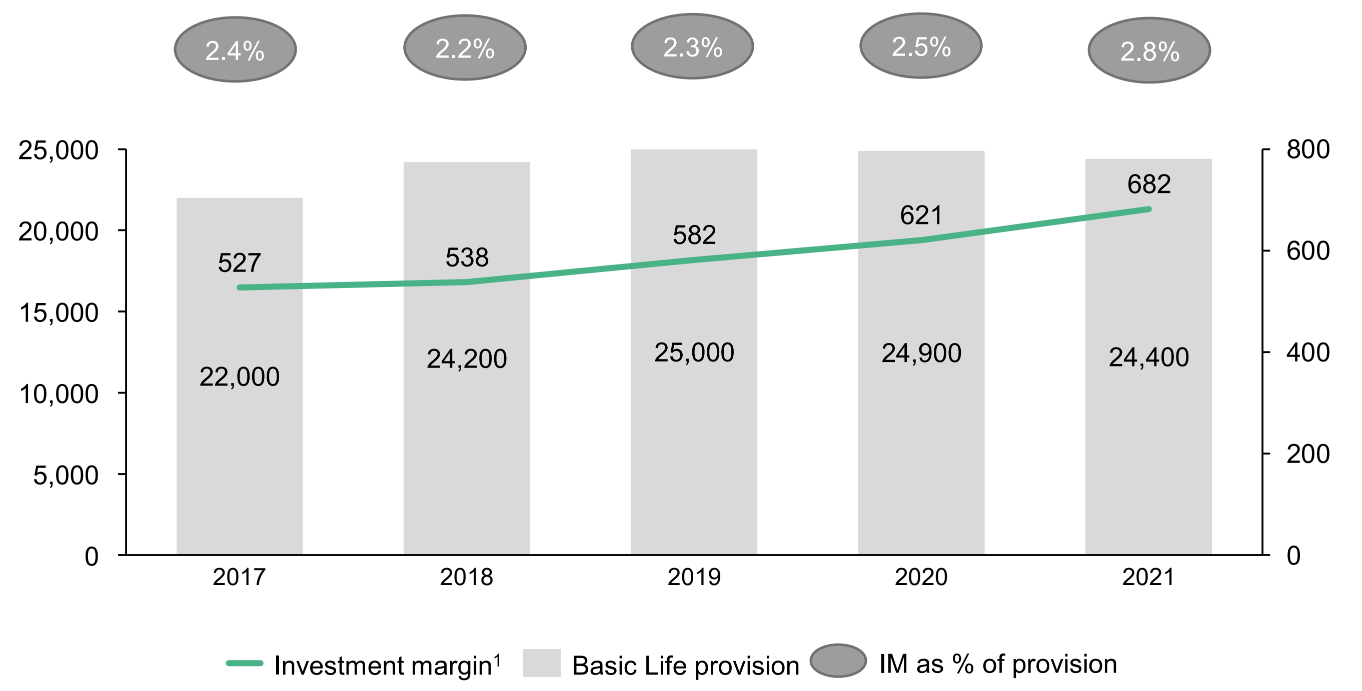
[1] This line item differs from 'investment income' in the Annual Report due to (i) interest expenses on derivatives and (ii) savings mortgages (offset by technical provisions)
[2] Including other components such as profit sharing
[3] The comparative figures have been restated due to a reclassification. Impact on total operating and IFRS result is nil

S. Track record in solid investment margin

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



- Investment margin has been stable to slightly growing in the past years
- Additional margin realised by optimising exposure to illiquidity premium (e.g. mortgages)
- Successful bolt-on M&A strategy has increased basic provision and investment margin in recent years. Strategy will be continued
- Required interest decreasing over time due to maturing Life book
- Projected decline of Best Estimate Liabilities[2] equals c. -2.6% CAGR for upcoming 10 years
  - Gradual decline: no cliff pattern
  - No acquisitions / management actions included

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[1] Direct investment income + amortisation realised gains - required interest divided by basic Life provision. See also appendix R
[2] Note that BEL represents liabilities discounted against Solvency II discount curve and does not equal basic nominal Life provision on IFRS standards

T. Medium term group targets (2022 – 2024)

Core Group targets[1]

Solvency II ratio	Organic capital creation	Operating return on equity	Dividend[2]	Share buyback[3]
(standard formula)				
>160%	€ 1.7-1.8bn	12-14%	Progressive	≥€ 100m
Substantial capital for entrepreneurship	Cumulative 2022-2024	Per annum	Low-mid single digit	

Core Business targets

Non-life combined ratio	Non-life organic growth (GWP)	Fee-based business operating result	Life operating result	Life operating expenses[4]
P&C and Disability	P&C and Disability			
93-95%	3-5%	>€ 80m	>€ 700m	40-50bps
Per annum	Per annum	In 2024	Per annum	Per annum

a.s.r.

[1] Targets are based on the assumption of normal (financial) markets, environmental and economic conditions (per end of November 2021) and no material regulatory changes
[2] In general, a.s.r. expects not to pay cash dividends if the Solvency II ratio (calculated in accordance with the standard formula) falls below 140%
[3] Solvency II ratio needs to be at least 175% and can be halted if larger M&A occurs
[4] Operating expenses expressed in bps of basic Life provision

U. Medium term non-financial objectives (2022 – 2024)

Targets for the period 2022 - 2024[1]

Sustainable insurer	Sustainable insurer	Sustainable employer	Sustainable investor	Sustainable investor
Net Promoter Score (NPS-r)	Public recognition as a sustainable insurer	Employee engagement total workforce[2]	Carbon footprint reduction compared to 2015 own account investments	Impact investments
>Market average	>40%	>85	65%	€ 4.5bn
In 2024	In 2024	Per annum	In 2030	In 2024

a.s.r.

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

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Disclaimer

Cautionary note regarding forward-looking statements

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

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