Creating a leading insurer in the Netherlands

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

Jos Baeten, CEO

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27 October 2022

Transaction strongly aligned with our strategic objectives

- Compelling in-market business combination, offers unique opportunity for significant cost synergies
- Reinforcing a.s.r.'s overall #2 position[1] in the Dutch market
- Value enhancing transaction, reflecting financial discipline
- Sustainable and robust capital structure maintained
- Accelerated adoption of PIM across the group in coming years[2]
- Leveraging a.s.r.'s proven integration capabilities

Creating a leading insurer in the Netherlands

Sustainable value creation for all stakeholders

Robust franchise well positioned for the future

[1] Based on DNB data 2021, excluding Health insurance
[2] Implementation of a Partial Internal Model (PIM) is subject to regulatory approval

A financially attractive and value enhancing transaction

Balance sheet prudence sustained

Total consideration of € 4.9bn, comprising € 2.5bn cash consideration and 29.99% equity stake[1], implied P/UT1 = 0.7x

Uplift in OCC

c. € 600m uplift in OCC[3], unlevered and including synergies[4]

Financial discipline driving returns

c. € 4.3bn invested capital[2] excluding leverage, delivering >14% ROI, above the M&A hurdle rate

Step-up in progressive dividend

12% step-up in DPS[5] to €2.70 for FY22, SBB halted, progressive dividend policy increased to mid to high single digit annual growth until 2025

Tangible synergy potential

c. € 185m run-rate[3] cost synergies
Accelerated adoption of a PIM

Capitalising on proven integration expertise

Integration largely completed 3 years after closing

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1 The value of the 29.99% equity interest (shares to be issued) is based on the closing price of the a.s.r. ordinary shares on 26 October 2022 equating to 57,427,564 ordinary shares (based on 134,118,564 outstanding ordinary shares (excluding treasury shares) on that date). Should a.s.r. decide to use its existing authorisation to issue additional ordinary shares, the number of outstanding shares might increase up to approximately 211 million, which will include up to approximately 5.9 million shares issued to Aegon following an adjustment mechanism. Pursuant to this adjustment mechanism the cash component would be reduced accordingly

2 Invested capital reflects transaction consideration net of capital synergies (not PIM) and life capitalised synergies

3 Run-rate synergies after 3 years from closing

4 Excluding life cost synergies as these are capitalised

5 Compared to € 2.42 DPS for FY21

Strengthening our strategic positioning across all pillars

Transaction expected to accelerate delivery on strategic plans[1]

I — Sustainable growth in P&C and Disability ✓
Fortifying the strong position in Disability and #3 in P&C

II — Expand Pension & Asset Management ✓
Leader in Pensions DC and in IORP, well-positioned for the opportunities presented by the pension reform

III — Scale benefits from Life back-books ✓
Significant addition to the life technical reserves in service books

IV — Delivering digital services ✓
Adding skills and scale to enlarged customer base benefiting from digital services

V — Expand role in value chain ✓
Additional scale in distribution services through Robidus and Nedasco

VI — Optimise capital position ✓
Strong PF SII ratio day one at >190%[2]
Accelerated PIM implementation

VII — M&A strategy to add scale and skills ✓
Reinforcing position as a leading player in Dutch insurance market
Enrich talent pool

VIII — Execute on ESG strategy ✓
Strengthening expertise in ESG investment solutions
Value creation for all stakeholders

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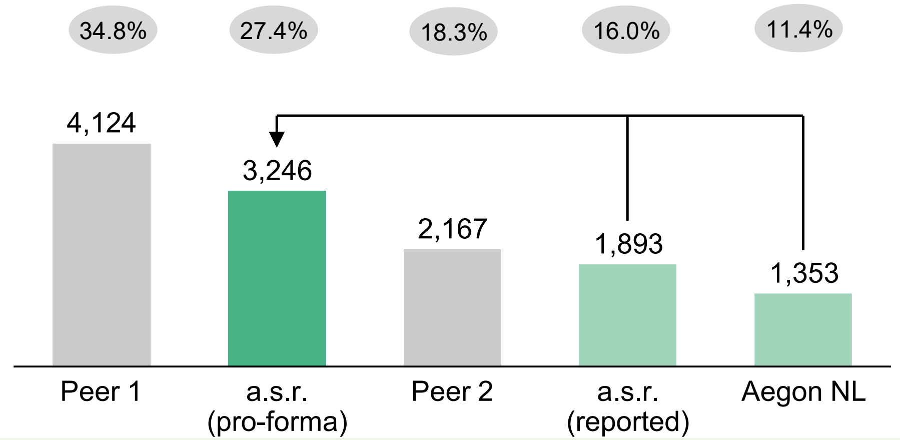
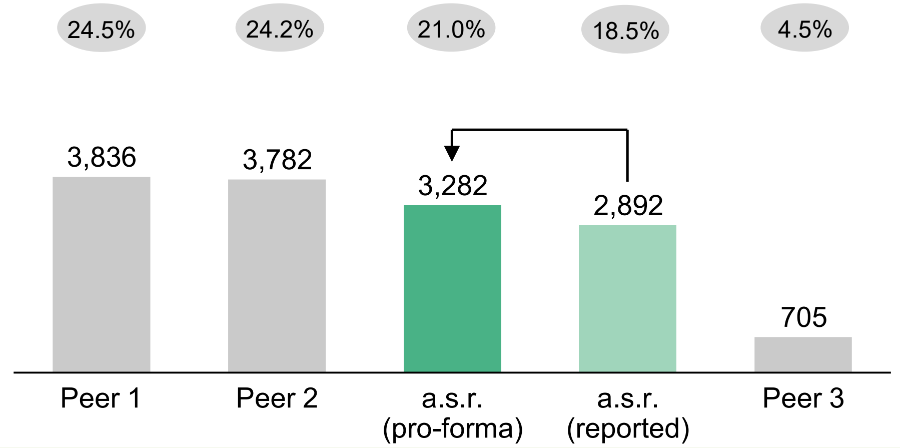
[1] The diagram displays the 8 strategic initiatives as presented at the Investor Update in December 2021
[2] Including € 2bn of Solvency 2 compliant financing. Excluding any PIM related capital benefits

Reinforcing a.s.r.'s overall #2 position[1] in consolidated Dutch market

GWP Total Life Insurance (in €m)[1]

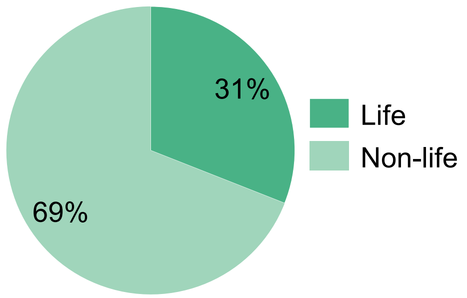


GWP Total Non-life (excl. Health) (in €m)[1]



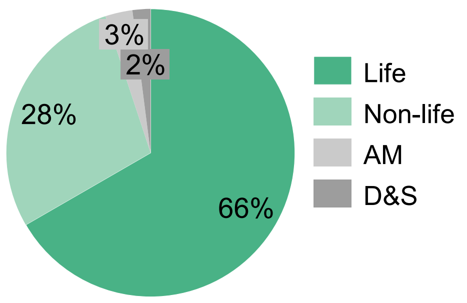
a.s.r. (reported)

FY 2021 GWP[2]



€6.0bn

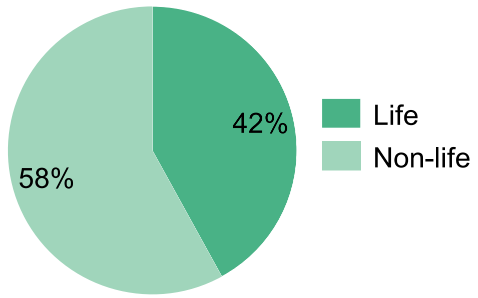
FY 2021 pre-tax operating result[3]



€1.0bn[5]

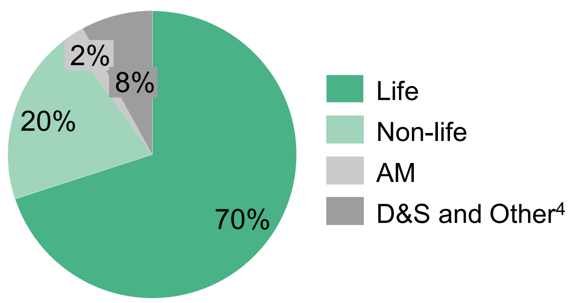
a.s.r. (pro-forma)[6]

FY 2021 GWP[2]



€7.8bn

FY 2021 pre-tax operating result[3]



€1.8bn[5]

1 As reported by DNB for 2021, excluding Health
2 GWP includes Health
3 Excluding Holding & Eliminations
4 Distribution Services & Other including Nedasco, Robidus, TKP, Cappital, Mortgages and Banking
5 Including Holding & Eliminations
6 The pro-forma data is solely based on simple addition of stand-alone a.s.r./Aegon NL figures and no calculations have been made by the company and/or its auditor

Compelling rationale for combining both businesses

Unlocking potential in Non-life
Pursuing profitable growth in P&C and Disability

P&C | Disability | Health

- ✓ Reinforcing leading position in Disability and strong #3 position in P&C[1]
- ✓ Enhances profitability of total portfolio through a.s.r.'s underwriting skills, cost discipline and scale benefits
- ✓ Migration to proven cost-efficient IT platform, capturing the potential of operational efficiencies
- ✓ Further strengthening our strong position in intermediary channels

Fee related growth businesses
Bolstering and future-proofing market leadership

Distribution & Services | Mortgages / Asset Mgmt. | Pensions DC and IORP

- ✓ Market leader in IORP and Pensions DC, underpinned by scale and skills
- ✓ Cost synergies from integrating commercial and support functions
- ✓ Benefit from Aegon Group's distinct mortgage sourcing and funding capabilities
- ✓ Robidus and Nedasco to complement existing D&S capabilities and increase capital-light fee-income

Optimising for value
Capturing synergies in Life service books

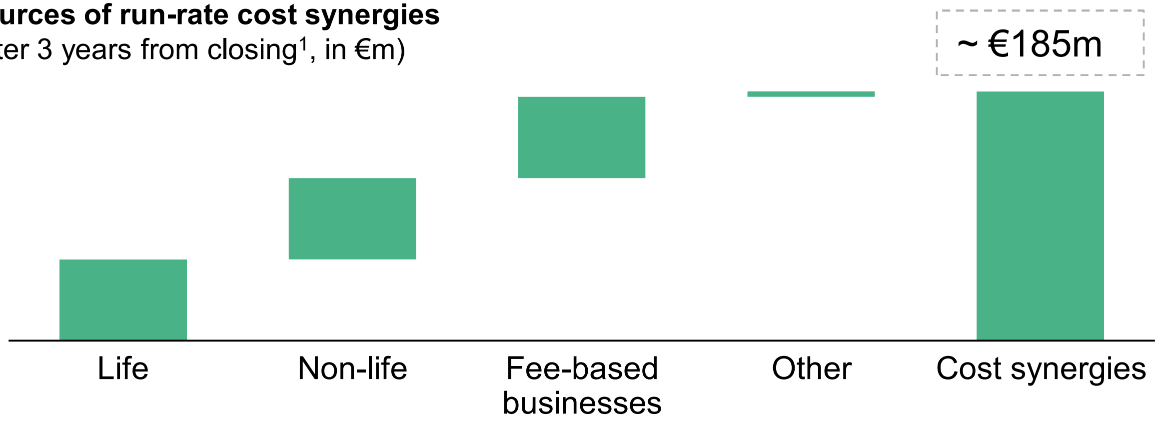
Individual life | Pensions DB | Funeral

- ✓ Rationalise and migrate service books (individual life and pensions DB) to proven most efficient servicing platform
- ✓ Leverage operational excellence of TKP
- ✓ Dual branding in pensions and mortgages for a period of minimum 3 years expected

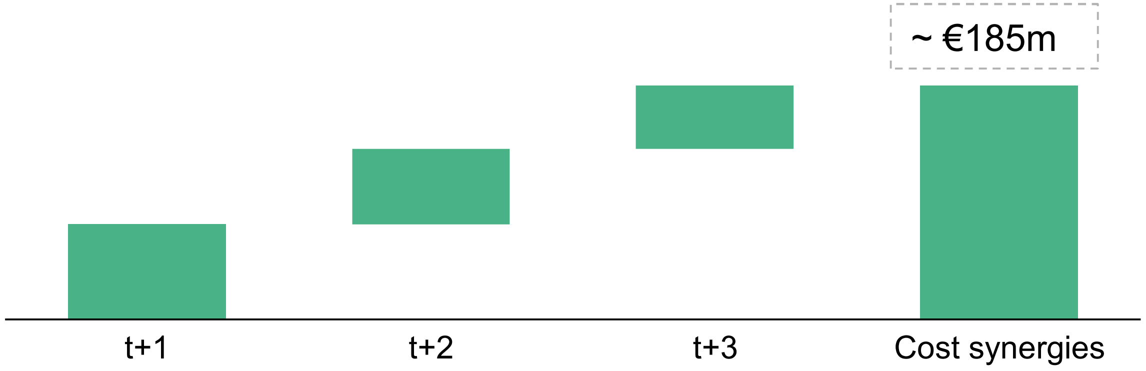
[1] As reported by DNB for 2021

Transaction unlocks significant cost synergies

Sources of run-rate cost synergies
(after 3 years from closing[1], in €m)



Estimated timing of cost synergies[2,3] (in €m)



Run-rate cost synergies

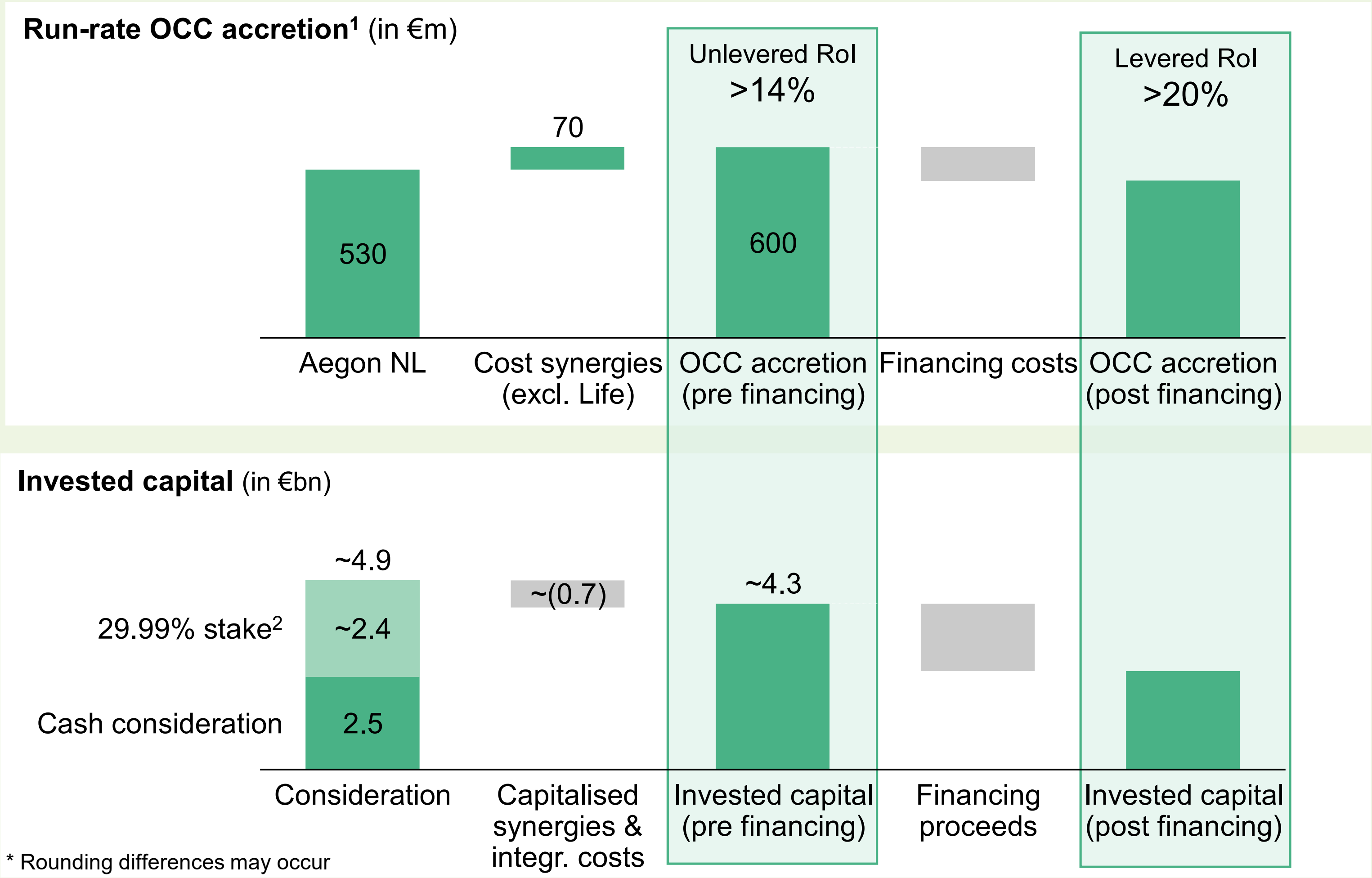
- Synergies from integrating operational and support activities, mainly from scale in Life, Non-life and Mortgages.
- Target operating model will be making use of the operations of both a.s.r. and Aegon and will rely on the proven most efficient model within the combined business
- Holding & other synergies arise from overlap of centralised functions
- Run-rate cost synergies of € 185m pre-tax (per annum)

Timing of synergies

- The Non-life integration is expected to be completed within two years of closing
- The integration and most of the synergies from Individual life, Pensions DB and Mortgages are expected to be realised three years after closing

1 Closing expected the earliest on 1 July 2023, pending regulatory approval
2 Timing of realisation of expected cost synergies dependent on date of closing
3 Graph is for illustrative purposes only, the size of the boxes does not reflect the expected synergies by source or timing

Value enhancing transaction, reflecting financial discipline



- Attractive transaction delivering an unlevered RoI of >14%, well above our minimum return hurdle
- Given unlevered nature of Aegon NL, efficient use of available headroom by applying prudent leverage will enhance RoI to >20%
- Life cost synergies are capitalised and reflected in the Solvency ratio, all other synergies flow through OCC
- Benefit from PIM implementation would reduce amount of invested capital, further enhancing RoI

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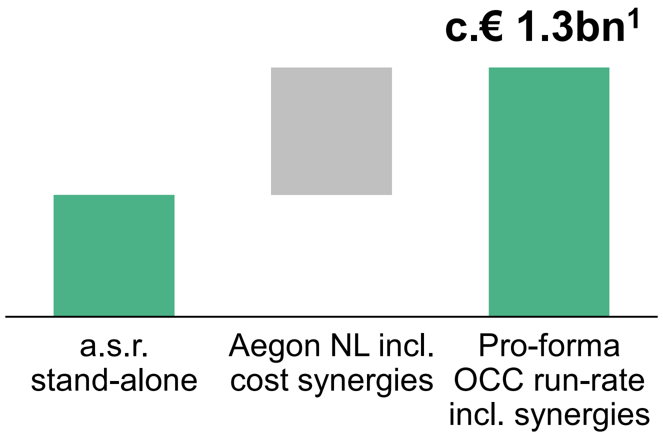
[1] Timing of expected cost synergies dependent on date of closing, majority expected to be realised three years after closing. OCC estimates based on a.s.r. methodology and reflecting financial markets as of 30 June 2022
[2] The value of the 29.99% equity interest (shares to be issued) is based on the closing price of the a.s.r. ordinary shares on 26 October 2022 equating to 57,427,564 ordinary shares (based on 134,118,564 outstanding ordinary shares (excluding treasury shares) on that date). Should a.s.r. decide to use its existing authorisation to issue additional ordinary shares, the number of outstanding shares might increase up to approximately 211 million, which will include up to approximately 5.9 million shares issued to Aegon following an adjustment mechanism. Pursuant to this adjustment mechanism the cash component would be reduced accordingly

Significant uplift in OCC and double-digit step-up in dividend

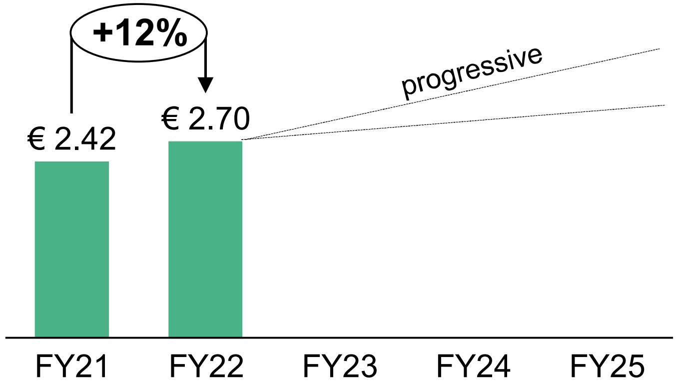
Organic capital creation

- Significant uplift in OCC
- Life synergies capitalised
- OCC c.€1.3bn including impact financing



Dividend

- 12% step-up for FY22
- Progressive dividend policy increased to mid- to high-single digit annual growth until 2025
- SBB program halted

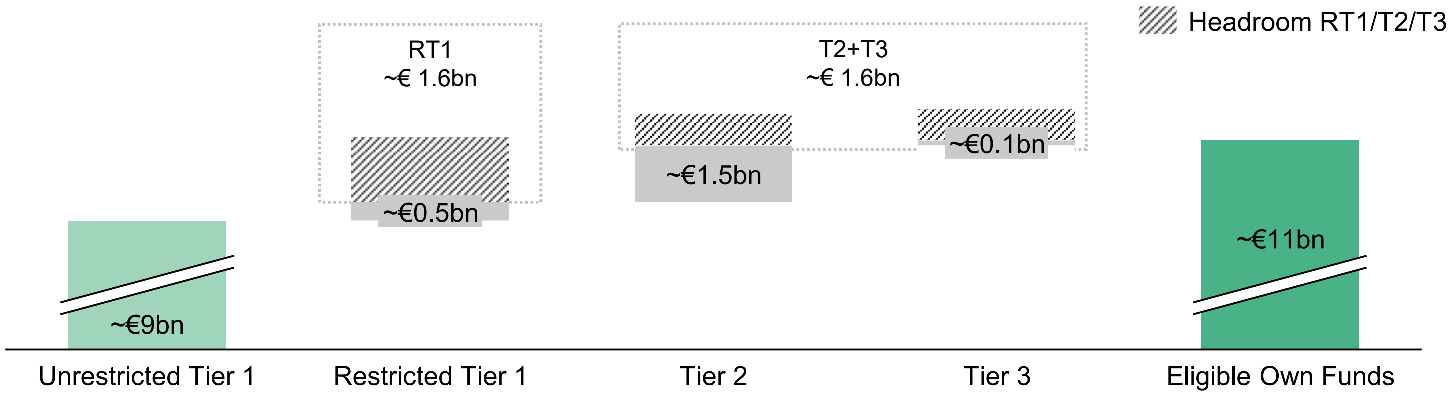


PIM

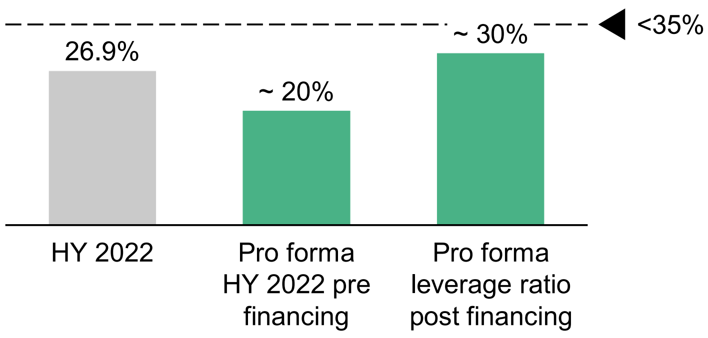
[1] Dependent on date of closing and based on financial markets of 30 June 2022. Timing of expected cost synergies dependent on date of closing, majority expected to be realised three years after closing. Cost synergies are excluding Life, which are capitalised

Sustainable and robust capital structure maintained post transaction

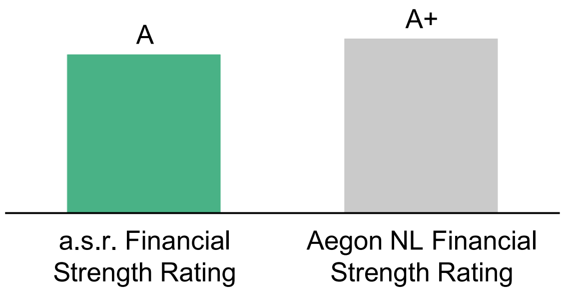
Pro forma Solvency II headroom pre financing[1] (in €bn)



Financial leverage (IFRS)



Standalone S&P Ratings



- Strong pro forma Solvency II balance sheet with ample room for hybrid financing expected post closing;
  - RT1 headroom: approx. € 1.6bn
  - T2/T3 headroom: approx. € 1.6bn
- Prudent transaction funding mix including new shares issued to Aegon, available surplus capital and approx. € 2bn of Solvency II compliant debt instruments and/or new shares within existing authorisation[2]
- Fully underwritten bridge facility provided by UBS
- Aegon NL is an unlevered entity, resulting in pro forma leverage ratio (pre-financing) of c. 20%. Post financing, the leverage ratio is expected to amount to c. 30%, remaining well below management limit of <35%

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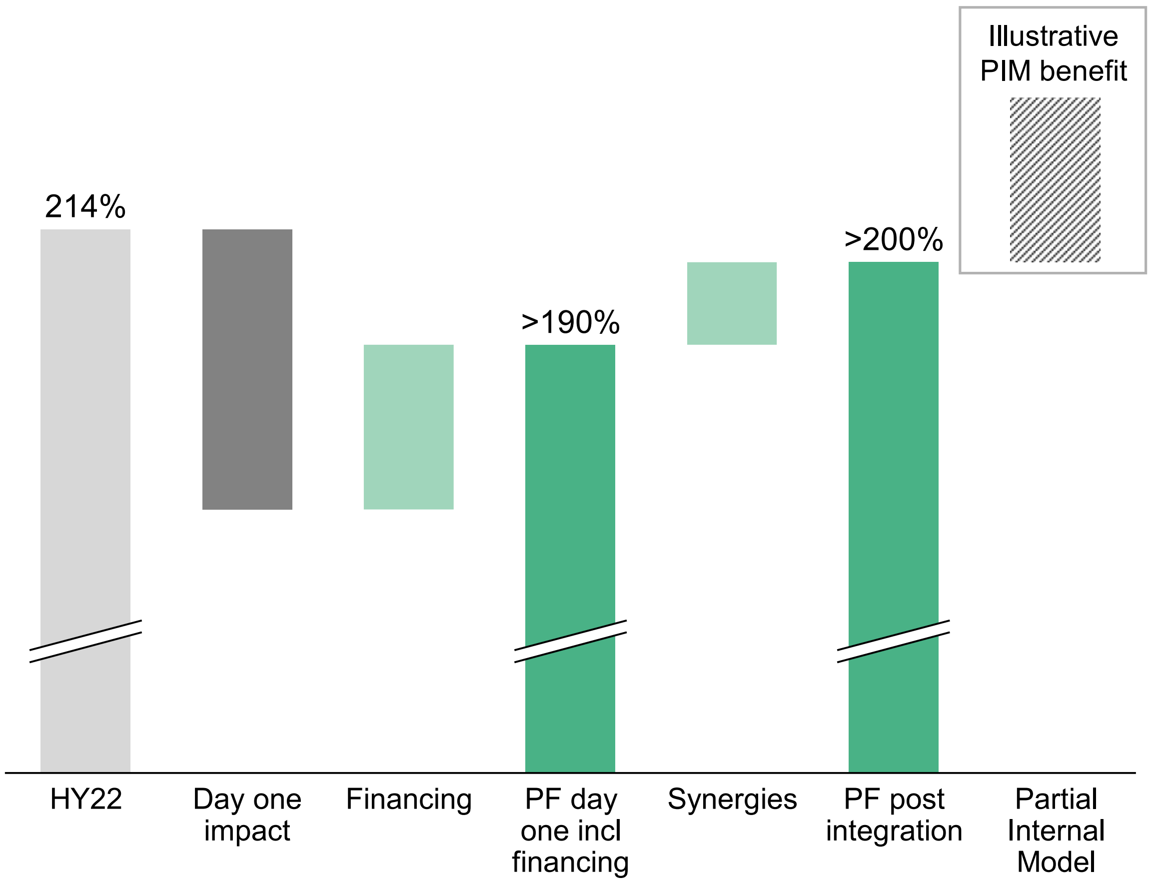
[1] The pro-forma data is solely based on simple addition of stand-alone a.s.r./Aegon NL figures and no calculations have been made by the Company and/or its auditor
[2] Should a.s.r. decide to use its existing authorisation to issue additional shares, the number of outstanding shares might increase up to 211m, which will include up to approximately 5.9 million shares issued to Aegon following an adjustment mechanism. Pursuant to this adjustment mechanism the cash component would be reduced accordingly

Robust and sustainable capital position, enhanced by PIM implementation

Indicative pro-forma Solvency II ratio development



- Solvency II ratio expected to remain robust post transaction and financing at > 190%, pre synergies and PIM implementation on the current a.s.r. businesses
- Positive impact of c. 10%-pts from legal merger, capital and capitalised cost synergies
- In the context of the transaction, a.s.r. to accelerate move to PIM, leveraging on Aegon NL's existing approved models
- PIM[2] impact expected to materialise in three phases:
  1. Implementation of Aegon life PIM to a.s.r. life
  2. Additional Life PIM modules
  3. Implementation of PIM on Non-life operations

[1] The pro-forma data is solely based on simple addition of stand-alone a.s.r./Aegon NL figures and no calculations have been made by the company and/or its auditor, and reflects impacts from i.e. cash consideration, financing and the capitalised synergies

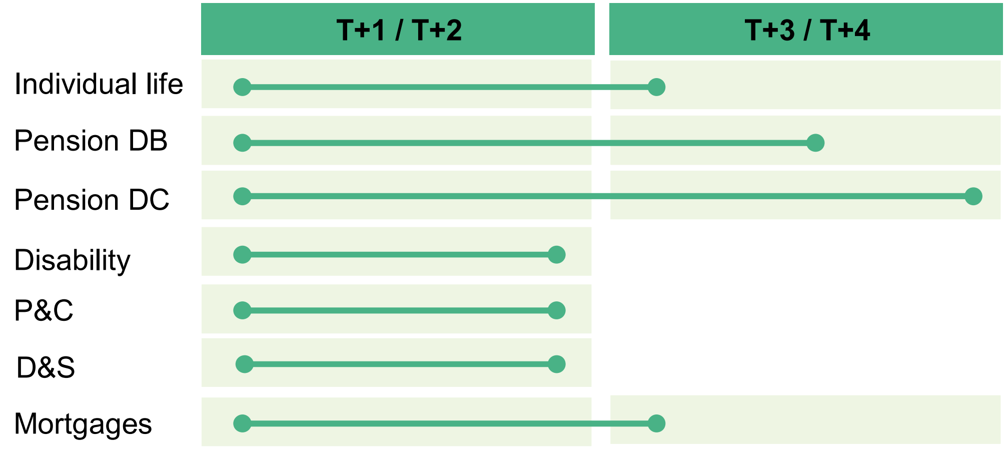
[2] Implementation of a PIM is subject to regulatory approval

Leveraging proven integration capabilities

Integration and sources for synergies

- Track record and experienced management team
- Systems and admin rationalisation
- Removal of overlap in centralised functions
- Head office remains in Utrecht
- a.s.r. is the main brand; dual branding in mortgages and pensions
- Natural attrition and additional redundancies if applicable
- TKP/Knab activities to operate on stand-alone basis

Integration plan – indicative timelines



Intended integration plan - "one company, one culture"

Continuity and stability of service towards customers is priority

Phase 1	Phase 2	Phase 3
First 6 months	→ Max 4 years	

• Legal merger of HoldCo's
• Plans per business line
  • Detailed TOM
  • Commercial plan
  • Multi-year budget
  • Tailored integration plan
• Joint integration teams
	• Merge operating activities
	• Harmonise reporting formats, governance and processes
	• Integrate 2nd and 3rd line functions
		• Decommission redundant system/data warehouses
		• Secure archiving of data and other integration completion steps
		• Ensuring legacy customers continue to be well served

Key transaction terms

Scope	▪ All insurance activities of Aegon NL (Life, Pensions, Non-life), mortgage-origination, distribution and the banking activities ▪ Aegon Asset Management NL retained for a period of 10 years for selected portfolios. a.s.r. will transfer the 3rd party mortgage and illiquid funds to Aegon. Aegon will retain the management of asset related to Aegon's IORP, Pensions DC and the Unit-linked portfolios. a.s.r. will manage all other asset categories relating to affiliate and general account assets.
Total consideration	▪ 57.4m newly issued ordinary shares (equivalent to a 29.99% stake in enlarged a.s.r.), valued at € 2.4bn[1] ▪ € 2.5bn cash payment
Financing	▪ Cash component to be financed through a combination of available surplus capital, Solvency 2 compliant instruments and/or new shares within the existing authorisation[2] ▪ Fully underwritten bridge facility provided by UBS
Aegon partnership	▪ Temporary rights to support integration, including a 5-year standstill where Aegon is precluded from exceeding 29.99% ▪ Customary standstill for Aegon's equity stake in a.s.r. and a 180-day lock-up which may be waived by a.s.r. and is subject to a limited exception.
Governance	▪ a.s.r. Executive Board unchanged with existing responsibilities, CEO term extended to AGM 2026, overseeing integration ▪ a.s.r. Supervisory Board to be expanded from 5 to 7 members (Aegon to nominate 2 members, of which one independent and a woman)
Timeline	▪ EGM to be held 18 January 2023 ▪ Regulatory approvals expected in 2023

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2 In case of funding through new shares (up to 10% of share capital, within the existing authorisation), number of shares issued to Aegon to increase to maintain Aegon's stake at 29.99% post equity raising, compensated by a corresponding reduction in cash consideration

Wrap-up

- Compelling in-market business combination, offers unique opportunity for significant cost synergies
- Reinforcing a.s.r.'s overall #2 position in the Dutch market[1]
- Value enhancing transaction, reflecting financial discipline
- Sustainable and robust capital structure retained
- Accelerated adoption of PIM[2] across the group in coming years
- Leverages a.s.r.'s proven integration capabilities

1 Based on DNB data 2021, excluding Health insurance
2 Implementation of a PIM is subject to regulatory approval

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