Interim report

2022

For the first half year

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

Contents

ASR Nederland N.V. and its group companies are hereinafter referred to as 'a.s.r.' or 'the Group', except when referring to the legal entity ASR Nederland N.V.

Report of the Executive Board

1 Report of the Executive Board

1.1 Financial and business performance HY 2022

ASR Nederland N.V.

Key figures

(in € million, unless stated otherwise)	HY 2022	HY 2021[1]	Delta (%)
Operating result	**513**	**532**	**-3.5%**
- Non-life	150	179	-15.7%
- Life	385	376	2.4%
- Asset Management	19	17	8.9%
- Distribution and Services	17	16	3.9%
- Holding and Other / Eliminations	-58	-56	-3.3%
Incidental items (not included in operating result)	**41**	**42**	**-1.9%**
- Investment income	84	57	46.5%
- Incidentals	-42	-15	-181.5%
Result before tax	**554**	**574**	**-3.4%**
- Non-life	105	169	-38.2%
- Life	536	399	34.5%
- Asset Management	19	17	9.5%
- Distribution and Services	11	12	-10.6%
- Holding and Other / Eliminations	-116	-24	-393.9%
Income tax expense	-112	-122	-8.6%
Result for the period, after tax	442	451	-2.0%
Non-controlling interest	1	-3	n.m.[2]
Result for the period attributable to holders of equity instruments	442	454	-2.7%
Organic capital creation (OCC)	**428**	**372**	**15.1%**
Operating return on equity	**13.7%**	**17.7%**	**-4.0%-p**
Return on equity	13.9%	15.4%	-1.4%-p
Earnings per share			
Operating result per share (€)	2.69	2.79	-3.5%
Dividend per share (€)	0.98	0.82	19.5%
Basic earnings per share on IFRS basis (€)	3.19	3.24	-1.5%
Gross written premiums	**3,415**	**3,298**	**3.5%**
- Non-life	2,490	2,416	3.1%
- Life	964	928	3.9%
- Eliminations	-40	-45	-12.7%

1 Starting from 2022 the inflation linked value changes of bonds are classified as non-operating result. The comparative figures have been adjusted accordingly.

2 n.m.: not meaningful.

(in € million, unless stated otherwise)	HY 2022	HY 2021[1]	Delta (%)
Operating expenses associated with ordinary activities	**-340**	**-319**	**6.4%**
- Non-life	-135	-130	4.0%
- Life	-86	-83	4.2%
- Asset Management	-56	-50	12.7%
- Distribution and Services	-45	-41	10.1%
- Holding and Other / Eliminations	-17	-16	8.1%
Operating expenses	-371	-346	7.3%
Provision for restructuring expenses	-2	-2	22.4%

	30 June 2022	31 December 2021	Delta (%)
Number of internal FTEs	4,242	4,155	2.1%
Capital management			
Solvency II ratio (standard formula, post proposed dividend)	214%	196%	18%-p
Financial leverage	26.9%	24.8%	2.1%-p
Double leverage	93.2%	99.2%	-6.0%-p
Total equity attributable to holders of equity instruments (IFRS-based)	6,635	7,366	-9.9%

[1] n.m. : not meaningful

Operating result
The operating result amounted to € 513 million in the first half of 2022, a decline of € 19 million. All business segments apart from Non-life delivered higher operating results. The operating result from the Non-life segment absorbed the impact of the February storms (€ -38 million) and an ongoing normalisation of claims after the COVID-19 restrictions were lifted. The operating result of the Non-life segment decreased by € 28 million. In the Life segment, driven by a higher investment margin, the operating result increased by € 9 million, which was partially offset against additional unit linked provisioning due to market effects. Both the Asset Management segment and Distribution and Services segment realised higher operational results, which was driven by organic growth and acquisitions.

Gross written premiums
Gross written premiums (GWP) increased by 3.5% to € 3,415 million. The GWP in the Non-life segment increased by 3.1%, to € 2,490 million, which was driven by strong organic growth at P&C and Disability (7.9%). Health GWP decreased (-9.6%) due in part to the exceptionally strong increase in the number of customers in last year, which has been reversed by a less competitive price proposition this year. The GWP in the Life segment increased by 3.9%, to € 964 million, mainly driven by the continuing commercial success of the DC pension product ‘Werknemers Pensioen’.

Operating expenses associated with ordinary activities
The operating expenses increased by € 20 million to € 340 million reflecting organic business growth and additional (running) costs of several new growth initiatives. The increase also reflects the inclusion of various small acquisitions (total impact € 4 million) in the fee-based segments (Asset Management and Distribution & Services) and the acquisition of Brand New Day IORP as at 1 April 2021 in the Life segment.

The cost ratio of P&C and Disability improved by 0.3%-point to 7.7% (HY 2021: 8.0%) mainly due to organic business growth. In the Life segment, the cost ratio increased slighly to 46 bps (FY 2021: 45 bps), which is still in the middle of the target range (40-50 bps).

Result before tax
The result before tax decreased by € 19 million to € 554 million, mainly due a lower operating result (€ 19 million). The total impact of incidental items amounted to € 41 million (HY 2021: € 42 million). The IFRS net result amounted to € 442 million (HY 2021: € 454 million), reflecting an effective tax rate of 20.2% (HY 2021: 21.3%).

Operating return on equity
The operating return on equity amounted to 13.7%, at the upper-end of the target range,primarily reflecting the lower operating result and an increased adjusted IFRS equity, including an adjustment for unrealised gains and losses.

Solvency II ratio and Organic capital creation
The Solvency II ratio, based on the standard formula, increased by 18%-points to 214% (31 December 2021: 196%), including a 5%-points deduction for the 2022 interim dividend (€ 131 million) and the buyback of shares (€ 75 million) executed in the first half of 2022. A very strong organic capital creation (11%-points) and a positive impact of market & operational movements (13%-points) led to a higher Solvency II ratio. The positive impact of market & operational

1 Starting from 2022 the inflation linked value changes of bonds are classified as non-operating result. The comparative figures have been adjusted accordingly.

movements reflects an increase in the volatility adjustment, higher interest rates and a positive solvency impact from lower equity markets which, combined, more than offset the negative impacts of the 15 bps UFR decrease, higher inflation and spread widening (mainly mortgages).

Organic capital creation increased by € 56 million to € 428 million, mainly due to a decrease in the UFR unwind as a result of higher interest rates and increased excess investment returns. The contribution of the Non-life segment remained stable despite the February storms and an ongoing normalisation of claims.

Dividend and capital distribution
In line with our dividend policy, a.s.r. will pay an interim dividend for 2022 of € 0.98 per share, equal to 40% of last year's full year dividend. This is an increase of 20% compared to the interim dividend in 2021, reflecting the significant step-up in the 2021 full-year dividend.

Medium-term targets

The table below shows the medium-term targets for the 2022-2024 period and the performance of a.s.r.

Medium-term targets

Group	HY 2022	Medium-term target
Organic capital creation (OCC)	€ 428 million	cumulative € 1.7 -1.8 billion
Dividend	N/A	Progressive dividend
Share buyback programme	N/A	≥ € 100 million per year
Solvency II-ratio (standard formula)	214%	> 160%
Operating return on equity	13.7%	12-14%
Reduction CO_2 footprint of the investment portfolio, incl. real estate investments and mortgage portfolio (base year: 2015)	65%	65% reduction by 2030
Impact investments on the balance sheet	€ 2.7 billion	> € 4.5 billion by 2024
Net Promoter Score - relational (NPS-r)	N/A	> market average in 2024
Employee engagement (Annual survey by Denison)	88	> 85
Reputation measurement sustainable insurer	38%	> 40% in 2024

Business	HY 2022	Medium-term target
Combined ratio P&C and Disability	92.8%	93-95%
Organic growth of gross written premiums of P&C and Disability	7.9%	3% - 5%
Operating result of the Life segment	€ 385 million	≥ € 700 million until 2024
Operating costs of the Life segment (of basic Life provision)	46 bps	40 – 50 bps
Combined operating result of fee-based business (Asset Management, Distribution and Services)	€ 36 million	> € 80 million per year by 2024

Group targets

On 23 February 2022 a.s.r. announced a share buyback (SBB) programme in the amount of € 75 million which was completed on 24 May 2022. The SBB represented the third and final part of the commitment from 2019-2021. A new SBB ambition of at least € 100 million per annum has come into effect this year with a first part to be decided upon with the full year 2022 results.

At the end of June 2022, the 65% reduction of CO_2 footprint of the investment portfolio was achieved when compared to base year 2015. In addition to underlying efforts to reduce the CO_2 footprint, the reduction was affected by lower economic activity (and emissions) as a result of COVID-19 restrictions. There is a natural delay in the availability of reported data on emissions and as such the current set is still reflecting the impact from the COVID-19 on economic activity. We expect this beneficial impact to be temporary.

The portfolio of impact investments (for own account) increased to € 2.7 billion (2021: € 2.5 billion) mainly driven by acquisitions in renewable energy (several wind farms and one solar farm).

The Net Promoter Score – relational (NPS-r) data for 2022 are not yet available. The NPS-r is measured annually in the second half of the year.

Employee engagement based on the Denison scan of March 2022 is 88, which is in line with the target of >85.

Our reputation as a sustainable insurer improved to 38% (2021: 36%) and reflects our scores on being perceived as sustainable, reliable, transparent and socially responsible.

Non-life segment

Key figures, Non-life segment[1]

(in € million, unless stated otherwise)	HY 2022	HY 2021	Delta
Gross written premiums	2,490	2,416	3.1%
Operating expenses	-136	-132	3.4%
Provision for restructuring expenses	-2	-2	-7.0%
Operating result	**150**	**179**	**-15.7%**
Incidental items (not included in operating result)	**-46**	**-9**	**n.m.[2]**
- Investment income	-35	2	n.m.[2]
- Incidentals	-10	-11	-7.1%
Result before tax	105	169	-38.2%
Result for the period attributable to holders of equity instruments	**84**	**129**	**-34.7%**

	HY 2022	HY 2021	Delta
Combined ratio P&C and Disability	**92.8%**	**90.2%**	**2.6%-p**
- Commission ratio	18.7%	18.8%	-0.1%-p
- Cost ratio	7.7%	8.0%	-0.3%-p
- Claims ratio	66.4%	63.5%	2.9%-p
Combined ratio			
- P&C	94.6%	88.6%	6.0%-p
- Disability	90.7%	92.1%	-1.4%-p
- Health	98.4%	95.4%	3.0%-p

Gross written premiums
Gross written premiums increased by 3.1% (€ 75 million) to € 2,490 million, mostly due to strong organic growth in P&C and Disability, which more than offset a decrease in Health. The total organic growth of P&C and Disability combined was 7.9% (€ 139 million), driven by increased sales volumes and tariff adjustments (mainly in Disability). In P&C, in line with our strategy, a sales volume growth was realised in SME market and in travel insurance after COVID-19 restrictions were lifted. In Disability, this increase reflects both tariff adjustments and higher sales volumes, mainly in Sickness leave and Group disability. In addition, an automated administrative link to customer payroll systems proved successful. In Health, premiums decreased by 9.6% (€ 64 million) as pricing discipline and the pursuit of our value-over-volume approach were maintained in a more competitive environment, primarily in basic health insurance.

Operating result
The operating result of the Non-life segment decreased by 15.7% (€ 28 million) to € 150 million, mainly due to 'triple storms' Dudley, Eunice and Franklin in February this year with a negative impact of € 38 million (after reinsurance) and an ongoing normalisation of claims following the abolishment of the COVID-19 restrictions. In the first six months of last year there were no weather-related calamities. Apart from the impact of the storms and taking into account last year's COVID-19 related effects and reserve strengthening, the underlying performance was good with healthy underwriting results in P&C and Disability, despite some pressure on the Health result due a decrease in the portfolio.

Operating expenses
Operating expenses increased by € 4 million (3.4%) to € 136 million, mostly driven by increased volumes at P&C and Disability. On segment level the cost ratio deteriorated slightly, which is due to a shift in the business mix. At P&C and Disability the cost ratio improved by 0.3%-points due to volume growth at relatively fixed costs.

Combined ratio
The combined ratio of P&C and Disability increased by 2.6%-points, to 92.8%, mostly due to claims from storms in February this year, which had a 2.6%-points net impact. The claims ratio was also impacted by an ongoing normalisation of claims post COVID-19.

At P&C, the combined ratio amounted to 94.6% (HY 2021: 88.6%). Here too, the increase of 6.0%-points is related predominantly to the February storms, which had a 4.8%-point impact on this product line. Large-size claims were

1 The Non-life segment consists of non-life insurance entities and their subsidiaries. The non-life insurance entities offer the following non-life insurance contracts; disability insurance, property and casualty insurance and health insurance.

2 n.m.: not meaningful.

higher compared to last year. This was partially offset against fewer bulk and mid-size claims, reflecting an overall strong underlying business.

At Disability, the combined ratio amounted to 90.7% (HY 2021: 92.1%). Group disability reserves were strengthened (€ 27 million) to reflect the intended increase in the statutory minimum wage by 2.5% effective 1 January 2023. The increase in the minimum wage is the basis claims indexation. This was offset against improved underwriting results at Individual and Sickness leave, which resulted in a 1.4%-point improvement of the combined ratio.

The combined ratio at Health deteriorated by 3.0%-points, to 98.4%. Last year, Health benefited from government support related to COVID-19 and an extraordinary inflow of customers. This year, a net outflow of customers resulted in an increase in the ratio. The Dutch Health market is very price competitive and considerable movements in the number of customers occur every year due to relatively small differences in premiums for the mandatory 'basic' health policy. We have maintained our pricing discipline and continue to pursue value-over-volume.

Result before tax

The result before tax decreased by 38.2% (€ 65 million) to € 105 million. In addition to the lower operating result, indirect investment income decreased by € 37 million, mostly due to fair value revaluations. An increase in the interest rates led to negative revaluations of derivatives and mortgage funds, which effect was partially mitigated by the methodology of shadow accounting (for Disability).

Life segment

Key figures, Life segment[1]

(in € million, unless stated otherwise)	HY 2022	HY 2021[2]	Delta
Recurring premiums	771	753	2.4%
Single premiums	193	175	10.4%
Gross written premiums	964	928	3.9%
Operating expenses	-87	-83	5.1%
Provision for restructuring expenses	-1	-	n.m.[3]
Operating result	**385**	**376**	**2.4%**
Incidental items (not included in operating result)	**152**	**23**	n.m.[3]
- Investment income	121	22	n.m.[3]
- Incidentals	31	1	n.m.[3]
Result before tax	536	399	34.5%
Result for the period attributable to holders of equity instruments	**415**	**303**	**36.8%**
Cost-premium ratio (APE)	8.8%	8.5%	0.2%-p
Life operating expenses on basic life provision (bps) (2021 figure is per FY 2021)	46	45	1
New business (APE)	52	61	-15.3%

Gross written premiums

At € 964 million, the gross written premiums increased by 3.9% (€ 36 million). The increase was mainly driven by an increase in recurring and single premiums at Pension DC. The Pension DC product ‘Werknemers Pensioen’ (Employee Pension) continued its commercial success this year as the number of active participants further increased to over 140,000 (31 December 2021: approx. 130,000). Recurring premiums of ‘Werknemers Pensioen’ increased by € 66 million (or 21%) to € 373 million. The DC product ‘Doenpensioen’, especially for small employers and facilitated in an IORP, also contributed to the growth, with the number of active participants increasing to over 150,000 (31 December 2021: over 120,000).

Growth of the pension business resulted in an increase in AuM. Due to revaluations and despite of business growth, the total market value decreased slightly, to € 4.7 billion (31 December 2021: € 5.0 billion).

Operating result

The operating result increased by 2.4% (€ 9 million) to € 385 million, mainly due to a higher investment margin, which more than offset the decrease in the technical result.

The investment margin improved by € 43 million to € 371 million and was driven mainly by a further optimisation of the asset mix in the investment portfolio. The contribution to the operating result of investments in ‘renewables’ increased due to several acquisitions in wind and solar farms since the second half of 2021 and high energy prices. In addition, the required interest on technical provisions decreased due to the regular run-off of the Individual life portfolio.

1 The Life segment comprises the life insurance entities and their subsidiaries. The life insurance entity offers financial products such as life insurance contracts and life insurance contracts on behalf of policyholders. The Life segment also includes ASR Premiepensioeninstelling N.V. (previously known as Brand New Day Premiepensioeninstelling N.V.), which offers 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.

2 Starting from 2022 the inflation linked value changes of bonds are classified as non-operating result. The comparative figures have been adjusted accordingly.

3 n.m.: not meaningful.

The technical result (including result on costs) decreased by € 34 million, to € 14 million. Due to a sharp decline in equity markets and considerably higher interest rates, provisions for unit linked liabilities with guarantees were strengthened by € 26 million. At € 11 million, the result on costs remained flat, whereas lower cost coverage at Individual life following a declining portfolio was compensated by business growth of the Pension DC products ‘Werknemers Pensioen’ and ‘Doenpensioen’. The result on mortality improved due to a relatively favourable development in the number of mortalities, whereas last year's mortality was somewhat elevated due to the COVID-19 situation.

Operating expenses

Operating expenses increased by 5.1% (€ 4 million), to € 87 million, mainly driven by an increase in the cost base following from the acquisition of Brand New Day IORP as at 1 April 2021 (product renamed into ‘Doenpensioen’ as in April 2022) and in expenses for realising a new IT landscape to administer the pension portfolio.

Life operating expenses, expressed in basis points of the basic life provision increased slightly, to 46 bps (2021: 45 bps). This is in line with the target range of 40-50 bps for 2022-2024.

Result before tax

The result before tax increased by 34.5% (€ 138 million), to € 536 million, mainly driven by an increase in incidental items of € 129 million and, to a lesser extent, an increase in the operating result (€ 9 million).

The incidental items total of € 152 million relates to incidental investment income (€ 121 million, mainly fair value investments including derivatives) and other incidentals (€ 31 million, mainly related to a.s.r.'s own pension scheme).

Asset Management segment

Key figures, Asset Management segment[1]

(in € million, unless stated otherwise)	HY 2022	HY 2021	Delta
Assets under Management for third parties (€ bn), 2021 as at 31 December	26.9	28.0	-4.0%
Operating expenses	-56	-50	12.7%
Provision for restructuring expenses	-	-	n.m.[2]
Operating result	**19**	**17**	**8.9%**
Incidental items (not included in operating result)	**-**	**-**	**n.m.**[2]
- Investment income	-	-	n.m.[2]
- Incidentals	-	-	n.m.[2]
Result before tax	19	17	9.5%
Tax	-5	-4	13.0%
Profit/(loss) for the period attributable to holders of equity instruments	**14**	**13**	**8.3%**

Assets under management
Total AuM for third parties decreased by € 1.1 billion to € 26.9 billion (2021: € 28.0 billion), mainly impacted by lower market value of investments driven by higher interest rates and lower equity markets. The impact of these market effects was offset partially against higher inflows into mortgage funds and an expansion of managing the AuM of ‘Doenpensioen’. In addition, the inflow and positive revaluations in the ASR Dutch Core Residential Fund (ASR DCRF) increased the real estate third party AuM.

Operating result
The operating result of Asset Management increased by 8.9% (€ 2 million) to € 19 million, mainly driven by higher fee income following an increase in third-party AuM (ASR DCRF, ASR Mortgage funds and 'Doenpensioen') compared to the first half of 2021.

Mortgage origination amounted to € 3.7 billion, € 1.7 billion of which was allocated to the ASR Mortgage Fund. In addition, € 0.4 billion and € 0.3 billion of the mortgage origination were allocated to the ASR Separate Account Mortgage Fund and external investors, respectively.

Payment arrears of more than three months on the mortgage portfolio remained equal compared to last year (2 bps). Credit losses on mortgages decreased by 0.19 bps to 0.07 bps (FY 2021: 0.26 bps), mainly due to write-offs of irrecoverable debts in 2021.

Operating expenses
The operating expenses increased by 12.7% (€ 6 million) to € 56 million, driven by top-line growth and higher project and personnel costs, in part due to a decision to insource the management of residential property and the acquisition of a real estate consultancy company.

1 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 Financieringen B.V., ASR Real Estate B.V. and ASR Hypotheken B.V.

2 n.m.: not meaningful.

Distribution and Services segment

Key figures, Distribution and Services segment[1]

(in € million)	HY 2022	HY 2021	Delta
Total income	65	62	4.6%
Operating expenses	-50	-45	10.1%
Provision for restructuring expenses	-	-	n.m.[2]
Operating result	**17**	**16**	**3.9%**
Incidental items (not included in operating result)	**-6**	**-4**	**45.1%**
- Investment income	-	-	n.m.[2]
- Incidentals	-6	-4	45.9%
Result before tax	11	12	-10.6%
Tax	-3	-3	3.4%
Result for the period attributable to holders of equity instruments	**8**	**9**	**-15.8%**

Total income
Total income increased by 4.6% (€ 3 million), to € 65 million. The increase was driven mainly by acquisitions, in addition to organic business growth in various portfolios and selective tariff adjustments.

Operating result
The operating result increased by 3.9% (€ 1 million) to € 17 million, reflecting the contributions of acquisitions and organic business growth.

Operating expenses
Operating expenses increased by 10.1% (€ 5 million) to € 50 million. The increase related predominantly to acquisitions, organic growth of the business and start-up costs for Vitality, which are excluded from the operating result.

Result before tax
The IFRS result before tax decreased by 10.6% (€ -1 million), to € 11 million due to a more negative impact of incidentals like costs for start-ups.

1 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. (Poliservice), Van Kampen Groep Holding B.V. (VKG), Van Kampen Geld B.V., Dutch ID B.V., Corins B.V., SuperGarant Verzekeringen B.V. (and ZZP Nederland Verzekeringen B.V. and Bedrijfsartsengroep B.V.), and ASR Vitaliteit & Preventieve Diensten B.V. (Vitality).

2 n.m.: not meaningful.

Holding and Other segment (including eliminations)

Key figures, Holding and Other segment / Eliminations[1]

(in € million)	HY 2022	HY 2021	Delta
Operating expenses	-41	-36	15.5%
- of which associated with ordinary activities	-17	-16	8.1%
Provision for restructuring expenses	-	-	n.m.[2]
Operating result	**-58**	**-56**	**-3.3%**
Incidental items (not included in operating result)	**-58**	**33**	**n.m.[2]**
- Investment income	-2	33	n.m.[2]
- Incidentals	-56	-	n.m.[2]
Result before tax	-116	-24	-393.9%
Tax	37	20	79.8%
Non-controlling interest	-1	-3	76.7%
Result for the period attributable to holders of equity instruments	**-79**	**-**	**n.m.[2]**

Operating result
The operating result decreased by € 2 million, to € -58 million. The decrease is a consequence of lower result from joint ventures and additional overhead expenses.

Comparable to the same period last year, the operating result includes interest charges of € 22 million for two subordinated liabilities (Tier 2 notes).

Operating expenses
The operating expenses increased by 15.5% (€ 5 million), to € 41 million, due to additional overhead expenses (as part of expenses from ordinary activities), increased IFRS17/9 implementation costs and the digitisation programme (both part of incidental/non-recurring expenses).

Result before tax
The IFRS result before tax decreased by € 92 million, to € -116 million, which is mainly a consequence of incidental items. HY 2021 results contained incidental items amounting to € 33 million, predominantly related to higher indirect investment income. In addition, incidentals in HY 2022 decreased by € -56 million, driven primarily by a lower incidental result of the old DB pension scheme for a.s.r. employees.

1 The segment Holding and Other 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 Vooruit B.V., the investment firm that performs activities related to private investing for customers, and the activities of ASR Deelnemingen N.V.

2 n.m.: not meaningful.

Capital management

- The Solvency II ratio, using the standard formula, increased by 18%-points, to 214% (31 December 2021: 196%), including a 5%-point deduction for the 2022 interim dividend (€ 131 million) and the buyback of shares (€ 75 million) executed in the first half of 2022.The Solvency II ratio meets the management target of 'above 160%'.
- Organic capital creation (OCC) increased by 15.1% (€ 56 million) to € 428 million.
- Equity attributable to holders of equity instruments (IFRS-based equity) decreased by € 731 million, to € 6,635 million, predominantly as a result of market revaluations.
- The financial leverage stood at 26.9% (31 December 2021: 24.8%), reflecting primarily the decrease in equity.
- Double leverage stood at 93.2% (2021: 99.2%).

Solvency II

Solvency II

(in € million)	30 June 2022	31 December 2021	Delta
Eligible Own Funds	7,287	8,189	-11%
Solvency Capital Requirement	3,404	4,185	-19%
Solvency II ratio (post dividend)	**214%**	**196%**	**18%-p**

The Solvency II ratio, using the standard formula, increased by 18%-points to 214% (31 December 2021: 196%), including a 5%-point deduction for the 2022 interim dividend (€ 131 million) and the buyback of shares (€ 75 million) executed in the first half of 2022. Very strong organic capital creation (11%-points) and a positive impact of market & operational movements (13%-points) led to a higher Solvency II ratio. The positive impact in Market & operational movements reflects an increase in the volatility adjustment, higher interest rates and a positive impact of lower equity markets, which combined, more than offset the negative impacts of the 15 bps UFR decrease, higher inflation and spread widening (mainly mortgages).

Organic capital creation increased by € 56 million, to € 428 million, mainly due to a decrease of the UFR unwind following higher interest rates and increased excess investment returns. The contribution of the Non-life segment remained stable despite the February storms and an ongoing normalisation of claims.

Eligible Own Funds

The Eligible Own Funds decreased to € 7,287 million (31 December 2021: € 8,189 million) mainly driven by interest and spread developments, lower equity markets and capital distributions. This was offset partially against organic capital creation and an increase in the volatility adjustment.

Solvency Capital Requirement

Solvency Capital Requirement stood at € 3,404 million (31 December 2021: € 4,185 million). The decrease was driven mainly by market movements like higher interest rates, an increase in the volatility adjustment and lower equity markets, which combined, resulted in lower market risks (interest, equity and spread) and a decrease in required capital for Life risk, which was offset partly against lower diversification benefits.

Equity

Breakdown of total equity

in € million	30 June 2022	31 December 2021	Delta
Share capital	22	22	0.0%
Share premium reserve	956	956	0.0%
Unrealised gains and losses	-150	1,461	-110.3%
Actuarial gains and losses (IAS19)	-317	-1,055	-69.9%
Retained earnings	5,276	5,061	4.3%
Treasury shares	-156	-83	88.0%
Equity attributable to shareholders	**5,631**	**6,363**	**-11.5%**
Other equity instruments	1,004	1,004	-
Equity attributable to holders of equity instruments	**6,635**	**7,366**	**-9.9%**
Non-controlling interest	25	18	38.5%
Total equity	**6,660**	**7,385**	**-9.8%**

Statement of changes in total equity		
in € million	30 June 2022	31 December 2021
Beginning of reporting period - total equity	**7,385**	**6,313**
Profit / loss for the period	442	942
Unrealised gains and losses	-1,612	325
Actuarial gains and losses (IAS19)	738	198
Dividend	-214	-285
Discretionary interest on other equity	-12	-48
Non-controlling interest	7	18
Treasury shares acquired	-73	-
Other changes	-1	-77
End of reporting period - total equity	**6,660**	**7,385**

Total equity attributable to holders of equity instruments (IFRS-based) decreased by € 731 million, to € 6,635 million (31 December 2021: € 7,366 million). A decrease in unrealised gains and losses (€ -1,612 million) includes shadow accounting and relates mainly to increased interest rates - affecting the valuation of the fixed income bonds portfolio - and the impact of lower equity markets. In addition, the final dividend for 2021 was paid (€ 214 million). Movements in treasury shares include the share buy-back programme (€ 75 million) and the sale (€ 2 million) of shares in relation to the a.s.r. employee purchase programme. The discretionary interest on other equity was € 12 million.

Several other factors contributed to the offset of the decrease in equity, i.e. the addition of the 2022 net result (€ 442 million) and net actuarial gains and losses (IAS19, € 738 million) due to a significant increase in the discount rate, to 2.97% (31 December 2021: 0.90%). The increase in non-controlling interest (€ 7 million) relates to third party capital contributions to the ASR Dutch Science Park Fund.

Financial leverage

Financial leverage			
(in € million)	30 June 2022	31 December 2021	Delta
Basis for financial leverage (Equity attributable to shareholders)	5,631	6,363	-11.5%
Financial liabilities	2,071	2,101	-1.4%
of which hybrids	1,004	1,004	0.0%
of which subordinated liabilities	993	992	0.1%
of which senior debt	75	105	-28.6%
Financial leverage (%)	**26.9%**	**24.8%**	**2.1%-p**
Interest coverage ratio (IFRS)	**12.7x**	**13.8x**	**-1.0x**

The financial leverage increased by 2.1%-points, to 26.9% (31 December 2021: 24.8%), mainly due to a decrease in shareholders' equity of € 731 million. It is offset partially against a decrease in the debt position of € 30 million. The leverage remained well below the self-imposed maximum target level of 35%.

The interest coverage ratio (ICR) decreased by 1.0x to 12.7x (31 December 2021: 13.8x) due to a slightly lower IFRS result before tax (€ 19 million) compared to stable interest expenses. The ICR of the operating result remained fairly stable, at 11.8x (31 December 2021[1]: 11.6x).

Double leverage

Double leverage			
(in € million)	30 June 2022	31 December 2021	Delta
Total value of associates	7,112	8,293	-14.2%
Equity attributable to shareholders	5,631	6,363	-11.5%
Hybrids and subordinated liabilities	1,996	1,996	0.0%
Equity attributable to holders of equity instruments	**7,628**	**8,358**	**-8.7%**
Double leverage (%)	**93.2%**	**99.2%**	**-6.0%-p**

The double leverage decreased by 6.0%-points to 93.2%.

1 With effect from 2022, the inflation linked value changes of bonds are classified as non-operating result. The comparable data of 2021 have been ac

The shareholders' equity from participating interests ('value of associates') decreased by € 1,181 million, to € 7,112 million. This exceeds the decrease in the holding company's shareholders' equity, including subordinated liabilities, of € 731 million, to € 7,628 million. The decrease in the double leverage amounting to € 450 million is related predominantly to actuarial gains on the own pension scheme, a.s.r. holding company's result and dividends received from subsidiaries. The decrease was only partially offset against the results of subsidiaries, dividend payments, the share buy-back programme, capital contribution and coupon payments on other equity instruments.

1.2 **Risk management**

Financial markets

'Stagflation' was the main theme for financial markets during the first half year of 2022. Persistent inflation, rising interest rates and, increasingly, fear of an imminent recession led to abysmal performances for virtually all investment classes. While bond yields rose, stock markets plummeted and credit spreads widened, resulting in one of the worst first-half year performances for financial markets since 1970.

While the growth outlook for the global economy was quite positive at the beginning of this year, it has since steadily deteriorated. At the same time, inflation in many countries has risen faster and is now expected to remain high for longer than most economists, investors and central banks had foreseen at the beginning of this year. To a large extent, these changes in expectations resulted from the war in Ukraine, which has led to reluctance among companies and consumers, especially in the eurozone, while driving up prices of food and energy. Additionally, the cooling economy in China poses a risk to the global economy, due to its 'zero-covid policy' and problems in the real estate market, while China's ongoing 'covid lockdowns' are still disrupting international value chains, providing extra inflationary pressures. These inflationary pressures mean that, at least in the short term, central bank policy rates in developed countries can only go one way: up. In the longer run, the picture is less clear, as it remains to be seen how already struggling economies will cope with higher interest rates.

Operational risk

The operational risk profile of a.s.r. remained stable in the first half of 2022 and is not materially impacted by the geopolitical developments, nor by COVID-19. Related strategic and operational risks are being closely and explicitly monitored and reported upon in the Business Risk Committees and Non Financial Risks Committee.

Geopolitical developments

The risk of non-compliance has increased, on the one hand due to the number of new sanctions, and on the other because investments by Russian oligarchs in particular also extend to the Netherlands and are not always fully transparent. Continuous screening is applied, also additional checks on customer portfolios have been performed. As for the IT risk the expected increase in cyber attacks has not materialised and a normal level of monitoring is performed.

COVID-19

On 15 March 2022, most COVID-19 measures in the Netherlands have expired, advised basic measures will continue to apply. Still, the virus is not gone. The national government is taking into account another revival in the number of infections this autumn and possibly a new contagious variant. The management of a.s.r Health is preparing for a possible new COVID-19 wave at the end of 2022. And when setting the premiums, the recovery of COVID-19 costs from recent years is taken into account. The a.s.r. offices have been fully open again since 21 February 2022. The framework 'working after corona' gives direction to the 'new normal' of working in the office. The operational impact of corona has become nil.

Developments in solvency

The Solvency II ratio, using the standard formula, increased by 18%-point to 214% (FY 2021: 196%), including a 5%-point deduction in H1 for the regular interim dividend 2022 (€ 131 million) and the buyback of shares (€ 75 million) executed in H1 2022. The eligible own funds decreased to € 7,287 million (FY 2021: € 8,189 million) mainly driven by interest and spread developments, decreasing stock markets and capital distributions. This was partially offset by organic capital creation and an increasing VA. The required capital stood at € 3,404 million (FY 2021: € 4,185 million). This decrease was mainly driven by the market risks (interest, equity and spread) and the decreasing required capital for Life Risk, partly offset by lower diversification benefits.

Capital generation

Within a.s.r., the definition of organic capital creation (OCC) covers Technical Movements, Net release of Capital and Business Capital Generation. It gives an indication of the capital created during the regular course of business. The figure below shows the OCC as part of the overall movement of the solvency ratio.

Sensitivities

The sensitivities of the Solvency II ratio as at 30 June 2022 expressed as an impact on the Group solvency ratio (in percentage points) are presented in the table below. 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 30 June 2022; the table also includes comparitive figures.

Solvency II sensitivity (%-points)

Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
UFR 3.2% (UFR in 2022: 3,45% / 2021 : 3,6%)	-4	-8	-	-1	-4	-9
Interest rate +1% (2022 incl. UFR 3.45% / 2021 incl. UFR 3.6%)	-5	-7	+9	+18	+3	+10
Interest rate -1% (2022 incl. UFR 3.45% / 2021 incl. UFR 3.6%)	+4	+7	-15	-13	-11	-7
Interest steepening +10 bps	-2	-3	-	-	-2	-3
Volatility Adjustment -10 bps	-7	-9	-2	-2	-9	-10
Government spread + 50 bps / VA 11 bps (2021: VA: +10 bps)	-2	-2	-	-	-2	-2
Mortgage spread +50 bps	-8	-7	-	+1	-8	-7
Equity prices -20%	-13	-11	+13	+18	-	+6
Property values -10%	-11	-9	+5	+4	-7	-6
Spread +75 bps/ VA +18 bps (2021: VA +19 bps)	+10	+15	+7	+5	+17	+20

Solvency II sensitivities - explanation

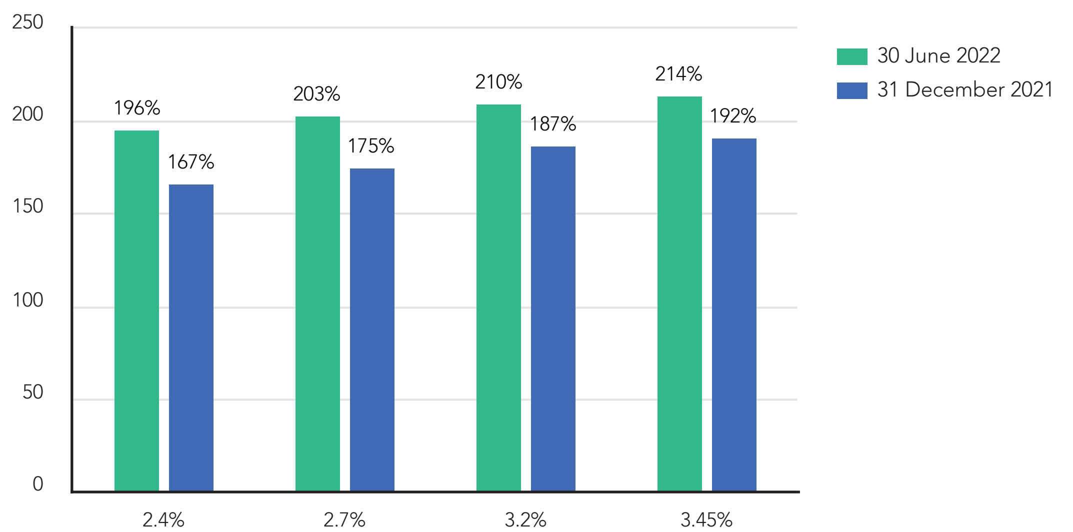
Risk	Scenario
Interest rate risk - UFR 3.2%	Measured as the impact of a lower UFR. For the valuation of liabilities, the extrapolation to the UFR of 3.2% after the last liquid point of 20 years remained unchanged. The impact on available capital, required capital and ratio relates to a comparison with a solvency ratio measured at a UFR of 3.45% for 2022 (3.6% for 2021).
Interest rate risk (incl. UFR 3.45%/3.6%)	Measured as the impact of a parallel 1% upward and downward movement of the interest rates. For the liabilities, the extrapolation to the UFR (3.45% for 2022 and 3.6% for 2021) 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 11 bps (2021: +10 bps).
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 18 bps (2021: + 19 bps) based on reference portfolio.

Expected development ultimate forward rate

The European Insurance and Occupational Pensions Authority (EIOPA) will continue to monitor and adjust the ultimate forward rate used to extrapolate insurers' discount curves to better reflect expected inflation and real interest rates. The applicable UFR in 2023 will be 3.45%. The impact on the solvency ratio of various UFR levels is shown below.

Sensitivities Solvency II ratio to UFR

(in %-ratio)

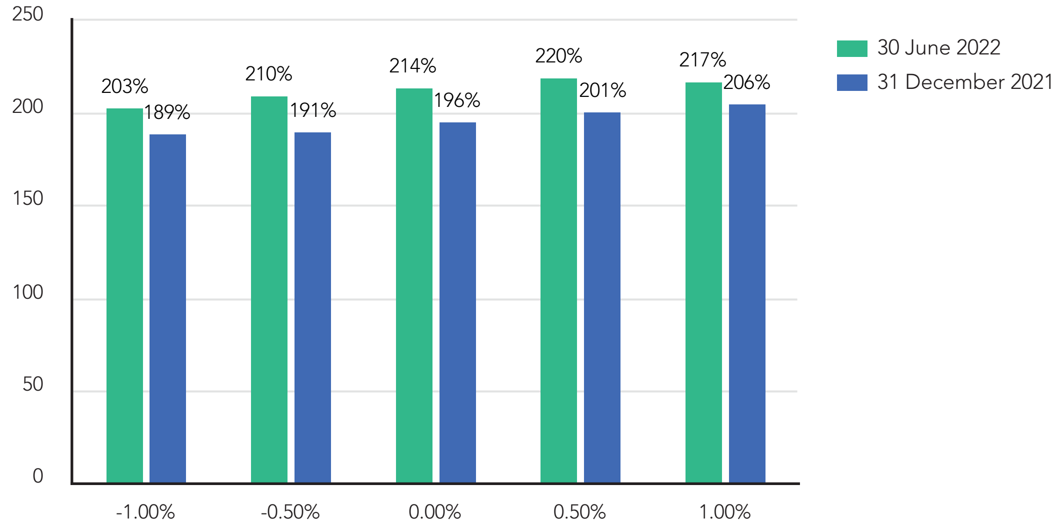


Interest rate sensitivity of Solvency II ratio

The impact of a parallel movement of the interest rate on the Solvency II ratio, including the UFR effect, is shown below. The UFR methodology has been applied to the shocked interest rate curve.

Sensitivities Solvency II ratio to interest rate

(in %-ratio)



Capital management

Management

Overall capital management is administered at group level. a.s.r. currently considers investing capital above the management target Solvency II ratio (calculated based on the standard formula) 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 is at least in line with 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%. Any additional capital distribution shall be conditional upon our Solvency II ratio (based on the standard formula) to remain above 175%. The solvency ratio stood at 214% at 30 June 2022 after foreseeable (interim) dividend en share buy back, 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 entity, for example by selling the entity. Specifically regarding a.s.r. health basic in H1 2022, no dividend or capital withdrawals have taken place.

Capital management actions

a.s.r. closely monitors the development of its capital position in relation to the capital management policy. The close monitoring shows a continuing robust solvency position throughout the first half of 2022, owing to strong risk management and effective hedging strategies. a.s.r. made some continuing improvements to the portfolio and the hedging positions to further improve the resilience and profitability of the investment portfolio and to align its investment portfolio with the outcomes of the Strategic Asset Allocation Study. a.s.r. will continue to closely monitor the solvency position in the future.

On 31 March 2022, a.s.r. announced the acquisition of an independent consultancy company for real estate investments. The activities officially transferred on 1 May 2022. With this acquisition a.s.r. strengthens its position in the real estate and infrastructure investments market.

a.s.r. completed a share repurchase on 24 May 2022. The share buyback was announced on 23 February 2022 and encompassed a total purchase of 1.798.472 shares at an average purchase price of € 41,70 per share, for a total consideration of € 75 million.

During the first half year of 2022, a.s.r. did not purchase its own shares for its employee share scheme as the full share subscription was delivered from treasury shares.

Furthermore, during the first half of 2022, a.s.r. paid out its final dividend relating to 2021 of € 1.60 per share. Combined with the interim dividend 2021 of € 0.82 per share paid in September 2021, the total dividend amounted to € 2.42 per share or € 326 million in total (taken into account the lower number of shares owing to the share repurchase program).

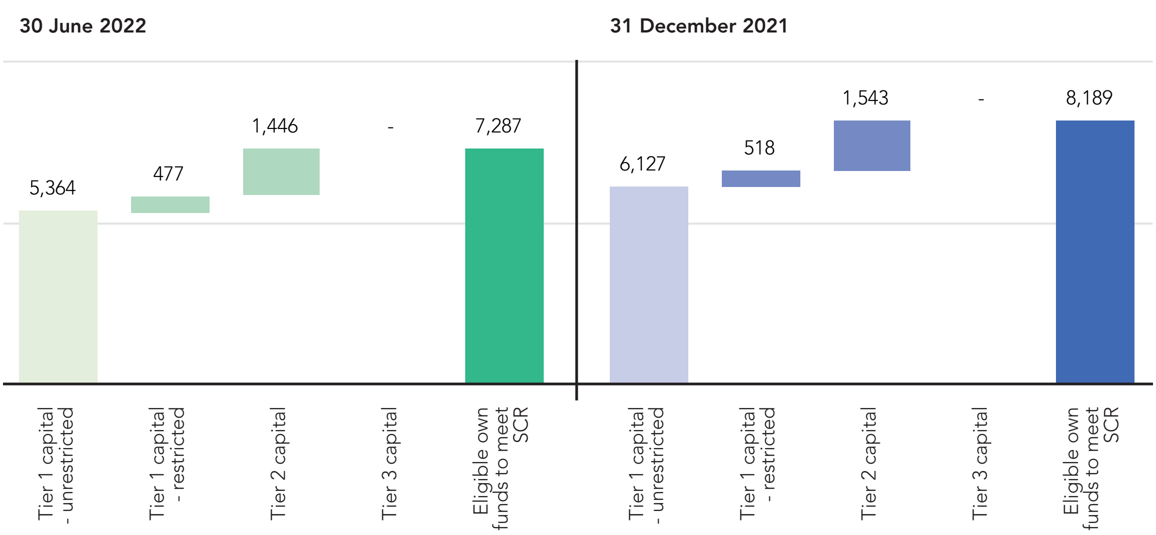
a.s.r. will pay an interim over 2022 of € 0.98 per share (equal to 40% of the total dividend per share over 2021, corrected for the lower number of outstanding shares resulting from share repurchases). Based on the outstanding shares as per 30 June 2022, this would result in a total interim dividend of € 131.4 million

Both the dividend payment and share buybacks were fully funded by the available cash buffer at holding level and upstreams from the operating companies. At half year 2022, the cash buffer stood at € 437 million (FY 2021: € 525 million).

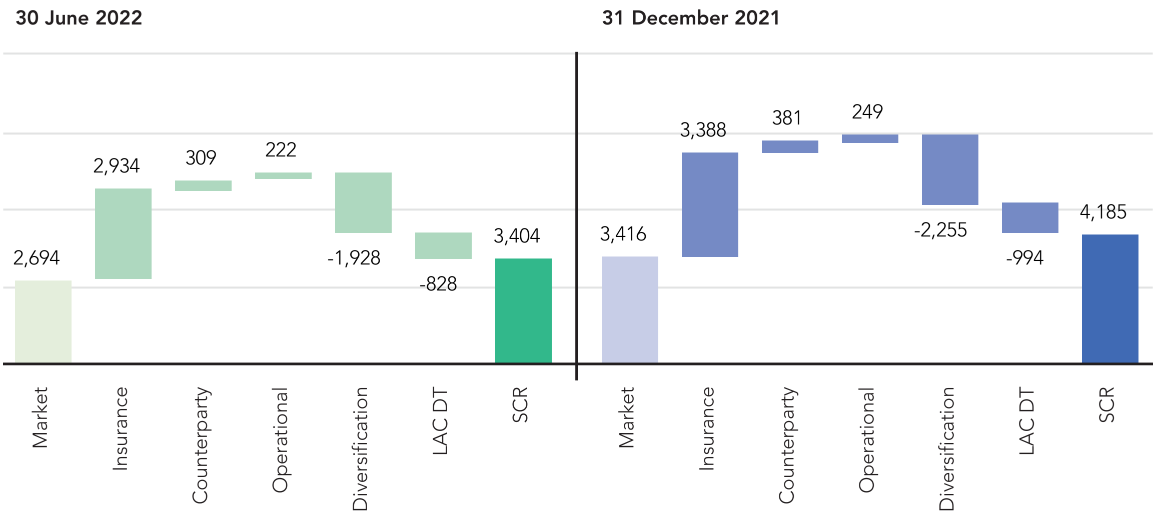
Tiering

With respect to the capital position, Solvency II requires the insurers to classify their equity into Tiers.
The figure below shows a.s.r.'s capital position.

Eligible own funds



Solvency capital requirement



Standard & Poor's confirmed the BBB+ rating and stable outlook of ASR Nederland N.V. and the single A rating and stable outlook of ASR Levensverzekering N.V. and ASR Schadeverzekering N.V. on 14 September 2021.

Ratings per legal entity

Ratings Standard & Poor's	Type	Rating	Outlook	Rating & outlook since
ASR Nederland N.V.	CCR	BBB+	Stable	15 May 2014
ASR Levensverzekering N.V.	FSR	A	Stable	23 August 2012
ASR Levensverzekering N.V.	CCR	A	Stable	23 August 2012
ASR Schadeverzekering N.V.	FSR	A	Stable	23 August 2012
ASR Schadeverzekering N.V.	CCR	A	Stable	23 August 2012

Rating reports can be found on the corporate website at www.asrnl.com

1.3 Conformity statement

As required by section 5:25d paragraph 2(c) of the Dutch Financial Supervision Act (Wet op het financieel toezicht), the undersigned declare that, to the best of their knowledge:

1. The condensed consolidated interim financial statements for the period ended 30 June 2022 give a true and fair view of the assets, liabilities, financial position and earnings of a.s.r. and its consolidated entities; and

2. The interim report of the Executive Board for the period ended 30 June 2022 includes a fair review of the information required pursuant to article 5:25d, paragraph 8 and 9 of the Dutch Financial Supervision Act regarding a.s.r. and its consolidated entities.

Utrecht, the Netherlands, 23 August 2022

Jos Baeten (CEO)
Ewout Hollegien (CFO)
Ingrid de Swart (COO/CTO)

2022

Condensed consolidated interim financial statements

For the first half year 2022

2 General information

ASR Nederland N.V. (a.s.r.) is a leading insurance company in the Netherlands. In 2022 a.s.r. sells insurance products under the following labels: a.s.r., Ardanta, Europeesche Verzekeringen, Ditzo and Loyalis. a.s.r. has a total of 4,242 internal FTEs (FY 2021: 4,155 internal FTEs).

a.s.r. is a public limited company under Dutch law having its registered office located at Archimedeslaan 10, 3584 BA in Utrecht, 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 corporate bonds, which are listed on Euronext Amsterdam and the Euronext Dublin (Ticker: ASRNL).

The condensed consolidated interim financial statements are presented in euros (€), being the functional currency of a.s.r. and all its group entities. All amounts quoted in the tables contained in these interim financial statements are in millions of euros, unless otherwise indicated. Calculations in the tables are made using unrounded figures. As a result rounding differences can occur.

The condensed consolidated interim financial statements were authorised for issue by the Executive Board (EB) and approved by the Supervisory Board (SB) on 23 August 2022.

The condensed consolidated interim financial statements have not been audited, but the independent auditor conducted a review.

3 Condensed consolidated interim financial statements

3.1 Consolidated interim balance sheet

Consolidated interim balance sheet

(in € millions and before profit appropriation)	Note	30 June 2022	31 December 2021
Intangible assets		421	428
Property, plant and equipment	6.1	628	556
Investment property	6.1	2,185	2,052
Associates and joint ventures at equity method		101	102
Investments	6.2	24,374	33,550
Investments on behalf of policyholders	6.2	9,798	11,574
Investments related to investment contracts	6.2	1,822	1,952
Loans and receivables	6.2	17,050	15,259
Derivatives	6.2	4,378	6,212
Deferred tax assets		39	-
Reinsurance contracts		424	417
Other assets		810	631
Cash and cash equivalents	6.2	2,412	2,306
Total assets		**64,441**	**75,040**
Share capital		22	22
Share premium reserve		956	956
Unrealised gains and losses		-150	1,461
Actuarial gains and losses		-317	-1,055
Retained earnings		5,276	5,061
Treasury shares		-156	-83
Equity attributable to shareholders		**5,631**	**6,363**
Other equity instruments		1,004	1,004
Equity attributable to holders of equity instruments		**6,635**	**7,366**
Non-controlling interests		25	18
Total equity		**6,660**	**7,385**
Subordinated liabilities		993	992
Liabilities arising from insurance contracts	6.3	31,554	37,797
Liabilities arising from insurance contracts on behalf of policyholders		12,865	14,566
Liabilities arising from investment contracts	6.2	1,822	1,952
Employee benefits	6.4	2,985	4,013
Provisions		24	24
Borrowings	6.2	199	192
Derivatives	6.2	3,281	759
Deferred tax liabilities		-	69
Due to customers	6.2	507	573
Due to banks	6.2	2,578	5,741
Other liabilities		973	976
Total liabilities		**57,781**	**67,655**
Total equity and liabilities		**64,441**	**75,040**

3.2 Consolidated interim income statement

Consolidated interim income statement

(in € millions)	HY 2022	HY 2021
Gross written premiums	3,415	3,298
Change in provision for unearned premiums	-399	-358
Gross insurance premiums	**3,016**	**2,940**
Reinsurance premiums	-49	-49
Net insurance premiums	**2,967**	**2,891**
Investment income	824	784
Realised gains and losses	128	138
Fair value gains and losses	-30	132
Result on investments on behalf of policyholders	-1,818	920
Result on investments related to investment contracts	-314	78
Fee and commission income	116	97
Other income	90	26
Share of result of associates and joint ventures	-1	4
Total income	**1,962**	**5,069**
Insurance claims and benefits	-820	-3,606
Insurance claims and benefits recovered from reinsurers	37	12
Net insurance claims and benefits	**-783**	**-3,595**
Changes in liabilities arising from investment contracts	314	-78
Operating expenses	-371	-346
Restructuring provision expenses	-2	-2
Commission expenses	-264	-256
Impairments	-69	-8
Interest expense	-181	-183
Other expenses	-51	-28
Total expenses	**-624**	**-901**
Result before tax	**554**	**574**
Income tax (expense) / gain	-112	-122
Net result	**442**	**451**
Attributable to:		
Non-controlling interests	1	-3
- Shareholders of the parent	430	443
- Holders of other equity instruments	12	12
Result attributable to holders of equity instruments	**442**	**454**

Earnings per share

(in €)	HY 2022	HY 2021
Basic earnings per ordinary share	3.19	3.24
Diluted earnings per ordinary share	2.80	2.85

3.3 **Consolidated interim statement of comprehensive income**

Consolidated interim statement of comprehensive income

(in € millions)	HY 2022	HY 2021
Net result	**442**	**451**
Remeasurements of post-employment benefit obligation	994	243
Unrealised change in value of property for own use and plant	26	-
Income tax on items that will not be reclassified to profit or loss	-263	-61
Total items that will not be reclassified to profit or loss	**757**	**182**
Unrealised change in value of available for sale assets	-3,782	-486
Realised gains/(losses) on available for sale assets reclassified to profit or loss	-407	-121
Shadow accounting	2,045	877
Segregated investment pools	19	-6
Income tax on items that may be reclassified subsequently to profit or loss	492	-45
Total items that may be reclassified subsequently to profit or loss	**-1,631**	**218**
Total other comprehensive income, after tax	**-874**	**400**
Total comprehensive income	**-431**	**852**
Attributable to:		
Non-controlling interests	1	-3
- Shareholders of the parent	-444	843
- Holders of other equity instruments	12	12
Total comprehensive income attributable to holders of equity instruments	**-432**	**855**

The remeasurements of post-employment benefit obligation are primarily due to the increase in the discount rate from 0.90% at FY 2021 to 2.97% at HY 2022.

Shadow accounting allows a recognised but unrealised gain or loss on an asset to be transferred to liabilities arising from insurance contracts. Further information related to shadow accounting is disclosed in chapter 4.5.

3.4 **Consolidated interim statement of changes in equity**

Consolidated interim statement of changes in equity

(in € millions)	Share capital	Share premium reserve	Unrealised gains and losses	Unrealised actuarial gains and losses	Retained earnings	Treasury shares (-)	Equity attributable to shareholders	Other equity instruments	Non controlling interest	Total equity
At 1 January 2021	**23**	**976**	**1,137**	**-1,253**	**4,509**	**-82**	**5,309**	**1,004**	**-**	**6,313**
Net result	-	-	-	-	454	-	454	-	-3	451
Total other comprehensive income	-	-	218	182	-	-	400	-	-	400
Total comprehensive income	**-**	**-**	**218**	**182**	**454**	**-**	**854**	**-**	**-3**	**852**
Dividend paid	-	-	-	-	-174	-	-174	-	-	-174
Discretionary interest on other equity instruments	-	-	-	-	-12	-	-12	-	-	-12
Treasury shares acquired (-)/sold	-	-	-	-	-	-80	-81	-	-	-81
Other movements	-	-	-	-	-	-	-	-	-	-1
At 30 June 2021	**23**	**976**	**1,355**	**-1,071**	**4,777**	**-162**	**5,897**	**1,004**	**-3**	**6,899**
At 1 January 2022	**22**	**956**	**1,461**	**-1,055**	**5,061**	**-83**	**6,363**	**1,004**	**18**	**7,385**
Net result	-	-	-	-	442	-	442	-	1	442
Total other comprehensive income	-	-	-1,612	738	-	-	-874	-	-	-874
Total comprehensive income	**-**	**-**	**-1,612**	**738**	**442**	**-**	**-432**	**-**	**1**	**-431**
Dividend paid	-	-	-	-	-214	-	-214	-	-	-214
Discretionary interest on other equity instruments	-	-	-	-	-12	-	-12	-	-	-12
Treasury shares acquired (-)/sold	-	-	-	-	-	-73	-73	-	-	-73
Increase in capital	-	-	-	-	-	-	-	-	7	7
Other movements	-	-	-	-	-	-	-	-	-1	-1
At 30 June 2022	**22**	**956**	**-150**	**-317**	**5,276**	**-156**	**5,631**	**1,004**	**25**	**6,660**

The unrealised actuarial gains and losses increased in HY 2022 by € 738 million after tax and € 994 million before tax (HY 2021: increased by € 182 million after tax and € 243 million before tax). Further information related to employee benefits is disclosed in chapter 6.4.

As part of the employee share purchase plan a.s.r. sold 67 thousand shares (HY 2021: 67 thousand shares) for an amount of € 2 million (HY 2021: € 2 million), leading to a decrease of € 0.2 million (HY 2021: € 0.4 million) in retained earnings.

In February 2022, a.s.r. announced the repurchase of ordinary shares for an amount of € 75 million as an additional capital distribution. Therefore, during HY 2022, a.s.r. repurchased 1,798 thousand shares under an open market share buyback programme for an amount of € 75 million (average share price € 41.70).

The amount of treasury shares held as at HY 2022 of € 156 million (FY 2021: € 83 million) represents 3,996 thousand treasury shares (FY 2021: 2,264 thousand).

In the Annual General Meeting of Shareholders on 25 May 2022 the resolution was adopted to cancel the 2,036 thousand shares which were acquired in 2021. The cancellation has been effected in the beginning of August 2022.

3.5 Consolidated interim statement of cash flows

Consolidated interim statement of cash flows

(in € millions)	2022	2021
Cash and cash equivalents as at 1 January	**2,306**	**2,863**
Cash generated from operating activities		
Result before tax	554	574
Adjustments on non-cash items included in result:		
Revaluation through profit or loss	-21	-45
Retained share of result of associates and joint ventures	2	-4
Amortisation of intangible assets	17	16
Depreciation of property, plant and equipment	18	9
Amortisation of investments	-	67
Amortisation of subordinated debts	1	1
Impairments	69	8
Changes in operating assets and liabilities:		
Net (increase) / decrease in investment property	-26	6
Net (increase) / decrease in investments	4,873	1,245
Net (increase) / decrease in investments on behalf of policyholders	1,776	-817
Net (increase) / decrease in investments related to investment contracts	130	-153
Net (increase) / decrease in derivatives	4,356	2,132
Net (increase) / decrease in amounts due from and to customers	-1,420	-1,112
Net (increase) / decrease in amounts due from and to credit institutions	-3,707	-877
Net (increase) / decrease in trade and other receivables	104	-146
Net (increase) / decrease in reinsurance contracts	-7	23
Net increase / (decrease) in liabilities arising from insurance contracts	-4,198	-1,556
Net increase / (decrease) in liabilities arising from insurance contracts on behalf of policyholders	-1,702	850
Net increase / (decrease) in liabilities arising from investment contracts	-130	153
Net (increase) / decrease in other operating assets and liabilities	-91	-245
Income tax received (paid)	-66	-54
Cash flows from operating activities	**532**	**75**
Cash flows from investing activities:		
Investments in associates and joint ventures	-	-1
Proceeds from sales of associates and joint ventures	-	18
Purchases of property, plant and equipment	-119	-4
Purchases of group companies (less acquired cash positions)	-	-88
Purchase of intangible assets	-9	-1
Cash flows from investing activities	**-128**	**-75**
Cash flows from financing activities:		
Repayment of loans	-3	-
Repayment of lease liabilities	-3	-3
Dividend paid	-214	-174
Discretionary interest to holders of equity instruments	-12	-12
Non-controlling interests	7	-
Purchase/ sale of treasury shares	-73	-81
Cash flows from financing activities	**-298**	**-269**
Cash and cash equivalents as at 30 June	**2,412**	**2,593**

(in € millions)	2022	2021
Further details on cash flows from operating activities:		
Interest received	693	733
Interest paid	-177	-189
Dividend received	89	75
Further details on lease payments:		
Total cash outflow for leases	-3	-3

All cash and cash equivalents are freely available. The cash components include € 779 million (HY 2021: € 2,114 million) related to cash collateral received on derivative instruments and is managed separately from other cash equivalents.

4 Accounting policies

4.1 General

The condensed consolidated interim financial statements of a.s.r. for the first half year ended 30 June 2022 have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted for use within the European Union (EU). They do not contain all of the information required for complete consolidated financial statements and must therefore be read in conjunction with the 2021 consolidated financial statements of a.s.r.

a.s.r. has prepared its condensed consolidated interim financial statements in accordance with the same principles for financial reporting, presentation and calculation methods used for the 2021 consolidated financial statements. These are prepared in accordance with International Financial Reporting Standards (IFRS) – including IAS standards and Interpretations – as adopted for use within the EU.

4.2 Changes in presentation

The current presentation differs from last year's presentation in some aspects. Where applicable, in accordance with IFRS, comparative figures have been included in the new presentation format, including related disclosures, to ensure comparability. These changes in presentation have no impact on net result nor equity.

4.3 Changes in EU endorsed published IFRS Standards and Interpretations effective in 2022

In 2022, no changes in EU endorsed published IFRS Standards and Interpretations are relevant to a.s.r.

4.4 Upcoming changes in published IFRS standards and Interpretations

The following new standards, amendments to existing standards and interpretations, relevant to a.s.r., published prior to 1 January 2022 and effective for accounting periods beginning on or after 1 January 2023, were not early adopted by a.s.r.:
- IFRS 17: Insurance Contracts (2023)
- IFRS 9: Financial Instruments (2023)

In 2017, a.s.r. started a combined programme to implement IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. At this moment, given the complexity and options available in IFRS 17 and IFRS 9, it is too early to quantify the actual impact on IFRS equity and profit for the year. a.s.r. expects IFRS 17 in combination with IFRS 9 to have significant changes to its accounting policies and impact on shareholders' equity, net result, presentation and disclosures.

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts revised was issued by the IASB in June 2020 and endorsed by the EU to replace IFRS 4 Insurance Contracts. In December 2021, the IASB issued a limited scope amendment to IFRS 17 related to the classification overlay. This approach addresses possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application when IFRS 9 and IFRS 17 become effective at the same time. IFRS 17 and IFRS 9 will be effective from 1 January 2023.

IFRS 17 is expected to increase comparability by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values – instead of using the minimum of tariff rates ('tariefgrondslagen') or Solvency II, as used for the Liability Adequacy Test (LAT), which is currently the a.s.r. accounting policy (see accounting policy J and K in the a.s.r. financial statements 2021). Shadow accounting and provisions for realised gains and losses will be discontinued under IFRS 17.

This standard represents the most significant change to European insurance accounting requirements in decennia and will have a significant impact on the information presented in the financial statements (the primary statements as well as the disclosures). The standard introduces three models for the measurement of the insurance contracts. The general model (GM) as the base model, the variable fee approach (VFA) and the premium allocation approach (PAA) which is a simplified version of the GM and is mainly used for short-term duration contracts (i.e. maximum one year).

The GM measures insurance liabilities by taking the fulfilment cash flows, being the present value of future cash flows (PVFCF) including a risk adjustment (RA) to account for future uncertainty of non-financial risks, and then adding a contractual service margin (CSM). The CSM represents the unearned profits of insurance contracts and will change the recognition of revenue in each reporting period for insurance companies. The VFA model is required for contracts with direct participating features. Although it contains the same basic components as the GM (PVFCF, RA and CSM), the way in which the investments interact and specifically the manner in which the fair value movements and returns are recognised differ from the GM, whereby the outcome under VFA provides a better matching in the balance sheet and income statement for these contracts.

Under current a.s.r.'s accounting policy, revenue for insurance contracts is recognised when premiums are earned or received. Under IFRS 17, the insurance contract revenue represents the insurance coverage and other services provided arising from the group of insurance contracts at an amount that reflects the consideration to which a.s.r. expects to be entitled in exchange for those insurance contract services. Revenue includes the release of the CSM and RA in profit or loss over the coverage period. Insurance service result is a new income statement line item which is effectively a net result on non-financial risks of all insurance contracts. Current economic and non-economic (e.g. actuarial) assumptions are used in remeasuring the fulfilment value at each reporting period.

Consistency with Solvency II is one of a.s.r.'s guiding principles through the implementation in both application and interpretation of IFRS 17 principles. The alignment with Solvency II principles is also prominent in the implementation of systems and system architecture.

a.s.r. has tentatively decided to recognise all insurance finance income or expenses for the reporting period in profit or loss and to value the investments backing the insurance contracts at fair value through profit or loss (excluding equities). Thereby reducing the operational complexity and ensuring alignment with the way a.s.r. performs asset-liability management.

IFRS 9 Financial Instruments

IFRS 9 is effective from 1 January 2018 and EU endorsed. a.s.r. applies the temporary exemption from applying IFRS 9 for predominant insurance entities as permitted by the amendments to IFRS 4. The IFRS 4 amendments postpone the implementation of IFRS 9 until the effective date of the new insurance contracts standard IFRS 17. Due to this exemption, there is currently no impact of IFRS 9 on the consolidated financial statements of a.s.r. but it may have a significant impact on shareholders' equity, net result and/or other comprehensive income and on the consolidated financial statements of a.s.r. in 2023.

Fair value of financial assets are categorised into two groups: based on business model and SPPI test results.

IFRS 9 replaces most of the current IAS 39 Financial Instruments: Recognition and Measurement, and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement

The classification and measurement of financial assets under IFRS 9 will depend on a.s.r.'s business model and the instrument's contractual cash flow characteristics. a.s.r. expects the outcome to result primarily in a valuation of assets at fair value through profit or loss (FVTPL). This is based on the fact that assets and liabilities are managed on a fair value basis and a.s.r. uses that information to assess the performance and to make decisions which is also in line with Solvency II. In many instances, the classification and measurement under IFRS 9 will be similar to IAS 39, although certain differences will arise. The classification and measurement of financial liabilities remains unchanged.

Impairment

The recognition and measurement of impairments under IFRS 9 is intended to be more forward-looking than under IAS 39. The new impairment requirements will apply to all financial assets measured at amortised cost and at fair value through other comprehensive income with the exception of equity instruments. Initially, a provision is required for expected credit losses resulting from default events that are expected within the next twelve months. In the event of a significant increase in credit risk, a provision is required for expected credit losses resulting from all possible default events over the expected life of the financial asset. Since FVTPL is applied by a.s.r. to most of the financial instruments the changes with respect to impairments are limited.

4.5 Estimates and assumptions

The preparation of the condensed consolidated interim financial statements requires a.s.r. to make estimates and assumptions that have an effect on the reported amounts in the financial statements.

Critical accounting estimates and assumptions relate to:
- The fair value and impairments of unlisted financial instruments;
- The estimated useful life, residual value and fair value of property, plant and equipment, investment property, and intangible assets;
- The measurement of liabilities arising from insurance contracts;
- Actuarial assumptions used for measuring employee benefit obligations;
- When forming provisions, the required estimate of existing obligations arising from past events;
- The recoverable amount of impaired assets;
- The fair value used to determine the net asset value in acquisitions.

The estimates and assumptions are based on management's best knowledge of current facts, actions and events. The actual outcomes may ultimately differ from the results reported earlier on the basis of estimates and assumptions. A detailed explanation of the estimates and assumptions is given in the relevant chapter as included in the 2021 consolidated financial statements.

As mentioned in paragraph 6.3.4 (accounting policy J) of the 2021 consolidated financial statements a.s.r. applies shadow accounting. In HY 2022, triggered by increasing interest rates, a.s.r. enhanced the application of shadow accounting by adding the sequencing of applying shadow accounting, resulting in shadow accounting adjustments related to instruments with a revaluation reserve amount below cost that are made to the level that the LAT will not get triggered (i.e. shows a positive margin). This mirrors the existing unrealised gains treatment, whilst ensuring the adequacy of the insurance liabilities. Further details are disclosed in paragraph 6.3.

4.6 Fair value of assets and liabilities

The valuation methodologies used for financial instruments carried at fair value, the policy for determining the levels within the fair value hierarchy, and the significant Level 3 portfolios, including the respective narratives and sensitivities, are described in accounting policy B in chapter 6.3.4 of the 2021 consolidated financial statements. No material changes have occurred since this report was published.

5 Segment information and changes in group structure

5.1 **Segment information**

5.1.1 General

Group structure

See chapters 6.4.1 and 6.7.9 of the 2021 consolidated financial statements for the organisation structure and a list of principal group companies and associates in the relevant segments.

Segment information

The operations of a.s.r. have been divided into five operating segments. The main segments are Non-life and Life 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.

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 the following non-life insurance contracts: disability insurance, property and casualty insurance and health insurance. The Life segment mainly comprises the life insurance entity and its subsidiaries. The life insurance entity offers financial products such as life insurance contracts and life insurance contracts on behalf of policyholders. The Life segment also includes ASR Premiepensioeninstelling N.V. (previously known as Brand New Day Premiepensioeninstelling N.V.), which offers 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 Non-life and Life segments have different levels of profitability and growth opportunities, as well as a different outlook and risk profile.

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 Financieringen B.V., ASR Real Estate B.V. and ASR Hypotheken B.V.;
- 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. (Poliservice), Van Kampen Groep Holding B.V. (VKG), Van Kampen Geld B.V., Dutch ID B.V., Corins B.V., SuperGarant Verzekeringen B.V. (and ZZP Nederland Verzekeringen B.V. and Bedrijfsartsengroep B.V.), and ASR Vitaliteit & Preventieve Diensten B.V. (Vitality);
- The segment Holding and Other 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 Vooruit B.V., the investment firm that performs activities related to private investing for customers, and the activities of ASR Deelnemingen N.V.

The eliminations applied in the reconciliation of the segment information with the consolidated interim balance sheet and the consolidated interim income statement are separately presented in chapter 5.1.2 and 5.1.3.

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 condensed consolidated interim financial statements. Goodwill and other intangibles are presented in the related CGU's segment. Intersegment transactions are conducted at arm's length conditions. In general, cost related to centralised services are allocated to the segments based on the utilisation of these services.

The segments are assessed on their operating result.

Operating result is calculated by adjusting result before tax for continuing operations reported in accordance with IFRS, as adjusted for the changes in accounting policies if any, and for the following:

1. Investment related: Investment income of an incidental nature (including capital gains and losses, impairments and fair value changes) on financial instruments for own account, net of applicable shadow accounting and net of additional provisions recognised for realised gains and losses on financial assets backing the insurance liabilities ('compensation of realised capital gains') impact.

2. Incidental items:
   - Model- and methodological changes of a fundamental nature;
   - Results of non-core operations; and
   - Other non-recurring or one-off items, which are not directly related to the core business and/or ongoing business of the group, restructuring costs, regulatory costs not related to business activities, changes in own pension arrangements and expenses related to mergers and acquisitions (M&A) activities and start-ups.

5.1.2 Segmented balance sheet

Segmented balance sheet

As at 30 June 2022	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	87	120	41	171	-	-	421
Property, plant and equipment	-	584	-	13	244	-213	628
Investment property	304	1,881	-	-	-	-	2,185
Associates and joint ventures at equity method	-	23	-	9	69	-	101
Investments	6,550	17,757	-	-	3,050	-2,983	24,374
Investments on behalf of policyholders	-	9,798	-	-	-	-	9,798
Investments related to investment contracts	-	1,822	-	-	-	-	1,822
Loans and receivables	1,971	15,107	20	44	128	-219	17,050
Derivatives	120	4,258	-	-	-	-	4,378
Deferred tax assets	-	210	-	-	-	-171	39
Reinsurance contracts	274	151	-	-	-	-	424
Other assets	177	536	25	-120	194	-2	810
Cash and cash equivalents	253	1,522	86	61	490	-	2,412
Total assets	**9,734**	**53,769**	**172**	**178**	**4,175**	**-3,587**	**64,441**
Equity attributable to holders of equity instruments	1,934	5,133	153	52	-513	-124	6,635
Non-controlling interests	4	22		-	-	-	25
Total equity	**1,938**	**5,155**	**153**	**52**	**-513**	**-124**	**6,660**
Subordinated liabilities	45	-	-	-	993	-45	993
Liabilities arising from insurance contracts	7,291	26,893	-	-	-	-2,630	31,554
Liabilities arising from insurance contracts on behalf of policyholders	-	12,865	-	-	-	-	12,865
Liabilities arising from investment contracts	-	1,822	-	-	-	-	1,822
Employee benefits	-	-	-	-	2,985	-	2,985
Provisions	1	16	-	-	7	-	24
Borrowings	-	182	-	48	316	-347	199
Derivatives	210	3,069	-	-	2	-	3,281
Deferred tax liabilities	101	-	6	9	98	-214	-
Due to customers	85	589	-	24	-	-191	507
Due to banks	20	2,483	-	-	75	-	2,578
Other liabilities	44	695	14	45	212	-37	973
Total liabilities	**7,797**	**48,615**	**19**	**126**	**4,688**	**-3,464**	**57,781**
Total equity and liabilities	**9,734**	**53,769**	**172**	**178**	**4,175**	**-3,587**	**64,441**
Additions to:							
Intangible assets	-	1	6	2	-	-	9
Property, plant and equipment	-	113	-	2	3	-	119
Total additions	**-**	**114**	**6**	**5**	**3**	**-**	**128**

Segmented balance sheet

As at 31 December 2021	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	96	125	35	172	-	-	428
Property, plant and equipment	-	512	-	12	249	-216	556
Investment property	285	1,768	-	-	-	-	2,052
Associates and joint ventures at equity method	-	23	-	9	69	-	102
Investments	7,578	25,398	-	-	3,881	-3,308	33,550
Investments on behalf of policyholders	-	11,574	-	-	-	-	11,574
Investments related to investment contracts	-	1,952	-	-	-	-	1,952
Loans and receivables	1,557	13,842	18	45	134	-336	15,259
Derivatives	124	6,088	-	-	-	-	6,212
Deferred tax assets	-	22	-	-	58	-80	-
Reinsurance contracts	263	154	-	-	-	-	417
Other assets	137	412	24	-5	65	-2	631
Cash and cash equivalents	109	2,005	83	48	62	-	2,306
Total assets	**10,150**	**63,874**	**160**	**280**	**4,517**	**-3,942**	**75,040**
Equity attributable to holders of equity instruments	2,420	5,876	141	164	-1,122	-112	7,366
Non-controlling interests	3	15	-	-	-	-	18
Total equity	**2,423**	**5,891**	**141**	**164**	**-1,121**	**-112**	**7,385**
Subordinated liabilities	45	-	-	-	992	-45	992
Liabilities arising from insurance contracts	7,051	33,621	-	-	-	-2,874	37,797
Liabilities arising from insurance contracts on behalf of policyholders	-	14,566	-	-	-	-	14,566
Liabilities arising from investment contracts	-	1,952	-	-	-	-	1,952
Employee benefits	-	-	-	-	4,013	-	4,013
Provisions	1	14	-	-	9	-	24
Borrowings	-	175	-	47	433	-463	192
Derivatives	64	695	-	-	1	-	759
Deferred tax liabilities	174	-	5	9	-	-119	69
Due to customers	99	746	-	24	-	-296	573
Due to banks	88	5,549	-	-	105	-	5,741
Other liabilities	206	666	14	36	86	-32	976
Total liabilities	**7,727**	**57,983**	**19**	**116**	**5,639**	**-3,830**	**67,655**
Total equity and liabilities	**10,150**	**63,874**	**160**	**280**	**4,517**	**-3,942**	**75,040**
Additions to:							
Intangible assets	-	71	28	23	-	-	122
Property, plant and equipment	-	370	-	3	14	-	387
Total additions	**-**	**440**	**28**	**27**	**14**	**-**	**508**

5.1.3 Segmented income statement and reconciliation to operating result

Segmented income statement

HY 2022	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Gross written premiums	2,490	964	-	-	-	-40	3,415
Change in provision for unearned premiums	-399	-	-	-	-	-	-399
Gross insurance premiums	**2,092**	**964**	**-**	**-**	**-**	**-40**	**3,016**
Reinsurance premiums	-49	-1	-	-	-	-	-49
Net insurance premiums	**2,043**	**964**	**-**	**-**	**-**	**-40**	**2,967**
Investment income	92	722	-	-	7	2	824
Realised gains and losses	21	85	-	-	-	23	128
Fair value gains and losses	-45	38	-	-	-2	-21	-30
Result on investments on behalf of policyholders	-	-1,818	-	-	-	-	-1,818
Result on investments related to investment contracts	-	-314	-	-	-	-	-314
Fee and commission income	11	9	97	64	-	-66	116
Other income	1	89	-	-	-	-	90
Share of result of associates and joint ventures	-	-	-	-	-1	-	-1
Total income	**2,122**	**-225**	**97**	**65**	**4**	**-101**	**1,962**
Insurance claims and benefits	-1,591	746	-	-	-	25	-820
Insurance claims and benefits recovered from reinsurers	36	1	-	-	-	-	37
Net insurance claims and benefits	**-1,555**	**747**	**-**	**-**	**-**	**25**	**-783**
Changes in liabilities arising from investment contracts	-	314	-	-	-	-	314
Operating expenses	-136	-87	-56	-50	-65	24	-371
Restructuring provision expenses	-2	-1	-	-	-	-	-2
Commission expenses	-290	-5	-	-	-	31	-264
Impairments	-22	-47	-	-	-	-	-69
Interest expense	-8	-136	-	-1	-11	-25	-181
Other expenses	-4	-25	-22	-3	-10	12	-51
Total expenses	**-462**	**14**	**-78**	**-54**	**-86**	**42**	**-624**
Result before tax	**105**	**536**	**19**	**11**	**-82**	**-34**	**554**
Income tax (expense) / gain	-20	-120	-5	-3	28	9	-112
Net result	**84**	**416**	**14**	**8**	**-54**	**-25**	**442**
Attributable to:							
Non-controlling interests	-	1	-	-	-1	-	1
- Shareholders of the parent	84	415	14	8	-65	-25	430
- Holders of other equity instruments					12	-	12
Result attributable to holders of equity instruments	**84**	**415**	**14**	**8**	**-54**	**-25**	**442**

Segmented income statement

HY 2021	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Gross written premiums	2,416	928	-	-	-	-45	3,298
Change in provision for unearned premiums	-358		-	-	-	-	-358
Gross insurance premiums	**2,057**	**928**	**-**	**-**	**-**	**-45**	**2,940**
Reinsurance premiums	-49	-1	-	-	-	-	-49
Net insurance premiums	**2,009**	**927**				**-45**	**2,891**
Investment income	74	704	-	-	6	-	784
Realised gains and losses	8	96	-	-	33	-	138
Fair value gains and losses	-4	131	-	-	-1	6	132
Result on investments on behalf of policyholders	-	920	-	-	-	-	920
Result on investments related to investment contracts	-	78	-	-	-	-	78
Fee and commission income	11	5	79	61	-	-59	97
Other income	1	22	-	1	5	-2	26
Share of result of associates and joint ventures	-	-		-	4	-	4
Total income	**2,098**	**2,884**	**79**	**62**	**47**	**-101**	**5,069**
Insurance claims and benefits	-1,515	-2,157	-	-	-	66	-3,606
Insurance claims and benefits recovered from reinsurers	10	2	-	-	-	-	12
Net insurance claims and benefits	**-1,506**	**-2,155**	**-**	**-**	**-**	**66**	**-3,595**
Changes in liabilities arising from investment contracts	-	-78	-	-	-	-	-78
Operating expenses	-132	-83	-50	-45	-59	24	-346
Restructuring provision expenses	-2	-	-	-	-	-	-2
Commission expenses	-277	-10	-	-	-	32	-256
Impairments	-2	-6	-	-	-	-	-8
Interest expense	-7	-146	-	-	-4	-25	-183
Other expenses	-2	-8	-12	-4	-10	8	-28
Total expenses	**-423**	**-331**	**-62**	**-50**	**-74**	**39**	**-901**
Result before tax	**169**	**399**	**17**	**12**	**-27**	**4**	**574**
Income tax (expense) / gain	-40	-95	-4	-3	21	-1	-122
Net result	**129**	**303**	**13**	**9**	**-6**	**3**	**451**
Attributable to:							
Non-controlling interests	-	-	-	-	-3	-	-3
- Shareholders of the parent	129	303	13	9	-15	3	443
- Holders of other equity instruments	-	-	-	-	12	-	12
Result attributable to holders of equity instruments	**129**	**303**	**13**	**9**	**-3**	**3**	**454**

Operating result

HY 2022	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Result before tax	**105**	**536**	**19**	**11**	**-82**	**-34**	**554**
minus: investment related	-35	121	-	-	-2	-	84
minus: incidentals	-10	31	-	-6	-21	-35	-42
Operating result	**150**	**385**	**19**	**17**	**-59**	**1**	**513**

Operating result

HY 2021	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Result before tax	**169**	**399**	**17**	**12**	**-27**	**4**	**574**
minus: investment related	2	22	-	-	32	-	57
minus: incidentals	-11	1	-	-4	-3	2	-15
Operating result	**179**	**376**	**17**	**16**	**-57**	**1**	**532**

The incidentals in 2022 are mainly related to positive fair value revaluations with regard to the residential and retail portfolio, partly offset by impairments due to decreasing stock markets. Furthermore, starting from 2022 the inflation linked value changes of bonds are classified as non-operating result. The comparative figures have been adjusted accordingly.

The incidentals in 2021 are mainly related to the a.s.r. post-employment benefit plans, amortisation of intangible assets resulting from business combinations, project implementation regulatory costs for, amongst others, project IFRS17/9, expenses for start-ups and results of run-off entities.

5.1.4 Non-life ratios

Non-life combined ratio

	HY 2022	HY 2021
Claims ratio	74.6%	72.7%
Commission ratio	13.6%	13.3%
Expense ratio	6.5%	6.4%
Combined ratio	**94.8%**	**92.4%**

Non-life combined ratio per business line

	HY 2022	HY 2021
Property & Casualty (P&C)	94.6%	88.6%
Disability	90.7%	92.1%
P&C and Disability	**92.8%**	**90.2%**
Health	98.4%	95.4%

The claims, commission and expense ratios can be calculated based on the following information:

Claims, commission and expenses

	HY 2022	HY 2021
Net insurance premiums Non-life	2,043	2,009
Net insurance claims and benefits	-1,555	-1,506
Adjustments:		
- Interest accrual on provisions (Disability)	35	34
- Compensation capital gains (Disability)	-5	-5
- Prudence margin (Health)	1	16
Total adjustments	**31**	**46**
Net insurance claims and benefits (after adjustments)	**-1,524**	**-1,460**
Fee and commission income	11	11
Commission expenses	-290	-277
Commission	**-279**	**-266**
Operating expenses	-136	-132
Corrections made for investment charges	3	3
Operational expenses (after adjustments)	**-133**	**-129**

5.2 **Acquisitions**

Acquisitions 2022

Wind farm Jaap Rodenburg, wind farm Nieuwe Hemweg and solar park Pesse

In the first half of 2022, ASR Infrastructure Renewables B.V. completed the acquisitions of the assets and liabilities of wind farms Jaap Rodenburg, Nieuwe Hemweg and solar park Pesse for a total consideration of € 30 million.

With these acquisitions, a.s.r. strengthens its contribution to the energy transition and sustainable living environment. a.s.r. fully included the results and the balance sheet positions in the consolidated financial statements from the acquisition dates.

Fair value of the assets and liabilities acquired on acquisition date

	Acquisition date balance sheet based on fair value
Property, plant and equipment	113
Current assets	-
Total assets	**114**
Non current liabilities	68
Current liabilities	15
Total liabilities	**84**
Net assets and liabilities	**30**

No cash and cash equivalents were acquired.

Other acquisitions

ASR Real Estate B.V. acquired the assets and liabilities of a consultancy company as of 1 May 2022.

Acquisitions 2021

Brand New Day IORP

On 1 April 2021, a.s.r. acquired the remaining 50% of outstanding shares of Brand New Day Premiepensioeninstelling N.V. (Brand New Day IORP). a.s.r. established the final acquisition balance sheet of Brand New Day IORP in the second half of 2021. On 29 March 2022 Brand New Day IORP changed its name to ASR Premiepensioeninstelling N.V.

Wind farm Wieringermeer

On 23 December 2021, ASR Infrastructure Renewables B.V. acquired the assets and liabilities of Vattenfall Windpark Wieringermeer Ext B.V. (wind farm Wieringermeer).

Other acquisitions

In 2021, Van Kampen Groep Holding B.V. acquired an entity in the Distribution and Services segment. a.s.r. established the final acquisition balance sheet in the first half year of 2022.

6 Notes to the condensed consolidated interim financial statements

6.1 **Property (including land and buildings for own use) and plant**

The breakdown of the investment property, land and buildings for own use and plant in accordance with the fair value hierarchy, is as follows:

Fair value of the investment property, land and buildings for own use, and plant

30 June 2022	Fair value based on quoted prices in an active market Level 1	Fair Value based on observable market data Level 2	Fair Value not based on observable market data Level 3	Total fair value
Investment property	-	-	2,185	2,185
Land and buildings for own use	-	-	125	125
Plant	-	-	415	415
Total	**-**	**-**	**2,725**	**2,725**

31 December 2021	Fair value based on quoted prices in an active market Level 1	Fair Value based on observable market data Level 2	Fair Value not based on observable market data Level 3	Total fair value
Investment property	-	-	2,052	2,052
Land and buildings for own use	-	-	145	145
Plant	-	-	332	332
Total	**-**	**-**	**2,530**	**2,530**

The increase in plant mainly relates to the recently acquired wind farms and solar park, see chapter 5.2, and revaluations.

Investment property increased due to positive revaluations of farmlands.

Unobservable and observable inputs used in determination of fair value

30 June 2022	Fair value	Valuation technique	Gross	Gross theoretical rental value (€)	Gross	Gross yield (%)	Change in yield	Change in theoretical rental value -5%	0%	5%
Investment property - Fair value model										
Retail	161	DCF	total	11,016,017	mean	6.9%	-5%	-	8	17
			max	1,629,235	max	11.6%	0%	-8	-	8
			min	33,406	min	3.6%	5%	-15	-8	-
Residential	1	DCF	total	82,700	mean	8.2%	-5%	-	-	-
			max	82,700	max	8.2%	0%	-	-	-
			min	82,700	min	8.2%	5%	-	-	-
Rural	1,705	DCF	total	34,159,407	mean	2.0%	-5%	-	90	179
			max	1,882,873	max	9.4%	0%	-85	-	85
			min	422	min	0.1%	5%	-162	-81	-
Offices	305	DCF	total	26,366,738	mean	8.6%	-5%	-	16	32
			max	5,115,697	max	9.7%	0%	-15	-	15
			min	52,513	min	3.2%	5%	-29	-15	-
Property under development	-									
Parking	13									
Land and buildings for own use	**125**	DCF	total	8,273,071	mean	6.9%	-5%	-	6	13
			max	8,273,071	max	6.9%	0%	-6	-	6
			min	8,273,071	min	6.9%	5%	-11	-6	-
Plant	**415**									
Total	**2,725**									

Unobservable and observable inputs used in determination of fair value

31 December 2021	Fair value	Valuation technique	Gross	Gross theoretical rental value (€)	Gross	Gross yield (%)	Change in yield	Change in theoretical rental value -5%	0%	5%
Investment property - Fair value model										
Retail	161	DCF	total	11,096,858	mean	6.9%	-5%	-	8	17
			max	1,617,540	max	12.9%	0%	-8	-	8
			min	41,519	min	2.4%	5%	-15	-8	-
Residential	1	DCF	total	75,501	mean	7.5%	-5%	-	-	-
			max	75,501	max	7.5%	0%	-	-	-
			min	75,501	min	7.5%	5%	-	-	-
Rural	1,625	DCF	total	36,171,938	mean	2.2%	-5%	-	86	171
			max	1,865,893	max	7.3%	0%	-81	-	81
			min	308	min	0.4%	5%	-155	-77	-
Offices	241	DCF	total	14,271,731	mean	5.9%	-5%	-	13	25
			max	5,015,714	max	9.2%	0%	-12	-	12
			min	38,656	min	3.4%	5%	-23	-11	-
Property under development	12									
Parking	12									
Land and buildings for own use	**145**	DCF	total	9,607,224	mean	6.9%	-5%	-	7	15
			max	9,607,224	max	6.9%	0%	-7	-	7
			min	9,607,224	min	6.9%	5%	-13	-7	-
Plant	**332**									
Total	**2,530**									

The significant inputs to the Level 3 values of investment property are the net initial yield and market rental value. These inputs are verified with the following market observable data:

- Market rent per square meter for renewals and their respective re-letting rates;
- Reviewed rent per square meter;
- Investment transaction of comparable objects;
- The 10 year Dutch Government Bond Yield (%) rate as published by the DNB.

The significant unobservable and observable inputs to the Level 3 values of plant are the energy prices and market interest rates.

6.2 **Financial assets and liabilities**

6.2.1 Financial assets and derivatives

Financial assets and derivatives

	30 June 2022	31 December 2021
Available for sale	21,167	30,333
At fair value through profit or loss	3,207	3,216
	24,374	**33,550**
Loans and receivables	17,050	15,259
Derivatives - assets	4,378	6,212
Derivatives - liabilities	-3,281	-759
Cash and cash equivalents	2,412	2,306
	20,559	**23,018**
Investments on behalf of policyholders		
At fair value through profit or loss	9,798	11,574
Investments related to investment contracts		
At fair value through profit or loss	1,822	1,952
Total	**56,553**	**70,093**

Investments available for sale decreased mainly due to the sale of bonds related to cash collateral received on derivative instruments and as a result of a lower valuation of bonds due to higher interest rates. The increase in loans and receivables, valued at amortised cost, mainly concerns the Life segment mortgage loan portfolio and is due to higher mortgage sales. Derivative assets decreased and derivative liabilities increased, primarily as a result of revaluations due to higher interest rates.

.

6.2.2 Financial assets and liabilities measured at fair value

Breakdown of financial assets measured at fair value

30 June 2022	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Financial assets				
Investments available for sale				
Government bonds	8,123	115	22	8,260
Corporate bonds	7,988	90	6	8,085
Asset-backed securities	9	-	468	477
Preference shares	-	286	5	291
Equities	2,670	692	347	3,709
Mortgage equity funds	-	-	340	340
Other participating interests	6	-	-	6
	18,797	**1,184**	**1,187**	**21,167**
Investments at fair value through profit or loss				
Equities	10	-	6	16
Real estate equity funds	-	-	2,299	2,299
Mortgage equity funds	-	-	637	637
Rural property contracts	-	-	254	254
	10	**-**	**3,197**	**3,207**
Investments on behalf of policyholders				
Government bonds	1,416	-	-	1,416
Corporate bonds	695	-	-	695
Equities	7,236	-	-	7,236
Real estate equity funds	176	-	-	176
Mortgage equity funds	-	-	210	210
Cash and cash equivalents	11	-	-	11
Other investments	50	4	-	53
	9,584	**4**	**210**	**9,798**
Investments related to investment contracts				
Government bonds	208	-	-	208
Corporate bonds	140	-	-	140
Equities	1,339	-	-	1,339
Real estate equity funds	95	-	-	95
Cash and cash equivalents	34	-	-	34
Other investments	6	-	-	6
	1,822	**-**	**-**	**1,822**
Derivatives				
Foreign exchange contracts	-	22	-	22
Interest rate contracts				
- Swaps	-	3,877	-	3,877
- Options	-	275	-	275
- Futures	60	62	-	122
Inflation linked swaps	-	32	-	32
Equity index contracts	49	-	-	49
	109	**4,269**	**-**	**4,378**
Cash and cash equivalents	2,412	-	-	2,412
Total financial assets	**32,734**	**5,457**	**4,593**	**42,784**

Breakdown of financial liabilities measured at fair value

30 June 2022	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Financial liabilities				
Liabilities arising from investment contracts	1,822	-	-	1,822
Derivatives				
Foreign exchange contracts	-	98	-	98
Interest rate contracts				
- Swaps	-	3,182	-	3,182
- Futures	-	1	-	1
	-	**3,281**	**-**	**3,281**
Total financial liabilities	**1,822**	**3,281**	**-**	**5,103**

Breakdown of financial assets measured at fair value

31 December 2021	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Financial assets				
Investments available for sale				
Government bonds	13,889	260	-	14,149
Corporate bonds	10,762	53	12	10,827
Asset-backed securities	17	5	508	530
Preference shares	-	307	4	311
Equities	3,110	679	321	4,111
Mortgage equity funds	-	-	398	398
Other participating interests	7	-	-	7
	27,786	**1,304**	**1,243**	**30,333**
Investments at fair value through profit or loss				
Equities	12	-	6	18
Real estate equity funds	-	-	2,202	2,202
Mortgage equity funds	-	-	781	781
Rural property contracts	-	-	215	215
	12	**-**	**3,205**	**3,216**
Investments on behalf of policyholders				
Government bonds	1,626	-	-	1,626
Corporate bonds	787	-	-	787
Derivatives	-	6	-	6
Equities	8,645	-	-	8,645
Real estate equity funds	249	-	-	249
Mortgage equity funds	-	-	234	234
Cash and cash equivalents	18	-	-	18
Other investments	6	4	-	9
	11,331	**9**	**234**	**11,574**
Investments related to investment contracts				
Equities	1,794	-	-	1,794
Real estate equity funds	119	-	-	119
Cash and cash equivalents	39	-	-	39
	1,952	**-**	**-**	**1,952**
Derivatives				
Foreign exchange contracts	-	25	-	25
Interest rate contracts				
- Swaps	-	5,870	-	5,870
- Options	-	237	-	237
- Futures	37	-	-	37
Inflation linked swaps	-	14	-	14
Equity index contracts	28	-	-	28
	65	**6,147**	**-**	**6,212**
Cash and cash equivalents	2,306	-	-	2,306
Total financial assets	**43,452**	**7,460**	**4,682**	**55,593**

Breakdown of financial liabilities measured at fair value

31 December 2021	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value
Financial liabilities				
Liabilities arising from investment contracts	1,952	-	-	1,952
Derivatives				
Foreign exchange contracts	-	78	-	78
Interest rate contracts				
- Swaps	-	678	-	678
- Futures	-	3	-	3
	-	**759**	**-**	**759**
Total financial liabilities	**1,952**	**759**	**-**	**2,711**

Reclassifications between categories during the first half year of 2022

2022	To level 1	To level 2	To level 3	Total
From:				
Level 1: Fair value based on quoted prices in an active market	-	50	32	**82**
Level 2: Fair value based on observable market data	171	-	-	**171**
Level 3: Fair value not based on observable market data	-	-	-	**-**

Fixed income funds are adjusted from level 2 to level 1 (€ 171 million), from level 1 to level 2 (€ 50 million) and from level 1 to level 3 (€ 32 million). Those movements are based on increased and decreased observability of the inputs during the period.

Reclassifications between categories during 2021

2021	To level 1	To level 2	To level 3	Total
From:				
Level 1: Fair value based on quoted prices in an active market	-	205	-	**205**
Level 2: Fair value based on observable market data	171	-	-	**171**
Level 3: Fair value not based on observable market data	38	-	-	**38**

Fixed income funds are adjusted from level 2 to level 1 (€ 171 million), from level 3 to level 1 (€ 38 million) and from level 1 to level 2 (€ 205 million). Those movements are based on increased and decreased observability of the inputs during the period.

Changes in financial assets classified as available for sale categorised within level 3

	2022	2021
At 1 January	1,243	1,085
Changes in value of investments, realised/unrealised gains and losses:		
- Realised gains and losses	3	37
- Recognised in Other comprehensive income (unrealised gains and losses)	-44	20
Purchases	43	407
Repayments	-24	-80
Disposal	-57	-190
Amortisation	-	-1
Impairments	-10	1
Reclassification of investments from/to level 3 valuation technique	32	-36
At 30 June (31 December 2021)	**1,187**	**1,243**

Changes in financial assets classified at fair value through profit or loss categorised within level 3

	2022	2021
At 1 January	3,439	2,772
Changes in value of investments, realised/unrealised gains and losses:		
- Fair value gains and losses	-95	121
Purchases	65	565
Disposal	-3	-21
Reclassification of investments from/to level 3 valuation technique	-	-2
Other	1	2
At 30 June (31 December 2021)	**3,406**	**3,439**
Total revaluations of investments, held at end of period, recognised in the income statement	**-95**	**122**

Unobservable inputs used in determining the fair value for financial assets measured at fair value (recurring basis) that are categorised within level 3.

Available for sale investments
The main non-observable market input for the asset-backed securities and mortgage equity funds are based on quotes published by an independent data vendor. If the quote of the data vendor is not available, values or quotes from other pricing services are obtained, including a check on the validity of the value or quote by an independent third party, to base the fair value on. There is no material difference in the fair value of the asset-backed securities and mortgage equity funds if a quote was used from an alternative data vendor.

The main non-observable market input, for the equities and unlisted equities classified as level 3, is the net asset value as published by the investee. It is estimated that a 10% increase in valuation of these equities would have no significant impact on net result but would increase equity by € 35 million (2021: € 32 million), being approximately 0.5% (before tax) (2021: 0.4% (before tax)) of total equity. A decrease would have the opposite effect unless the impairment criteria are met.

Investments at fair value through profit or loss
The method of determining the fair value of the mortgage equity funds is similar to that of mortgage loans, however it excludes assumptions for originating cost and is determined within the funds structure. See chapter 6.2.3 for the main non-observable inputs.

Unobservable and observable inputs used in determination of fair value

30 June 2022

	Fair value	Valuation technique	Gross	Gross theoretical rental value (€)	Gross	Gross yield (%)	Change in yield	Change in theoretical rental value -5%	0%	5%
Investments at fair value through profit or loss										
Rural property contracts	254	DCF	total	5,795,234	mean	2.3%	-5%	-	13	27
			max	448,319	max	3.5%	0%	-13	-	13
			min	435	min	0.4%	5%	-24	-12	-
Total rural property contracts	**254**									
Real estate equity funds associates	1,890	DCF		75,537,217		4.0%	-5%	-	99	199
							0%	-94	-	94
							5%	-180	-90	-
Real estate equity funds third parties	409									
Total real estate equity funds	**2,299**									

Unobservable and observable inputs used in determination of fair value

31 December 2021

	Fair value	Valuation technique	Gross	Gross theoretical rental value (€)	Gross	Gross yield (%)	Change in yield	Change in theoretical rental value -5%	0%	5%
Investments at fair value through profit or loss										
Rural property contracts	215	DCF	total	4,378,039	mean	2.0%	-5%	-	11	23
			max	147,419	max	3.0%	0%	-11	-	11
			min	466	min	0.6%	5%	-21	-10	-
Total rural property contracts	**215**									
Real estate equity funds associates	1,817	DCF		76,670,413		4.2%	-5%	-	96	191
							0%	-91	-	91
							5%	-173	-87	-
Real estate equity funds third parties	385									
Total real estate equity funds	**2,202**									

The main non-observable market input for the real estate equity funds third parties is the net asset value as published by the investee. An increase or decrease in the net asset value of equities classified as level 3 will have a direct proportional impact on the fair value of the investment.

6.2.3 Financial instruments not measured at fair value and for which the fair value is disclosed

Breakdown of financial assets and liabilities not measured at fair value

30 June 2022	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value	Total carrying value
Financial assets					
Due from customers	-	1,608	10,145	11,752	12,816
Due from credit institutions	922	2,850	-	3,772	3,514
Trade and other receivables	-	720	-	720	720
Total financial assets	**922**	**5,178**	**10,145**	**16,245**	**17,050**
Financial liabilities					
Subordinated liabilities	-	950	-	950	993
Borrowings	-	134	64	199	199
Due to customers	-	507	-	507	507
Due to banks	2,503	75	-	2,578	2,578
Other financial liabilities	101	16	-	117	117
Total financial liabilities	**2,604**	**1,683**	**64**	**4,351**	**4,394**

Breakdown of financial assets and liabilities not measured at fair value

31 December 2021	Fair value based on quoted prices in an active market Level 1	Fair value based on observable market data Level 2	Fair value not based on observable market data Level 3	Total fair value	Total carrying value
Financial assets					
Due from customers	-	1,513	10,696	12,209	11,461
Due from credit institutions	124	3,558	-	3,682	2,971
Trade and other receivables	-	827	-	827	827
Total financial assets	**124**	**5,898**	**10,696**	**16,718**	**15,259**
Financial liabilities					
Subordinated liabilities	-	1,132	-	1,132	992
Borrowings	-	137	55	192	192
Due to customers	-	573	-	573	573
Due to banks	5,636	105	-	5,741	5,741
Other financial liabilities	92	16	-	108	108
Total financial liabilities	**5,728**	**1,963**	**55**	**7,745**	**7,605**

Amounts due to banks presented as level 1 primarily comprise the liability recognised for the cash collateral received. The accrued interest included in other liabilities follows the classification of the underlying assets. Level 2 category due from credit institutions includes savings-linked mortgage loans amounting to a fair value of € 2,534 million (FY 2021: € 3,124 million).

The mortgage loan portfolio is classified as level 3. Non-observable market inputs are used in the valuation methods, in addition to the observable market inputs. The valuation method used to determine the fair value of the mortgage loan portfolio is based on the spread of the interest rate curve for discounting the mortgage portfolio cash flows on consumer rates and includes assumptions for originating cost, proposal risk and the options related to early redemption and moving.

6.3 Liabilities arising from insurance contracts

Insurance contracts with retained exposure

	Gross		Of which reinsurance	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Provision for unearned premiums	705	307	8	8
Provision for claims (including IBNR)	6,586	6,744	266	256
Non-life insurance contracts	**7,291**	**7,050**	**274**	**263**
Life insurance contracts excluding own pension contracts	24,263	30,747	151	154
Total liabilities arising from insurance contracts	**31,554**	**37,797**	**424**	**417**

Changes in liabilities arising from non-life insurance contracts

	Gross		Of which reinsurance	
	2022	2021	2022	2021
Provision for unearned premiums				
At 1 January	307	323	8	19
Changes in provision for unearned premiums	399	-16	-	-11
Provision for unearned premiums as at 30 June 2022 (31 December 2021)	**705**	**307**	**8**	**8**
Provision for claims (including IBNR)				
At 1 January	6,744	6,522	256	307
Claims paid	-1,375	-2,595	-26	-73
Changes in provision for claims	1,584	3,064	36	23
Changes in shadow accounting through equity	-152	-179	-	-
Changes in shadow accounting through income	-215	-67	-	-
Provision for claims (including IBNR) as at 30 June 2022 (31 December 2021)	**6,586**	**6,744**	**266**	**256**
Non-life insurance contracts as at 30 June 2022 (31 December 2021)	**7,291**	**7,050**	**274**	**263**

Changes in liabilities arising from life insurance contracts

	Gross		Of which reinsurance	
	2022	2021	2022	2021
At 1 January	30,748	34,614	156	160
Premiums received / paid	382	696	-	-
Regular interest added	270	566	1	3
Realised gains and losses	-4	263	-	-
Amortisation of realised gains	-160	-313	-	-
Benefits	-739	-1,622	-5	-11
Technical result	-34	-69	-1	3
Release of cost recovery	-58	-124	-	-
Changes in shadow accounting through equity	-1,893	-1,081	-	-
Changes in shadow accounting through income	-4,236	-2,183	-	-
Other changes	-4	-	-	-
At 30 June 2022 (31 December 2021)	**24,272**	**30,748**	**152**	**156**
Interest margin participation to be written down				
At 1 January	-13	-11	-2	-2
Write-down recognised in profit or loss	1	1	-	-
Other changes	-2	-3	-	-
At 30 June 2022 (31 December 2021)	**-14**	**-13**	**-2**	**-2**
Provision for discretionary profit sharing, bonusses and discounts				
At 1 January	12	12	-	-
Profit sharing, bonuses and discounts granted in the financial year	-6	-	-	-
Other changes	-	-	-	-
At 30 June 2022 (31 December 2021)	**5**	**12**	**-**	**-**
Total life insurance contracts at 30 June 2022 (31 December 2021)	**24,263**	**30,747**	**151**	**154**

The insurance liabilities are deemed to be adequate following the performance of the LAT taking into account the Ultimate Forward Rate (UFR) of 3.45% for 2022 (FY 2021: 3.60%).

The changes in shadow accounting through equity in the amount of € -1,893 million include a reversal of shadow accounting related to instruments with a revaluation reserve amount below cost for an amount of € 648 million.

6.4 Employee benefits

The costs of the post-employment benefits pensions relate to the Defined Contribution (DC) pension plan of a.s.r., the previous Defined Benefit (DB) plans of a.s.r., plus the DC plans of the other group companies. No regular annual premium contributions are paid to the previous DB plans.

The DC plan has two components with defined benefit elements with a marginal impact: survivors' pension and the option to buy a guaranteed income.

In 2022, a.s.r. and the labour unions came to an agreement to add additional funds to the old DB plan for indexation amounting to € 240 million, of which € 227 million has already been recognised as past service costs in reporting years 2020 and 2021. The additional € 13 million, also used for profit sharing, impacted the remeasurements for € 12 million and other expenses for € 1 million respectively. With the agreement, the current profit sharing in the DB plan will be discontinued as from 31 December 2022.

The employee benefits decreased by € 1,028 million to € 2,985 million (FY 2021: € 4,013 million) primarily due to the increase in the discount rate from 0.90% at FY 2021 to 2.97% at HY 2022. This resulted in an increase of € 1,006 million in equity in the actuarial gains and losses.

The employee benefit charges for HY 2022 were € 31 million (HY 2021: € 29 million).

6.5 Contingent liabilities

Dutch insurers are still subject to insurance policies complaints/claims based on grounds other than cost compensation. Current and possible future legal proceedings could have a substantial financial and reputational impact.

The total costs related to compensation for unit-linked insurance contracts have been fully recognised in the financial statements based on management's best knowledge of current facts, actions, claims, complaints and events. Provisions are recognised in the liabilities arising from insurance contracts and legal provisions. Although the financial consequences of the legal developments could be substantial, a.s.r.'s exposures cannot be reliably estimated or quantified at this point. If one or more of these legal proceedings should succeed, there is a risk a ruling, although legally only binding for the parties that are involved in the procedure, could be applied to or be relevant for other unit-linked life insurance policies sold by a.s.r. Consequently, the financial consequences of any of the current and/or future legal proceedings brought upon a.s.r. can be substantial for a.s.r.'s life insurance business and may have a material adverse effect on a.s.r.'s financial position, business, reputation, revenues, results of operations, solvency, financial condition and prospects.

Further information related to contingent liabilities is disclosed in the 2021 consolidated financial statements in chapter 6.7.7.

KPMG

Independent auditor’s review report

To: the Shareholders and the Supervisory Board of ASR Nederland N.V.

Our conclusion

We have reviewed the accompanying condensed consolidated interim financial statements of ASR Nederland N.V.(or hereafter: the “Company”) based in Utrecht for the period 1 January 2022 up to and including 30 June 2022. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements for the period 1 January 2022 up to and including 30 June 2022 are not prepared, in all material respects, in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union.

The condensed consolidated interim financial statements comprise:

1 the consolidated interim balance sheet as at 30 June 2022;

2 the following statements for the period 1 January 2022 up to and including 30 June 2022: the consolidated interim income statement, the consolidated interim statements of comprehensive income, changes in equity and cash flows; and

3 the notes, comprising a summary of the significant accounting policies and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of ASR Nederland N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management and the Supervisory Board for the condensed consolidated interim financial statements

Management is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

— Updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;

— Obtaining an understanding in the internal control, as it relates to the preparation of the condensed consolidated interim financial statements;

— Making inquiries of management and others within the entity;

— Applying analytical procedures with respect to information included in the condensed consolidated interim financial statements;

— Obtaining assurance evidence that the condensed consolidated interim financial statements agree with, or reconcile to the entity's underlying accounting records;

— Evaluating the assurance evidence obtained;

— Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;

— Considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements; and

— Considering whether the condensed consolidated interim financial statements and the related disclosures represent the underlying transactions and events in a manner that gives a true and fair view.

Utrecht, 23 August 2022

KPMG Accountants N.V.

A.J.H. Reijns RA

Other information

Disclaimer / Forward-looking Statements

Cautionary note regarding forward-looking statements

The terms of this disclaimer ('Disclaimer') apply to this document of ASR Nederland N.V. (a.s.r.) and all a.s.r.'s legal vehicles and businesses operating in the Netherlands. Please read this Disclaimer carefully.

a.s.r.'s condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS-EU') and with Part 9 of Book 2 on the Netherlands Civil Code. In preparing the financial information in this document, the same accounting principles are applied as in the 2021 a.s.r. consolidated financial statements. All figures in this document are unaudited. Small differences are possible in the tables due to rounding.
Certain of the statements contained herein are not (historical) facts but are forward looking statements ('Statements'). These Statements may be identified by words such as 'expect', 'should', 'could', 'shall' and similar expressions. The Statements can change as a result of possible events or factors. The Statements are based on our beliefs, assumptions and expectations of future performance, taking into account information that was available to a.s.r. at the moment of drafting of the document. a.s.r. warns that the Statements could entail certain risks and uncertainties, so that the actual results, business, financial condition, results of operations, liquidity, investments, share price and prospects of a.s.r. could differ materially from the Statements.
Factors which could cause actual results to differ from these Statements may include, without limitation: (1) changes in general economic conditions; (2) changes of conditions in the markets in which a.s.r. is engaged; (3) changes in the performance of financial markets in general; (4) changes in the sales of insurance and/or other financial products; (5) the behavior of customers, suppliers, investors, shareholders and competitors; (6) changes in the relationships with principal intermediaries or partnerships or termination of relationships with principal intermediaries or partnerships; (7) the unavailability and/or unaffordability of reinsurance; (8) deteriorations in the financial soundness of customers, suppliers or financial institutions, countries/states and/or other counterparties; (9) technological developments; (10) changes in the implementation and execution of ICT systems or outsourcing; (11) changes in the availability of, and costs associated with, sources of liquidity; (12) consequences of a potential (partial) termination of the European currency: the Euro or the European Union; (13) changes in the frequency and severity of insured loss events; (14) catastrophes and terrorist related events; (15) changes affecting mortality and morbidity levels and trends and changes in longevity; (16) changes in laws and regulations and/or changes in the interpretation thereof, including without limitation Solvency II, IFRS and taxes; (17) changes in the policies of governments and/or regulatory-or supervisory authorities; (18) changes in ownership that could affect the future availability of net operating loss, net capital and built-in loss; (19) changes in conclusions with regard to accounting assumptions and methodologies; (20) adverse developments in legal and other proceedings and/or investigations or sanctions taken by supervisory authorities; (21) risks related to mergers, acquisitions, and divestments (22) other financial risks such as currency movements, interest rate fluctuations, liquidity, and credit risks could influence future results and (23) the other risks and uncertainties detailed in the Risk Factors section contained in recent public disclosures made by a.s.r.
The foregoing list of factors and developments is not exhaustive. Any Statements made by or on behalf of a.s.r. speak only as of the date they are made and, except as required by applicable law, a.s.r. disclaims any obligation to publicly update or revise and/or publish any Statements, whether as a result of new information, future events or otherwise. Neither a.s.r. nor any of its directors, officers, employees do give any statement, warranty or prediction on the anticipated results as included in the document. The Statements in this document represent, in each case, only one of multiple possible scenarios and should not be viewed as the most likely or standard scenario.
a.s.r. has taken all reasonable care in the reliability and accurateness of this document. Nevertheless, information contained in this document may be incomplete or incorrect. a.s.r. does not accept liability for any damages resulting from this document in case the information in this document is incorrect or incomplete.

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

Contact details

Contact

We like to receive feedback or questions from our stakeholders on our interim report. If you want to give us feedback, please feel free to contact us.

ASR Nederland N.V.
Archimedeslaan 10
P.O. Box 2072
3500 HB Utrecht
The Netherlands
www.asrnl.com
Commercial register of Utrecht, no. 30070695

Investor Relations
+31 (0) 30 257 86 00
www.asrnl.com/investor-relations

Corporate Communications
Press Officer
+31 (0)6 2279 0974
rosanne.de.boer@asr.nl

Publication

Design & Realisation
Cascade - visuele communicatie bv
Tangelo Software B.V.

Text
ASR Nederland N.V.

www.asrnl.com