Annual Report 2022

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

Annual Report 2022

Contents

This document is the PDF/printed version of the 2022 Annual Report of a.s.r. and has been prepared for ease of use and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The 2022 Annual Report was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act ('Wet op financieel toezicht'), and was filed with Netherlands Authority for the Financial Markets in European single electronic reporting format (the ESEF package). The ESEF package is available on www.asrnl.com and includes a human readable XHMTL version of the 2022 Annual Report. In any case of discrepancies between this PDF version and the ESEF package, the latter prevails.

At a glance

Market position

#2

2021: #3

Customer base
(in € million)

2.8

Employees
(in FTEs)

4,313

2021: 4,155

Market capitalisation
(in € billion)

6.6

2021: 5.5

Net Promoter Score (NPS-r)
(-100 to 100)

< market average

2021: < market average

Carbon footprint own assets
(% reduction compared to baseline)

65

2021: 56

Impact investments
(in € billion)

2.8

2021: 2.5

Employee engagement
(percentile)

88

2021: 91

Sustainable reputation
(in %)

37

2021: 36

Multi-brand strategy

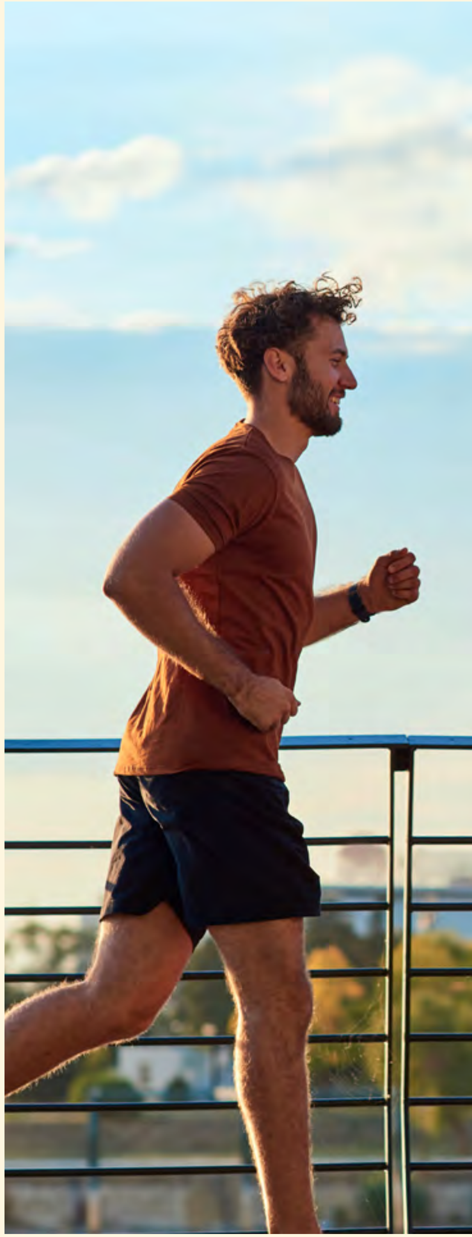
a.s.r.

ardanta uitvaartverzekeringen
een merk van a.s.r.

Ditzo
een merk van a.s.r.

Loyalis
een merk van a.s.r.

europeesche verzekeringen
een merk van a.s.r.



Gross written premiums
(in € million)

6,041 ↑

2021: **5,859**

Combined ratio P&C and Disability
(in %)

IFRS net result
(in € million)

733 ↓

2021: **942**

Operating result
(in € million)

1,039 ↑

2021: **1,009**

Total equity
(in € million)

Total assets
(in € billion)

65.5 ↓

2021: **75.0**

Solvency II ratio
(standard formula, in %)

222 ↑

2021: **196**

Operating return on equity
(in %)

12.8 ↓

2021: **16.1**

Organic capital creation
(in € million)

653 ↑

2021: **594**

Dividend per share
(in €)

2.70 ↑

2021: **2.42**

Share buyback
(in € million)

75 →

2021: **75**

Credit rating
(S&P)

A →

2021: **A**

Overview of 2022

January

Ambitious targets for 2022-2024 effective.

February

Full-year 2021 results: a.s.r. delivers strong result for 2021 driven by higher performance in all segments.

During February storms, a.s.r. offered security and stability to customers experiencing siginificant damages to their property and household effects.

March

a.s.r. acquired Sweco Capital Consultants.

April

a.s.r. further commits itself to the energy transition with the acquisition of the Nieuwe Hemweg wind farm and the purchase of the Pesse solar panel farm. This follows the acquisition of part of Princess Ariane wind farm in December 2023.

May

a.s.r. shareholders approve all resolutions at the AGM, and a.s.r. completes it share buyback programme of € 75 million.

June

a.s.r. executes its private debt strategy with the acquisition of a private loans portfolio from NIBC of € 250 million.

August

Resilient a.s.r. delivers strong result over first half of 2022 driven by strong performance in all segments.

a.s.r. has developed a Green Finance Framework to finance investments in sustainable projects, such as renewable energy, energy efficiency, green buildings and clean transportation.

October

a.s.r. and Aegon reached a conditional agreement on a business combination to create a leading insurer in the Netherlands.

a.s.r. successfully raises approximately € 593.6 million through an accelerated bookbuild offering.

a.s.r. & AEGON

November

BPL Pensioen and DELA to invest € 310 million in ASR Dutch Farmland Fund.

a.s.r. acquires wind farm Strekdammen. This is the fourth wind farm a.s.r. acquires.

a.s.r. issues € 1 billion subordinated Tier 2 capital instrument.

December

a.s.r. ranks amongst the most sustainable companies in Europe and worldwide. a.s.r. has again been included in the Dow Jones Sustainability World Index and in the Dow Jones Sustainability Europe Index.

This section describes the anticipated business combination with Aegon Nederland N.V. Other sections of this Annual Report covers ASR Nederland N.V. and its subsidiaries for reporting year 2022.

On 27 October 2022, ASR Nederland N.V. (a.s.r.) announced that it reached a conditional agreement with Aegon N.V. on a business combination (hereafter "transaction") with Aegon Nederland N.V. to create a leading insurer in the Netherlands. The transaction covers all insurance activities, including mortgage-origination and servicing operations, the distribution and services entities and the banking business of Aegon Nederland N.V. In practical terms, this means that the pension, mortgage, non-life and income activities, Knab bank, the pension administrator TKP and the service providers Nedasco and Robidus will become part of a.s.r. Two inherently Dutch insurers will thus merge to create a new combination on the Dutch insurance market with leading positions in a number of key markets. This move ties in with a.s.r.'s strategy to strengthen its position in the Dutch market. It will contribute to the further growth and expansion of a.s.r.

The transaction will be concluded once the necessary approvals have been obtained from the regulatory authorities. The closing will take place on 1 July 2023 at the earliest. Until then, a.s.r. and Aegon N.V. will continue to operate on the Dutch insurance market as separate companies. In the meantime, plans will be put in place to prepare for the integration. It is expected that this integration will largely be completed three years after the transaction has been concluded. The a.s.r. building in Utrecht will become the new combination's headquarters. To a maximum of three years, the Aegon brand will be used for pensions and mortgages, in addition to a.s.r.'s own brands.

Transaction highlights

The total consideration amounts to € 4.9 billion and comprises: (i) newly issued ordinary shares to Aegon N.V. (29.99% interest in a.s.r. post-transaction); and (ii) a cash consideration of € 2.2 billion. The funding of the cash consideration has been largely secured already through existing surplus capital, the issuance of € 1 billion Solvency II compliant debt instrument (tier 2) and the issuance of new shares for an amount of € 593 million. A fully underwritten bridge facility for the remainder is available.

The organic capital creation (OCC) of the combination is expected to amount to approximately € 1.3 billion by 2025, of which approximately € 600 million from the acquired Aegon businesses, unlevered and including synergies, delivering OCC accretion per share. The dividend step-up will be 12% to € 2.70 per share for 2022, and there will be mid-to-high single digit dividend growth per annum until 2025. a.s.r.'s share buyback programme has been halted. The transaction is expected to deliver a return on invested capital exceeding the hurdle rate of 12% for M&A. a.s.r. expects to maintain a sustainable and robust capital structure post-transaction, while the Solvency II ratio is likely to be around 190% after financing. A strong pro-forma Solvency II balance sheet with ample room for hybrid financing is expected post-closing.

Corporate governance

The composition of the a.s.r. Executive Board will remain unchanged post-transaction, with existing responsibilities maintained. As part of the transaction, Jos Baeten's term will be extended until the Annual General Meeting of 2026 to oversee the integration. He was reappointed during the Extraordinary General Meeting on 17 January 2023. Jos Baeten has been chair of the Executive Board of a.s.r. since 2009.

The a.s.r. Supervisory Board will be expanded upon the successful closing of the transaction. In connection with the transaction, a.s.r. and Aegon N.V. will enter into a relationship agreement providing for, among other things, arrangements with respect to a.s.r.'s governance post-transaction. As part of this, Aegon will be entitled to nominate two additional members to a.s.r.'s Supervisory Board. One member will be female and qualifies as independent. The other member will be the CEO or CFO of Aegon. The two nominees are Mr Lard Friese, CEO of Aegon N.V. and Ms Daniëlle Jansen Heijtmajer. The two nominees to the a.s.r. Supervisory Board were conditionally appointed at the Extraordinary General Meeting of 17 January 2023. The duration of their appointment is linked to Aegon N.V.'s shareholding in a.s.r. The non-independent member has an affirmative vote on certain topics within a.s.r.'s Supervisory Board, in line with the size of Aegon N.V.'s shareholding. Once Aegon N.V.'s shareholding no longer exceeds 20% but remains above 10% of the ordinary shares in the capital of a.s.r., the independent Aegon N.V. nominee will resign and Aegon N.V. will continue to have the right to nominate one member for the a.s.r. Supervisory Board, being the CEO or CFO of Aegon N.V. The right to nominate any a.s.r. Supervisory Board member is terminated once its shareholding in a.s.r. no longer exceeds the 10% threshold. These nomination rights will in any case expire once a period of five years following the closing has passed.

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Message from the CEO

Message from the CEO

'The year will go on record as the year in which we were confronted by major changes: social as well as economic. In view of this, we have had to adapt our existing perceptions to a new reality.' Those were the opening sentences of our 2009 Annual Report. But it could serve just as well as the start of this report. One thing is certain: change is a constant.

In many respects, 2022 was again an exceptional and eventful year. Geopolitical tensions, falling stock markets, rising interest rates and inflation all made their mark on the global economy, while the prominence of the effects of COVID-19 steadily diminished. High inflation, driven by sharply rising energy costs, had a major impact on Dutch households and businesses. The effects were also felt at a.s.r., with higher costs and the need to set aside provisions.

Despite all these developments, we can look back on a good year for a.s.r. It was a year with strong commercial and financial results, a robust capital position and the announcement of the proposed merger with Aegon Nederland.

The proposed merger with Aegon Nederland is an important addition to a.s.r.'s rich history. The preparations for the merger are on track. The request for a Certificate of No Objection has been submitted to both the Dutch Central Bank (DNB) and the European Central Bank (ECB). We have also reported the plans for the proposed merger to the *Netherlands Authority* for Consumers and Markets (*ACM*). We look forward to the outcome of these processes with confidence. In the meantime, we are working on the plans for the coming period in working sessions with colleagues from Aegon N.V. and Aegon Nederland. The closing of the transaction will take place no sooner than 1 July 2023, and will be followed by the merger of the employers' entities by 1 October at the earliest. I look forward to being able to meet and work with future colleagues from Aegon Nederland on forming a leading insurer in the Dutch market.

The proposed merger with Aegon Nederland can count on broad support. At two Extraordinary General Meetings of Shareholders, the vast majority of the shareholders of both a.s.r. and Aegon N.V. voted in favour of the acquisition of the shares of Aegon Nederland N.V. by a.s.r and consequently, with the merger of the two companies. We also feel the support at meetings that we hold with investors during road shows. We have also shared our management agenda for the coming years at those meetings. With all the efforts that we will make to implement the merger of Aegon Nederland and a.s.r. well, we are aiming for annual organic growth of between 3% and 5% for the Property and Casualty (P&C) and Disability product lines. We see opportunities in the merger with Aegon Nederland for the buy-out market for Pensions and opportunities for growth in the Pensions DC and the PPI markets. It should be clear that our priority is that our services for customers and financial advisors continue in full, as normal, and that we continue to provide them with the best possible service. On the financial level, the proposed merger with Aegon Nederland offers an opportunity to introduce a partial internal model2 (PIM) for Solvency II for the a.s.r. activities, enabling further capital synergies. We also see opportunities to realise cost synergies by migrating the Aegon Life service books to a.s.r. platforms after the proposed merger. This is something that we have already done successfully in recent years with the acquisitions of various Life portfolios.

To return to 2022, our financial results over the past year were good. Both the operating result and organic capital creation improved, and solvency also increased through a share issue of € 0.6 billion to finance the transaction with Aegon. The various product lines performed strongly. At Non-life, the organic growth of gross written premiums for the P&C and Disability product lines was well above target, at 9.1%, and gross written premiums increased by 3.7%. Gross written premiums for the Life segment were up 3.1%, mainly due to strong premium growth (by 21%) for the Employee Pension (*Werknemers Pensioen*), our successful DC proposition. Revenue for the fee-based elements rose by 5.6%, primarily due to commitments of investors in the real estate funds of a.s.r. real estate, through growth at Dutch ID B.V. in the Distribution and Services segment. Mortgage production fell in comparison with 2021, due to the fall in the refinancing market in response to rising mortgage interest rates. Demand for new home purchases was also lower as a result.

Our strategy is aimed at sustainable value creation for our stakeholders for the long term. We achieved that once again in 2022. Thanks to our good financial results in 2022, we can offer our shareholders prospects of a 12% higher dividend than in 2021. At the same time, our shareholders showed with their almost unanimous support for the merger with Aegon Nederland that they have confidence in the future of a.s.r. I am grateful to our shareholders for that.

Our objective is to be the best financial service provider for our customers. In order to achieve this, we offer a growing number of sustainable products and services and continually work to improve our service. Our Sustainability Mortgage is a good example of this. This product helps a growing number of customers to save on their energy consumption and so to make a contribution to the energy transition needed to reduce our society's CO_2 footprint. Another positive sign is that customers increasingly opt for sustainable damage repair via our network of sustainable repair businesses. This helps to reduce wastage on the way to a circular economy. And in order to enable us to serve customers still better, we encourage them to create personal digital environments where they can arrange their affairs themselves, online. More than half of our customers have now done so. This gives our employees more time for personal contacts on more complex questions.

This is reflected in the net promoter score (NPS-c), which remains high at +50. Improved customer service also led to a sharp fall in the number of complaints in 2022. Unfortunately, all these efforts have not yet led to an increase in the NPS-r. This fell by four points in comparison with 2021, to -11, in line with a fall in the overall insurance market. This is partly explained by reduced consumer confidence as a result of uncertainty relating to high inflation and rising energy prices.

Financial advisers are important partners for a.s.r. We believe in the added value of independent financial advice, as we take the view that an adviser will know a customer's financial situation best and can therefore give the best advice. We are pleased that advisers value our products and services. This is reflected in various distinctions. In the IG&H Performance Monitor, which measures the satisfaction of intermediaries, a.s.r. was awarded the highest score for Income and Pensions and we are in the top three for Property and Casualty (P&C) and Underwriting. a.s.r. also won four nominations in the Adfiz Performance Survey, with gains in the Sustainable Development category.

a.s.r. is among the leading sustainable insurers in Europe. We do everything possible to remain in that group, as we genuinely believe that businesses that do not focus on a sustainable future will lose their licence to operate in the longer term. Shareholders, customers, (future) employees and society as a whole are increasingly taking sustainability aspects into account in their decision-making. This means that we continually seek opportunities to improve our performance on that level. We have translated this into ambitious goals. Our aim was to reduce the CO_2 footprint of our investments by 65% by 2030. We have already reached this target. In 2024, we want to have impact investments of € 4.5 billion on our balance sheet. We have already invested € 2.8 billion for this, including in wind and solar farms and in solutions for energy storage. We have also committed to reducing the CO_2 footprint of our insurance liabilities to net-zero by 2050. One of our objectives is that in 2024, 40% of Dutch citizens will regard a.s.r. as sustainable, socially responsible, transparent and reliable. At year-end 2022, our sustainability reputation stood at 37%. This shows that we are on the right track.

Our employees are the key to our success. They took a positive view of a.s.r. in 2022, reflected in the results of the annual Denison scan, which measures the engagement of employees, and the weekly eMood measurements, which reflect a combination of vitality, job satisfaction and productivity. The annual results of the Denison scan reached 88, above our target of 85, and the average score for the eMood over the year was above 7. These are clear signs for us that our employees are doing well. Our employees are the bearers of our culture,

of how we work together. We see that this culture and our mission are important drivers for working at a.s.r. In a competitive labour market, we are still succeeding in recruiting the right new employees for a.s.r.

We are cautiously positive about the outlook for a.s.r. I expect that we will achieve our targets in 2023 by remaining focused on the implementation of our strategy. In addition, after the closure of the proposed merger with Aegon Nederland, this will be implemented in a disciplined manner, within the set deadlines and in accordance with the agreements. We can only realise this through the continued efforts of all employees and the confidence of our shareholders, customers and intermediaries in a.s.r. I am very grateful for this. At the same time, we do not yet know how the geopolitical situation will develop this year and what the consequences of this will be for us all. One thing is certain: change is a constant.

Jos Baeten
CEO and Chair of the Executive Board

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About a.s.r.

ASR Nederland N.V. (a.s.r.) ranks among the top 2 insurers of the Netherlands. a.s.r. offers products and services in the fields of insurance, pensions and mortgages for consumers, self-employed persons and companies. In addition, a.s.r. is active as an asset manager for third parties.

2.1 The story of a.s.r.

a.s.r. is the Dutch insurance company for all kinds of insurance. a.s.r. exists for more than 300 years and is a leading insurer in the Netherlands. It helps customers insure risks they are unwilling or unable to bear themselves, whether this involves damage to a car, house or contents, medical expenses, a funeral or paying income when someone is temporarily unable to work. In addition, a.s.r. offers mortgages, invests for third parties and helps customers build up pensions and manage their assets. Customers of a.s.r. are individuals, self-employed persons and corporate clients, both small- and medium-sized enterprises (SMEs).

Purpose

a.s.r. helps customers to share risks and accumulate capital for later. The sustainable solutions that a.s.r. offers take into account the interests of people, the environment, society and future generations.

Strategy

a.s.r.'s strategy has four key principles:

- a.s.r. aims to be the best financial service provider for customers. a.s.r. clearly understands customers' requirements and responds to these with preferred products and services. In distribution, a.s.r. maintains its strong partnership with the independent advisors.
- a.s.r. shows excellence in pricing, underwriting and claims management. This leads to attractive premiums for sustainable products and services, the ability to assess risks accurately and to fast, clear and simple communications with customers.
- a.s.r. is cost-effective. Everyone at a.s.r. continually monitors whether work can be performed in smarter, more efficient ways at lower costs. This is embedded in the business operations. Cost savings are not an objective in themselves, but dealing responsibly with the available resources is important.
- a.s.r. has a solid financial framework. a.s.r. is a multi-line insurer with a robust solvency and profitable activities that generate capital. The solid capital base enables a.s.r. to meet long-term commitments, offer shareholders prospects of attractive returns and to grow, both organically and via selective acquisitions.

a.s.r. is ambitious and sees plenty of opportunities in the coming years to strengthen its position and grow further in P&C, Pensions, Disability, Asset Management and in Distribution and Services. In addition to organic growth, a.s.r. continues to look for opportunities to grow through targeted acquisitions.

Sustainable value creation

As a committed insurer, a.s.r. wants to contribute to solving social issues. There are three areas in which a.s.r. believes it has the most impact and where it can potentially create the most value for its stakeholders: i) financial self-reliance and inclusiveness, ii) vitality and (sustainable) employability, and iii) climate change and the energy transition.

Financial self-reliance and inclusiveness

a.s.r. works to help customers gain insight into their financial situation and make conscious financial decisions. Their financial self-reliance and risk awareness improve as a result, and they become better able to take financial decisions and to realise their financial objectives. a.s.r. operates on the basis of inclusivity and solidarity. Everyone has equal rights to equal opportunities. a.s.r. therefore has suitable products and services for all target groups.

Vitality and sustainable employability

There is growing attention for sustainable employability and vitality, prompted partly by social trends and challenges such as the retirement age, healthcare costs and life expectancy. a.s.r. contributes towards the prevention of illness, reducing absenteeism and disability and the promotion of sustainable employability. a.s.r. wants its employees and customers to remain sustainably employable and encourages them to take control of their careers.

Climate change and the energy transition

a.s.r. contributes to reduction of CO_2-eq emissions and keeping the burden on the environment as low as possible through sustainable investment of premiums, opting for impact investments that contribute to the energy transition, offering customers sustainable products and services and encouraging them to opt for sustainable repair in the event of damage. In its own business operations, a.s.r. makes use of clean energy sources to keep its impact on the climate as low as possible. a.s.r.'s investment policy also helps to reduce CO_2-eq emissions. With its fossil fuel exit strategy, a.s.r. aims to realise a real world decarbonisation impact as opposed to 'simply' decarbonising the balance sheet.

300 years a.s.r.

1720

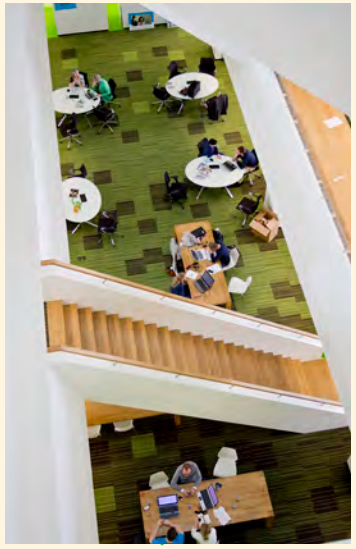
Founding of NV maatschappij van Assurantie, Discontering en Beleening der Stad Rotterdam Anno 1720.

2000

ASR Groep and Fortis AMEV merge under name of Fortis ASR.

2008-2015

Rebuilding a.s.r. and creating the foundation for the ambition of becoming the best financial services provider in the Netherlands.



2016

Successful IPO of a.s.r. and the opening of sustainably renovated Utrecht office.

2020

300 years a.s.r.

2022

Announcement planned Business Combination with Aegon Nederland N.V.

2.2 Business portfolio

a.s.r. operates solely in the Dutch market. The five biggest insurers (Achmea, Aegon, a.s.r., Athora and NN Group) hold a joint share of 76% (2020: 75%) of this mature market, based on the gross written premiums (GWP) in 2021[1]. In 2021, a.s.r.'s market share amounted to 17.1% (2020: 16.6%) of the insurance market excluding health insurance.

The organisation of a.s.r. consists of five business segments. All insurance activities are represented in the Life and Non-life segments. In addition to life insurance, the Life segment includes the product lines pensions and funeral insurance. The Non-life segment covers traditional non-life, income protection and medical insurance as product lines. The remainder of a.s.r.'s business segments are Asset Management, Distribution and Services, and Holding and Other.

a.s.r. has divided its business portfolio into three categories:
1. Business domains in Non-life with stable cash flow and growth potential;
2. Fee-based business with growth potential;
3. Robust and predictable service books, with a substantial contribution to the profitability of a.s.r.

2.2.1 Business domains in Non-life with stable cash flow and growth potential

In the Non-life segment, a.s.r. focuses on continuous growth, both organically and inorganically, and on retaining a strong combined ratio through excellence in pricing, underwriting and claims management.

The ability for creating value and growing profitably in Non-life is underpinned by the following capabilities of a.s.r.:

- Insurance expertise, i.e. its underwriting skills, acceptance, risk selection and pricing, supported by advanced data analytics capabilities;
- Excellent claims management, disciplined (insourced) claims handling and limited volatility in large claims ratio due to risk appetite and reinsurance;
- Leading position in the intermediary channel and its in-house distributors and service providers;
- Organic growth with a strong combined ratio (COR);
- Scalable and cost effective operations with a single Information Technology (IT) platform per business line.

Property & Casualty
a.s.r. has a top-3 position in the Dutch Property & Casualty (P&C) market, predominantly in car and fire insurance. In P&C, a.s.r. expects to gain market share at the targeted COR, with a particular focus on the SME market. Expansion in P&C through inorganic growth is also pursued when opportunities arise. Its cost-efficient operations strenghtens a.s.r.'s profitable top-3 position. The distribution partners play an important role in achieving organic growth.

Disability
a.s.r. has a leading position in disability insurance. It has an extensive range of products and services focusing on sustainable employability and on preventing and reducing absenteeism. A large network of specialist intermediaries and in-house service teams with extensive knowledge of the disability insurance market help clients meeting their specific needs. Prevention, treatment and reintegration services assist employers, employees and self-employed individuals with sustainable employability. For example, a.s.r.'s science-based behaviour change programme (a.s.r. Vitality) helps to improve customers' health well-being.

Health
a.s.r. offers basic medical insurance under the Nederlandse Zorgverzekeringswet (Dutch Health Insurance Act) in combination with supplementary medical insurance and long-term medical care cover. In 2022, a.s.r. was the sixth largest provider of medical insurance on the Dutch market, measured by number of customers.

By shifting the focus from reactive to preventive service provision, a.s.r. supports customers to manage their health more effectively and to reduce medical costs.

1 Source: Market shares DNB 2021. Market shares in 2022 were not available at the time of the publication of this Annual Report.

2.2.2 Fee-based business with growth potential

Growth of fee-based business, such as defined contribution (DC) pension, Asset Management, and Distribution and Services business, is a key part of a.s.r.'s strategy. a.s.r. aims to increase its fee-based operating result through organic growth, realising further cost efficiencies and through selective M&A opportunities.

Pension DC
a.s.r. helps customers to create financial security for later in life and provides various options for building up a pension via various propositions. a.s.r. does so by means of:

- The Werknemerspensioen (employee pension), life-cycle solutions for SMEs and large-cap companies.
- Pension accrual via the Institutions for Occupational Retirement Provision (IORP).
- ASR Vooruit, wealth accumulation to attain financial goals.

a.s.r. is well-positioned to take advantage of the growth opportunities. These arise from the new pension reform in the Netherlands, the switch to a new IT system facilitating the transition to the new pension system, and a diversified pension proposition that serves the entire market, including the flexible DC proposition and the fixed and variable Direct Ingaand Pensioen (DIP). a.s.r. also has access to a powerful, intermediary distribution platform and wide experience in activation and helping customers make choices.

Asset Management
As well as managing its investment portolio for own account, a.s.r. offers unique investment propositions for third party clients, in which it has extensive experience and expertise:

- Growth through affiliated pension business with lifecycle solutions and via best in class Environmental, Social and Governance (ESG)-driven asset management solutions.
- Illiquid asset classes offered via funds and mandates.
- Proprietary mortgage production, serviced in a cost-effective manner.
- Opportunities for institutional investors in commercial, retail, residential and rural properties via real estate funds.

a.s.r. pursues a buy and build strategy in order to add scale, specific knowledge and services to its asset management business for third parties. In May 2022, the acquisition of Sweco Capital Consultants was completed. With the acquisition, a.s.r. strengthens its position in real estate and infrastructure investments. This development reflects the ambition of a.s.r. to grow into a full-service real estate asset manager.

Distribution and Services
With effect from 1 January 2022, a new top holding company Distribution and Services (D&S) is established. Responsibility for the distribution and service entities lies with this holding company. All companies under this top holding are responsible for developing a centralised strategy and promoting cooperation and synergy between the businesses that form part of the holding. These companies will retain their own identities and organisational structure and will continue to operate independently of a.s.r. The participating companies of a.s.r. in the distribution and service market are Van Kampen Groep (VKG), ANAC, Dutch ID (Boval, Felison), Supergarant and PoliService.

a.s.r. will use this centralised strategy to achieve the following:

- A bigger market share and customer reach, managing value chain and financial benefits, such as exploiting benefits of scale, capital-light profitable growth and expanding and securing the a.s.r. portfolio.
- Integrated management of the administration and services to generate synergy benefits, guaranteeing focus on local customers and target groups
- Accelerating inorganic growth in the rapidly consolidating market through dedicated M&A and integration teams;
- Creating a link between distributors and the insurer based on optimum cooperation, in which the entrepreneurial spirit of the distribution companies is preserved.

Throughout 2022, as part of this new central distribution and services strategy, various acquisitions and participations were concluded, such as Van Helvoort Assuradeuren B.V., Libro B.V. and Correct Verzekerd.

2.2.3 Robust and predictable service books, with a substantial contribution to the profitability of a.s.r.

The books that a.s.r. manages as service books are individual life, defined benefit (DB) pension books and funeral. New business has reduced over time, mainly due to the low interest rate environment, changes in the Dutch tax regime and a.s.r.'s value over volume strategic principle.

a.s.r.'s profitability in this segment has its origin in low and variable cost operations, in migration and conversion skills of books of business and in the optimisation of Solvency II capital and investment returns. The focus is on further rationalisation of products, migration of IT platforms, cost efficiency and generating a stable operating result.

Opportunities within service books are:

- Consolidation of funeral books;
- Consolidation in individual life;
- Benefits that may be achieved by leveraging a.s.r.'s operational efficiency in the segment.

Individual life

Most of the products within Individual life are no longer actively sold. Organic growth is in term life insurance, the sole Individual life proposition actively sold, which consists of traditional life insurance policies providing death benefits payments without a savings or investment feature. a.s.r.'s term life products are mainly sold in combination with mortgage loans or investment accounts.

Pensions DB

a.s.r. is a major provider of pensions in the Netherlands. Although the growing DC proposition is now the largest part of new business, the DB product still forms a large part of the existing pension portfolio.

a.s.r. manages its DB pension portfolio as a service book, with a focus on the further optimisation of processes and cost-efficiency. a.s.r.'s DB pension portfolio provides strategic growth opportunities following the introduction of the new pension system in the Netherlands.

Funeral

a.s.r. offers funeral insurance under the Ardanta brand. a.s.r. is the biggest funeral insurer in the Netherlands, based on portfolio size. a.s.r. continues to focus on capital generation and the further strengthening of its competitive position. Efficient operations, reflected in the costs per policy, form an important driver for this.

2.3 Key trends impacting a.s.r.'s operations

During 2022, various developments and trends impacted the insurance sector in the Netherlands, such as rising inflation and interest rates, as well as the normalisation of claims patterns following the abolition of government measures to control the spread of COVID-19 and changing legislation and regulations.

Global challenges and developments, such as climate change, IT and cyber security, geopolitical instability, human rights, and biodiversity remained the focus of attention. a.s.r. monitors these trends and developments to benefit from opportunities that arise. a.s.r. also aims to limit risks for its businesses arising from those trends.

The identified market trends lead to several key focus items for a.s.r.'s medium-term business strategy for 2022-2024.

Generic

- Volatile interest rate environment.
- Rising inflation.
- IT and cyber risk.
- Ongoing financial (i.e. IFRS and Solvency), business (i.e. commission transparency) and ESG regulations (i.e. CSRD and EU Taxonomy).
- Transition to a sustainable economy with an increasing focus on the ESG profile of companies by investors and consumers.
- Geopolitical instability.
- Focus on integration of acquired businesses.

Non-life

- Rise in self-employment combined with underinsurance.
- Innovative technologies changing the P&C market.
- Shifting insurance risks (i.e. cyber and climate change) and needs.
- Sustainable repair.

Life

- New pension deal entails a shift from DB to DC, providing enhanced insights in individual pensions.
- Need for insights into individual financial prospects due to social and economic uncertainties.
- Gradual run-off of individual life book.
- Ageing population & high life expectancy.

Distribution

- Ongoing market consolidation.
- Transition from independent to mandated agents continues.
- COVID-19 accelerated the shift towards digital channels.

Key trends

Key focus items medium-term business strategy 2022-2024

- Enhance investment income and optimise capital position and financial flexibility.
- Continue to find and execute opportunities to grow, both organically and via selective acquisitions.
- Execute on sustainability strategy to create sustainable value for all stakeholders.
- Pursue growth in P&C and Disability, maintaining best in class combined ratio / underwriting performance.
- Expanding fee-based businesses in asset management, partially driven by Pension DC as well as an increase in fee-based business from Distribution and Services.
- Optimise value from Life back books and maintain best in class operator.
- Enhance customer experience by delivering digital services.
- Expand role in value chain enabled by strong relationships within the intermediary channel.

2.4 Value creation model

Input

Financial capital
- Total equity
- Gross written premiums
- Assets under Management

Manufactured capital
- Best in class operator
- Proven IT integration skills

Human and intellectual capital
- Expertise in pricing, underwriting, claims management, and asset management
- Experienced, engaged and diverse workforce
- Training and development programs

Social and relationship capital
- Loyal and high-quality intermediary network
- Strong brand and reputation
- Partnerships and sector initiatives

Natural capital
- Paris Agreement
- Biodiversity Pledge

Creating value for our stakeholders
Group and segment performance

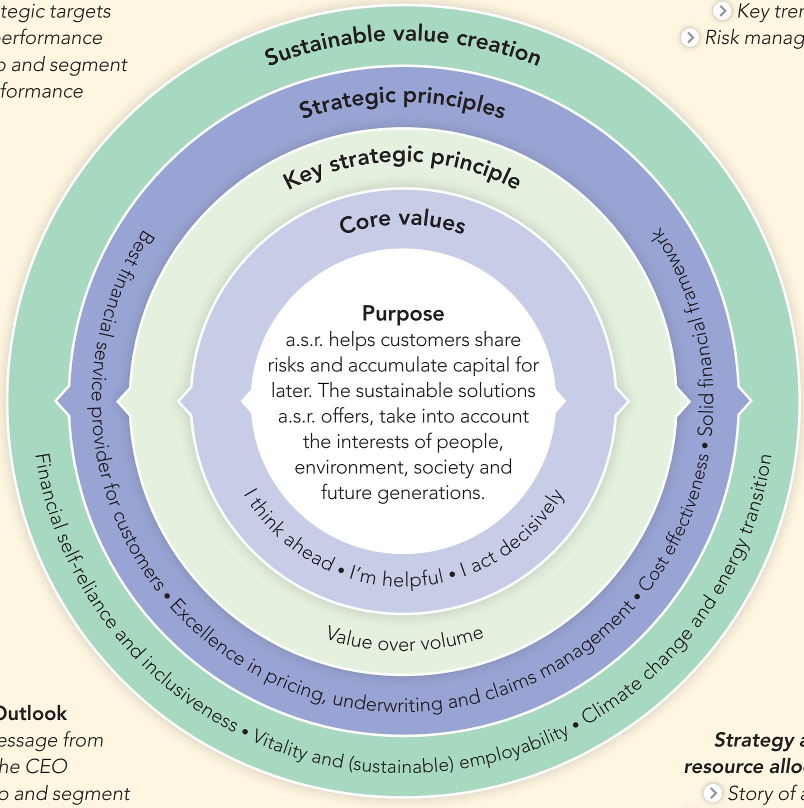
Business activities

Non-life | Life | Asset Management | Distribution and Services

Business portfolio *Group and segment performance*

Performance
Strategic targets and performance
Group and segment performance

Risks and opportunities
Key trends
Risk management



Outlook
Message from the CEO
Group and segment performance

Strategy and resource allocation
Story of a.s.r.
Business portfolio

Outputs

Claim payments

Solvency

Employee engagement

Customer satisfaction (NPS)

Skilled workforce

CO_2-eq reduction of investments for own account

Impact investing

Sustainable reputation

Strategic targets and results

Outcomes

Financial capital
- Correct and smooth claim handling and payment to customers
- Progressively growing annual dividend per share
- Fair tax payments
- Facilitator of entrepreneurship

Manufactured capital
- Accessibility for a.s.r.'s customers by up-to-date digital customer solutions

Human and intellectual capital
- Equal remuneration
- Healthy and vital workforce
- Focus on sustainable employability

Social and relationship capital
- Increasing client satisfaction
- Contribution to financial security and self-reliance

Natural capital
- Paris-aligned portfolio
- Facilitator of the energy transition
- Active contributor to and pioneer in the challenging field of biodiversity

Sustainable value creation
Business performance

2.5 Strategic targets and performance

On 7 December 2021, a.s.r. held an Investor Update (IU) to inform the investor community on its strategy and also announced new targets for the 2022-2024 period. These targets are divided into group and business targets and financial and non-financial targets. The targets for operating return on equity (ROE), combined ratio (COR), Non-life organic growth, Life operating result, Life operating expenses, and fee-based business operating result will be impacted by the implementation of IFRS 17. A review of the impact on the targets is due in 2023.

The strategic targets discussed in this chapter are as presented at the IU. They will be revised in due course to reflect the impact of the business combination with Aegon Nederland N.V., which was announced on 27 October 2022. As part of the announcement, a.s.r. provided a target for organic capital creation (OCC) by the combined businesses. a.s.r. expects the OCC to amount to approximately € 1.3 billion, three years after the closing of the transaction. The transaction is expected to be completed on 1 July 2023 the earliest.

Strategic targets 2022-2024

a.s.r. has ambitious targets, positioning itself for profitable growth. In the first half of 2022, the Dutch government abolished the various social distancing measures aimed at containing the spreading of the COVID-19 virus. As a result, a.s.r has experienced a normalisation of claims in Non-life.

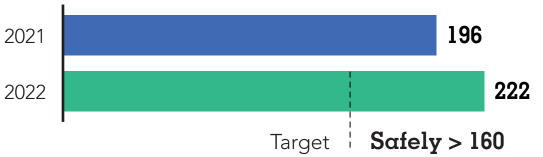
Group targets

A strong capital position remains very important to a.s.r. and it will therefore continue to target a Solvency II ratio safely above 160% (based on the standard formula).

A strong capital position enables a.s.r. to deploy capital for entrepreneurial purposes, absorb certain financial shocks, pay cash dividends and offer an additional capital return. In line with its policy, a.s.r. has halted its share buyback programme (SBB) due to the combination with Aegon Nederland N.V.

Solvency II

(standard formula, in %)



The Solvency II ratio (after the proposed full-year dividend) increased by 26%-points to 222% (2021: 196%) and was well above the target of 'safely above' 160%. This increase is in part due to the equity placement to fund the cash consideration relating to the combination with Aegon Nederland N.V., which is expected to be paid in 2023.

Organic capital creation

(in € million)

a.s.r. has also set a cumulative target for OCC for the 2022-2024 period. It aims to achieve a cumulative OCC of € 1.7-1.8 billion for the plan period. The OCC in 2022 amounted to € 653 million (2021: € 594 million). a.s.r. is well on track to achieve its cumulative target.

Operating return on equity

(in %)

As a rational and economical allocator of capital, a.s.r. has set a target range for the return on the equity deployed in its businesses. A target range for operating ROE is set at 12-14%. The operating ROE over 2022 was 12.8% (2021: 16.1%).

Progressive dividend

(in € per share)

a.s.r. had amended its dividend policy effectively as from 2022, offering its shareholders a progressive dividend going forward. Given the confidence a.s.r. has in its ability to successfully integrate the Aegon Nederland N.V. business, it has decided to propose a dividend per share of € 2.70 for 2022, which is a 12% step-up compared to the previous year, and a.s.r. has also raised its ambition to offer its shareholders a progressive dividend growing annually mid-to-high-single digit until 2025.

NPS-r

(score, -100 to 100)

Customers are at the heart of a.s.r.'s purpose and its strategy is designed to meet their needs. a.s.r. closely monitors customer and advisor satisfaction by continuously measuring feedback, through the Net Promoter Score (NPS-r). The NPS-r score on a consolidated a.s.r. level is compared to the market average. Driven by the ambition to be the best financial service provider, the target aims to achieve an NPS-r by 2024 which is higher than the market average. The NPS-r is an analysis of the customer relationship; this extends the previous methodology of the NPS-c, which only measured customer satisfaction during contact moments. Product lines continue to report on NPS-c, refer to chapter 4 for the NPS-c scores of each product line. In 2022, the NPS-r decreased and remained below market average. The decrease is in line with the decline recorded in the overall insurance market in the Netherlands, and the gap between a.s.r. and the market average has remained stable.

Emission reduction investments

(own account, in % compared to base year 2015)

a.s.r.'s target is to reduce the carbon footprint (scope 3) for investments for own account by 65% by 2030 (base year: 2015). This ambitious reduction applies to a.s.r.'s own investment portfolio and builds on the previous target to measure the carbon footprint for 95% of the investment portfolio. With this target, a.s.r. contributes to the targets of the Paris Agreement for reducing global temperature increase to a maximum of 1.5°C. In 2022, a.s.r.'s reduction stood at 65% and it is well on track to meet its 2030 target.

Impact investments

(for own account, in € billion)

The cumulative target for Impact investments is to have at least € 4.5 billion of impact investments on the balance sheet by 2024. Impact investments are investments that seek to generate positive, measurable, social and/or environmental impacts in addition to financial returns. A definition of impact has been determined for every asset class, and special focus is given to themes such as energy transition, health and environment. These definitions are included in chapter 7.8. This target applies to Asset Management, a.s.r. real estate (Real estate) and Mortgages combined. The total amount of impact investments in 2022 rose to € 2.8 billion (2021: € 2.5 billion).

Employee engagement

(in percentile)

A high level of employee engagement is important for achieving the company's targets. a.s.r. wants to be an attractive employer. The target is to achieve an employee engagement score of over 85 (percentile) each year to 2024. This target covers employees of ASR Nederland N.V., including external employees and excluding those of its subsidiaries. In 2022, the employee engagement score was 88 (2021: 91).

Sustainable reputation

(in %)

a.s.r.'s sustainable reputation is crucial for its strategy and positioning. Sustainability, transparency, reliability and corporate social responsibility are the four key underlying topics for the indicator. This indicator reflects a.s.r.'s sustainable reputation among the Dutch population. The target is to attain over 40% by 2024. In 2022, a.s.r.'s sustainable reputation was 37% (2021: 36%).

Business targets

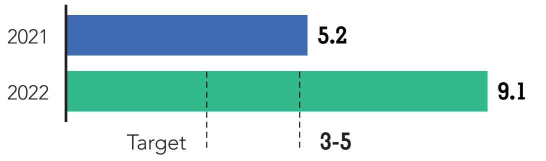
Combined ratio P&C and Disability

(in %)

a.s.r. aims to continue its competitive and leadership position in managing profitability in P&C and Disability. Based on its strong performance in recent years, a.s.r. has improved its target to achieve a COR in the range of 93-95%. This range allows a.s.r. to absorb a certain number of calamities, such as major fires and heavy storms. a.s.r. expects that in a regular year, it can deliver a COR of < 95%. The COR for P&C and Disability combined amounted to 91.7% for 2022 (2021: 91.8%), which is better than the target range.

GWP P&C and Disability annual organic growth

(in %)



In pursuing profitable growth, a.s.r. will however not forfeit its key strategic principle of value over volume. Reflecting a.s.r.'s continued ambition for profitable growth is its target of GWP growth for P&C and Disability combined. a.s.r. aims to grow this organically by 3-5% per annum while remaining within the targeted COR range. In 2022, the annual organic growth in P&C and Disability combined amounted to 9.1% (2021: 5.2%).

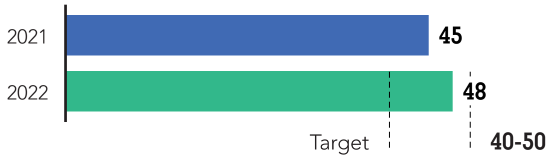
Life operating result

(in € million)

a.s.r. aims to keep its operating result in Life at least at € 700 million per annum for the period 2022-2024. The operating result for the Life segment amounted to € 768 million in 2022 (2021: € 763 million), well in excess of the target.

Life operating expenses

(in bps)



a.s.r. has also sharpened its ambitions for the Life operating expenses and aims to manage these within the range of 40-50 bps. The operating expenses in relation to the basic Life provision amounted to 48 basis points (bps) in 2022 (2021: 45 bps), within the stated target range.

Combined operating result fee based business

(in € million)

a.s.r.'s fee-generating businesses in the segments Asset Management and Distribution and Services are growing in terms of contributions to operating results. a.s.r. has raised its target for the operating result of these fee-based business to more than € 80 million by 2024. The operating result of the fee based businesses remained stable at € 64 million in 2022 (2021: € 64 million).

2.6 Key stakeholders

a.s.r.'s purpose is to help its customers by sharing risks and accumulating capital for later. a.s.r. serves over 2.8 million customers through a network of approximately 6,000 advisors and online. These advisors are independent financial advisors who advise their clients in the field of insurance, mortgages and pensions. Their specific knowledge of the local market is valuable for a.s.r. and its customers. In creating sustainable value, it is essential to maintain an ongoing dialogue with stakeholders regarding trends, developments and the strategy and activities of a.s.r.

a.s.r. believes that through its business operations, it can contribute to solving societal issues within its sphere of influence, taking sustainable value as its starting point. a.s.r. wants to create as much of a positive impact as possible and to reduce its negative impact wherever it can. As a company, it feels it is important to set an example, to help society to become more sustainable.

Key stakeholder groups

a.s.r.'s key stakeholder groups are customers, employees, investors and society.

Customers

Customers expect to obtain good value for the premiums they pay. They must be confident that their funds are being managed skilfully and in a socially responsible way, and that a.s.r. is protecting and upholding their rights. Customers must be able to rely on a.s.r. being able to meet its financial obligations, now and in the future. a.s.r. is committed to delivering a high level of customer service in its product offering in order to sustain strong customer relationships. a.s.r. measures its customer satisfaction through the NPS scores. a.s.r. distributes most of its products and services through independent advisors. They have a broad knowledge of the insurance market, including of products, prices and providers, and an acute sense of the needs of insurance purchasers. Their specific knowledge and experience of local markets and customers is invaluable for a.s.r. In 2022, a.s.r. initiated the What action can achieve online

Delivering sustainable value for all stakeholders

Customers

Becoming the best financial service provider
- Products and services that meet sustainability needs of clients
- Products and services with better than average market NPS
- Leveraging on strong franchise with intermediary channel
- Strong financial solidity

Employees

Creating a vital and futureproof workforce
- Reliable employer with long-term continuity
- Focus on inclusion and diversity
- Sustainable employability and responsible remuneration

Investors

Being a responsible investor and informing the investor community
- Long-term value creation
- Strong track record in capital allocation
- Robust Solvency II position and ample financial flexibility

Society

Operating as a trusted company
- Financial self-reliance and inclusiveness
- Vitality and (sustainable) employability
- Climate change and energy transition

news bulletin (*Wat doen kan doen journaal*). During this bulletin, customers are invited to share their experiences with a.s.r. A price is awarded to the department with the highest NPS score.

Employees
Employees look for a professional working environment where they can manage themselves, make choices relating to their work and career and enhance their sustainable employability. They want good terms of employment, work that is enjoyable, a good work-life balance, attention for their health and well-being and an appreciation of the contribution they make. a.s.r. encourages and supports employees to develop themselves to enhance their opportunities on the internal and external labour market. They also want to be recognised for who they are and to feel included and at home. a.s.r. aims to achieve a balanced workforce in terms of gender, age, religious conviction, physical and mental capacity, background and sexual orientation.

Investors
Investors rely on a.s.r.'s management to devise and successfully execute the best strategy in order to create long term value. a.s.r. does so with a continued focus on value over volume, maintaining a strong cost discipline, and only concluding mergers and acquisitions (M&A) that tie in well with its strategy. a.s.r. also maintains a strong balance sheet and a robust Solvency II ratio with manageable sensitivities and ample financial flexibility. Investors are also increasingly interested in the social relevance of the companies they invest in. It is important to them that a.s.r. represents the interests of all stakeholders in order to create long-term value and a good return on capital.

Society
As well as the aforementioned stakeholders, a.s.r. has a range of other stakeholders to take account of when doing business, such as civil society organisations, the government, tax and regulatory authorities, trade unions, the media, suppliers, academics, peers and business partners. Depending on the topic and type of relationship involved, expectations and interests may vary from responsible investments, regulatory compliance, helping people to become financially self-reliant, inclusiveness, and constructive cooperation with business partners in different contexts. Overall, these various stakeholders expect a.s.r. to create sustainable and responsible societal value.

Stakeholder consultation

Strategic, constructive and proactive consultations with all stakeholders are of great importance. a.s.r. does this by means of investor roadshows, customer and employee surveys, round table discussions, dialogue and participation in sector initiatives.

One example of stakeholder dialogue is the Council of Action (*Raad van Doen*), an a.s.r. customer and advisor panel which was set up in 2020. The Raad van Doen consists of over 6,000 a.s.r. advisors and customers. It represents both private and business customers, employers and employees and the Ditzo, Ardanta and Loyalis subsidiary brands.

The Raad van Doen gathers feedback on existing products and services and brainstorms on new initiatives. In 2022, it took part in over 60 surveys, including those on needs, prototypes and communication. For example, it examined the way customers expect a.s.r. to deal with the topic of sustainability, and the findings have since been implemented in the product range and two innovations have been tested for viability.

Due to its ambition with regard to digitalisation, My a.s.r. (*Mijn a.s.r.*) has been an important and frequently recurring theme within many of the surveys over the past year. Several parts of Mijn a.s.r. have been reviewed and improved. The organisation has assessed which functionalities customers regard as important and considered ways to persuade more customers to create an online account. Older people have been approached to share their experiences of interacting with the digital domain. Advisors boost the ongoing improvement of a.s.r.'s services and product range by contributing ideas about the online portals they use in their daily work and how they think a.s.r. can better serve its customers.

Please refer to chapter 7.9 for more information on a.s.r.'s stakeholder consultation.

2.7 Material topics and SDGs

a.s.r.'s strategy is aimed at sustainable long-term value creation for all stakeholders. The determination of the material topics is based on a consultation of main stakeholders and on the definitions of materiality drawn up by Global Reporting Initiative (GRI) and Integrated Reporting Council (IIRC). The main stakeholders of a.s.r., customers, employees, investors and society, as well as the consultation method, are described in chapter 2.6, together with an explanation of how stakeholders are included in the determination of material topics for this Annual Report.

The material topics for a.s.r. are presented in the table below. The glossary includes a brief explanation of how a.s.r. has an impact on these topics, as well as their reciprocal impact on a.s.r. (based on the double materiality perspective). All material topics included are deemed relevant based on the results of the materiality analysis, the topics are therefore not prioritised.

The key performance indicators (KPIs), targets and results linked to the topic are also shown with reference to the relevant Sustainable Development Goals (SDGs).

The 17 SDGs represent a global call to action to end poverty, protect the planet and improve political and economic stability globally. a.s.r. has identified six SDGs relating to its integrated business strategy, to which it contributes most as a sustainable and socially engaged insurer, investor and employer. SDGs 1, 3, 7, 8, 13 and 15 are the most closely connected to a.s.r.'s strategy. The Executive Board (EB) and Supervisory Board (SB) are regularly informed of the progress being made on material topics, KPIs and targets. See chapter 5 for more information.

2.7.1 Material topics

Governance material topics

			Relevance for our stakeholders						
	KPI & Target	Result 2022	Customers	Employees	Investors	Society	SDGs	GRI	Chapter reference
Robust financial framework	Solvency II ratio: safely above 160%	**222%**	●	○	●	○		201-1, 201-2	2.5, 3.5, 4.7, 4.9, 6.2, 6.8
	Organic capital creation: cumulative € 1.7 / 1.8 billion	**€ 653 milion**							
	Operating return on equity: 12-14% per annum	**12.8%**							
	Progressive dividend per share	**€ 2.70**							
	Rating S&P: Single A	**A**							

Social material topics

	KPI & Target	Result 2022	Customers	Employees	Investors	Society	SDGs	GRI	Chapter reference
			Relevance for our stakeholders						
Socially responsible investments	100% compliant with a.s.r. SRI policy.	**100%**	●	○	●	○	13 Climate action	201-2, 417-1, 417-2	3.1, 3.2, 3.5
	€ 4.5 billion impact investments (for own account) by 2024.	**€ 2.8 billion**							
Contributing to financial self-reliance	25,000 households supported with their current and / or future financial situation in 2025.	**9,063**	●	○	○	●	1 No poverty	203-1, 203-2, 413-1	3.1, 3.2, 3.5
Supporting vitality	Number of a.s.r. Vitality subscribers: 128,000.	**92,700**	●	●	○	●	3 Good health and well-being	203-2, 403-1, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 403-10	3.3
	Absenteeism rate: below 3.5%.	**4.5%**							
	Nil absenteeism: >60% of total work force.	**50%**							
	At least 25,000 customers participating in health programmes.	**60,000**							
Contributing to (sustainable) employability	Number of a.s.r. Vitality subscribers: 128,000	**92,700**	●	●	○	●	3 Good health and well-being; 8 Decent work and economic growth	203-2, 401-1, 401-3, 403-6, 404-1, 404-2, 404-3	3.3, 7.5
	Vacancies filled internally: at least 40%.	**38%**							
Fostering diversity and inclusion	At least 33% of the Supervisory Board (SB), Executive Board (EB) and senior management to be female or male.	**SB: 40% female, 60% male** **EB: 33% female, 67% male**	○	●	○	○	8 Decent work and economic growth	405-1, 405-2	7.5
	Number of employees through the Participation Desk: 70 in 2026	**44**							
	Top 25% in the Diversity and Inclusion module of Denison until 2024	**75th percentile (top 25%)**							
Meeting customer needs	NPS-r: > market average in the period 2022-2024.	**< market average**	●	○	○	○	-	417-1, 417-2, 417-3	3.1, 3.2, 6.7, 7.5

Environmental material topics

	KPI & Target	Result 2022	Customers	Employees	Investors	Society	SDGs	GRI	Chapter reference
Developing and promoting sustainable products / services	Increase of the percentage of sustainable repair to vehicles and fire damage to property to 85% and 50% respectively, of all repairs in 2025.	**Vehicle: 69%** **Fire: 19%**	●				13 Climate action	201-2, 203-1, 203-2	2.7.2 3.1
	25% of new mortgage customers opt for a form of finance (such as the Verduurzamingshypotheek) to make their homes more sustainable	**23%**							
Mitigating and adapting to the consequences of climate change	Carbon footprint: 65% reduction own account.	**65%**	●		●	●	7 Affordable and clean energy 13 Climate action	201-2, 302-1, 302-2, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5	2.5 3.2
	€ 4.5 billion impact investments (for own account) by 2024.	**2.8 billion**							
	100% of P&C's insurance products as far as they are influenced by climate risks and opportunities to make them more resilient and enhance them with (more) sustainable covers in 2025.	**On target**							
Biodiversity and ecosystem services	In signing the Biodiversity Pledge, a.s.r. has set itself the goal of making an active contribution to cooperation and sharing knowledge, engaging with companies, impact assessment, formulating objectives, and reporting publicly on this no later than 2024.	**On target**				●	15 Life on land	304-2, 304-3, 304-4	3.2 4.9

2.7.2 Contribution to the Sustainable Development Goals

a.s.r. has chosen to focus on six of the 17 Sustainable Development Goals (SDGs). These are the goals to which a.s.r. can contribute with the greatest impact on the stakeholder groups: customers, employees, investors and society.

1 NO POVERTY

a.s.r. believes it is important to contribute to the prevention and resolution of financial problems. a.s.r. does this by proactively offering a solution to customers with payment arrears, and by making an active contribution to their financial self-reliance. By the end of 2025, a.s.r. aims to have helped 25,000 households to improve their current and/or future financial situation. This indicator consists of:

- The number of customers or households with payment arrears or debts that a.s.r. has supported. More information can be found in the chapter 3.1.2.
- The number of customers whose financial self-reliance has improved through the Ik denk vooruit platform. This platform helps customers to make carefully considered financial choices and contributes to more self-reliant individuals.

a.s.r. also supports people through the a.s.r. foundation. First, by teaching and providing support to help people with reading and arithmetic. Second, in teaching people how to deal with money issues and keep their financial records in order.

3 GOOD HEALTH AND WELL-BEING

a.s.r. offers health insurance to everyone who lives and works in the Netherlands. It also contributes to the development of new medicines through impact investments. In addition, a.s.r. works to prevent illness, for example by helping customers and employees improve their health and vitality, through a.s.r. Vitality and various health programmes relating to exercise, sports and sleep. In 2022, over 90,000 customers participated in a.s.r. Vitality. The Disability segment contributes to the sustainable employability of employees by guiding reintegration processes and by offering preventive services to avoid (long-term) sickness, such as the annual prevention check as part of the Absenteeism Relieve Insurance (*Verzuim Ontzorg Verzekering*).

7 AFFORDABLE AND CLEAN ENERGY

a.s.r. wants to make a positive contribution to the energy transition and combating climate change. It does so in various ways, for example through the purchase of wind farms in the Netherlands. It has also improved the sustainability of residential units in recent years, such as insulation and investments in on-site sustainable energy generation. In 2022, 5,479 solar panels were installed on existing homes, shops and offices. a.s.r. also invests in sustainable new housing.

As a mortgage lender, a.s.r. offers the sustainability mortgage as a standard product with an a.s.r. mortgage. This makes it easier for customers to make their homes more sustainable since. The mortgage is covered by a reduced interest rate. The money is available for two years and the customer does not have to pay interest on the unused portion. In 2022, 23% of new mortgage customers added a sustainable component to their mortgage to make their homes more sustainable.

8 DECENT WORK AND ECONOMIC GROWTH

As an employer, a.s.r. contributes to this goal and champions equal opportunities for all regardless of gender, age, religious conviction, physical and mental capacity, background and sexual orientation. a.s.r. has the following targets with regard to diversity, equity and inclusion:

- Promoting diversity in the composition of the workforce through inflow and advancement.
- At least one-third (33%) of the Supervisory Board are women and at least one-third (33%) are men.
- At least one-third (33%) of the Executive Board are women and at least one-third (33%) are men.
- At least one-third (33%) of senior management are women and at least one-third (33%) are men.
- Participation of at least 70 people with limited labour market opportunities by 2026 through the Participation desk.

a.s.r. upholds the principle of equal pay for work of equal value. a.s.r. holds an annual statistical survey on equal pay. The aim of this survey is to ensure that it offers equal opportunities to women and men, devises relevant interventions and stimulates the influx and development of women in particular to ensure an equal ratio between men and women at all organisational layers. Each year, a.s.r. also conducts the Denison scan. This scan highlights cultural aspects that influence the success of a.s.r. It also measures the perception and progress of equal opportunities to women and men in the Diversity and Inclusion module. a.s.r. aims to be among the top 25% of companies in this module and to maintain this position over the next two years.

13 CLIMATE ACTION

The biggest impact on this goal is made through a.s.r.'s investments. a.s.r. has therefore included in its Socially Responsible Investment (SRI) policy criteria on the climate impact of the companies it invests in and has an exit strategy for its investments in fossil fuels. a.s.r. announced the goal of reducing the carbon emissions of its own investment portfolio by 65% by 2030 (compared with 2015). a.s.r. is a member of the Net Zero Asset Managers initiative, a global platform of asset managers committed to decarbonising their investment portfolios and hence contributing to the realisation of the Paris Climate Agreement.

a.s.r. also has an impact on this SDG through its P&C insurance. a.s.r. was one of the first insurers in the Netherlands to expand its buildings and movable property insurance policies to include cover for flooding. As a result, a.s.r. customers were automatically insured against damage caused by flooding due to the failure of a non-primary flood defence. In 2022, a.s.r. launched an improved home insurance policy which covers additional sustainable components and offers additional coverage to replace damage by a more sustainable alternative.

a.s.r. has also joined the Net-Zero Insurance Alliance in order to reduce CO_2-eq emissions in its insurance portfolio. Several leading (re)insurers are working together in this partnership to make their insurance portfolios climate neutral by 2050. The initiative initially includes only the corporate P&C insurance and personal motor insurance portfolios. In 2022, the Alliance developed an accounting standard and a target-setting protocol.

15 LIFE ON LAND

Biodiversity is a theme that is particularly relevant for a.s.r., both positively and negatively, within the investment portfolio. a.s.r. is a signatory to the Finance for Biodiversity Pledge and is also developing biodiversity policies and targets to enable it to report on the positive and negative impact on global biodiversity targets linked to a.s.r.'s investments by 2024 at the latest.

P&C and mortgage products can also make a positive contribution to the living environment by encouraging customers to make their homes and gardens more eco-friendly and by giving them the option of sustainable repair rather than replacement when they submit a claim.

Case
Sustainable farming

‘Farmers inform us about their **business operations and their sustainability vision**’

Left:
William de Wit
Farmer

Right:
Fadyan Pronk
Portfolio manager at a.s.r.

At a.s.r., sustainability is rooted in every part of the business. With the largest privately managed agricultural portfolio in the Netherlands, a.s.r. supports farmers who want to operate more sustainably. Farmers who are using agricultural land owned by ASR Dutch Farmland Fund receive a discount of 5% to 10% on their lease if they manage their land sustainably. Fadyan Pronk, rural real estate portfolio manager at a.s.r., expects that in 2025, sustainable farming will take place on 20% of the almost 37,000 hectares of land leased out by the fund. William de Wit is one of the farmers who manages his land sustainably.

Demand for sustainable farming has grown enormously in recent years. This is less intensive, leads to lower emissions of harmful substances and is better for animal welfare. 'All parties in the chain, from farmers to consumers, are jointly responsible for transition, not just the farmers themselves', Pronk explains. 'This is why we support farmers financially if they make efforts to operate sustainably. They receive a discount on their lease and pay 10% less per year for the first three years and 5% less per year for the remainder of the lease contract.'

In order to be able to claim the sustainability discount, farmers must use 5% of their land to improve the quality of nature and the landscape, for example by planting grass strips rich in herbs, performing meadow bird management or using sustainable fertilisation. De Wit, a dairy farmer from Kockengen in Utrecht province, is one of these sustainable farmers. 'How we treat our land is very important for insects and birds. The way in which we address this means that different species have better chances of survival. For example, we don't mow all our pastures at once, but in phases, so that part of the vegetation remains intact. Insects can then pollinate more flowers and herbs and the meadow birds find shelter here.'

The time of mowing is important. 'We do this as late as possible in the spring', De Wit explains. 'Certain species of birds, such as godwits, lapwings and redshanks, build their nests in the tall grass and hatch their eggs. When we mow, there is always a risk that we will destroy these nests. This is why we have volunteers seek out and mark the nests, so that we can mow around them safely.' The land also includes an area of woodland. 'We do nothing there apart from a little pruning, so that all sorts of animals such as hares and rabbits can also find a home there.'

De Wit's cows also play a role in the sustainable nature management. 'We've calculated that on our land, it's best for two cows per hectare to be outdoors during the grazing season. That means that the cows have plenty of space to move about properly and not all the grass is grazed away and trodden flat, but parts of it keep on growing. That, too, is good for the birds.'

Another requirement for the sustainability discount is taking soil samples and sharing the analyses of these with the Stichting Open bodemindex (Open Soil Index Foundation). 'The foundation, of which a.s.r. was one of the initiators, calculates the status of the soil and water quality on the basis of the analyses', says Pronk. De Wit adds: 'That way, we know where we should and shouldn't put down fertilizer for the best grass growth, and which sort of fertilizer works best.' According to De Wit, spreading rough farmyard manure is a sustainable way of fertilizing the land. 'This is straw mixed with calf manure. It is fairly dry and stays lying on the land, unlike slurry from adult cows from the slurry pit. The use of rough farmyard manure brings up the worms and insects, which then attracts birds.'

If the quality of the soil deteriorates, this does not have immediate consequences for the farmers. 'We don't immediately reduce the sustainability discount', Pronk says. 'But we do open talks in order to find out the possible reasons for the deterioration and how we could improve it.'

In order to share all their plans with a.s.r., De Wit draws up a business plan every five years. This describes the sustainability vision of his business for the upcoming period. The plan is one of the rules of play. Pronk explains: 'We want to know every five years what farmers want to achieve in terms of business operations and their sustainability vision. These plans aren't cast in stone, but form a guideline that we monitor together.'

'For the time being, we do what we do because it works very well for us at present', De Wit says. 'And it also fits with other sustainability initiatives that we have committed to, like the 'On the way to PlanetProof' certificate for our milk.'

Pronk expects that in 2025, sustainable farming will take place on 20% of the 37,000 hectares of land leased by a.s.r. 'At present, 143 farmers are making use of the sustainability discount. In total, they lease almost 3,000 hectares of land. So there is still some way to go in order to realise that 20% target. The good news is that it is likely that farmers who apply sustainability measures on land that they lease from us also do this on the land that they own themselves. So the impact is greater than just the number of hectares owned by the fund.'

3

Sustainable value creation

The overarching principle of our strategy is to add sustainable value for all stakeholders. It is a.s.r.'s ambition to remain among the leading group of sustainable insurers in Europe.

3.1 Becoming the best financial service provider

As a financial service provider, a.s.r. offers clients insurance products that cover risks they cannot or do not want to bear themselves. This includes, for example, disability insurance, pension provisions and funeral insurance. In addition, a.s.r. makes considerable efforts to ensure that customers are financially self-reliant and to avoid default. a.s.r. aims to be a trustworthy partner for its customers and business relations. With the digitisation of customer contacts and business processes, a.s.r. aims for efficient operations in combination with an optimal customer experience. a.s.r. has taken further steps to minimise the number of complaints it gets. a.s.r.'s IT strategy enables the business to execute their current strategies, in terms of both new business opportunities and operational excellence.

3.1.1 Sustainable products and services

a.s.r. is committed to making a positive contribution to a more sustainable society by working to create solutions and playing a leading role in the related financial sector. a.s.r. does so through its investments and by developing sustainable products and services, to aid the transition to an inclusive sustainable society and to minimise negative impacts.

Product Approval & Review Process

The Product Approval & Review Process (PARP) is one of the internal processes for assessing the quality of products and services and their relevance for customers. The PARP ensures that a newly developed or improved product is reviewed before it is offered. It encourages continual improvement based on feedback from customers and advisors, social developments, and current circumstances, such as the impact of inflation and changes in legislation and regulations. The PARP applies to products that a.s.r. actively offers, as well as to inactive products and services that are regularly revised. In accordance with the assessment framework of the AFM and in line with legislation and regulations, a.s.r. set up the PARP tests, which relate to matters including cost efficiency, usability, safety and transparency.

The PARP checks the product against various criteria, including several criteria related to sustainability.

Interests of customers

Products and services are checked against the following criteria:

- Cost-effectiveness. An insurance product is cost-efficient if it is perceived by the designated target group as having a good price-quality ratio;
- Usefulness. A useful insurance product is one that meets the needs of the designated target group in an appropriate way;
- Safety. An insurance product is safe if it delivers what it promises and the possible outcomes are acceptable to the designated target group;
- Comprehensibility. A comprehensible insurance product is one whose quality and suitability can be adequately assessed by the intended target group;
- Ethical data use. The product is assessed against the Ethical Framework for data-driven applications, which is developed in collaboration with the Dutch Association of Insurers (*Verbond van Verzekeraars*).

Interests of society

Products and services are assessed on their positive or negative impact on society. This supplementary assessment was devised in 2021 and refined in 2022 in response to adjustments to the Insurance Distribution Directive (IDD). Product development teams are now asked to consider a product's impact on society and specifically to indicate what sustainability factors might apply to it. The term 'sustainability factors' includes ecological, social and employment aspects, respect for human rights and combatting bribery and corruption. The PARP can also ask further questions concerning identified sustainability factors, and these answers are factored into underwriting decisions.

The sustainability factors of an insurance product are then presented to the distribution channel in a transparent way. This is done, for example, through the distribution chart which details the product's sustainability target group, and the a.s.r. website, on which its sustainability factors are published. For instance, the distributor is given help in advising the customer on their sustainability requirements and preferences and in

ESG risk inventories

5

giving advice that takes account of the target group as described by a.s.r.

In the PARP process, Risk Management, Legal Affairs, Compliance and the Actuarial Function (AF) each assess all product-related financial and non-financial risks for a.s.r.

In 2022, the PARP Committee assessed 9 product adjustments (2021: 9) and 14 reviews (2021: 15) of existing products. Active products are reviewed at least every three years and inactive products are reviewed at least every five years.

Sustainable insurance

a.s.r. has developed a Sustainable Insurance Policy. This sets out how a.s.r. will integrate sustainability into insurance processes, such as underwriting, pricing and product development. This policy was evaluated during 2022. The Sustainable Insurance Policy provides for an inventory of ESG risks when accepting new customers and drawing up new contracts. The aim is to be able to adequately decide whether or not to accept the customer. The ESG risk inventory is an extension of a.s.r.'s Customer Due Diligence policy. Five ESG risk inventories were carried out in 2022 (2021: 3).

In the event of significant or multiple ESG risks, the salesperson or underwriter will escalate the risk inventory to the Underwriting Team, which can then decide whether to refuse a customer on the basis of ESG risks or to accept them under certain conditions (such as an undertaking to limit ESG risks). In 2022 this was done three times.

Throughout the contract period, a.s.r. checks periodically (frequency depending on level of risk) whether the customer matches the risk profile and the pattern of transactions is in line with expectations. Alongside these checks, a.s.r. regularly discusses with customers sustainability in general and ways to limit ESG risks in particular.

As well as discussions with customers, a.s.r. organises meetings for intermediaries and underwriters. These were aimed at transferring knowledge and raising awareness about ESG risks, substantive insurance-related topics, dilemmas, high impact cases and social developments. In 2022, five sessions were organised for intermediaries (2021: 2) and two sessions for underwriters (2021: 1).

In the underwriting process, a.s.r. also encounters potential customers who could have a positive impact on sustainability. a.s.r. has therefore opened a Sustainability desk which advisors can address with questions about new sustainable initiatives and whether they are insurable with a.s.r. This route ensures that such new sustainable initiatives are always discussed and assessed for their insurability. By gaining as much knowledge as possible about risks, a.s.r. wants to make as many new sustainable initiatives as possible insurable.

Pricing policy

Within the framework of its regular pricing policy, a.s.r. focuses on making sustainable product elements insurable and affordable. Sustainability including climate change is therefore explicitly made part of the pricing process. In the risk analysis for the pricing of Non-life products, for example, the impact of climate change on the cost of claims, now and in the future, is taken into account.

Implementation of products and services

a.s.r. integrates sustainability in its operations by working as sustainably as possible. Inspections, for example, are conducted online wherever possible and the amount of printed mail is kept to a minimum. For data-driven applications, use is made of an ethical framework which is adopted in the form of binding self-regulation devised by the Verbond van Verzekeraars. The aim is to ensure that data-intensive processes, products, services and applications which affect the customer take account of ethical criteria such as the customer's autonomy and privacy, the prevention of exclusion and discrimination and the incentivisation and monitoring of the insurability of vulnerable groups or socially relevant activities in society.

3.1.2 Prevention of payment problems

a.s.r. makes considerable efforts to ensure that customers are financially self-reliant. This is consistent with its core values. a.s.r. aims to minimise the number of customer cancellations caused by payment arrears and problems. It also works to prevent situations in which customers face cost-increasing measures. The aim in all cases is to avoid default.

a.s.r. has implemented the Protocol on payment arrears (*Protocol bij betalingsachterstanden*) of the Verbond van Verzekeraars. Within a.s.r., this is a criterion for dealing with customers. A working group shares relevant market information and exchanges examples of successful business practices. This results in better coordination of customer processes and enables a.s.r. to provide a better customer service. In November 2022 a declaration of intent entitled Saving debt arrangements together (*Samen schuldregelingen redden*)' was concluded with the NVVK (Dutch debt counselling organisation) by the Verbond van Verzekeraars. It contained guidelines for ensuring that people who are no longer able to meet their repayments (due to high energy costs) can still qualify to use their debt arrangements.

For some years, a.s.r. has been one of a group of companies who are members of the Schuldeiserscoalitie (creditors' coalition), which works proactively to find solutions for customers with payment arrears. Through its membership of this coalition, a.s.r. shares experiences

Examples of sustainable products and services

Climate change and energy transition

a.s.r. wants to help customers protect themselves from the risks of extreme weather, for example by offering coverage against flooding. a.s.r. also helps customers to become more sustainable. Examples are:

- **Sustainable and circular repairs.** Customers can have damage repaired sustainably by a network of certificated repair companies. Within the 'mobile electronics' coverage, they can opt to have the damaged item repaired instead of replaced. If repair is not possible, items can be handed in and replaced by a refurbished or pre-owned equivalent. This service was developed and launched in 2022. In 2022, 69% of Traffic (*Verkeer*) was repaired sustainably (year target: 65%). The February storms at the beginning of 2022 had a negative impact on the sustainable recovery results in Fire insurance. Because so many damages were reported at the same time, some had to be resolved immediately, which meant that replacement was chosen. 19% was repaired sustainably in 2022;
- **Sustainability mortgage (*Verduurzamingshypotheek*).** Mortgage customers can take out a loan at an extra-low rate of interest to make their homes more sustainable. The loan can only be used to cover energy conservation measures;
- **Sustainable buildings and contents insurance.** a.s.r. extended its residential buildings and contents insurance in 2022. As well as covering solar panels, heat pumps, (mini) wind turbines and electric charging points, there is now an option to make buildings more sustainable following damage. This allows customers to make their homes more sustainable when repairing damage, for example by installing a green rooftop, making gardens more eco-friendly, installing triple glazing or insulating walls or roof spaces.

Financial self-reliance and inclusiveness

a.s.r. wants to help people make carefully considered financial choices in order to prevent them from falling into debt, or to get them out of debt, for example through the following initiatives:

- **I think ahead (*Ik denk vooruit*).** An online tool to help people make carefully considered financial choices.The tool is an accessible way of providing insight into a customer's long-term financial situation and is available for both customers and non-customers;
- **Mortgage for new entrants (*Startershypotheek*).** New entrants to the residential market are given a longer repayment term to make their housing costs more affordable;
- **Funeral insurance for people covered by power of attorney (e.g. individuals with a mental incapacity).** Cover can be organised without unnecessary obstacles and queries relating to health.

Vitality and sustainable employability

a.s.r. is committed to preventing illness, absenteeism and incapacity for work and to encouraging sustainable employability, for example through:

- **a.s.r. Vitality.** A wellbeing programme that encourages customers to make healthier choices;
- ***Doorgaanverzekering.*** An occupational disability insurance with supplementary health cover that gives employers and the self-employed prevention tools to boost the sustainable employability of employees and prevent extended absenteeism, for example through mindfulness courses and personal health checks;
- ***De langer mee AOV.*** An occupational disability policy for self-employed people with physically demanding jobs which includes extra services such as coaching interviews with occupational health experts, personal health checks and advice on retraining.

and learns from the experience of companies in other sectors.

a.s.r. has concluded a membership agreement with the Dutch Debt Relief Route (*Nederlandse Schuldhulproute*; NSR). The NSR is working on a central debt assistance route through various activities. One of these is Geldfit, a national initiative focusing on effective referral to other financial support organisations at a local level. Customers gain reliable insight into their financial situation through a simple online test. This anonymous test offers them targeted help in getting or keeping their finances in order, from debt prevention to debt assistance. The various a.s.r. business units can refer customers to Geldfit if necessary. To date, some 1,800 a.s.r. customers have been referred to Geldfit.

In order to give customers as much help as possible in preventing or resolving repayment problems, employees are trained in recognising financial problems at customers and referring them for advice. These measures are part of the special protocols for collection procedures, aimed at reducing the number of situations in which customers face cost-increasing measures. a.s.r. keeps a watchful eye on the customer's situation.

Dutch Debt Relief Route

In order to reach customers with debt problems more quickly and give them effective assistance, a.s.r. has joined the Dutch Debt Relief Route (*Nederlandse Schuldhulproute*; NSR). This partnership between companies, municipalities, (debt relief) interventions and other partners is designed to make everyone in the Netherlands financially healthy. a.s.r. feels it is important for people to have financial continuity in their lives and to be capable of taking responsible risks and making carefully considered financial choices. a.s.r. wants through various means to prevent people from falling into debt and to help those in debt regain their financial equilibrium, e.g. through the 'Ik denk vooruit' platform, the projects run by the a.s.r. Foundation and a social fund for a.s.r. employees.

A new way to help customers retain or restore their finances is the NSR. If a.s.r. suspects that a customer is experiencing payment problems, it can refer them to this organisation. This is done via a link on a.s.r.'s website, or by including a link or a QR code in letters or emails to the customer. It can also be done by means of a 'mentored referral' by phone, whereby the customer (retail or commercial) can even be directly connected to the NSR. The NSR has the tools to help people become aware of their financial situation and organisations with nationwide coverage that can help them to rectify their finances.

3.1.3 Complaints management

The Complaints Management Team monitors the implementation of a.s.r.'s complaints policy and manages the complaints scheme. Complaints handling itself is decentralised within the organisation. Core principles and objectives of complaints management are:

- a.s.r. is open to complaints, making it easy for customers to submit a complaint;
- a.s.r. communicates its views and the resolution of the complaint in a comprehensible manner;
- a.s.r. wants to learn from complaints.

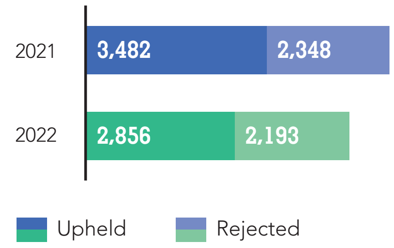
a.s.r. takes the view that complaints handling requires specific knowledge and skills. Which is why complaints officers keep their knowledge and skills up to date through continuous education, whereby they are required to periodically earn points by attending training sessions and courses. Customers give a.s.r.'s complaints handlers an average score of 8.4 on a scale of 1 to 10 (2021: 8.4).

Complaints upheld/rejected

The complaints settled figure show the number of upheld and rejected complaints. Upheld complaints are those that are considered partially or fully justified. These include upheld complaints concerning advisors, where a.s.r. acts as a mediator. Rejected complaints are those a.s.r. considers unjustified, i.e. it does not accept the customer's argument and/or arguments it regards as unfounded.

Complaints settled

(in numbers)



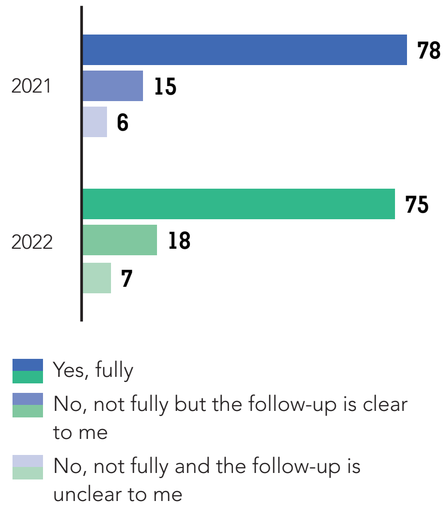
a.s.r.'s complaints handler decides whether the complaints should be upheld or rejected. All complaints are covered by the four-eyes principle, with one complaints officer running the proposed standpoint to be adopted past a colleague in order to avoid the risk of subjectivity. Complaints officers never handle the same file twice. Nor do they handle the same complaint at a subsequent level of escalation.

Service and performance complaints

Under the slogan What action can achieve (*Wat doen kan doen*), a.s.r. is taking further steps to minimise the number of complaints it gets about service and performance. Service and performance complaints include, for example, complaints about the time taken to process complaints, lack of expertise and failure to uphold agreements made with the customer. The percentage of service and performance complaints is constantly measured and reported. The proportion of these complaints compared with the total number of complaints has consistently been 65% for a.s.r. as a whole for some time. All business units have therefore been asked to investigate the reasons behind their service and performance complaints and to come up with initiatives to improve things. Officers have also been asked to help think of ways in which agreements can be met more effectively.

Complaints handled

One of the questions is whether the complaint has been settled in the customers opinion (in %)



Audit Code of Conduct on Complaints Handling

In March 2022, Stichting toetsing verzekeraars conducted a survey by order of the Association of Insurers ("Verbond van Verzekeraars") on compliance with the Code of Conduct on Complaints Handling ('Gedragscode

Digital customer accounts

51%

Klachtbehandeling') by a.s.r. and other insurers. The purpose of the code is to ensure a customer-friendly complaints procedure in which complaints are processed in a correct and timely manner. The survey awarded a.s.r. satisfactory scores on all aspects.

3.1.4 IT and the digital strategy

IT strategy

a.s.r.'s IT strategy enables the business units to execute their strategies, in terms of both new business opportunities and operational excellence. IT is a vital element, for example in recent business initiatives such as 'Ik denk vooruit' and 'a.s.r. Vitality'. Efficiency gains are expected from investments to replace platforms for Individual Disability and Pensions. To help the business in the application of new technology, a new programme 'IT course for managers and influencers' was developed in-house and will be rolled out to improve IT decision-making capabilities.

The technology is in place to build robust solutions. a.s.r. has invested in cloud platform technology, master data management tooling, CRM and omni-channel software, and a low code development platform. To boost the adoption rate, central platform teams have been set up for data and AI, robotics and low code. A strong central architecture team ensures that all IT initiatives are properly aligned.

A central data office was set up in 2022 to better align all data initiatives and encourage the responsible application of AI technology. The initial focus was on governance and data quality; in 2023 the focus will shift to new applications of data, within the boundaries of the Ethical Framework for data-driven applications by insurers of the Dutch Association of Insurers.

Focus on IT security

a.s.r. continues cooperation in i-CERT, a joint insurers' initiative for the timely identification of cyber security threats. The ethical hacking programme was extended with a bug bounty programme that encourages ethical hackers to continuously test cyber resilience. In 2022, a.s.r. also continued with its cyber security awareness initiatives to educate all employees on cyber risks, together with phishing and social engineering campaigns, to ensure that they remain constantly aware of the risks and to stimulate safe behaviour. The issue of cyber security is permanently on the EB and SB agenda. There were no significant cyber security incidents on a.s.r. systems in 2022.

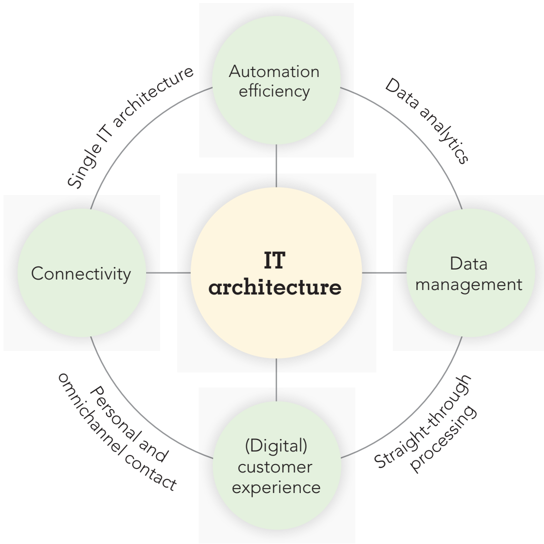
a.s.r. continues to invest in state-of-the-art protection, detection and response staff and tools. IT risk management was strengthened with the establishment of a central IT Risk Competence Centre that helps all business units roll out IT risk standards and best practices. a.s.r. sets high standards for control of IT risks. In recent years, a.s.r. has focused on rationalising and replacing outdated back office systems. The consolidation of the back office systems of Life and P&C has now been completed. a.s.r. has thus strengthened the IT landscape, reduced costs and increased flexibility in these domains. a.s.r. received an ISAE 3000 type II statement for the service commission of the central IT department to the various business segments in 2020 and 2021. KPMG issued an ISAE statement for 2022 for the central IT Infrastructure services.

The organisation is increasingly adopting the agile way of working based on the Scaled Agile Framework (SAFe). As well as being a technical choice, agile transformation impacts the organisation with new roles and calls for different skills from traditional IT development. In a challenging labour market for IT professionals, a.s.r. has established a strong employer brand and is successful in fulfilling critical vacancies. The a.s.r. IT traineeship attracts large numbers of applicants. A third group of five highly qualified IT trainees joined in January 2023.

Digitalisation

Digital service commission is becoming increasingly important for a.s.r. In 2020, a.s.r. launched the Digital Agenda, a digital strategy aimed at substantially improving the customer experience. Multidisciplinary teams are working on the development of new digital solutions with the aim of improving customer satisfaction and better service commission for advisors. Digitalisation and automation drives efficiency and improves the customer experience. The Digital Agenda has four main focus points.

Main focus points Digital Agenda



Digital customer activation and continuous improvement of the digital user experience of secure customer portals are an important aspect in improving a.s.r.'s customer service. By the end of 2022, 51% of all a.s.r. customers had created a digital account and agreed to receive policy information digitally. A target originally set for 90% by the end of 2023 turned out to be too ambitious. The level of digitalisation was examined in a number of sectors, including insurance. a.s.r.'s retail customers were also divided into age categories, since levels of digitalisation depend partly on age. The revised target is to achieve 70% digitalisation by the end of 2024. The further development of customer portals is a key part of the digital strategy. The 'Ik denk vooruit' platform which was launched in 2021 provides customers with an insight into their future income and enables them to open investment accounts.

The programme intends to save costs for both a.s.r. and advisors. a.s.r. also aims to reduce its ecological footprint by limiting the use of paper, and a target has been set to reduce paper use (pages printed) by 90% in 2023 compared to 2020 (23.5 million pages printed). In 2022, a.s.r. achieved a reduction of 30%.

3.2 Being a responsible investor

a.s.r. takes ownership of its social responsibility as an institutional investor. a.s.r. considers it important to play a significant role in making society more sustainable. It does this partly through the use of ethical and sustainability criteria in its Socially Responsible Investment (SRI) policy.

3.2.1 Asset management

a.s.r.'s SRI policy covers all its investments, both for proprietary assets (or own account) and those managed on behalf of third party clients. Over the years, a.s.r. has expanded its efforts from its original focus on exclusions to making a positive contribution to a more sustainable world.

a.s.r.'s exit and phase out strategy with respect to the investments in fossil fuels was announced in 2021. This has led to an immediate zero tolerance for companies deriving revenue from the mining and production of thermal coal. Investments in companies involved in unconventional oil and gas have also been drastically reduced (threshold < 5% of revenues). For companies in conventional oil and gas and other carbon-intensive companies a.s.r. started an intensive engagement process, starting with assessing the strategies and targets of these companies and the extent to which these are in line with the goals of the Paris Agreement. a.s.r. does so by using a combination of tools to assess companies' climate targets, carbon emissions (and reductions) and their current climate strategy. This year a.s.r. joined the 'Dutch Climate Coalition', which consists of Dutch Asset Managers who all have similar goals regarding their fossil fuel strategy. a.s.r. attends and organises regular meetings with all oil and gas companies in the portfolio to monitor their climate actions and goals. A regular update of a.s.r.'s efforts can be found in the quarterly ESG reports, see www.asrnl.com.

a.s.r. uses external data providers (Moody's ESG and MSCI ESG) to screen its investments against its SRI policy (see www.asrnl.com) which focuses on a wide range of ESG criteria such as climate change, human rights, biodiversity, Global Compact violations and executive remuneration. Countries and businesses that do not meet the criteria are excluded.

a.s.r. also assesses businesses for their compliance with international conventions, such as the Organisation for Economic Co-operation and Development guidelines,

Dilemma: Should a.s.r. invest customers' contributions directly in the weapons industry?

One of the dilemmas facing a.s.r. in 2022 was whether to change its policy not to invest in the weapons industry. a.s.r. has excluded direct investments in the weapons industry since 2007. This was self-evident, until the start of the war in Ukraine. Since then, sentiment seems to be tilting. Among others, the Dutch Defence Minister, the Commander of the Armed Forces of the Dutch Army and NATO called for investments in weapons manufacturers not to be excluded (any longer).

a.s.r. believes that a democracy and its citizens must be protected. A democratic state based on the rule of law requires having the availability of the right resources, including weapons, to ensure a free society. From that perspective, a.s.r. does invest in the very governments that respect human rights and stand for democratic values and freedoms for their people.

a.s.r. strives for a sustainable society where people can live in peace and security and from that perspective appreciates the call to reconsider its position on investing in the weapons industry. Therefore, a.s.r. launched a broad dialogue including a.s.r.'s own investment experts, an ethicist, and the Executive Board to evaluate our position on investing in the weapons industry. For a.s.r. sees the need for weapons to defend national borders and the function that weapons have in preventing countries from being attacked.

On the other hand, there is the dilemma of how a.s.r., as an investor, can finance the weapons industry while ensuring that human rights are respected and innocent civilian casualties are prevented if weapons end up in the wrong hands. As a direct investor in the weapons industry, a.s.r. cannot prevent weapons from being used only for legitimate purposes, protecting freedom and democracy and upholding the rule of law.

This argument was ultimately decisive in maintaining our exclusion policy not to invest directly in commercial weapons companies or companies trading in arms. a.s.r. however continues to do so indirectly through investments in democratic governments. This way, policyholders' money is not used for the wrong purposes. This does not affect the fact that a.s.r. is open to alternative forms of investment, such as a bond loan by the Dutch government intended for defence, which could make the world a little safer.

the UN Guiding Principles on Business and Human Rights and the UN Global Compact principles (UNGC).

a.s.r. continued to contribute to the development of a global carbon accounting standard through PCAF and was an active member of five working groups operated by the Dutch PCAF organisation in 2022. Additionally, a.s.r. continued its active involvement in the Biodiversity Working Group under the Sustainable Finance Platform of DNB (Dutch Central Bank).

a.s.r. signed the Finance for Biodiversity Pledge. Signatories are committed to collaborate and share knowledge regarding biodiversity (e.g. Methodologies, targets and financing approaches for positive impact), engage with copmanies, assess the impact on biodversity and set and disclose biodiversity targets. All these activities have to be implemented by 2024 at the latest.

100% compliance with own SRI policy

a.s.r. safeguards full compliance with its SRI policy using a three-step process: internal teams' implementation (investment departments), compliance process (risk department) and an independent external assurance (by Forum Ethibel). a.s.r. adheres to this target in respect of acquisitions and mergers.

Sustainable and responsible investing

a.s.r. understands the importance of, and the responsibility expected from its role as an investor, both as an asset owner and as an asset manager. Sustainability is an essential part of a.s.r.'s investment beliefs. The integration of ESG criteria in the management of investments contributes directly to the reduction of risks (both financial and reputational) and has a positive effect on its long-term performance. The SRI policy has been integrated into internal investment practice through:

- ESG integration for best-in-class investments based on positive selection. Positive selection is part of a.s.r.'s investment process for companies based on ESG practices and products. Based on research carried out by its data providers, companies are classified using a relative, sector-based ranking for ESG themes such as: environment, labour practices, good governance, human rights and (forward-looking) carbon data, amongst other criteria. For a detailed description of these criteria, see www.asrnl.com. For sovereign bonds, a.s.r. applies a best-in-class selection of countries based on their SDG performance. This is in line with the SDG country ranking published by the SDG Index: the weighted average score of the a.s.r. sovereign portfolio is ranked in the first quartile (best-in-class) of the SDG Index;
- Exclusion criteria for countries and companies. a.s.r. pursues a strict exclusion policy for controversial activities which it applies to all internally managed portfolios, both for its own account and for third parties.a.s.r. has excluded 355 companies;
- With regard to investments in sovereign debt, a.s.r. has excluded 77 countries that are poor performers in the annual Freedom in the World report, or which achieve a low ranking on the Corruption Perceptions Index or the Environmental SDGs.

Excluded companies

(in numbers)

Engagement

In 2022, a.s.r. continued increasing its engagement efforts to actively promote sustainability practices. The complete list of companies under engagement and their status is published on www.asrnl.com, including the reason and status of the engagement.

Active engagement dialogues

a.s.r. is actively engaged with a total of 599 companies (2021: 34). a.s.r. engages with companies that have either shown controversial behaviour (e.g. UNGC violations) or are controversial in another way (e.g. as a result of societal discussions). One example of last year is our engagement with Volkswagen because of their (indirect) involvement in weapon production and to discuss an update regarding the Dieselgate scandal. ESG is a standard topic on a.s.r.'s agenda at meetings with companies from its investment portfolio. a.s.r. engages with governments, societal organisations and peers through different platforms such as the International Responsible Business Conduct agreements. The significant increase is explained by a.s.r.'s new engagement provider Hermes, carrying out 557 engagements.

Examples of engagements in 2022

a.s.r. signed the Valuing Water Finance Initiative, which is a new global investor-led effort to engage corporate water users and polluters to value and act on water as a financial risk and drive the necessary large-scale change to better protect water systems. a.s.r. will call on companies to better protect water practices and to meet a set of soon-to-be released Corporate Expectations for Valuing Water that align with the United Nations' 2030 Sustainable Development Goal for Water (SDG 6).

a.s.r.'s collective fossil engagement procedures have already led to the start of 13 engagements with oil and gas companies. a.s.r. is aiming to have quarterly and/or semi-annual update meetings with these companies. Some examples of topics to focus on are boosting the availability of low-carbon solutions, setting short and medium-term carbon intensity and absolute reduction targets, the development of a decarbonisation strategy and the capital expenditures allocation of companies to support this strategy. a.s.r. does recognise different climate ambition levels between the companies that it is engaging. a.s.r. is therefore requiring companies to

Screened companies excluded by topic

(in numbers)	2022	2021
Human rights violations	4	4
Labour rights violations	1	0
Environmental violations	10	10
Armaments	90	118
Tobacco	19	18
Gambling	75	54
Coal-mining	39	90
Coal-fired electricity generation	54	38
Nuclear energy-related activities	14	11
Unconventional oil and gas	58	72
Total number of exclusions[1]	**364**	**415**

1 Includes double counts due to the fact that some companies are excluded on more than one criteria.

announce direct commitments and to set clear targets. Other examples include engagement on violations of the Clean Air Act and their climate ambitions, deforestation in the supply chain and contamination by PFAS chemicals.

Impact Investment Ecuador Social Housing Bond

a.s.r. has invested in a sovereign social bond issued by the government of Ecuador which provides access to social and public housing. The issuance of $ 400 million will generate access to decent and affordable housing for more than 24,000 medium and low-income families. The Ecuadorian government is the first country to make this type of issuance, demonstrating how new forms of financing can be deployed to promote social inclusion and equality. The issuance will serve to boost the government programme 'Casa para Todos'. The programme's cornerstone is the creation of conditions that promote access to safe, adequate and decent housing. This should be the starting point for people to improve their living conditions and achieve increased social mobility. The programme seeks to reduce social inequality and assure universal access to basic services. The issuance is backed by a guarantee from the Inter-American Development Bank (IDB) for $300 million, making the operation highly attractive for international investors and significantly reducing the financial costs for Ecuador.

Impact investments

In 2022, a.s.r. further increased its impact investments in all asset classes. a.s.r. also continued its board position within the National Advisory Board for impact investing (NAB) and made a start on the development of an impact framework to assess and monitor the actual impact of the impact investments. See chapter 2.5 for the performance on the current target on impact investments.

Voting policy

A shareholders' right to vote is essential for the proper functioning of a corporate governance system. a.s.r. exercises this right whenever relevant. a.s.r.'s voting policy was developed in accordance with the Dutch Corporate Governance Code and a.s.r.'s own SRI policy. This policy is applicable to all internally managed listed equities. In 2022, a.s.r. voted at almost 96.3% of the shareholder meetings held. At 531 of the 1,296 shareholder meetings, at least one vote was cast Against a resolution, or a vote was Withheld or an Abstention was recorded. 307 of the 1,323 proposals voted against addressed remuneration for the EB or SB and 624 meetings had one or more votes against appointments.

Votes against management per topic

(in %)	2022	2021
Anti-takeover	1	1
Director related	47	41
Audit	0	1
Capitalisation	6	8
ESG Environment	3	2
ESG Governance	3	6
ESG Social	5	2
Other	6	4
Remuneration	23	26
Shareholders rights	6	9

Regarding votes against management, under the ESG topics, the majority of the environmental topics related to initiatives to the implementation of greenhouse gas (GHG) emission reduction targets. The execution of civil rights audits was one of the most common social topics. Regarding governance topics, most voting proposals related to lobbying payments and policy. The voting policy and voting reports are available on www.asrnl.com.

Externally managed assets

The external providers' SRI policy is a key criterion in the selection of external managers. a.s.r. also engages with its external managers to enhance their SRI policy, implementation and transparency. In 2022, a.s.r. actively engaged with new and existing managers, such as BNP and JP Morgan for emerging markets debt. a.s.r. frequently receives sustainability reports from its external managers and, where relevant, requests additional impact data. In the selection process a.s.r. identifies a trend for customers demanding more specific sustainability requirements, for example more focus on Article 8 and Article 9 funds under the classification of the Sustainable Finance Disclosure Regulation (SFDR).

Climate change and energy transition

As an explicit theme, a.s.r. has integrated climate change and energy transition into its Strategic Asset Allocation (SAA) since 2016 and has undertaken measures to implement this across the investment portfolio. a.s.r. has analysed and identified risks for the investment portfolio in its SAA, both bottom-up – covering the consideration of stranded assets and changing business models in the mining and energy sectors – and top-down. In 2022, a.s.r. again acquired updated data from Ortec Finance to incorporate climate scenarios into the SAA. These scenarios served as input for the reporting on climate risks and opportunities, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD); see chapter 4.9.2. and a.s.r.'s Climate Report for more details.

Science-based targets

Targets adopted by companies to reduce GHG emissions are considered science-based if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels and a net zero future.

The financial sector is key to unlocking the system-wide change needed to reach net zero. The central enabling role of finance is recognised in Article 2.1(c) of the Paris Agreement: 'Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development'. a.s.r. is committed to reaching a state of net zero before 2050.

The Science-Based Targets initiative (SBTi) has developed a guidance tool aimed at helping financial institutions in their efforts to provide resources, including methods, criteria and tooling for science-based target-setting (2022). a.s.r. has been involved in the development and road-testing of this new uniform methodology by SBTi. Another approach to defining a science-based reduction path is, for example, following the EU Climate Transition Benchmark and Paris-aligned Benchmarks.

Although initial guidance has now been developed for science-based target-setting, some questions still remain about how to align the entire a.s.r. portfolio with the Paris Agreement. The availability of data is still a challenge for some asset classes. Nonetheless, a.s.r. is exploring various science-based methodologies in order to determine if the current investment portfolio target for 2030 is in line with the 1.5°C scenario and net zero before 2050.

Rewarding sustainable farming

To help safeguard the continuation of farming and challenge climate change and the loss of biodiversity, a.s.r. introduced a reward system for its farmers who operate sustainably. Under certain conditions, new and current lessees that comply with certain sustainability requirements can be awarded discounts of 5% - 10% on the ground rent that they pay for the lease of the land. In 2022, 27 new green lease contracts were concluded, representing 50% (697 of 1,396 hectares) from the new contracts. The total number of green lease contracts is 143.

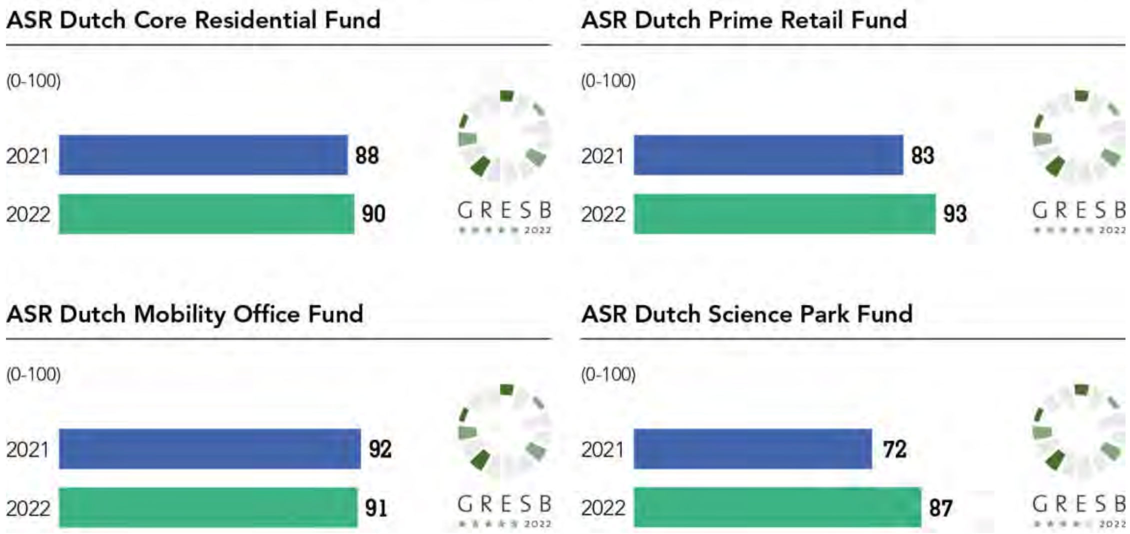
3.2.2 Real estate

As a real estate investor, a.s.r. recognises its substantial responsibility for contributing towards liveable and sustainable buildings, towns, cities and communities. By investing in appropriate and sustainable real estate, a.s.r. aims for a positive impact on the built-up environment, for present and future generations. a.s.r. makes targeted impact investments, accelerates the energy transition by generating renewable energy and is working towards a Paris-proof portfolio in 2045.

Sustainable investing – GRESB benchmark

The Real estate sector funds were assessed for their sustainability performance by the Global Real Estate Sustainability Benchmark (GRESB) in 2021. The ASR Dutch Core Residential Fund (ASR DCRF), the ASR Dutch Prime Retail Fund (ASR DPRF), and the ASR Dutch Mobility Office Fund (ASR DMOF) were each awarded the maximum score of five stars, which places them among the top 20% best performing funds. The ASR Dutch Science Park Fund (DSPF) was first in its peer group.

Scores Global Real Estate Sustainability Benchmark (GRESB)



Renewable energy

During 2022, a.s.r. acquired three additional wind farms in Amsterdam, Almere and Eemshaven, and solar park Pesse in Hoogeveen. As a result, a.s.r. is the owner of 48 wind farm turbines and one solar panel farm in Pesse with 60.000 solar panels, which have a combined capacity of 205 megawatt, comparable to the power supply of 221,000 households per year. In this way, a.s.r. contributes towards the energy transition and a sustainable living environment.

In 2022, a.s.r. installed 5,479 solar panels on roofs of own real estate objects, bringing the current total up to 20,605.

Renewable energy

Solar park

In 2022, a.s.r. acquired the newly-realised solar park in Pesse. Following acquisitions of wind farms, this is the first solar park owned by a.s.r. With more than 60,000 panels, the solar panel park has a capacity of 32.6 MW and provides for the power requirements of approximately 11,500 households. The park lies on 31.2 hectares of land which was made available by farmers. Of this, 17.3 hectares are leased from the ASR Dutch Farmland Fund. The area around the solar panel park will be enriched with two pools with ecological banks and plantations that partly hide the panels from view and contribute towards biodiversity.

Wind farms

In 2022, a.s.r. acquired the Nieuwe Hemweg wind farm in the Amsterdam port area. This wind farm, which was completed last year, is the third wind farm that a.s.r. has acquired. The Nieuwe Hemweg wind farm consists of six turbines with a joint capacity of 13.2 MW. This is equivalent to the annual energy consumption of approximately 10,000 households. Furthermore, a.s.r. has acquired wind farm Strekdammen. The wind farm, which has been in operation since mid-2022, consists of two wind turbines at the breakwaters in Eemshaven. The two wind turbines have a total combined capacity of 11 MW. This is equivalent to the energy consumption of about 15,500 households. It is the fourth wind farm acquired by a.s.r.

The acquisitions of the solar park and wind farms form part of a.s.r.'s ambition to realise impact investments of €4.5 billion by the end of 2024.

Monitor and adapt to climate change

On the basis of four climate risks (heat, drought, flooding and extreme rainfall), Climate Adaptation Services set up the Climate Effects Atlas. This makes the climate risks transparent in an accessible way and clearly shows how these risks could impact on the environment, now and in 2050. It is necessary to anticipate climate change, both for the creation of a more sustainable living environment and for retaining the value of the real estate portfolios.

In the Geographical Information System (GIS), a.s.r. has set up a dashboard in which the impact of climate risks can be made transparent at the portfolio level. This tool includes several climate risks, over which the locations of properties are plotted. With this, the risk per building is determined. The insights obtained are used in procurement of new properties and the annual hold/sell analysis. In 2022, a major update was performed in the dashboard, providing new insights.

Paris-proof roadmaps

a.s.r. committed to a GHG neutral portfolio in 2045 and decarbonises the portfolio to attain this ambition. To chart the path towards this ambition, a Paris-proof roadmap was drawn up in 2021. In 2022, the roadmap was upgraded to become a highly visual and online platform. This has led to improved insights at both portfolio and individual asset level, allowing a.s.r. to increase the focus on the 'worst' performing buildings and leading to a cost-efficient reduction path.

Based on current data and the planned reduction paths, no assets are expected to be stranded. This means a.s.r. is on target to realise a Paris-proof portfolio in 2045. In the coming years a.s.r. will continue to develop the Paris-proof roadmap with consumption data, lessons from projects and evolving insights.

Impact investments

The Global Impact Investing Network defines impact investments as: Investments made into companies, organisations and funds with the intention to generate positive, measurable social and environmental impact alongside a financial return. This definition is used by a.s.r. to calculate the figure of impact investments for real estate activities.

In 2022, a.s.r. has the following real estate impact themes:

- Affordable housing;
- Dutch Science parks;
- Renewable energy;
- International non-listed real estate;
- Sustainable mobility.

3.3 Creating a vital and futureproof workforce

Employees
(in FTEs)
4,313 ↑
2021: **4,155**

Absenteeism rate
(excluding maternity leave, in %)

2021	3.7
2022	4.2
Target	3.5

Female | Male (in %)

2021	43 | 57
2022	44 | 56

Relative score for employee engagement in Denison scan
(compared to the benchmark, in percentile 1-100)
88 ↓
2021: **91**

Nil absenteeism
(in %)

2021	63
2022	50
Target	58

Total spending on training
(in € million)
5.4 ↑
2021: **4.4**

Spending on training per FTE
(in €)
1,479 ↑
2021: **1,255**

eMood
(1-10)
7.6 ↑
2021: **7.5**

Employees employed through the Participation desk
(in numbers)

2021	46
2022	44
Target 2026	70

Employee turnover
(in %)
10.7 ↓
2021: **9.1**

Vacancies filled internally
(in %)
38 ↓
2021: **50**

# of FTE's

4,313

Employees are important for long-term value creation. Engaged, professionally skilled employees are essential in order to fulfil a company's purpose and achieve its business targets. a.s.r. believes that employees must remain sustainably employable, which is why considerable attention is given to personal and professional development, physical and mental health and work-life balance. a.s.r. has great confidence in its employees and encourages everyone to take control of their own careers, development, and the way they do their work.

3.3.1 HR policy and strategy

The HR strategy enables a.s.r. to execute its strategy and realise its targets by providing for the most driven and skilled workforce. The focus lies on:
- Strategic personnel planning;
- Total workforce management;
- Development and leadership;
- Vitality;
- Diversity, equity and inclusion.

Strategic personnel planning

a.s.r. needs an agile and future-proof workforce. a.s.r. deploys Strategic Personnel Planning (SPP) for that purpose.

A SPP was prepared for each business line in early 2022. In light of certain developments in the areas of the labour market, digitalisation, professional development, vitality and leadership, specific interventions were identified for each product line. The implementation of these interventions by the product lines started in 2022.

Total workforce management

Through total workforce management, a.s.r. ensures that the best solution is sought for every workforce requirement. In 2022, the total workforce grew by 4% to 4,313 FTEs (2021: 4,155). All of these employees work in the Netherlands. More information is given in section 7.5.

Talent acquisition

Attracting the right talent was a big challenge in 2022 due to the tight labor market, especially in certain functional areas and in terms of specific technology skills. To ensure sufficient skilled staff is available, increasing the working hours of part-time and contract workers is now also being considered as a recruitment strategy for filling new open vacancies. Another recruitment strategy is reskilling current employees for a new job at a.s.r.

a.s.r. aims to fill at least 40% of all vacancies internally. This retains the knowledge of the colleagues in the company and gives employees the opportunity to develop further professionally. In 2022, 277 of a total of 720 vacancies were filled internally, equating to 38%.

Trainee programmes

a.s.r. runs two trainee programmes to attract talented graduates, one focused on IT and one general traineeship. These programmes enable candidates to develop as specialists or to progress to management positions.

In January 2022, five new trainees started in the IT talent traineeship, a two-year programme for candidates with Masters' degrees in the field of IT or data science. They are trained as IT professionals via assignments, professional courses and skills training.

In September 2022, seven new trainees with Masters' degrees in various subjects started in the a.s.r. traineeship at one of the a.s.r. product lines, in fields matching their previous education. The trainees carry out a number of assignments independently and follow a customised development programme. The a.s.r. traineeship takes 1.5 years.

Development and leadership

In an environment where automation and digitalisation are becoming increasingly important, and agility is essential for sustainable employability, employee development is more important than ever.

Focus on talent

Developing the talents of every employee is key. The aim is to enable employees to become and remain future-proof.

All a.s.r. employees have access to a wide range of development opportunities in the a.s.r. academy, a.s.r.'s learning platform. In the Talent Development Plan, employees can indicate how they want to work on their personal development.

Development

WIth 63%, the share of employees who followed training courses was stable compared to last year (2021: 64%). The total amount spent on training in 2022 increased to € 5.4 million (2021: € 4.4 million).

For managers, there is the Leadership Education programme. The aim of this mandatory development programme is to help managers develop and maintain their professional knowledge and skills.

Business and personal targets

Managers and employees reach agreements on targets, behaviour and performance in 'The Other Dialogue', a dialogue between manager and employee that takes place on an ongoing basis. The Other Dialogue is also used to evaluate and discuss actual performance against previously set targets.

Vitality

Vitality was assigned its own cluster in the a.s.r. Collective Labour Agreement (CLA). Agreements have been made about vitality and considerable attention is paid to physical and mental health during hybrid

a.s.r. wins HR Proffie for most innovative HR policy

In 2022, a.s.r. won the award for the most innovative and inspiring HR policy in the Netherlands. The jury of the HR Proffie looked at organisations that have responded well to changing circumstances while retaining the corporate culture or that have undergone a transition in which HR activities played an important role. The jury report states that a.s.r.'s HR policy is impressive, and consistently implemented throughout the organisation and called a.s.r. an "inspiring example of continuing to facilitate, monitor well-being and keep in touch with employees in times of COVID-19 and beyond". The prize is an initiative of NVP, the trade association for HR professionals, and is made possible in part by Berenschot, SkillsTown and Human Capital Group.

working. Employees can take part in an annual health check and a vitality scan, with which they gain insight into energy sources and stressors. They can then get started on improving their health through a wide range of workshops, e-learning, podcasts and training. a.s.r. Vitality is accessible for free for all employees.

Absenteeism

a.s.r closely monitors development in absenteeism and sickness leave.

Absenteeism due to illness amounted to 4.2% in 2022, a percentage point above the target of 3.5%. COVID-19 and the flu caused a sharp increase in sickness levels at the start and the end of the year. The proportion of long-term absenteeism remained the same in 2022.

Short-term absenteeism increased in 2022 to 1.1% (2021: 0.5%). Most absenteeism is long-term. After several lockdowns, a.s.r. employees found a new balance in hybrid working. The balance between work and life is more blurred when people work from home. a.s.r. therefore continues promoting the health and vitality of its employees, with the focus on enabling 'self-management'. The percentage of employees who did not report sick (nil absenteeism) was 50% (2021: 63%).

Impact of COVID-19

After a prolonged period in which employees predominantly worked from home due to COVID-19, they started to return to the office in 2022. In late February 2022, the government dropped its full home working advice and the 1.5-metre social distancing requirement. at which point a.s.r. reopened the office for its employees. Frameworks had already been put in place for working in a post-COVID-19 era, in particular for hybrid working. More details on hybrid working at a.s.r. and trends relating to office occupancy are shown in section 3.3.3.

Diversity, equity and inclusion

To better understand cultural diversity, a.s.r. took part in bi-annual Statistics Netherlands' Cultural Diversity Barometer. This revealed that 18% of employees at a.s.r. have a migration (non-indigenous) background (2020: 17%). On a national level, the proportion of employees with a non-indigenous background is 23%. Of the employees with a non-indigenous background, 1 in 10 is of non-Western ethnicity. In the working population throughout the Netherlands, the proportion is approximately 1 in 8. The category of employees up to age 35 includes more people with a non-indigenous background, namely 23%, of which 17% are of non-Western ethnicity.

To further promote cultural diversity in the workplace, a.s.r. has joined the Agora Network. This network was founded to work together on increasing cultural diversity at the top of the Dutch business community. Participants organise master-classes, give role models a platform, share best practices and discuss follow-up steps to further promote cultural diversity.

To avoid potential unconscious bias (regarding, for example, gender, cultural background, age, appearance, etc.) in the selection process of new hires, a fully anonymous application for certain positions was introduced in 2022.

Gender diversity

The diversity, equity and inclusion objectives with respect to gender diversity are that at least one-third of senior management, Executive Board and Supervisory Board members should be women and at least one-third should be men.

To achieve these objectives, the diversity, equity and inclusion policy is applied to the recruitment process and the annual employee review. Succession planning is one of the topics discussed during employee reviews. Further measures to ensure gender diversity in senior management and the Executive Board include the annual fleet review, succession planning, Focus on Talent and the Leadership Education (LE) programme.

Breakdown gender diversity

(in % female / male)	2022	2021
Supervisory Board	40 / 60	40 / 60
Executive Board	33 / 67	33 / 67
Senior management	22 / 78	25 / 75
Management excluding sr. and jr. management	23 / 77	23 / 77
Junior management	34 / 66	37 / 63
Other employees	46 / 54	44 / 56
Total employees	44 / 56	43 / 57

The gender diversity target for the Executive Board has been met since the end of 2019. In 2022, there were no changes in the composition of the Executive Board and the target was still met.

The gender diversity objective for the Supervisory Board was also achieved in 2022 and is still being met. This will not change with the appointment of Daniëlle Jansen Heijtmajer and Lard Friese to the Supervisory Board (conditional upon closing of the business combination with Aegon Nederland). In the selection of new appointments to the Supervisory Board, the gender diversity objective is a leading determining factor.

The gender diversity objective for senior management was not met in 2022. In 2022, there was one new appointment of a woman in senior management but also one departure by a woman in the senior management. Given the relatively small size of senior management, a change of one person significantly affects the male/female ratio. For instance, as part of the IFRS17/9 project, an additional position was temporarily filled by a male senior manager. As a result, the percentage of men in the male-female ratio was temporarily slightly higher until 1 January 2023. In 2023 further efforts will be made to achieve the objective by applying the aforementioned measures. Specifically, the development and advancement of female talent from junior management and other employees will be given extra attention.

Equal treatment of men and women is also part of gender diversity. The yearly equal pay gap analysis, most recently conducted in December 2022, showed that there is no pay gap between men and women at a.s.r. For further insights on how a.s.r. promotes gender diversity, see the section "Women and men given equal pay for equal work" in section 3.3.4.

Employees can register as non-binary

Employees who identify as both male and female, or feel themselves to be neither, can register as non-binary in the HR system as of May 2022, provided they are also registered as such on their passport or ID. The latter is necessary because of data connections between the HR systems and government agencies, such as municipalities, tax authority, and the Employee Insurance Agency (*Uitvoeringsinstituut Werknemersverzekeringen*; UWV).

Participation desk

a.s.r. established the Participation desk to reduce the distance to the labour market for individuals with a work disability. This desk employs people with a Work and Employment Support for Disabled Young Persons benefit (Wajong) on various assignments. During a two-year period (maximum), these individuals gain work experience and develop employee skills. They receive intensive guidance and are offered a tailor-made development programme. The aim is to prepare them for a permanent position, preferably within a.s.r. The objective is that in 2026 we will have 70 employees who meet the criteria set by the Participation Act. At the end of 2022, 44 employees (2021: 46) who fell within this target group were employed at a.s.r. via the Participation desk. In 2022, a start was made on redesigning the Participation Desk so that it remains future-proof and enables us to achieve our objective.

Performance ladder Corporate Social Responsibility

On average, a.s.r. employs more people with a distance to the labour market than in organisations of comparable size. In 2022, a.s.r. maintained Stage 1 of the Performance ladder Corporate Social Responsiblilty (*Prestatieladder Socialer Ondernemen*; PSO) by employing or retaining more people with a vulnerable labour market position over the past two years since first achieving Stage 1 in January 2020. So far, a.s.r. is the only insurer in the Netherlands to have achieved this stage. The aim of the PSO is to get more people with limited labour market skills into work. a.s.r. has also made a larger indirect contribution to such employment since tightening its procurement policy. Organisations that a.s.r. works with must be able to demonstrate their commitment to people with a vulnerable labour market position.

3.3.2 Employee engagement

In order to achieve its objectives, a.s.r. needs engaged and enthusiastic employees who feel that they are being heard, have room to take initiatives and feel that their contribution matters. To measure engagement and obtain input from employees (employee listening), a.s.r. uses the Denison Organisational Culture scan (Denison scan), the Employee Mood Monitor, the Employee Panel of a.s.r. and an eNPS measurement.

Denison scan

In 2022, a.s.r. performed the Denison scan for the sixth consecutive year. This annual survey measures the success of an organisation in several areas, including drivers of engagement. The results obtained are measured against a global benchmark of more than 1,200 large organisations. 78% of the workforce completed the scan (2021: 83%).

In particular, the Denison scan measures the engagement of a.s.r. employees using four themes: vision, core values, empowerment and knowledge development. The total engagement score was 88 in 2022 (2021: 91). a.s.r. was among the 15% highest scoring companies in the benchmark. The main explanation for a slight decrease on some items, such as cooperation between different parts of the organisation, is that in 2021 and the first part of 2022, employees predominantly worked from home due to COVID-19, which meant that contact with colleagues outside their own team was less intensive than before corona. The scores in the modules measuring customer focus and the organisation’s willingness to transform and innovate digitally were the same as in 2021. A considerable increase in the Denison scan

Safe working environment

a.s.r. is dedicated to create a safe work place for all its employees. Once a year, employees at a.s.r. are asked to reply to the statement "I feel safe enough to voice undesirable behaviour at work" via eMood.

In general, a.s.r. employees feel safe to voiceundesirable behaviour at work. This is shown by an average score of 8.4. 79% of employees with a score of 8 or higher said they feel (more than) safe to raise undesirable behaviour at work. 3.6% of employees feel uncomfortable or unsafe to voiceundesirable behaviour at work, according to a score of 5 or lower.

A safe working environment with an open culture in which these topics can/may be freely discussed is essential. In the context of prevention, the following has already been put in place within a.s.r:

- We pay close attention to the topics of diversity, equity and inclusion through embedding them in the Leadership Education programme and stimulating dialogue and awareness in the workplace.
- Periodically highlighting the a.s.r. code of conduct, the Diversity, Equity and Inclusion policy and the Code of Conduct on Undesirable Behaviour. This is structurally embedded by regularly asking questions about these through Gamification.
- Various channels provide possibilities to contact discussion partners within a.s.r. (HR Advisor, Vitality Specialist, manager and the Misconduct Complaints Committee) and outside a.s.r. (confidential counsellors at occupational health and safety service Human Capital Care) when you face undesirable behaviour.

was achieved with respect to the Diversity & Inclusion module.

Various improvement actions have been formulated per product line that are periodically measured and evaluated via the Employee Mood Monitor.

Employee Mood Monitor

The response of a.s.r.'s Employee Mood Monitor (eMood®) remained high, with approximately 2,500 to 2,900 participants per week. All internal and external employees and trainees are invited to take part in this weekly pulse check on job satisfaction, vitality and productivity. All managers receive a weekly dashboard showing the scores given by their teams. The Employee Mood Monitor enables a.s.r. to keep a finger on the pulse and encourages employees and managers to continue dialogues on these subjects. HR also provides data-driven insights into the organisation and develops central interventions based on the Employee Mood Monitor scores, such as certain HR policy choices and adding new training courses to the learning and development programmes.

With an average score of 7.6, a.s.r. again managed to keep the mood of the organisation at a good level. The scores of the underlying constructs vitality (7.5), productivity (7.5) and job satisfaction (7.9) were both stable and at an adequate level compared to 2021 (score: 7.5).

Following a successful pilot project, the Employee Mood Monitor has also been offered as a service for employers, customers and advisors in the Disability segment.

Employee Net Promoter Score

The employee Net Promoter Score (eNPS), the extent to which employees would actively recommend a.s.r. as an employer, is also measured via the Employee Mood Monitor. The average eNPS in 2022 was +42 (2021: +47). All 300 managers are sent the eNPS score for their department or team each month. HR also analyses the development of the eNPS over time for the different a.s.r. product lines. The eNPS provides a.s.r. with an insight into loyalty to, and the perceived attraction of, a.s.r. as an employer.

The Employee Panel of a.s.r.

With the introduction of the Employee Panel in 2022, employee surveys within a.s.r. will be centralised in this online environment. At the end of 2022, there were 220 active panel members who had self-registered for the Employee Panel of a.s.r. The panel is representative on the background characteristics gender, age, position for the a.s.r. population.

In the Employee Panel of a.s.r., employees can voice their opinions on a variety of topics faced as employee. By conducting surveys via the employee panel, colleagues choose to voice their opinions [more often] on topics they find interesting. For example, by completing a poll or participating in a group discussion or interview, panel members can contribute ideas about facilities for employees, hybrid working, the questions in the Employee Mood Monitor, the development offerings, digitalisation at a.s.r. and the future of work.

3.3.3 Working conditions

De Andere Cao

In December 2022, a.s.r. agreed on a new Collective Labour Agreement (CLA) with trade union De Unie. The CLA takes effect on 1 January 2023 and has a term of 18 months.
The following agreements were made:

- All employees will receive a 4 percent wage increase as of 1 December 2022, and as of 1 July 2023, the salary will be increased by three percent.
- Internal employees and temporary workers will receive a one-time payment of €2,000 gross in January 2023 to offset higher costs due to inflation. Colleagues working part-time will receive this amount pro rata.
- The allowance for travel expenses will be increased to €0.21 per kilometer by 1 January 2023 and to €0.22 by 1 January 2024 (after approval of the 2023 tax plan).
- The scheme allowing early retirement (RVU) and the sabbatical scheme will be maintained.
- The regulation for filling special leave will be clarified and the 9 weeks of paid parental leave will go from 70% of the maximum daily wage to 70% of the salary.
- Colleagues who wish to do so can work any second holiday, such as Boxing Day or Easter Monday, and take this official day off at another time as diversity day.

Social plan

In November 2021, a.s.r. and the trade unions agreed on the continuation of Het Andere Plan, the social plan of a.s.r. The social plan came into effect on 1 January 2022 and runs for three years. The renewed social plan includes agreements to encourage employees to develop themselves further and take control of their own future if a reorganisation is imminent.

Inflation allowance

In June 2022, all a.s.r employees and temporary workers were given a one-off pre-tax payment of € 1,000 as inflation compensation. In December 2022 a.s.r. announced that all a.s.r. employees and temporary workers will receive an additional one-off pre-tax payment of € 2,000 as inflation compensation, as part of the new CLA per 1 January 2023. This second allowance was paid with the salary payment of January 2023. Part-time workers were paid the allowances on a pro rata basis.

Social agenda

In 2022, the trade unions and the Dutch Association of Insurers, of which a.s.r. is a member, agreed on a new Social Agenda. The programme gives direction to developments in working in the insurance sector. Employers and employees in the insurance industry are part of a dynamic labour market and are required to respond to digitalisation, labour shortages, the impact of COVID-19 and the new pension legislation. The Social Agenda has a special focus on three themes: recognising and acknowledging talent, guiding people from job to job and increasing diversity and inclusion.

Dilemma: a CLA with only one union or no CLA?

Most of the dilemmas a.s.r. faces relate to issues that do not directly affect employees. In 2022, however, there was a dilemma involving a.s.r. employees about whether or not to enter into a new CLA.

During intensive negotiations in the second half of 2022 with the unions on a new CLA, it became clear that the unions' demands and a.s.r.'s wage offer were far apart. Driven by high inflation in 2022, the unions demanded a significant pay rise for employees.

The Executive Board of a.s.r. was thoroughly aware of the high inflation rate and had therefore decided to grant a one-off payment of € 1,000 pro rata to all employees to compensate for higher expenses in the summer of 2022, ahead of the CLA talks with the unions.

After more than 10 weeks of negotiations, a.s.r. ultimately submitted a final offer for an 18-month CLA with a 7% wage increase spread over two moments. Two of the three unions with which a.s.r. negotiated the CLA rejected this final offer.

At that point, a.s.r. faced a dilemma of what to do next. Allow the existing CLA to continue and renegotiate it in 2023, knowing it to be very unlikely for an agreement to be reached as yet, leaving employees in financial uncertainty for an extended period of time as to whether or not to expect awage increase, and if so, for what amount? Or conclude a CLA with one union, possibly resulting in less support for the new CLA but with the prospect of financial security of a wage increase to meet higher costs due to inflation?

Although a.s.r. would have preferred a CLA with all unions, the choice to provide financial clarity and security for employees was opted for and a CLA was concluded with one union. This does not alter the fact that a.s.r. is committed to a good relationship with all unions, knowing that in light of the expected business combination between Aegon Nederland and a.s.r., there will be talks with the unions about integrating working conditions once a new leading insurer in the Dutch market has been created after the merger.

Hybrid working

The frameworks for hybrid working were drawn up in 2021, following a survey of employee preferences via eMood. These frameworks are in line with time and location independent working, which has been part of the CLA since 2018.

The eMood survey showed that the majority of employees feel the need to be in the office and see each other regularly, a.s.r. encourages employees to work an average of 40% of their working days in the office. a.s.r. believes that some degree of physical proximity to colleagues has a positive effect on social cohesion, cooperation and innovation. Employees and managers in the teams can decide for themselves how they want to implement this guideline. All managers receive the "hybrid working" dashboard every month that they can use as a tool to discuss hybrid working with the team and make arrangements that are comfortable for everyone. This tool gives the teams at a.s.r. insight at group level into how often on average they came to the office, how this office presence is distributed over the weekdays, and how office presence differs by background characteristics such as age, gender, etc. The insights are not traceable to individuals and only meant as a tool to start the conversation together. The average office attendance slowly increased over the year, up to 32% on average in the last quarter of 2022.

3.3.4 Remuneration

Remuneration policy

a.s.r.'s remuneration policy is based on the principle that the average level of total remuneration should be just below the median of the peer group. Every three years (two years for the EB), an independent consultant performs a market-based comparison of the remuneration benchmark. The 2022 reference group for a.s.r. employees is the general market; from 2023 this will be financial institutions (excluding the EB, Asset

Management and the Real estate front office). The relevant peer groups for the latter two are the asset management market. The EB's peer group is described in chapter 5.3.

In line with the remuneration policy, the remuneration of a.s.r. employees consists solely of a fixed payment. a.s.r. does not have a company-wide variable remuneration scheme; for more information, see chapter 5.3. There is a type of variable remuneration for extraordinary performance of specific employees: the 'Boter-bij-de-vis' (incidental bonus). In 2022, 97 employees (2021: 97) received this incidental bonus.

Equal pay

At a.s.r., jobs are weighted regardless of gender, resulting in a gender pay gap of 0%. Women and men with similar work experience, performance and potential receive equal pay. a.s.r. monitors possible wage gaps between women and men through the annual gender pay gap analysis.

The differences between the wages of women and men are calculated on the basis of the gross hourly wage in order to exclude differences caused by part-time and full-time positions. The gross hourly wage of women is often lower than that of men. However, the analysis shows that this difference can be explained by two factors:

- There are gender differences in the type of jobs men and women do. At a.s.r., for example, more women are employed in customer service and support positions. Whereas, traditionally, more men work in the more specialised, technical insurance positions and in management, often in the higher salary scales.
- The average service years of female are three years lower than that of males. Men thus reach a relatively higher position on the salary scale for the same job level compared to women. Therefore this difference between men and women based on work experience should disappear over time.

When adjusted for the above mentioned factors, the gender pay gap analysis showed that there was no pay gap (0%) between women and men for equal work and a comparable number of years of work experience. The differences presented in the graph below are explained by the number of years of service and job type.

For the complete a.s.r. remuneration policy and the Remuneration Disclosure, see www.asrnl.com.

Employee Share Purchase Plan

a.s.r. has had an employee share purchase plan (ESPP) since 2019, through which employees can acquire a.s.r. shares at a discount. The plan is an equity-settled share-based payments plan. Under the terms of the plan, employees can participate after the publication of the full-year and half-year results.

The members of the EB are required to participate in the ESPP by investing a part of their income in a.s.r. shares. Other employees participate voluntarily. The employees purchase the shares at an 18.5% discount, which reflects the opportunity costs of the lock-up period of five years. The fair value of the a.s.r. share with a lock-up of five years at the grant date equals the purchase price paid by the employee.

The number of shares purchased by employees in 2022 was approximately 124,000 for a total amount of € 4.06 million (2021: 126,000 for an amount of € 3.77 million). The ESPP has an impact on equity through the adjustment in the treasury shares and retained earnings. See chapter 6.7.6 for more information.

Gross average hourly wages split by gender

(in €)	31 December 2022		31 December 2021	
	Female	Male	Female	Male
Executive Board[1]	334	346	296	313
Senior management	125	124	118	115
Management excluding sr. and jr. management	61	68	57	63
Junior management	41	41	37	38
Other employees	26	30	25	28

1 The figures for the EB include CEO's compensation.

Women and men given equal pay for equal work

Gender equality is an important subject within the Diversity, Equity and Inclusion (DEI) policy at a.s.r. In order to monitor whether the policy also works out in practice, a.s.r. conducts an annual Gender Pay Gap analysis to. Over 2022, this analysis shows again that men and women at a.s.r. are paid the same for equivalent work. This means that the Gender Pay Gap at a.s.r. is 0%. As for the adjusted pay gap, every gross euro a man earns at a.s.r. from labour, a woman also earns 1 euro.

However, the unadjusted pay gap, in which we do not correct for type of work, age and work experience but look at all men and women as a whole, is 17% at a.s.r. This means that overall the average gross hourly wage of all women at a.s.r. is 17% lower than that of all men at a.s.r. When the median gross hourly wage is used to calculate the gender pay gap, the unadjusted pay gap at a.s.r. is 20%.

However, a.s.r.'s ambition is also to achieve a more proportionate distribution of men and women in management and specialist positions. And thus to close the pay gap caused by the fact that women and men traditionally have different professions. On the one hand, this improvement in diversity should come from the internal advancement of women, and on the other from the influx of more women joining a.s.r.
Examples to further promote gender diversity include:

- Introduction of anonymous job applications in 2022.
- A diverse composition of interviewers in application procedures: these always include both a male and a female interviewer.
- Vacancy texts are either gender-neutral or aimed at attracting women in particular.
- The compulsory 'unconscious implicit bias' course for all managers, in which they learn how to recognise unconscious bias and the techniques that are available to eliminate it.
- Collaborations between a.s.r. and various organisations, such as Talent to the Top, Women In Financial Services (WIFS), InTouch Female Leadership, Feminer and the Agora Network, to further improve the position of women in the labour market.

3.4 Informing the investor community

Market capitalisation
(in € billion)

6.6 ↑

2021: **5.5**

Free float
(in %)

100 →

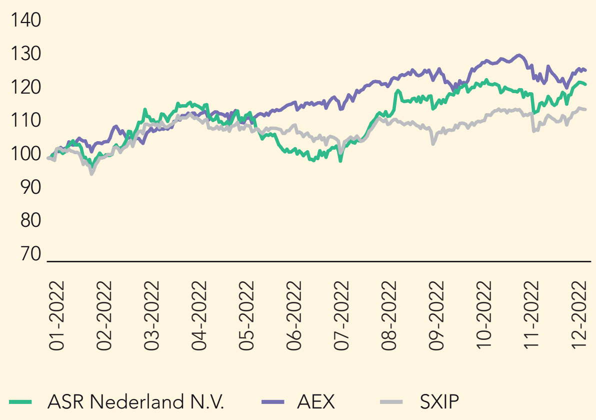
2021: **100**

Outstanding shares
(in million)

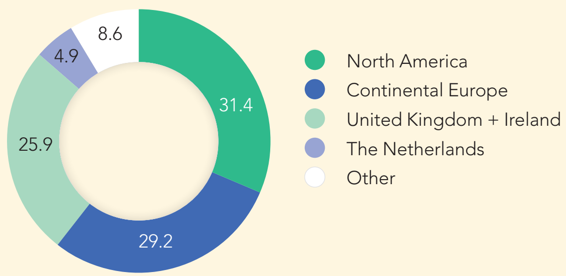
147.9 ↑

2021: **135.8**

Development of share price



International diversification shareholders
(in %)



Share price development
(in €)

44.35 ↑

2021: **40.50**

Dividend per share
(in €)

2.70 ↑

2021: **2.42**

a.s.r. aims to be an attractive company for investors by creating value in both the short and long term. a.s.r. does this by adhering to a disciplined execution of its strategy aimed at delivering a solid performance against an ambitious set of financial and non-financial targets.

a.s.r. attaches great value to maintaining a strong relationship with the investor community in the broadest sense and adheres to high standards relating to transparent communication and fair disclosure. The aim of a.s.r.'s investor relations is to provide all relevant information which can help investors make well-informed investment decisions. a.s.r. makes every possible effort to ensure that the information it discloses is accurate, complete and timely. The Investor Relations team was recognised with the Best IR Company award in the AMX category during the NEVIR Dutch IR Awards.

a.s.r. provides relevant insight into its activities and performance through various financial and non-financial disclosures. To that end, it regularly updates the markets on its financial performance, the progress it is making on the execution of its strategy and any other relevant developments through press releases, webcasts, conference calls and other forms of communication. a.s.r. publishes its financial and non-financial results twice a year in the form of half-year and full-year results.

Developments in 2022

In 2022, a.s.r.'s management continued to actively engage with its existing investor base and potential new investors. As an increasing number of countries relaxed their social distancing restrictions following COVID-19, 'in person' meetings with investors were gradually reinitiated. In the first half of 2022, the investment community showed continued interest in a.s.r.'s updated strategy and medium-term financial and non-financial targets for the 2022-2024 period, which were announced at the Investor Update (IU) in December 2021. In June a.s.r. organised an IFRS 17 information session for analysts and investors to provide an early update on the progress realised and possible impacts on certain financial metrics.

In the second half of 2022, a.s.r. announced the strategic and transformational transaction with Aegon N.V. to combine its Dutch businesses to create a leading insurer in the Netherlands. The rationale and merits of the transaction were well received by the investment community, who subsequently provided overwhelming support in the financing of the cash consideration of the acquisition. a.s.r. demonstrated its access to the capital markets with the successful issuance of equity through an accelerated book build (ABB) for 10% of the outstanding shares, equating to € 594 million, and the issuing of Solvency II-compliant hybrid capital (Tier 2) for an amount of €1 billion. As an indication of the broad-based support amongst investors, the ABB was almost five times oversubscribed at the strike price of € 43.00 which offered investors a discount of 3.2%. Additionally, the Tier 2 hybrid capital was oversubscribed by more than 6 times.

For more information about a.s.r.'s policy on fair disclosure and bilateral dialogue, see www.asrnl.com.

a.s.r. shares

a.s.r.'s shares have been listed on Euronext Amsterdam since 10 June 2016 (symbol: ASRNL, ISIN: NL0011872643). a.s.r. was included in the AEX Index until 20 December 2021 and subsequently became part of the AMX Index. As of 20 March 2023, a.s.r. is part of the AEX Index again, based on the annual review of the index composition by Euronext Amsterdam. The free float as defined by Euronext Amsterdam, was 100% as at 31 December 2022. Each share has one vote.

On 19 February 2022, a.s.r. announced an SBB programme for € 75 million, which was completed on 24 May 2022. A total of 1,798,472 shares were repurchased as part of this programme in 2022.

In October 2022 a.s.r. issued equity in an ABB in line with its mandate provided by the Annual General Meeting (AGM) in May. It placed 13,805,720 shares at a share price of € 43.00. As at 31 December 2022, there were 147,924,284 shares outstanding, excluding any ordinary shares to be issued in the context of Aegon Transaction.

Shares

(in numbers)	31 December 2022	31 December 2021
Authorised capital	325,000,000	325,000,000
Issued share capital	149,827,056	138,057,204
Own shares held by a.s.r.	1,902,772	2,263,812
Outstanding shares	147,924,284	135,793,392

Proposed dividend
(in €)

2.70

Dividend

a.s.r.'s dividend policy, effective as of 2022, offers shareholders a progressive dividend with low-to-mid-single digit envisaged growth. The policy includes an interim dividend, which is set at 40% of the total dividend for the previous year and is conditional on achieving adequate financial results and solvency. To be able to pay dividends, the operating companies of a.s.r. remit cash to the holding. a.s.r. holds cash at the holding company to cover operating holding costs and hybrid expenses for the next 12 months (rolling forward), and cash to pay the final and interim dividend.

Dividend per share

(in €)	2022	2021
Interim dividend	0.98	0.82
Final dividend	1.72	1.60
Total dividend	**2.70**	**2.42**

Based on its strong financial performance in 2022, but also reflecting confidence in the financial merits of the transaction with Aegon Nederland N.V., a.s.r. proposes to pay a total dividend of € 2.70 per share, which is paid as an interim dividend of € 0.98 per share (in September 2022) and a final dividend of € 1.72 per share (to be paid in June 2023). The total dividend of € 2.70 per share represents a 12% step-up compared with the total dividend over 2021 (€ 2.42 per share). In addition, a.s.r. intends to raise its progressive dividend ambition for the 2023 -2025 period to a mid-to-high-single-digit growth per annum.

Following approval by the AGM on 31 May 2023, the final dividend will be payable from 8 June 2023. The a.s.r. shares will trade ex-dividend on 2 June 2023. Since the Initial Public Offering (IPO) on 10 June 2016, a total cash amount of € 2.4 billion has been returned to shareholders (including the proposed final dividend over 2022). This includes € 255 million of share buybacks in 2017 during the sell-down process by NL financial investments, the SBB programmes of € 75 million in each of the years in the period 2020-2022, and the interim and final dividend over 2022.

Shareholders

a.s.r. shares are held by an international and diversified shareholder base. By the end of 2022, based on public filing and company information, institutional investors in North America, Europe (excluding the Netherlands) and the United Kingdom including Ireland, represent the majority of a.s.r. shareholders, owning approximately 31.4%, 29.2% and 25.9% of the outstanding shares respectively. The remainder is held mainly by investors based in the Netherlands, Germany, France, Norway, and the rest of Europe. A limited number of shares are held by retail investors in the Netherlands.

Major shareholders

Dutch law requires shareholders to report their holdings in Dutch-listed companies to the AFM if they exceed 3% of total outstanding share capital (and certain higher thresholds). As at 31 December 2022, Amundi Asset Management and BlackRock had a shareholding in a.s.r. of more than 5%. Bank of America, BNP Paribas Asset Management, Citigroup, Dimensional Fund Advisors, Janus Henderson Group, Ninety One, and Norges Bank had a shareholding in a.s.r. of more than 3%, but less than 5%.

Following the closing of the transaction, Aegon N.V. will receive shares equivalent to an interest of 29.99% post-transaction. Based on approximately 148 million outstanding shares on 31 December 2022, and assuming no changes in the number of outstanding shares up to the closing, Aegon N.V. will receive 63.3 million shares, bringing the total number of shares outstanding to approximately 211 million outstanding shares after closing. The closing of the transaction with Aegon N.V. is expected to take place on 1 July 2023 at the earliest.

Shares and share price performance

At the end of 2022 the share price stood at € 44.35 (2021: € 40.50). Total shareholder return amounted to 16.3% in 2022 (including a dividend reinvestment in a.s.r. shares) and to 219.3% since the IPO in 2016. The Euronext AEX Index and Euronext AMX Index depreciated by -11.4% and -11.1% respectively, while the STOXX Europe 600 Insurance Index appreciated and 5.6% respectively in 2022.

Analysts

a.s.r. is actively covered by research analysts. 17 equity analysts issued a recommendation and a price target on a.s.r. with an average price target of € 50.74 per year-end 2022. The recommendations comprise 12 buy recommendations and 4 hold recommendations. There is one sell recommendation on a.s.r.

Share price performance

(in €)	2022	2021
Starting price as at 1 January	40.50	32.85
Highest closing price	45.99	40.98
Lowest closing price	34.65	31.92
Closing price as at 31 December	44.35	40.50
Market cap as at 31 December (€ million)	6.560	5.500
Average daily volume shares (numbers)	497,953	463,387

Bonds

a.s.r. has five debt instruments outstanding for a total nominal amount of € 3 billion, one Restricted Tier 1 (RT1) bond for € 500 million, three Tier 2 bonds for € 500 million each, and the newly-issued Tier 2 bond for € 1.0 billion.

Credit ratings

a.s.r. is rated by Standard & Poor's (S&P). In 2022, a.s.r. had several conference calls with the rating agency to discuss developments both at a.s.r. itself and in the Dutch insurance market. This resulted in a comprehensive S&P analysis report on a.s.r. on 9 September 2022, which confirmed the ratings and outlook. The ratings and outlook were also confirmed after the announcement on 27 October on the business combination between a.s.r. and Aegon Nederland N.V. The single A rating of the insurance entities has applied since 29 September 2008, and the stable outlook since 23 August 2012.

More information on a.s.r.'s bonds and ratings can be found on www.asrnl.com.

Bonds

	Nominal value	Coupon	First call date
Perpetual Tier 2 Capital Securities	€ 500 million	5.000%	30 September 2024
Fixed to fixed Tier 2 Capital Securities	€ 500 million	5.125%	29 September 2025
Perpetual Restricted Tier 1 Capital Securities	€ 500 million	4.625%	19 October 2027
Fixed to fixed Tier 2 Capital Securities	€ 500 million	3.375%	2 May 2029
Fixed to fixed Tier 2 Capital Securities	€ 1,000 million	7.000%	7 December 2033

Credit ratings

Standard & Poor's	Type	Rating	Outlook	Since
ASR Nederland N.V.	CCR	BBB+	Stable	15 May 2014
ASR Levensverzekering N.V.	CCR	A	Stable	23 August 2012
ASR Levensverzekering N.V.	IFSR	A	Stable	23 August 2012
ASR Schadeverzekering N.V.	CCR	A	Stable	23 August 2012
ASR Schadeverzekering N.V.	IFSR	A	Stable	23 August 2012
Perpetual Tier 2 Capital Securities (5.000%)		BBB-		16 September 2014
Fixed to fixed Tier 2 Capital Securities (5.125%)		BBB-		29 September 2015
Fixed to fixed Tier 2 Capital Securities (3.375%)		BBB-		1 May 2019
Perpetual Restricted Tier 1 Capital Securities (4.625%)		BB+		18 July 2019
Fixed to fixed Tier 2 Capital Securities (7.000%)		BBB-		14 November 2022

ESG ratings

a.s.r. is rated by various ESG research agencies. These agencies provide a.s.r. with external recognition for sustainability and the realisation of its group targets including non-financial targets. These agencies also benchmark a.s.r. to its peers.

a.s.r. again performed strong in the Dow Jones Sustainability Index (DJSI). With a score of 84 points, it keeps its place in the DJSI World and Europe indices (2021: 86). At Sustainalytics, a.s.r. is climbed to the number 1 spot during the year and closed the year at second place in the group of insurers world-wide (9.1 points). A dedicated a.s.r. team continuously monitors developments regarding the ESG research agencies and methodologies, attention from investors towards the ESG benchmarks, and usesinsights from ESG ratings to further improve and internalise sustainability in a.s.r.'s operations.

More information on a.s.r.'s ESG ratings can be found on www.asrnl.com.

Scores international sustainability ratings and benchmarks

	Score low	Score high	2022
Dow Jones Sustainability Index[1]	0	100	84 / #10
MSCI	CCC	AAA	A
Sustainalytics ESG Risk Rating	100	0	9.1 / #2
Carbon Disclosure Project	D-	A	B
Moody's ESG (former: Vigeo Eiris)	0	100	65 / #7
ISS Oekom	D-	A+	C+ (prime)
FTSE4Good	0	5	3.9
Bloomberg Gender Equality Index			included

1 DJSI Europe Index: #7, DJSI World Index: #10

Case
Sustainable employability

'My aim is to minimise the **consequences of absenteeism**'

Left:
Edwin Weigert
Case manager absenteeism & reintegration at a.s.r.

Right:
Gina Schuurman
Financial and ESG analyst

All organisations rely on a healthy and vital workforce. Sometimes, however, absence due to sickness or injury can't be avoided. That's when a.s.r.'s occupational reintegration experts step in with advice and solutions. One of them is case manager Edwin Weigert, who helped client Gina Schuurman regain her physical and mental wellbeing following a lengthy spell of absence from work. 'Edwin offered the right treatment at the right time.'

'I've never been so ill as I was then. Despite being young and fit, I was extremely tired and short of breath', says Gina Schuurman, 33. Gina had worked for a year as a financial and ESG analyst when she got Covid-19 and was off work for six weeks. 'It was so difficult for me to accept that I was unable to work. After three weeks of sitting at home, I tried to go back but I just couldn't manage it'.

So after six weeks, she decided to build up her hours again in consultation with the company doctor. 'All I wanted was to become fully operational again, as I was before'. But in November she realised it still wasn't working. Looking back now, she has a better idea of where things were going wrong. 'I'd just moved house and because of the Covid restrictions I was working mainly from home in what was a new job. As a result, I had to get to know new colleagues online, whereas the thing I really valued was working with others in an office environment. What's more, everything that energised me outside work was out of bounds due to the pandemic. I was therefore doing too many activities that depleted my energy and too few that gave me energy'. She took the problem to her line manager, who suggested she take a period of extended Christmas leave.

While she was on leave, Gina came into contact with Edwin Weigert. As an absenteeism case manager and reintegration specialist for a.s.r., he advises the company and its employees on how to manage individual cases of sickness absence. He felt that Gina was suffering from compound absenteeism: she'd fallen sick, and subsequently built back most of her hours before having to reduce them again. Edwin adds: 'That shows there's something more fundamental going wrong. My job was to find out what it was and work out how to help her resolve the problem'.

During their phone conversations, Edwin noted that Gina problems weren't just physical but also had a mental component. 'Coping with Covid hadn't just taken a toll on her body but also on her mental wellbeing'. He therefore suggested a rehabilitation process designed by TIGRA, an occupational health service provider with experience of people with long-Covid symptoms. 'The process I had in mind focuses on both physical and mental rehabilitation'.

The support provided by Edwin brought about an improvement in Gina. 'Edwin said he could help me provided I told him what I needed. I was initially a bit stubborn, thinking I could make myself better without help. But eventually I couldn't ignore what my body was telling me'. As Edwin explains the TIGRA approach, Gina enthusiastically endorses what he says. 'Edwin offered the right treatment at the right time'.

After a holiday during which she began to ask herself whether her work was really making her happy, Gina began her reintegration process. She visited a physiotherapist and manual therapist who helped her to become physically stronger. She was also assigned a coach. 'She encouraged me to be brave enough to make my own choices. That was a bit nerve-racking as I realised I was having increasing doubts about my job. But it was extremely useful: I finally felt I was making progress'.

Edwin periodically calls Gina to ask how things are going. 'Edwin is highly engaged and was a fantastic help by offering me this comprehensive package coupled with professional support'. Edwin adds that Gina also had to deal with her own doubts. 'You can't ignore the question of whether your work is giving you satisfaction. Because if you build back your hours but don't actually like your job, you'll go backwards again very quickly'.

While undergoing the rehabilitation process, Gina realised she didn't want to carry on in her existing job. 'My employer and I discussed the situation and eventually parted company on good terms'. She's now thinking about what kind of work she *should* be doing. 'I'm currently doing a course on neurolinguistic programming, which is giving me insight into my (unconscious) beliefs and behaviours. I'm also very interested in spirituality and sustainability. I've not yet fully identified what it is I should be doing, but I'm confident the answer will come'.

Edwin is pleased with how Gina's reintegration has gone. 'Regardless of whether a client returns to their existing job, my aim is to minimise the consequences of absenteeism for everyone involved. And in medical terms, Gina is now fully recovered'. According to Edwin, Gina's employer also reacted positively to the outcome, although they were very sorry to have to say goodbye to her. 'Of course, that's not what you hope for as an employer. But if Gina had not received the guidance we offered, there is a good chance she would have dropped out again with physical and/or mental complaints. Which would have made the situation much more complex. Gina's employer certainly realises this as well, he let us know in our conversations'.

Since he deals with employers and company doctors as well as individual employees, Edwin says he's able to gain a complete picture of a situation and hence provide more effective help. 'You very quickly develop a connection, which means you can provide genuine added value. And that's what I like most about my job: you can see that your work is making a difference on all sides'.

3.5 Operating as a trusted company

As a financial service provider, a.s.r. considers it of great importance to gain and maintain the confidence of its stakeholders. Aspects such as paying fair taxes, respecting human rights and taking part in open dialogues with political representatives and other stakeholders play a major part in being a trusted company. On top of that, a.s.r. is committed to promote the inclusion of different target groups, including socially vulnerable people.

3.5.1 Socially responsible taxpayer

a.s.r.'s tax policy contributes to its ambition to be a financially reliable and stable organisation with the aim of ensuring that both its short- and long-term commitments towards customers and other stakeholders can be met, thereby creating long-term value. In addition, the outcome of its tax policy is that as a member of society, a.s.r. contributes its fair share to enable and maintain that society. a.s.r. subscribes to the Tax Governance Code developed by the employers' organisation VNO-NCW.

Tax strategy

a.s.r. aims to be a socially responsible taxpayer based on professionally executed tax compliance. It does not apply any tax-aggressive positions. When optimising its tax planning, business considerations always take priority. a.s.r.'s tax policy is published on asrnl.com.

a.s.r.'s tax strategy has been approved and endorsed by the EB. The Audit & Risk Committee (A&RC) of the SB supervises the tax policies pursued in line with the Dutch Corporate Governance Code. The tax policy and tax risks are discussed annually in the A&RC.

Tax control

Group Tax plays a central role in the tax function of a.s.r. and therefore has an important role in embedding the tax strategy in the organisation's day-to-day operations. Group Tax is responsible for the establishment, maintenance and testing of the Tax Control Framework that is part of the broader Risk Management Framework, which in turn sets out the various processes, risks and existing control measures.

Relationship with the Dutch Tax Authority

The EB and the Dutch Tax Authority have concluded the Horizontal Monitoring Covenant (Tax Control Framework). This sets out how a.s.r. and the tax authorities should engage with one another: with mutual trust and in an open, transparent manner. The Horizontal Monitoring has been further developed by the tax authorities into an Individual Monitoring Plan.

Tax rulings

In some cases, it is desirable for a.s.r. to obtain certainty from the tax authorities in advance concerning the application of (often complex) tax legislation and regulations. In such cases, a.s.r. will ask the tax authorities for a prior tax ruling on a tax position which a.s.r. has adopted. With operations almost exclusively within the Netherlands, there are no international tax rulings applicable for a.s.r.

3.5.2 Human rights

As an organisation, a.s.r. has an impact on society and hence can also have an impact on human rights. a.s.r. aims, among other things, to make a positive contribution to making society more sustainable by respecting and protecting human rights and preventing or reducing the (potential) risks of human rights violations.

In 2022, a.s.r. further developed and implemented a human rights policy . This policy specifies:

- Which international conventions and guidelines a.s.r. subscribes to and respects;
- How a.s.r. accounts for its responsibility to respect human rights;
- How a.s.r. deals with human rights in its various roles of investor, insurance and financial products and services provider, procurer and employer;
- a.s.r.'s expectations relating to its employees, business and other relevant parties;
- How (potential) human rights violations can be reported.

Investments

For a.s.r., the greatest potential negative impacts on human rights reside in its investment portfolio, which is why human rights are one of the key priorities in its responsible investment policy. All of a.s.r.'s existing and new investments are monitored for ESG criteria based on its Socially Responsible Investment (SRI) policy, which includes criteria for human and labour rights. Countries and companies that fail to comply with this are excluded. Companies committing systematic and/or gross violations of human rights, or those that do not respect fundamental coventions from the International Labour Organisation (ILO), are excluded or else an engagement dialogue is initiated to give them the chance to improve and comply. In 2022, dialogues were held on living wage in the food sector, human rights surrounding the EACOP project in Uganda and the Uyghur situation in China.

Business customers

In the acceptance process for new business customers, a.s.r. assesses (potential) risks in the sphere of human rights violations. In the Customer Due Diligence policy, human rights violations are a ground for exclusion. An additional assessment of ESG risks, including human rights risks, takes place, if required, as part of the Sustainable Insurance Policy. In 2022, no customers were refused on the basis of human rights or labour rights violations.

Retail customers

In the first months of 2022, a.s.r. performed an impact analysis to gauge the extent to which its products and services could have a negative impact on human rights. a.s.r. offers financial products and services in the Dutch market, and not abroad, with the aim of sharing risks and building wealth for later. Compared, for example, to a company in the manufacturing industry, the chain of a.s.r.'s products and services is short, less complex and local, which leads to a limited amount of risks. Human rights risks has become even more prominent in view of the economic situation in 2022. To mitigate this, a.s.r. has become a signatory to the Ethical manifesto (*Ethisch manifest*) and implemented the Protocol for payment arrears (*Protocol bij betalingsachterstanden*) of the Verbond van Verzekeraars. It has also joined the Dutch creditors coalition (*Schuldeiserscoalitie*) and the Dutch debt relief route (*Nederlandse Schuldhulproute*). See section 3.1.2 for more information.

One risk highlighted by the impact analysis was that a.s.r. could inadvertently fail to uphold the right to equal treatment. a.s.r. therefore drew more attention to this issue internally in 2022 and re-emphasised that it does not make unlawful distinctions on the basis of gender, age, beliefs, background or sexual orientation in its services to customers. By applying the Ethical Framework for data-driven applications for insurers, a.s.r. has reduced the risk of unjustified bias, exclusion and discrimination in core processes such as its underwriting policy, premium-setting, fraud policy and claims handling. The prevention of exclusion and discrimination is also the starting point in non-data-driven decision-making and processes and in communication with (potential) customers.

Procurement

a.s.r. has tightened its procurement process, including in the area of human rights. Compliance with human rights and labour rights standards is reviewed during selection and monitoring. This information is used as input for annual, strategic discussions with suppliers. a.s.r. requires suppliers to be diligent in their own business activities and supply chain. In 2022, a.s.r. developed a Supplier Code of Conduct which includes expectations governing compliance with human rights standards.

Employees

As an employer, a.s.r. also respects the right to equal treatment and non-discrimination. At a.s.r., everyone is welcome and treated equally, through awareness of diversity in relation to gender, age, religious conviction, physical and mental capacity, background and sexual orientation. Through its Diversity, Equity and Inclusion policy, a.s.r. strives for a workforce that is a representative reflection of society. The a.s.r. code of conduct pays explicit attention to a safe and pleasant working environment, non-discrimination and inclusion. In 2022, a.s.r. launched several initiatives to promote diversity, equity and inclusion within the organisation. The Diversity and Inclusion module of the Denison Scan measures progress on this theme annually. In 2022, a.s.r. was among the top 25% of companies taking part in this module. More information can be found in sections 3.3.2 and 4.8.3 of this Annual Report.

a.s.r. uses various channels to gain insight into workplace safety, such as the annual Vitality Scan, panel discussions following the Risk Inventory and Evaluation (RI&E), eMood and the Denison Scan. Employees who experience undesirable behaviour such as bullying or discrimination can contact their manager, the HR advisor or the Vitality specialist, external confidential advisors and/or the Grievances Committee. An external confidential advisor was contacted 21 times in 2022 (2021: 14). There were no (0) complaints submitted to the Grievances Committee (2021: 0).

3.5.3 **Political engagement**

a.s.r. takes part in open dialogues with political representatives and with its stakeholders. To this end, it holds meetings with government bodies, financial institutions and socially relevant organisations on an ongoing basis to explore societal issues. In view of the challenges that society as a whole is faced with, a.s.r. believes it is vital to cooperate with governmental organisations and institutions to identify sustainable solutions. a.s.r. engages itself in political lobbies as part of the democratic process and contributes its expertise and knowledge to support policy development. Public Affairs of a.s.r. monitors legislative and regulatory

War victims in Ukraine
In February 2022, Russia began its invasion of Ukraine. a.s.r. sympathises with the population and with the victims of the war. a.s.r. colleagues were given the opportunity to donate to the victims by converting their earned Gamification points into a monetary amount.

During the national initiative "Together in action for Ukraine", the EB - on behalf of all colleagues - topped up the amount and donated € 250,000 to help the Ukrainian people.

In the meantime, a.s.r. reviewed its activities in Russia. As Russia was excluded as a country since 2007, a.s.r. has no insurance activities and direct investments in Russia.

Earthquakes Türkiye and Syria
In February 2023, a series of catastrophical earthquakes took place in Türkiye and Syria. a.s.r. deeply feels for the victims and with family members who live and work here and have lost or are worried about their loved ones. a.s.r. colleagues were also directly or indirectly impacted by the earthquakes. It was clear that, as a company, a.s.r. wanted to offer help where it could.

a.s.r. employees were given the option to convert points earned during Gamification in a monetary donation. In anticipation of the final outcome of the campaign, the EB donated on behalf of a.s.r. € 100,000 to the victims two days after the disaster.

The total amount donated by a.s.r. employees via the Gamification campaign was € 58,650. On behalf of a.s.r., the EB doubled the amount, resulting into an additional donation of € 17,300 in March 2023.

developments while providing appropriate answers in its political contacts. In 2022, a.s.r updated the Dutch House of Representatives (*Tweede Kamer*) on the effects of the new forthcoming pension reform on insurers. This topic has attracted considerable attention in political circles over the past year. The same applies to reputation-sensitive files such as damage to the climate, sustainability and the associated investment policy. Discussions with members of the Tweede Kamer enable the transfer of knowledge.

a.s.r. ensures that all public affairs, lobbying and political network activities are carried out in line with the Code of Conduct of the Dutch Association for Public Affairs (*Beroepsvereniging voor Public Affairs*; BVPA), which is a minimum obligatory standard governing contacts with representatives from politics, the private sector and society. Through the BVPA, a.s.r. is a co-signatory to the EU Transparency Code of Conduct. a.s.r. supports the operational entities in relation to regulatory and political strategies and monitors developments in these areas. a.s.r. is committed to democracy and wishes to play a neutral yet substantive role in this. a.s.r. therefore does not support political parties financially in any way whatsoever.

The total of annual monetary contributions made and expenditures incurred with regard to its trade association, the Verbond van Verzekeraars, in 2022 is € 2,460,000 (2021: € 2,605,000). a.s.r. also makes an annual contribution of € 50,000 to the Dutch Association of Institutional Property Investors (*Vereniging van Institutionele Beleggers in Vastgoed Nederland*; IVBN). The contribution policy of the Verbond van Verzekeraars is based on the gross premium income for the business segment Non-life and product line Individual life. The contribution rate for Life (excluding Individual life) is based on technical provisions. This rate fell in 2022, resulting in a reduced contribution to the Verbond van Verzekeraars compared with 2021.

3.5.4 a.s.r. foundation

a.s.r. is committed to promote the inclusion of different target groups, including socially vulnerable people. It helps people to make well-considered financial choices in order to prevent them from getting into debt or to help them get out of debt. a.s.r. encourages its employees to contribute to society alongside their work individually, in a team or at home. Employees are provided hours and financial resources for this on an annual basis, by focusing its activities on:

- Financial self-reliance: reading to and teaching children and young people to promote their financial education and providing support to households in debt or at risk of getting into debt.
- 'Helping by doing' by inspiring, motivating and mobilising a.s.r. employees to voluntarily engage in the work of community-based organisations.

Financial self-reliance
Many Dutch people struggle to stay on top of their finances. A disorganised personal administration increases the risk of getting into debt. a.s.r. foundation therefore supports households with (a risk of problematical) debts. Half of all people with financial problems have a low literacy rate. a.s.r. believes that financial education and developing language in children and young people is crucial and helps parents to teach their children to become financially literate. In 2022, 224 (2021: 155) a.s.r. employees have volunteered 4,074 (2021: 3,375) hours, for example by giving guest lectures at school orby becoming a financial buddy (*Schuldhulpmaatje*).

Helping by doing
There are many vulnerable groups in the Netherlands who need help and encouragement to get by. Community-based organisations which provide such support often depend on volunteers. a.s.r. therefore encourages its employees to give their time and effort voluntarily to these causes. Volunteers can get involved in social activities either individually or as part of a team. Each year, a.s.r. provides teams to assist community-based organisations, e.g. by harvesting pears at Reinaerde care centres or taking residents from the Careyn Rosendael care home for a day out at the beach. Finally, a.s.r. also supports initiatives by employees who volunteer during their own time on behalf of a community-based organisation by means of an incentive (encouragement) plan. In 2022, 1,038 (2021: 476) a.s.r. employees volunteered in 118 (2021: 38) different activities.

4

Business performance

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

4.1 ASR Nederland N.V.

Operating result
(in € million)

1,039 ↑

2021: **1,009**

Result before tax
(in € million)

929 ↓

2021: **1,209**

Organic capital creation
(in € million)

653 ↑

2021: **594**

Gross written premiums
(in € million)

6,041 ↑

2021: **5,859**

Operating return on equity
(in %)

12.8 ↓

2021: **16.1**

Dividend per share
(in €)

2.70 ↑

2021: **2.42**

Operating expenses
(in € million)

-779 ↓

2021: **-725**

Solvency II ratio
(standard formula, in %)

222 ↑

2021: **196**

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

4.1.1 Financial performance

Operating result

The operating result increased by € 30 million to € 1,039 million (2021: € 1,009 million). All business segments performed strongly and apart from Distribution and Services posted higher operating results.

Operating result per segment

The operating result of the Non-life segment remained relatively stable at € 325 million (2021: € 322 million). The performance was strong, with healthy underwriting results in both P&C and Disability, offsetting negative developments in Health due to a decrease in the portfolio and its impact on unfavourable claims development.

The Life operating result increased by 2% (€ 15 million) to € 768 million, reflecting an improved technical result including result on costs (€ 23 million), which more than offset the slight decrease in the investment margin (€ 8 million).

The operating result of the Asset Management segment increased by 7.6% (€ 3 million) to € 39 million, mainly driven by Real estate, offsetting higher operating expenses.

The operating result of Distribution and Services decreased by € 2 million to € 25 million, reflecting higher operating expenses which are partly offset by higher contribution of acquisitions and organic business growth.

The Holding & Other operating result increased by € 11 million to € -119 million, mainly due to the release of an employee-related provision.

Gross written premiums

Gross written premiums (GWP) increased by 3.1% to € 6,041 million. The GWP in the Non-life segment increased by 3.7% to € 4,276 million, driven by strong organic growth at P&C and Disability (9.1%). Health GWP decreased by 9.0%, due in part to the exceptionally strong increase in the number of customers in 2021, which has since been reversed partly by a less competitive price proposition in 2022. The GWP in the Life segment increased by 3.1% to € 1,952 million (2021: € 1,893 million), driven mainly by the ongoing commercial success of the DC pension product 'Werknemers Pensioen' (Employee Pension).

Operating expenses

Operating expenses associated by ordinary activities increased by € 41 million to € 703 million, reflecting organic business growth, especially in the Non-life and Asset Management segments and in the additional (running) costs of several new growth initiatives. The increase also reflects the one-off payments to staff to compensate for higher energy costs and the inclusion of acquisitions (total impact € 5 million) in the fee-based segments (Asset Management and Distribution & Services) and the acquisition of Brand New Day IORP as of 1 April 2021 in the Life segment.

The cost ratio of P&C and Disability improved by 0.2%-points to 7.8%, mainly due to organic business growth.

In the Life segment, the cost ratio increased slightly to 48 bps (2021: 45 bps), reflecting higher operating expenses and a lower average basic Life provision, mainly due to negative revaluations of the unit-linked reserves. This is in line with the target range of 40-50 bps for 2022-2024.

Result before tax

The result before tax decreased by € 280 million to € 929 million (2021: € 1,209 million), mainly due to a lower contribution from indirect investment income and a more negative impact from incidental items, partly offset by a higher operating result. The result of other incidentals also includes the strengthening of Disability provisions related to the 10% increase of the legal minimum wage as of 1 January 2023 (€ 91 million) and the positive impact (€ 46 million) for the reclassification of inflation-linked value changes of bonds to non-operating as of 2022.

With an effective tax rate of 21.9% (2021: 22.4%), the IFRS net result amounted to € 733 million (2021: € 942 million), absorbing the tariff adjustment from 25% to 25.8% as from this year.

Operating return on equity

The operating return on equity decreased by 3.3%-points to 12.8% (2021: 16.1%) and remains within the target range of 12-14%, primarily reflecting a higher adjusted IFRS equity, including the impact from € 0.6 billion equity issuance to finance the business combination of a.s.r. and Aegon Nederland. Excluding the € 0.6 billion equity issuance, the operating return on equity would have been 13.5%.

Solvency II ratio and organic capital creation

The Solvency II ratio, using the standard formula, increased by 26%-points to 222% (31 December 2021: 196%). This includes a 12%-point deduction for capital distributions, consisting of the interim dividend (€ 131 million), the share buyback executed in the first half of 2022 (€ 75 million) and the proposed final dividend (€ 254 million). It also includes the proceeds of the € 0.6 billion share issue (16%-points). Market and operational developments led to a higher solvency ratio, reflecting a positive impact from higher volatility adjustment (VA), higher interest rates and equity and real estate developments, which more than offset negative impacts from higher inflation, spread movements, non-economic assumptions and the lowering of the Ultimate Forward Rate (UFR).

Organic capital creation increased by € 59 million to € 653 million (2021: € 594 million). Negative impact due to increased capital strain from higher new business production was offset by a stronger underlying business performance and lower UFR drag due to higher interest rates.

Dividend and capital distribution

In line with the dividend policy, a.s.r. will propose a dividend for 2022 of € 2.70 per share, an increase of 11.6% compared to the dividend for 2021, driven by confidence in the Aegon Nederland transaction. Taking into account an interim dividend of € 0.98 per share paid in September 2022, the final dividend amounts to € 1.72 per share.

On 27 October 2022, as part of the announcement relating to the business combination with Aegon Nederland, a.s.r. upgraded its progressive dividend guidance to an ambition for mid- to high-single digit dividend growth per annum until 2025.

In the first half of 2022, a share buyback programme of € 75 million was executed according to plan. The current share buyback programme of at least € 100 million per annum was halted due to the Aegon Nederland transaction.

4.2 Non-life

Gross written premiums
(in € million)

4,276 ↑

2021: **4,124**

Combined ratio
(P&C and Disability, in %)

91.7 ↑

2021: **91.8**

Operating expenses
(in € million)

-286 ↓

2021: **-269**

Operating result
(in € million)

325 ↑

2021: **322**

Result before tax
(in € million)

87 ↓

2021: **357**

P&C brands

Disability brands

Health brands

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

4.2.1 Financial performance

Gross written premiums

Gross written premiums increased by € 153 million to € 4,276 million (2021: € 4,124 million), mostly due to 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 9.1% (€ 263 million), driven by increased sales volumes, tariff adjustments (mainly in Disability) and the closing of a new collective disability insurance agreement as part of the collective labour agreement for the nursing and home care employee sector. In Health, premiums decreased by € 111 million due to a less competitive price proposition.

Operating result

The operating result of the Non-life segment remained relatively stable at € 325 million (2021: € 322 million). In P&C, the result reflects the impact of February storms (€ 39 million) and an ongoing normalisation of claims following the abolishing of COVID-19 restrictions. Contribution from Disability increased, driven mainly by a strong performance in Individual Disability and Sickness leave. Underlying performance was strong, with healthy underwriting results in both P&C and Disability, offsetting negative developments in Health due to a decrease in the portfolio and its impact on unfavourable claims development.

Operating expenses

Operating expenses increased by € 17 million (6.2%) to € 286 million, mostly driven by organic growth in P&C and Disability. At segment level, the cost ratio deteriorated slightly due to a shift in the business mix. In P&C and Disability, the cost ratio improved by 0.2%-points due to volume growth at relatively fixed costs.

Combined ratio

The combined ratio of P&C and Disability remained stable at 91.7%[1], which was better than the target range of 93-95%.

In P&C, the combined ratio amounted to 93.9% (2021: 91.9%). Despite the increase of 2%-points, the combined ratio and underlying business performance remained strong. 2021 was impacted positively by COVID-19 restrictions, partly offset by the July floods and reserve strengthening. This year, weather related calamities (the 'triple storm' in February) and large claims had a higher impact than last year, and the level of claims rose due to increased traffic intensity as lockdown measures were lifted.

In Disability, the combined ratio amounted to 89.3% (2020: 91.6%). The combined ratio improved by 2.3%-points, mainly due to improved underwriting results in Individual Disability and Sickness leave.

The combined ratio of Health deteriorated by 4.6%-points to 100.8%. In 2021, Health benefited from government support relating to COVID-19 and an extraordinary inflow of customers. This year, a net outflow and its impact on unfavourable claims experience resulted in an increase of the combined ratio. Due to a large inflow of customers (to be insured in 2023), acquisition costs were taken into account in 2022, leading to an adverse impact of 0.8%-points on the combined ratio.

Result before tax

The result before tax decreased by € 271 million to € 87 million (2021: € 357 million), mainly due to a negative impact from incidental items. Indirect investment income decreased by € 184 million, mostly due to lower realised gains and losses, lower fair value revaluations and higher impairments. The result of other incidentals decreased by € 90 million, primarily driven by a strengthening of Disability provisions relating to the 10% increase in the legal minimum wage as at 1 January 2023 (€ 91 million). This includes a € 27 million reclassification of the HY 2022 operating result to other incidentals relating to the strengthening of Disability provisions on the anticipated 2.5% increase in the minimum wage at that time.

4.2.2 P&C

a.s.r. ranks among the top three P&C insurers in the Netherlands, with a market share of 13.8[2] in 2021 (2020: 14.1%), measured by gross written premiums (GWP). a.s.r. offers P&C products for the retail and commercial markets under the brands a.s.r., Ditzo and Europeesche Verzekeringen. The a.s.r. brand focuses on the retail and commercial markets via advisors and mandated brokers, and Ditzo via direct online distribution to individuals. Additionally, the underwriting company Corins operates independently on the Dutch co-insurance market. In addition to a.s.r., Corins represents a panel of reputable international (re)insurers, serving VNAB brokers on the Dutch insurance exchange market. a.s.r.'s market position has been significantly strengthened in recent years through the acquisition of Generali Nederland and through strong organic growth in a market characterised

1 The combined ratio excludes the impact of the 10% increase of the legal minimum wage for the part that is above a regular indexation of 2.1%. The additional increase is considered an incidental item. The impact of this on the combined ratio is 3.0%-point.
2 Source: Market shares DNB 2021. Market shares 2022 are not available yet.

by disciplinary and economic pricing. Europeesche Verzekeringen offers travel and recreational insurance via travel agents. The COR is 93.9% (2021: 91.9%), the increase primarily reflects the claims as a result of the impact of the February storms and the normalisation of claims following the abolishment of the COVID-19 measures.

Combined ratio P&C

(in %)

Market

The Dutch P&C market is fairly consolidated. The three top P&C insurers have a combined market share of 64%[1] (2020: 64%). Consolidation has also occurred among the distribution parties and mandated brokers.

Government measures in recent years due to COVID-19 drove further digitalisation of customer service such as more online distribution, the use of customer portals, advice via video calls and the use of live chats. The ending of the COVID-19 lockdown measures had a positive impact on the travel market and consequently, on the turnover of Europeesche Verzekeringen.

The government intends to make service commission for retail P&C insurance transparent. Advisors will be required to actively inform customers of the average amount of commission per product and per person. This could provide a stimulus for change in the distribution landscape.

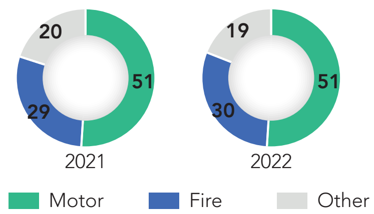
Products

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

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

Product share P&C

(in %)



Strategy and achievements

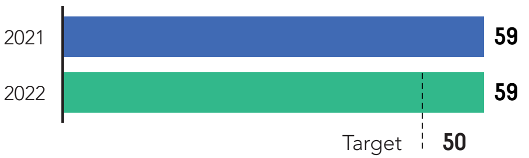
a.s.r. has a strong track record being profitable, with a good customer satisfaction score. Long-term growth is typically driven by the increase of the gross domestic product. a.s.r. is strongly represented among advisors, mandated brokers and in the co-insurance market, via Corins. In the direct channel the revenue of a.s.r. (via the Ditzo label) is stable and profitable. a.s.r. expanded its traditional product portfolio with offering sustainable P&C insurance at the end of 2021 via ASN Bank. In 2022, more products have been launched.

Simplifying and modernising the IT landscape is an important part of the strategy. In 2022, the P&C commercial portfolio was converted to the AXON platform and the old systems were decommissioned. This enables further digitalisation of the chain, improvement of services to customers and advisors, and cost reduction.

Through further digitalisation, the personal online environment My a.s.r. (*Mijn* a.s.r.) for customers has been expanded. By the end of 2022 over 166,000 customers had created accounts for *Mijn a.s.r.* (2021: approximately 80,000). Customers assign P&C a NPS-c score of 59 (2021: 59).

NPS-c P&C

(score, -100 to 100)



New sustainable features are continually added to a.s.r.'s products and services. Cover for solar panels, charging units, (mini) wind turbines, heat pumps, green roofs and secondary flooding is already available. For damage repair, a.s.r. works with a sustainable repair network (affiliated to Stichting Groen Gedaan). Corporate customers receive sustainability advice after the risk assessment. The underwriters assess whether risks that are more difficult to insure from a technical insurance perspective, but that have a strong positive impact

1 Source: Market shares DNB 2021. Market shares 2022 are not available yet.

on climate change, can nevertheless be insured, partly in order to stimulate such initiatives. To encourage corporate customers to improve the sustainability of their companies, a.s.r. has set up a pilot in partnership with Klimaatroute. Customers and intermediairies may find information for example on how to make an energy transition or how to adapt to climate change on our 'sustainable living' internet platform.

Outlook for 2023

a.s.r. expects further growth of the P&C portfolio, by 3-5% per annum, with growth opportunities primarily in the commercial market. The COR target (combined with Disability) for 2023 is 93-95%. Inflation is continuously monitored in relation to the claims and pricing of the products.

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

Products and services will become more sustainable, partly through further stimulation of sustainable repair (e.g. replacement with refurbished items) and the expansion of new sustainable insurance products, including tiny houses and other buildings.

The expected business combination with Aegon Nederland N.V. will have impact on P&C during 2023. For information about the proposed business combination, please refer to At a glance.

4.2.3 Disability

Combined ratio Disability

(in %)

Market

Distribution of disability (income) insurance products is mainly through insurance advisors. With the a.s.r. label, a.s.r. is well positioned in the distribution channel serving self-employed individuals and SMEs. With the Loyalis label, a.s.r. has a good position in the government and education, transport, healthcare and other (semi-)public sectors. a.s.r. is the market leader with a market share of 32.7% (2021: 30.6%) in terms of GWP. The income insurance market grew slightly in size to € 3.97 billion[1].

Distribution through mandated agents has increased in recent years, reaching € 664 million[2]. This is 16.7% (2020: 15%) of the total market (GWP) for income protection insurance. In 2022, 24.1% (2021: 23%) of a.s.r.'s GWP was realised through mandated agents.

Products

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

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

a.s.r. provides a wide range of prevention and reintegration services to customers of both a.s.r. Income and Loyalis. a.s.r.'s customers face societal developments that lead to high workloads and the need to keep employees employable and vital. With its services, courses, training programmes and a.s.r. Vitality, a.s.r. helps business owners and employers in keeping themselves and their staff employable in the long term.

a.s.r. adapts its products and services to changes in the social security system and monitors political developments so that employers can continue to meet government requirements in keeping employees employable. In 2022, for example, an absenteeism insurance specifically for SMEs (*MKB Verzuim-ontzorgverzekering*) has become a.s.r.'s key product that unburdens SME employers when it comes to the legal obligations relating to the re-integration of employees who have called in sick.

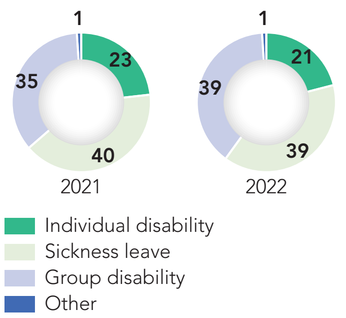
1 Source: Market shares DNB 2021. This does not include foreign providers licensed for the Dutch insurance market. 2022 market shares are not available yet.
2 Source: Mandated brokers 2021 market report Dutch Association of Insurers and NVGA, published in March 2022.

Burnout awareness campaign

In 2022, a.s.r. conducted a second campaign aimed at raising burnout awareness. Many people do not anticipate a burnout, even though signs can be detected in retrospect. The campaign's message is that it is good to be attentive to any concerns relating to mental health. This will prompt early recognition of excessive stress, and prevents burnouts. This way, a.s.r. helps breaking the taboo around mental health and burnouts and encourages people to have timely conversations about it with their employer, General Practitioner and/or social environment.

Product share Disability

(in %)



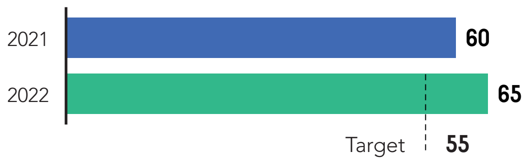
Strategy and achievements

a.s.r. aims to serve customers with best-in-class insurance products, prevention and reintegration services and an excellent service. Customers (self-employed individuals and employers) want to stay employable and prevent their employees from dropping out. And if that is not possible for a while, to be well assured of an income. a.s.r. wants to keep all its customers employable and insured. Through a.s.r.'s prevention and reintegration services, a.s.r helps its customers to ensure optimal employability of themselves and their employees. This helps reduce absenteeism among customers and control the cost of claims, keeping risks affordable and insurable.

a.s.r. focuses on further improving its service by digitising customer processes, reducing paper flows, offering convenience and personalised customer service. Examples include the further development of *Mijn a.s.r.* and the implementation of links with salary systems for a uniform and user-friendly participant administration. There are digital links with health and safety services so that a.s.r. can unburden the employer and pass on sickness and recovery reports of sick employees to chain partners.

NPS-c Disability

(score, -100 to 100)



Within the semi-public segment, a large master contract was signed in 2022 under the Loyalis label in the healthcare sector. This is partly due to the fully automated application process that participating institutions can use to ensure speed, convenience and predictability of the operational process. a.s.r. has launched a fully digital application process, allowing advisers and business owners to benefit from shorter lead times and have more insight into the progress of the acceptance process.

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

Outlook for 2023

a.s.r. does not expect any impactful changes in social security that will affect the insurance portfolio in 2023. The COR target (combined with P&C) for 2023 is 93-95%. An uncertain factor is the impact of economic and geopolitical developments on developments in inflation, interest rates, wage development and the eventual (extent of) economic growth and/or business closures/bankruptcies in 2023. a.s.r. continues to focus on the ecosystem of long-term employability with the aim of continued market leadership by leveraging its professionalism, knowledge of the social security market, prevention and reintegration services, whilst offering excellent service to customers and intermediaries and pursuing further chain integration.

The expected business combination with Aegon Nederland N.V. will have impact on Disability. For information about the proposed business combination, please refer to At a glance.

4.2.4 Health

With a market share of 3.1% (2021: 3.6%)[1], a.s.r. is the sixth-largest provider of health insurance on the Dutch market in 2022, measured by numbers of customer. The number of policyholders at a.s.r. fell by 16.9% following two years of growth. This is partly due to a.s.r.'s value over volume principle and disciplined pricing. In 2022, a.s.r.'s health insurance policies were offered under the a.s.r. and Ditzo labels.

Combined ratio Health

(in %)

The COR of a.s.r. health deteriorated to 100.8% (2021: 96.2%).

In 2022, the COVID-19 pandemic was still putting pressure on the Dutch healthcare system. a.s.r., together with other health insurers, has taken measures to ensure continuity of care, duty of care and information to its policyholders. Through solidarity agreements, the additional costs due to COVID-19 have been shared equally between health insurers until April 2022. From April, the Authority for Consumers & Markets (ACM) no longer allowed these collective agreements between insurers. Only on rare occasions and in consultation between the Ministry of Health, Welfare and Sport and the ACM will this be allowed.

Markets
The Dutch health insurance market consists of two health product types: basic health insurance and supplementary insurances. The market is highly regulated; all Dutch citizens are obliged to take out basic insurance. Basic cover has a limited number of variations across all insurers since it is a statutory compulsory insurance and its conditions/content are prescribed by the government. Although supplementary insurance is not compulsory, 83.5% of the market opted for some form of supplementary health insurance in 2022. Health insurance contracts are concluded on an annual basis. In general, 6-7% of people insured in the Netherlands switch health insurers each calendar year; this has remained relatively stable over the past eight years. In 2022, the number of people switching was 1.2 million, or 6.7%.

Insurers are obliged to accept as policyholders anyone who is legally required to have basic insurance. This is made possible by a government-run system of risk equalisation, which reimburses insurers on a pro-rata basis for expected healthcare costs in their customer base.

1 Source: IG&H performancemonitor Inkomen HY2022.

Products
The health insurance offerings of a.s.r. can be divided into the following categories:

- Basic health insurance with a broad coverage of healthcare costs, the content of which is prescribed annually by the government. a.s.r. offers three types of basic health insurance:
  - Contracted care insurance (in-kind), under which the health insurer directly reimburses costs at contracted healthcare providers.
  - Restitution (non-contracted) care insurance, under which the customer is free to choose from hospitals and care providers.
  - Combination of contracted care and non-contracted care insurance.
- Supplementary health insurance that covers specific risks not covered by basic insurance, such as the cost of dentistry, physiotherapy, orthodontics and medical support abroad.

The in-kind policy is the most common policy in the Dutch market: 76% of the insured population has contracted care insurance. 62% of a.s.r.'s healthcare customers had contracted care insurance.

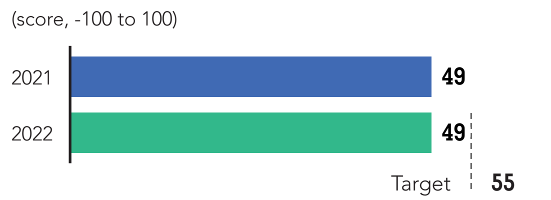
Strategy and achievements
a.s.r. is ambitious in building on the transition to a healthcare system that supports customers in choosing a healthy and sustainable lifestyle. The range of different health services has increased further in the past year, with the aim of helping and motivating people to take care of their own health. a.s.r. wants to accelerate the sustainability transition, among other things, by seeking cooperation with suppliers, healthcare providers, customers and other health insurers.

Several features have been added to the health service offerings to make its policyholders aware of their health throughout the year, and to encourage them to make healthy choices. These healthy choices focus on exercise, sleep and mental health.

In 2022, a.s.r. contracted ZorgDomein. This further helps a.s.r. to advise customers on the best suitable care. ZorgDomein gives referrers and patients instant insight into whether the chosen care is insured. Policyholders are also directed to a dedicated a.s.r. page which provides them with relevant information. This contributes to a.s.r.'s aim of providing customers with a more proactive service.

Customer contact is an important part of the customer experience, which is why further improvements were pursued and achieved in 2022. One of the goals for 2022 was to make information easier to find so that customers do not have to contact the insurer for simple or self-referential questions. One development that takes this further is the online reimbursement finder, where customers can find out for themselves what the reimbursement is for each insurance policy. A further aim was to create proactive contact, with the customer getting a positive experience during this contact, e.g. notifying them in advance about when they have reached the maximum reimbursement on physiotherapy and dental care. As part of its duty of care, a.s.r is also actively pursuing care mediation, especially with a view to preventing catch-up care following COVID-19.

NPS-c Health



With an NPS-c score of 49 (2021: 49), a.s.r. health's customer satisfaction remained stable throughout 2022.

Outlook for 2023

In 2023, a.s.r. expects the health insurance market to be impacted by inflation and the abolition of the group discount, with low premiums being an even more decisive factor in consumers' choice of health insurance. Moreover, the ability to contract healthcare providers is likely to be impacted by rising energy prices and wage costs. Combined with labour market shortages and high staff absenteeism in the healthcare sector, this is putting pressure on healthcare providers and insurers alike.

The first outcomes of the transfer season of the health insurance market at the end of 2022 indicate that a.s.r. will realise a significant growth in the number of insured for 2023. a.s.r. remains committed to a positive customer experience in 2023 and continues to encourage both new and existing customers to boost their health and vitality. In addition, a.s.r. will remain focused on cross-selling and branding, in order to increase the awareness of (new) customers on the added value of a.s.r. as an insurer.

Sustainability is another topic that will remain high on the agenda. Moreover, a.s.r. encourages appropriate care, i.e. care that demonstrably works, is smartly organised, and given in the right place or manner in close consultation with the patient. This ambition partly arises out of the Comprehensive Care Agreement, which sets out agreements to keep healthcare accessible and affordable in the next four years. The agreement was signed by health insurers in the Netherlands and the majority of industry players.

4.3 Life

Gross written premiums
(in € million)
1,952 ↑
2021: **1,893**

Operating result
(in € million)
768 ↑
2021: **754**

Operating expenses
(in € million)
-182 ↓
2021: **-173**

Cost / premium ratio (APE)
(in %)
9.4 ↑
2021: **9.5**

New Business APE
(in € million)
127 ↓
2021: **151**

Result before tax
(in € million)
1,023 ↑
2021: **981**

Funeral brand
ardanta uitvaartverzekeringen
een merk van a.s.r.

Individual life brand
a.s.r.

Pensions brand
a.s.r.

The Life segment comprises the life insurance entities and their subsidiaries. The Life segment also includes ASR Premiepensioeninstelling N.V. (previously known as Brand New Day Premiepensioeninstelling N.V.).

4.3.1 Financial performance

Gross written premiums

At € 1,952 million, the gross written premiums increased by 3.1% (€ 59 million). This increase was driven mainly by a growth in Pension Defined Contribution (DC), which more than compensated for the decrease in the 'service book' portfolio comprising the existing DB Pension portfolio and Individual life. The gross written premiums of Funeral increased slightly.

Recurring premiums of the Pension DC product ‘Werknemers Pensioen’ rose by € 134 million (or 21%) to € 768 million. The number of active participants further increased to over 150,000 (2021: almost 130,000). 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 160,000 (2021: over 120,000) and AuM increasing to € 2.0 billion (2021: € 1.9 billion).

Growth of the pension business resulted in an increase in AuM to € 5.4 billion (2021: € 5.1 billion). This reflects € 1.2 billion of net inflow, partly offset by lower market valuations (€ -0.9 billion).

Operating result

The operating result increased by 2% (€ 15 million) to € 768 million, reflecting an improved technical result, including result on costs (€ 23 million), which more than offset the slight decrease in the investment margin (€ 8 million).

Technical result (including result on costs) showed an increase of € 23 million to € 104 million (2021: € 81 million), driven by higher mortality results. Mortality rates in 2022 were above average in the Netherlands, most likely due to COVID-19, delayed care and the influenza wave. The excess mortality was also visible in the diversified portfolio of a.s.r., especially in the Pensions DB and immediate annuities products, resulting in improved mortality results. The disability result in pensions also improved compared to 2021 reflecting a non-recurring favourable assumption change on recovery rates. Due to the decline in equity markets and considerably higher interest rates, provisions for unit-linked liabilities with guarantees were strengthened by € 39 million. The size of these guarantee provisions is highly dependent on the volatile financial markets. Result on costs decreased as a result of lower cost coverage in Individual life and higher operating expenses.

The investment margin decreased by € 8 million to € 665 million. This decrease reflects a negative additional impact from annual inflation update on Funeral provisions (€ 25 million) and lower amortisation of realised capital gains, partly offset by a higher contribution due to the further optimisation of the strategic asset mix and renewable energy investments. The realisation of capital losses due to higher interest rates resulted in a lower amortisation from the capital gains reserve this year. In addition, the required interest on technical provisions decreased to the regular run-off of the Individual life portfolio.

Operating expenses

Operating expenses increased by € 8 million to € 182 million, mainly driven by an increase in the cost base following the acquisition of Brand New Day IORP as at 1 April 2021 (renamed ‘Doenpensioen’ in April 2022), extraordinary compensation to employees for higher energy costs and 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 48 bps (2021: 45 bps), reflecting higher operating expenses and a lower average basic Life provision. This is in line with the target range of 40-50 bps for 2022-2024.

Result before tax

The result before tax increased by € 42 million to € 1.023 million (2021: € 981 million). This increase reflects a rise in the operating result (€ 15 million) and a higher contribution of incidental items (€ 27 million).

Total incidental items went up by € 27 million, primarily driven by a higher contribution from other incidentals relating to a.s.r.’s own pension scheme, which more than offset a lower indirect investment income reflecting the fair value of investments, including derivatives.

4.3.2 Funeral and Individual life

In 2022, Funeral (Ardanta) and Individual life business lines were combined in the new business line Life, because of the many similarities in their (partially) closed-book portfolios.

In recent years, both Funeral and Individual life have proved to have excellent skills in the satisfactory integration of portfolios, efficiently and with an eye for customer interests. These skills are cherished, with potential future acquisitions in mind.

Market

In the Dutch market, a.s.r. ranks third with in Funeral and second in Individual life, measured by GWP. The market concentration that has taken place in recent years has further diminished the number of active providers. The market share in new production of funeral insurance policies was 15.4% in 2022 (2021: 17%). The ambition is to regain our market share in the coming years. Higher interest rates in 2022 led to lower premiums, helping to realise these ambitions.

Movements in the consumer price index in 2022 led to an unprecedentedly high index percentage of 14.3% for funeral. Close attention was paid to explaining this to customers. The lapse in the portfolio as a result of the price increases rose slightly in comparison with earlier years.

Products

Following product rationalisation in 2021, Funeral still has one active product: a capital funeral insurance policy with maximum options for the customer (free choice of undertaker and various options for the premium payment term and for retaining the value of the insurance). Distribution takes place via independent intermediaries and direct channels.

Individual life is still active in the market with term life insurance. Fierce competition, including from new providers, has led to a fall in a.s.r.'s share of this market in recent years.

Strategy and achievements

The focal point for Funeral and Individual life is the provisional innovative service to customers, driven by digitalisation. In 2022, Funeral introduced an upgraded portal for its customers, at which they can now make virtually all changes to their insurance policies themselves in a simple manner, at any time they choose.

This portal complies with the industry standard for digital access (Web Content Accessibility Guidelines (WCAG)-compliant). The share of output sent digitally rose in 2022 to 68% (2021: 56%) and 44% of all customer requests received by the customer contact departments are processed automatically ('straight through processing') (2021: 31.5%). New customers contract funeral insurance entirely digitally.

The bundling of expertise enables Funeral and Individual life to work together more effectively to realise the ambitions of efficient operations and 'best in class' customer service. The results of this approach are shown in the results of customer satisfaction surveys.

NPS-c Funeral

(in score, -100 to 100)

NPS-c Individual life

(in score, -100 to 100)

Both Funeral and Individual life make efforts to contribute towards a.s.r.'s sustainability ambitions. In 2022, a.s.r. became the first funeral insurer to join GreenLeave, an alliance of organisations in the funeral undertaking sector which aims for 100% sustainable funerals in the Netherlands. With this membership, a.s.r. aims to make an active contribution to research into and implementation of initiatives that promote sustainable funerals and communicate actively on this with customers.

Outlook for 2023

Continuation of stable financial results remains an important objective. The focus lies on organic growth and on opportunities to acquire new portfolios. After making improvements, Individual life will re-launch the upgraded term life insurance product in 2023 with the aim of recovering lost market share. In other respects, the objectives are consistent with a.s.r.'s 'digital agenda'. In concrete terms, this means:

- Activation of customers through campaigns to check whether their insurance is still consistent with the purpose for which it was contracted (realising duty of care).
- Helping customers to do business with a.s.r. digitally. The objective is that by the end of 2024, 60% of the Individual life customers and premium-paying Funeral customers have adapted a digital approach.
- A brand transition is planned for Funeral in the third quarter of 2023. The brand Ardanta will from that moment on continue under the flag of a.s.r.

The expected business combination with Aegon Nederland N.V. will have impact on Funeral and Individual life during 2023. For information about the proposed business combination, please refer to At a glance.

4.3.3 Pensions

a.s.r. is a major provider of pension insurance in the Netherlands. The defined benefit (DB) product is a part of the existing pension portfolio, but the growing defined contribution (DC) proposition forms the largest part of new sales. The current customer base of these portfolios comprises approximately 31,200 companies (2021: 27,800) and 720,000 participants (2021: 583,000).

In 2022, a.s.r. successfully completed the integration of Brand New Day IORP and renamed the entity a.s.r. PPI. The selling product is Doenpensioen. a.s.r. PPI is a separate legal entity and therefore not included in the figures.

a.s.r. has split its Life and Pensions activities on 1 March 2022. As a result, the management of the (customer service of) Life, the ASR Pensioenfondsen activities and

Sustainable funerals

In 2022, funeral insurer Ardanta signed a contract with GreenLeave, an alliance of undertakers that aims for 100% sustainable funerals in the Netherlands. Ardanta was the first funeral insurer to join GreenLeave which, until recently, consisted only of undertakers. The GreenLeave network shares knowledge and inspiration and provides for training and certification of undertakers and suppliers. The focus lies on six sustainability aspects, including the use of renewable raw materials, energy-efficient production and avoidance of toxic substances. In order to enter into a partnership with GreenLeave, companies must comply with several sustainabilty criteria. GreenLeave members must minimise the environmental impact of their business operations, taking account of sustainability in their procurement policies, and must communicate their working methods honestly and transparently.

Funeral are combined. Pensions can now focus entirely on (organic) growth and on the migration to a new IT landscape.

Market

With the pension reform in the Netherlands, a.s.r. expects the pension market to continue to move from DB to DC solutions over the coming years. With the acquisition of a.s.r. PPI, a.s.r. has further expanded its product range in DC solutions. One fifth of the Dutch pension market is still DB. Following the pension reform in the Netherlands the DC market provides strategic growth opportunities for a.s.r.

The switch from DB to DC results in a shift in risk from employer to employee/participant. This switch also leads to a declining cost coverage in the market. a.s.r. is taking further steps to enable digital self-service, given that customers expect to be able to arrange their own financial affairs online.

A second result from the pension reform is that part of the company pension funds will transfer to the new Wet Toekomst Pensioenen (Future Pensions Act; WTP). Activating and guiding pension participants is an important element of the WTP. a.s.r has extensive experience with this and is well-positioned to benefit from this development.

Products

a.s.r. provides DC pension products with recurring premiums, in which benefits are based on investment returns on selected funds, in some cases with guarantees. a.s.r.'s DC proposition concerns the employee pension product Werknemers Pensioen (WnP). In 2022, the WnP had almost 151,000 active participants (2021: 130,000) and € 3.3 billion (2021: 3.0) in AuM, all invested in SRI funds.

The number of active participants at a.s.r. PPI grew to over 162,000 (2021: 120,000) and the invested capital to € 2.0 billion (2021: 1.9). In addition to the fixed annuity product, a.s.r. also has a variable pension product. This offers customers a product for the payout phase of their pension, with an appropriate balance between risk and return. a.s.r. also offered DB products, but these are no longer (actively) sold since 1 January 2022.

Strategy and achievements

a.s.r.'s competitive position is being strengthened through the creation of further economies of scale and a focus on digital transformation and consolidation opportunities.

With the launch of the Ik denk vooruit ("I think ahead") platform, customers have been able to gain more insight into their financial situation so that they can take the right financial decisions. Through the platform, customers can register for the targeted investment product, which allows them to choose between three sustainable ASR Vooruit mixed funds.

The a.s.r. strategy in pensions consists of 5 focus points:

- Serving the needs of clients and partners. Helping customers increase their financial health, providing more insight into their financial situation and helping them to make the right financial decisions. Excellent operational performance with a high level of client satisfaction.
- Realising a new IT landscape to administer the pension portfolio. This new target IT landscape will contribute to the efficient implementation of changes in laws and regulations (among them the new pension legislation) and the further reduction of costs.
- Building a future-proof company by investing in the development of its employees and developing a data-driven organisation with healthy financial performance.
- Realising growth by having the right product propositions in place and looking for opportunities through ongoing market consolidation to acquire portfolios or companies in order to achieve cost reductions.
- Maintaining control by keeping service levels on-track, complying with legislation and continuously monitoring the risk appetite. If necessary, a.s.r. can enact measures and make adjustments.

The average NPS-c rating in 2022 was 57 (2021: 52).

NPS-c Pensions

(in score, -100 to 100)

Outlook for 2023

In 2023, a.s.r. will focus on further growth in WnP, DoenPensioen and on immediate fixed and variable pension annuities, as well as on further improving customer satisfaction. a.s.r. is also preparing for the roll-out of the Wet Toekomst Pensioenen which will have an impact on Operations and IT.

The expected business combination with Aegon Nederland N.V. will have impact on Pensions during 2023. For information about the proposed business combination, please refer to At a glance.

4.4 Asset Management

Asset under management for third parties
(in € billion)

27.9

2021: **28.0**

Operating result
(in € million)

39

2021: **36**

Operating expenses
(in € million)

-115

2021: **-102**

Asset Management brand

a.s.r.

Real Estate brand

a.s.r.

Mortgages brand

a.s.r.

The Asset Management segment covers all activities relating to asset management including investment property management. These activities include, among others, ASR Vermogensbeheer N.V., ASR Financieringen B.V., ASR Real Estate B.V. and ASR Hypotheken B.V.

4.4.1 Financial performance

Assets under Management

Total Assets under Management (AuM) for third parties remained stable at € 27.9 billion (2021: € 28.0 billion). Negative revaluations due to higher interest rates and lower equity markets were partly offset by higher inflow, in - among others - mortgage funds and mortgage mandates (€ 2.6 billion) and the expansion of managing the AuM of 'Doenpensioen' (€ 2.2 billion). The Real estate third-party AuM also increased by € 0.2 billion to € 2.4 billion (2021: € 2.2 billion), primarily driven by inflow in the ASR Dutch Farmland Fund and ASR Dutch Core Residential Fund.

Operating result

The operating result increased by 7.6% (€ 3 million) to € 39 million, mainly driven by Real estate, offsetting higher operating expenses.

Mortgage origination amounted to € 5.4 billion, € 2.4 billion of which was allocated to the ASR Mortgage Fund. In addition, € 1.1 billion and € 1.0 billion of the mortgage origination was allocated to the ASR Separate Account Mortgage Fund and external investors respectively.

Payment arrears of more than three months on the mortgage portfolio amounted to 0.03 bps (2021: 0.02 bps). Credit losses on mortgages decreased by 0.12 bps to 0.14 bps (2021: 0.26 bps), mainly due to write-offs of irrecoverable debts in 2021. Despite the unfavourable economic conditions, payment arrears and credit losses remain at low levels.

Operating expenses

Operating expenses rose by € 13 million to € 115 million, mainly driven by higher personnel costs (including the acquisition of a real estate consultancy company), IT costs and project costs.

4.4.2 Asset Management

ASR Vermogensbeheer N.V. (Asset Management) conducts all of a.s.r.'s asset management activities, with the exception of direct real estate. Real estate assets are managed by a.s.r. real estate and described in chapter 4.4.3.

Market

The asset management market is consolidating rapidly, as a result of increasing legislation and regulations, stricter supervision, international competition and the realisation of economies of scale. The number of independent Dutch asset managers has been shrinking for years, while a need for specific knowledge of the Dutch market remains. This provides opportunities for a.s.r., as a focused Dutch asset manager that is close to the market, personal and solution-oriented.

Products

Asset Management manages assets of € 65 billion, including € 26 billion for customers outside of a.s.r. The product range includes corporate bonds, government bonds, equities and mortgages. In this way, a.s.r. offers custom solutions with a sound return on investment. a.s.r. primarily invests close to home, in countries and companies that comply with a.s.r.'s social and sustainability criteria, demonstrating that sustainability and financial returns can go together.

Strategy and achievements

a.s.r. primarily focuses on managing assets for own account. Additionally, it offers asset management services for third parties. In the long-term, companies that embed sustainability, quality and risk-spreading in their policies generate more economic and social value, at a lower risk. a.s.r.'s strategy is based on this principle. a.s.r. aims to generate sustainable returns for its stakeholders, now and in the future. For that reason, a.s.r. seeks not only financial, but also social returns, through investments that are checked for environmental aspects and human rights, and by opting for impact investments, which are long-term investments. Attention does not, therefore, focus on cryptocurrencies, commodities or day trading. As a result, a.s.r. may miss short-terms returns, but this is consistent with its focus on the result for the longer term. Furthermore, a.s.r. is able to combine the investment profession with Solvency II requirements, is cost-efficient and generates extra fee income from the successful Mortgage Fund, ESG funds and the defined contribution pensions products such as 'WerknemersPensioen' and 'DoenPensioen'. a.s.r. invests for its third party customers in the same way as it does for its own balance sheet. The current investment climate, characterised by high inflation, rising interest rates and increased volatility, has placed investment under pressure. One of the ways that a.s.r. protects its investment returns in the asset management environment is by investing in 'real assets' such as real estate and equities and through proper diversification.

Outlook for 2023

In 2023, a.s.r. will continue to serve its clients through a combination of asset management solutions and individual asset categories, such as fixed income, equities and mortgages. As part of a.s.r.'s ESG strategy, the focus will be on impact investments in order to generate a measurable favourable social or ecological impact, in addition to financial returns. a.s.r. will also continue its drive to increase the managed assets of external customers. The successful mortgage and ESG funds are examples of that strategy.

Part of the deal with Aegon N.V. is a long-term agreement between ASR Vermogensbeheer N.V. (Asset

Management) and Aegon Asset Management (Aegon AM) in which it has been agreed that, among other things, the investment portfolios relating to the Dutch activities under management of Asset Management and. In addition, the management of ASR (Separate Account) Mortgage Fund, ASR Private Debt Fund I and ASR Renewable Infrastructure Debt Fund will be transferred to Aegon AM in due course. The starting point here is that the services will continue as much as possible unchanged after 1 July 2023. Further agreements are currently being made with Aegon AM to ensure that the transition as of 1 July proceeds as smoothly as possible.

4.4.3 **Real Estate**

ASR Real Estate B.V. invests on behalf of a.s.r.'s own account and for third party customers. Since 2020, a.s.r. Real estate has signed a management agreement with ASR Infrastructure Renewables B.V. (AIR) regarding solar and wind farms. While AIR – legally under Life segment – purchases the special purpose vehicles in which the solar and wind farms are developed, a.s.r. real estate provides services to AIR in its role as manager.a.s.r. has been investing in real estate for over 130 years.

At year-end, the real estate portfolio totalled € 7.8 billion (2021: € 7.3 billion), divided into € 5.4 billion (2021: € 5.1 billion) on behalf of a.s.r. and € 2.4 billion (2021: € 2.2 billion) on behalf of institutional investors. The total inflow of new capital from institutional investors amounted to € 0.3 billion (2021: € 0.2 billion). The asset advice by ASR Real Assets Investment Partners totalled € 6.2 billion (2021: 0), all on behalf of institutional investors.

Market

Since the start of 2022, the war in Ukraine, back-and-forth trade sanctions with Russia, and China's zero-COVID policy have caused a significant resource and energy supply shock worldwide, halting the strong economic recovery post-COVID-19 and swiftly pushing up inflation and interest rates. This in turn depressed economic growth in the second half-year and severely squeezed consumer spending power, a.s.r.'s returns in real estate slowed as a result. Investors are more cautious due to higher interest rates, but stayed alert because of a.s.r.'s CPI-linked contracts. Moreover, high employment rates and delayed new real estate supply supported occupancy rates and returns, indicating that hybrid working, online shopping and residential regulations are polarising and transforming markets rather than damaging them.

Products

a.s.r. manages non-listed sector funds, which invest in retail and residential properties, offices, real estate on science parks and agricultural land in the Netherlands. These real estate funds are open to institutional investors who are looking for stable capital growth. a.s.r. also invests in renewable energy sources such as wind farms, solar parks and estates.

ASR Real Assets Investment Partners advise clients how to invest globally in indirect non-listed real estate, infrastructure and listed real estate.

Strategy and achievements

a.s.r.'s objective in real estate is to create long-term value for investors. To this end, agreements have been made to generate returns at acceptable risk levels. In the longer term, it is important that a.s.r. makes a substantial contribution to the (economic) objectives of tenants and leaseholders. a.s.r. also has a strong focus on quality, believing that quality retains its value. It therefore invests continuously in maintenance, good quality materials, the sustainability of buildings and sustainable land use.

During 2022, a.s.r. acquired three additional wind farms in Almere, Amsterdam and Eemshaven and a solar park in Pesse. As a result, it now owns 48 wind farm turbines and 60,000 solar panels with a combined capacity of 205 megawatt, which is comparable to the power supply of 221,000 households per year. a.s.r. is thus contributing to the energy transition and a sustainable living environment.

Alongside dedicated efforts to reduce energy consumption, a.s.r. maintains a firm focus on increasing the renewable energy generated on-site. Since its portfolios encompass both farmland and the built environment, a.s.r. is in a position to make an important contribution to the Dutch energy transition. Real estate started placing solar panels on the roofs of its residential assets. Later the focus was on fitting solar panels on the roofs of offices, science park office and retail assets. In 2022, 5,479 solar panels were installed on roofs bringing the current total up to 20,605.

On 1 May, a.s.r. took over the activities of Sweco Capital Consultants, strengthening its position in the field of real estate and infrastructure investments. The acquisition ties in with Real estate's ambition to become a full-service real estate investment manager.

Outlook for 2023

High inflation will continue to slow economic growth. Employment rates will however remain high and Dutch government regulation will help consumer spending to achieve positive levels in 2023 through tax reliefs and energy subsidies. Real estate markets will experience upward pressure on yields due to rising interest rates. On the other hand, occupier markets will remain stable, especially in market sector combinations that fit today's end-user requirements. Hybrid working is likely to further polarise the office market, with highly accessible and multifunctional office locations and sustainable assets being the most resilient. Retail real estate has embraced omni-channel strategies and more investor interest could support indirect returns. Government regulation will depress value-added and opportunistic investors' interest in the residential market, but highly solid fundamentals will keep occupancy rates high and core investors interested. Science park assets will continue to be key in the advanced knowledge-based economy and demand for renewables and sustainable farming will keep the rural real estate market dynamic.

Sustainability is an integral part of a.s.r.'s investment and management practice. In the coming years, the focus will lie on the further reduction of carbon emissions. As a real estate investor, a.s.r. recognises its responsibility in contributing towards liveable and sustainable buildings, towns and cities and communities. By investing in appropriate and sustainable real estate, a.s.r. aims for a positive impact on the built environment for current and future generations. a.s.r. makes targeted impact investments, accelerates the energy transition by generating renewable energy and is working towards a Paris-proof portfolio in 2045.

4.4.4 Mortgages

a.s.r. operates in the residential mortgage market and provides mortgage loans for its own account and for external investors. The mortgage loans are issued by ASR Levensverzekering N.V.

Market

Due to rapidly rising inflation, economic uncertainty and the energy crisis, a shift is taking place in the housing and mortgage market. Mortgage rates have risen sharply in a short space of time, increasing demand for shorter fixed-interest maturities. With the rise in interest rates, the number of people refinancing their mortgages has fallen and market volume is decreasing. By contrast, applications for refurbishing work and measures to improve sustainability are on the increase, partly as a result of the sharp increase in energy prices.

The housing market in the Netherlands is affected by the nitrogen controversy. In response to current trends and declining purchasing power, the housing market is cooling and house prices are expected to fall further. The number of houses sold has declined compared to last year.

Products

a.s.r. positions itself as a sustainable and innovative player in the mortgage market. In addition to standard products (annuity, linear and interest-only), it offers specialised products:

- WelThuis Startershypotheek: a tailor-made product for first-time buyers with a maximum term of 40 years.
- DigiThuis mortgage: a product that uses source data, primarily designed for applicants who are refinancing existing mortgages or buyers moving up the housing ladder.
- Verduurzamingshypotheek: a tailor-made product for sustainable home modifications.
- WelThuis Levensrente mortgage: a tailor-made product for senior citizens, enabling them to release personal assets.

Strategy and achievements

Mortgages are an attractive investment for a.s.r.'s own account but also for external investors. Geopolitical instability and associated interest rate volatility caused investors to adopt a wait-and-see attitude fairly early in this year. As a result, production has been revised downwards by 10% compared to 2021. The portfolio grew to €22.8 billion (2021: €19.8 billion).

a.s.r. won the Green Lotus award. This award recognises the mortgage lender that has been the most progressive in terms of residential sustainability in the broadest sense of the word, in the view of the advisory firms and jury. In addition to the Verduurzamingshypotheek, which was introduced in 2019, a.s.r. offers existing customers the opportunity to take out a Verduurzamingshypotheek in addition to an already existing mortgage. The NPS-c score for mortgages was 39 (2021: 43).

NPS-c Mortgages

Outlook for 2023

In a shrunken mortgage market, a.s.r. aims to maintain its top 10 position. The application process will be made more efficient and effective, leading to a better service commission for intermediaries. a.s.r. is continuously investigating ways to make it easier for customers to make their homes more sustainable, so as to make a greater impact on the energy transition.

4.5 Distribution and Services

Total income
(in € million)

124 ↑

2021: **119**

Operating result
(in € million)

25 ↓

2021: **28**

Operating expenses
(in € million)

-102 ↓

2021: **-94**

Distribution and Services brands

ANAC verzekeringen en hypotheken

Boval

felison

poliservice

SuperGarant groep

VKG

The Distribution and Services Holding B.V. (D&S) covers activities relating to the distribution and service provision of insurance contracts and includes the financial intermediary business of Van Kampen Groep (VKG), Dutch ID (Boval, Felison), Supergarant, ANAC and PoliService, SuperGarant Verzekeringen B.V. (and ZZP Nederland Verzekeringen B.V. and Bedrijfsartsengroep B.V.), and ASR Vitaliteit & Preventieve Diensten B.V. (Vitality).

4.5.1 Financial performance

Total income

Total income increased by € 5 million to € 124 million. This increase was driven mainly by acquisitions, in addition to organic business growth in various portfolios, and selective tariff adjustments.

Operating result

Operating result decreased by € 3 million to € 25 million, reflecting higher operating expenses which were partly offset by higher contribution of acquisitions and organic business growth.

Operating expenses

Operating expenses increased by € 8 million to € 102 million. This was mainly due to acquisitions and investments (including IT investments) to support the (future) organic growth of the business.

Result before tax

The IFRS result before tax increased by € 5 million to € 15 million, due to a less negative impact of incidentals in 2022 resulting from an impairment of goodwill in the previous year. The incidental items also include start-up costs.

4.5.2 Distribution and Services

Market

Developments in the distribution sector in 2022 show that the distribution landscape remains fluid. Ongoing consolidation and growth of larger distribution companies remain the key developments in this market. The general trend is that larger distribution companies are gaining market share based on both organic and non-organic growth; the top 50 distribution companies have increased their share within the overall distribution landscape. Hybrid distribution models of insurance products also continue to exist. a.s.r. is adapting to these developments in order to facilitate the independent intermediary channel.

Strategy and achievements

The D&S business, combined with organic growth from the distribution businesses acquired in previous years, strengthened a.s.r.'s market share in the distribution landscape. The business activities of these distribution companies grew compared with the corresponding period in 2021.

From 1 January 2022, responsibility for the distribution and service entities resides with the new top holding company Distribution and Services Holding B.V. This top holding directs and coordinates with (the management of) the businesses. All companies under this top holding are working to realise a.s.r.'s strategy and ambition to be a major player in the Dutch distribution market and in key sectors.

Van Kampen Groep

Van Kampen Groep (VKG) is one of the major full-service providers on the Dutch market. It provides financial advisers with access to the widest possible range of financial services, combined with quick and efficient handling. Regardless of whether the customer is a retail or business client, VKG offers a solution for every financial issue, including tailor-made policies in some cases. In 2022, VKG grew through the acquisition of portfolios, mandated agents and participations in a number of advisers, as part of its growth strategy.

Dutch ID

Dutch ID's activities (Boval and Felison brands) are based on its mission: to let businesses conduct business. This is reflected in the sectoral service strategy, in which industry, trade and customer knowledge is used to provide the best possible service to SMEs. This is implemented in conjunction with (sectoral) organisations such as the Netherlands Agricultural and Horticultural Association (*LTO Nederland*), evofenedex and the Dutch Transport Operators' Association (*Transport en Logistiek Nederland*). a.s.r.'s mission is also reflected in the service strategy, which is designed to enable the Dutch insurance market to get the best out of itself and the market.
To meet these strategic objectives, Dutch ID plays an active role in the changing field of service provision, technological development and views on the insurance chain. Owing to its versatility and flexibility, Dutch ID has built a strong position as a service provider in this playing field.

SuperGarant

SuperGarant was originally a specialist for SME businesses in the retail market. Close cooperation with industry and franchise organisations plays an important role in the market-based approach. The aim of SuperGarant's services is to allow businesses to focus on their core business as much as possible. SuperGarant operates as an adviser and underwriting agent, offering services based around four main themes: insurance, absence management, other services and training. In recent years, SuperGarant's operations have been dominated by acquisitions, with the aim of creating a set of companies that continue to grow as specialists for select customer groups.

ANAC

ANAC is a service provider specialising in back-office services to insurance intermediaries and claim handling for car dealerships. In 2022, ANAC merged with VKG in order to maintain sufficient scale to provide optimal support to its customers.

Poliservice

Poliservice B.V. is a financial services provider with private and corporate customers throughout the Netherlands. These services consist mainly of advising and mediating in insurance, savings, income & pension and mortgages.

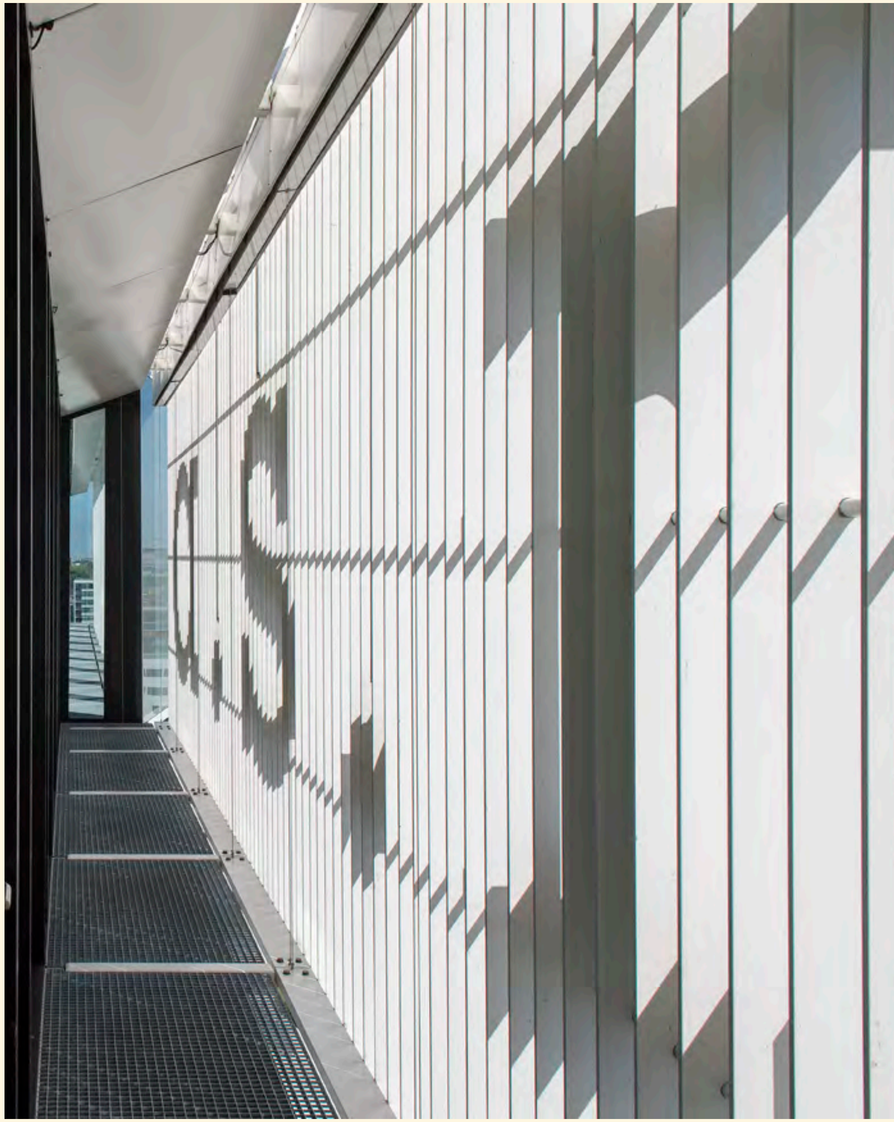
Outlook for 2023

In 2023, D&S will focus on implementing the strategy developed in 2022. D&S expects to increase market share through two spearheads. Firstly, by taking over (parts of) portfolios through acquisitions. Secondly, by expanding existing portfolios at the present entities through commercial activities.

Synergy between the entities will also be further strengthened, making the overall service more effective and efficient. This will be achieved in part through concerted efforts with regard to joint activities, knowledge-sharing and the creation of a single IT landscape.

The expected business combination with Aegon Nederland N.V. will have impact on D&S during 2023. For information about the proposed business combination, please refer to At a glance.

4.6 Holding and Other



Operating expenses
(in € million)

-94 ↑

2021: **-86**

Operating result
(in € million)

-119 ↑

2021: **-130**

Result before tax
(in € million)

-234 ↓

2021: **-175**

The Holding and Other segment (including eliminations) consists primarily of the holding activities of a.s.r. (including 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 relating to private investments for customers, and the activities of ASR Deelnemingen N.V.

4.6.1 Financial performance

Operating result

Operating result improved by € 11 million, to € -119 million. This was mainly due to the release of an employee-related provision.

The operating result includes interest charges of € 51 million (H1 2021: € 44 million) for subordinated liabilities (Tier 2 notes). The increase compared to the previous year is due to the newly-issued € 1 billion Tier 2 bond for financing the business combination with Aegon Nederland, which was offset by higher investment income.

Operating expenses

Operating expenses increased by € 8 million to € 94 million, mainly as a result of increased M&A expenses relating to the Aegon Nederland transaction.

Result before tax

The IFRS result before tax decreased by € 59 million to € -234 million, mainly relating to M&A activities and revaluations of property development operations.

4.7 Risk management

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

4.7.1 Risk governance

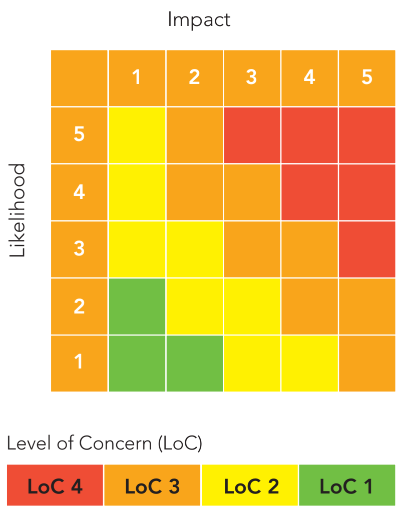
The risks identified are clustered into:

- Strategic risks (including emerging risks);
- Financial risks;
- Non-financial risks.

Management of strategic risks

a.s.r.'s risk priorities and emerging risks are defined annually by the EB, based on strategic risk analyses. a.s.r.'s risk priorities and emerging risks are defined as the main strategic risks which could materially affect its strategic, financial and non-financial targets. To gauge the degree of risk, a.s.r. uses a risk scale (see image) based on likelihood and impact (Level of Concern). For each risk priority, the degree of risk is determined for the gross and net risks. Gross risk is the degree of risk when no (control) measures are in place. Net risk is the degree of risk with mitigating (control) measures in place. Each of a.s.r.'s risk priorities has a gross and net risk Level of Concern 3 or 4, outside risk appetite boundaries. a.s.r.'s risk priorities and emerging risks are described in Strategic risks and in Emerging risks.

Risk scale



Management of financial risks

Financial risk appetite statements (RAS) are in place to manage a.s.r.'s financial risk profile within the limits; see chapter 6.8.1.1.1. a.s.r. aims for an optimum trade-off between risk, return and capital. Steering on risk, return and capital is done by decision-making throughout the entire product cycle from the Product Approval & Review Process (PARP) to the payment of benefits and claims. At a more strategic level, decision-making takes place through balance sheet management. A robust solvency position takes precedence over profit, premium income and direct investment income. Risk tolerance levels and limits are disclosed in the financial RAS and are monitored by the Financial Risk Committee (FRC). The FRC evaluates financial risk (FR) positions against the RAS on a monthly basis. Where appropriate, a.s.r. applies additional mitigating measures. In 2022, the Actuarial Function (AF) performed its regulatory tasks by assessing the adequacy of the Solvency II technical provisions, giving an opinion on reinsurance and underwriting, contributing to the Risk Management Framework and supporting the Risk Management Function (RMF). The AF report on these topics was discussed by the EB, FRC and A&RC. See chapter 6.8 for further information.

Management of non-financial risks

Non-financial risk appetite statements (RAS) are in place to manage a.s.r.'s non financial risk profile within the limits. See chapter 6.8.1.1.1. The non financial risk profile and internal control performance of each business line is discussed with senior management in the business risk committees each quarter. The Non-Financial Risk Committee (NFRC) monitors and discusses on a quarterly basis whether non-financial risks (NFR) are adequately managed. Should the risk profile exceed the risk appetite, the NFRC will decide on the steps to be taken. a.s.r. employees gain risk management knowledge and skills through the implementation of risk management policies, procedures and practices and the execution and testing of controls within business processes for sound and controlled business operations. Training courses that cover the main risk-related topics, presentations, workshops, gamification and the use of governance, risk & compliance tooling also contribute to this. Courses include, for example, sustainability risk and more specifically ESG factors to better understand

and identify material risks. In addition, risk management employees keep their knowledge and skills up to date through training courses - including in the context of permanent education - that cover specific risk-related topics.

4.7.2 Risk appetite

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

According to the annual risk management cycle in 2022, to ensure alignment with a.s.r.'s (risk) strategy, the RAS and RAS limits were evaluated and updated by the EB and approved by the SB. The RAS of a.s.r. can be found in chapter 6.8.1.1.1.

4.7.3 Identified risks

The risks identified are clustered into:

- Strategic risks (including emerging risks);
- Financial risks;
- Non-financial risks.

Strategic risks

In 2022, a.s.r.'s risk priorities were:

- Interest rates and inflation;
- Climate change and energy transition;
- Cyber- and information security;
- COVID-19/pandemics;
- Impact of supervision, legislation and regulations and juridification of society.

Interest rate and high inflation

The past decade was characterised by many years of stable inflation and low interest rates,well below long-term equilibrium levels. Following very high inflation, we saw a significant rise in interest rates in 2022. Looking ahead, the current situation may continue (stagflation). However, the possibility of the economy going into recession and interest rates falling cannot be ruled out.

According to economic theory, high inflation is linked to high interest rates - at least in the medium term. Depending on the positioning of the interest rate hedge and inflation hedge, the adverse effect of high inflation (higher indexation of benefits and increase in wage costs) is offset by higher interest rates (lower Ultimate Forward Rate (UFR) drag). A rise in interest rates also leads to increasing liquidity needs for collateral of the interest rate derivatives. If the interest rate development lags behind expected inflation, this may have a negative effect on balance. A fall in interest rates can also be detrimental to the solvency.

a.s.r. monitors and assesses relevant developments for possible risks, and implements appropriate control measures.

In the annual SAA study, a.s.r. examines several possible economic scenarios, including stagflation. In the interim, follow-up analyses can be carried out. If necessary, this results in adjustments in the investment policy, in order to reduce solvency risks.

Depending on economic developments, interest rate and inflation hedges will be adjusted,taking into account the indirect effects from other asset classes.

Depending on the level and duration of inflation - and thus the impact on a.s.r. due to, amongother things, higher claims costs - possible premium increases will be implemented to offset inflation.

Climate change and energy transition

Climate change and energy transition affect insurable risks and investments. a.s.r. wants to minimise its negative impact on the climate and, where possible, make a positive contribution to climate mitigation and adaptation through its investments, products and services.

Climate-related risks are divided into physical, transition and reputational risks. Physical risks can be acute, such as extreme weather events, or chronic when they arise from gradual changes such as water shortages, rising temperatures or rising sea levels. Chronic climate change could lead to biodiversity loss. The Netherlands is also experiencing greater variations in weather patterns and climatic changes. The transition to a climate-neutral society involves changes in legislation and regulations, adapted supervision, technological developments, market changes and changes in consumer preferences/needs.

a.s.r. monitors and assesses relevant developments for possible risks, and implements appropriate control measures.

Developments from climate change are taken into account in the products and services that a.s.r. develops and offers. Examples include offering flood cover, the sustainability mortgage and offering sustainable damage repair. To mitigate transition risks, a.s.r. cooperates with several research institutes, reinsurers and other insurers, and knowledge holders to gain as much knowledge as possible about the new technologies. These cooperations enable a.s.r. to determine the right price and conditions to insure these risks in a responsible manner.

a.s.r. expresses a clear ambition in the field of sustainability, partly to comply with the Paris Agreement (to which a.s.r. committed in 2015). a.s.r. also supports the energy transition through impact investments in, for example, wind and solar farms and a strict Socially Responsible Investment (SRI) policy to reduce CO_2-eq emissions in the investment portfolio. In addition, a.s.r. has joined the Net Zero Insurance Alliance (NZIA), committing to a climate-neutral insurance portfolio by 2050. In 2023, a.s.r. will develop shorter-term targets (2030) in this context. In terms of investments, a.s.r. has also committed to net-zero by 2050.

Finally, a.s.r. also encourages its (potential) customers to take preventive measures to avoid climate damage and/or save energy. Business customers can obtain advice through a risk inspection. For individuals, a.s.r. has the digital Sustainable Living platform. For this, a.s.r. works with PorteRenee.nl to get (potential) customers to make their homes more sustainable and save energy.

To adequately address mitigation and adaptation of climate risks, a.s.r. will continuously strengthen its policies and measures.

Cyber and information security

Technological development results in opportunities and threats through ongoing digitisation and automation at both a.s.r., its IT suppliers, and its customers. IT risks related to cyber, information security, IT outsourcing and data are persistently high, due to a constant threat from cyber criminals and the visible growth of ransomware attacks. In addition, the use of IT outsourcing (including the use of cloud services), the growing volume of (sensitive) data, the increased use of new applications for digitisation (including the use of data) and automation, increases the importance of IT risk management. Geopolitical tensions are not yet leading to visibly increased criminal activity but are a reason to remain highly vigilant. Cyber risks increase when IT systems are not secured adequately or because of the human factor.

a.s.r. monitors and assesses relevant developments of these risks, and implements appropriate control measures both internally and at its suppliers.

a.s.r. has implemented a system of measures based on international standards. a.s.r. actively monitors the threat landscape and invests in prevention, detection and response skills and technology to strengthen its cyber resilience so that customers can continue to rely on a.s.r.'s secure digital services. If a.s.r. is hit by a serious comprehensive ransomware attack, only an 'offline backup' can restore business continuity. Due to the time required to investigate the cause of the cyber attack and the time required for recovery, the impact is very high. a.s.r. is taking several other measures, including an information security awareness programme, to improve employee awareness and behaviour towards information security. Specific tooling is used to increase the necessary mindset and skillset, such as Gamification and phishing campaigns.

a.s.r. is actively involved in partnerships with financial institutions and public governing bodies, such as the National Cyber Security Centre, Digital Trust Center, Insurance-ISAC, Insurance-CERT, and the DNB Threat Intel Based Ethical Red-team programme (TIBER-NL). The aim is to share information to improve the financial sector's resilience to cyber risks.

Being cyber resilient is important for a.s.r. as it contributes to its customer-oriented strategy. Customer trust is a great asset in this regard, and cyber resilience contributes to this.

a.s.r. informs those affected in case of high risks and/or possible consequences and when those affected are required to take measures to mitigate risks.

COVID-19/repeated pandemics

The impact of the corona pandemic on a.s.r.'s strategic objectives, operational processes and financial performance has proved to be limited. The course of a pandemic and the (long-term) consequences on society, the economy and a.s.r. are inherently uncertain and potentially large.

There is a risk that society will face new impactful global infectious diseases in the future. Possible causes include population growth, changes in food systems, environmental degradation and increasingly frequent contact between humans and disease-carrying animals. Illness and government measures can affect a.s.r.'s strategic objectives and operational processes. The potential impact on financial markets could affect a.s.r.'s financial performance.

a.s.r. monitors and assesses relevant developments for possible risks, and implements appropriate control measures.

Key control measures in place at a.s.r. to mitigate risks are:

- a.s.r. has developed policies, provisions, measures and steering information to manage the impact of the corona crisis and is closely monitoring the development of the current pandemic. These resources and the lessons learned from the corona crisis at a.s.r. provide input for managing the impact of any new pandemic. A crisis organisation has been set up within a.s.r. which will be activated when necessary.
- a.s.r. contributes to the government's approach by following basic measures to preventany crisis spreading. In a broader sense, strategic developments such as continuously strengthening the physical and mental fitness of employees and encouraging exercise anda healthy lifestyle among customers/employees (a.s.r. Vitality) contribute to increasing the resilience of a.s.r. and its environment.

Impact of supervision, legislation and regulations, and juridification of society
Legislation and regulations, including Solvency II, IFRS, sustainability (ESG), Customer Due Diligence (CDD), General Data Protection Regulation (GDPR), and sanctions legislation and regulations, are increasing, as well as their complexity and amendments to them. A large amount of new regulations, as announced under the EU Sustainable Financial Regulations (SFR), need to be interpreted and implemented within a short period of time. The field of cyber/information security has seen an increase in legislation and regulations, such as the European AI Regulation, the Digital Markets Act and the Data Act, Cyber Resilience Act and requirements from the new Corporate Governance Code regarding the role of directors in cybersecurity measures. At the same time, not all regulations are final at this point. Related developments, such as the Solvency II review and the UFR, affect a.s.r.'s capital requirement and solvency. The implementation and continuous tightening of (additional) control measures to comply with legislation and regulations leads to an increase in required capital.

Another dimension is the impact of possible political choices such as government interventionin the social insurance and pension system. This may have an impact on a.s.r.'s strategic direction and products as an insurer. Among other things, these developments lead to more personal responsibility and choices for citizens. This places heavier demands on providers to support and guide their customers in this respect (digitally).

There is also an ongoing focus by regulators, government and society on privacy, the use of data and the gate keeper function of the financial sector in the battle against money laundering, terrorist financing and tax evasion, among others. This is characterised by more data-driven and rule-based supervision and stricter requirements for demonstrable (non-)financial riskmanagement. Another aspect of this risk is the juridification of society. One example is the introduction of legislation in the field of settlement of large-scale losses in class actions and uncertainty about the outcome of legal disputes at a.s.r. and other market participants.

a.s.r. monitors and assesses relevant developments for possible risks, and implements appropriate control measures.

On key themes, programmes and/or projects are set up to ensure sound implementation, such as the implementation of sustainability (ESG) legislation and regulations. Depending on the consequences of legislation and regulations, supervisory climate and juridification of society -and thus the impact on a.s.r. through, among other things, higher internal costs - possible premium increases will be implemented to offset these consequences.

CDD
CDD risk (including anti-money laundering) remains relevant for a.s.r. in order to guarantee sound and controlled business operations. To mitigate the risks of non-compliance relating to CDD, a.s.r. centralised a major part of its CDD screening and tooling. a.s.r. has set up a CDD Center that centrally manages compliance with CDD policy and reports centrally on this. The CDD Center has drawn up an action plan to further shape compliance with the relevant laws and regulations. The CDD Center uses the advice of the central CDD desk consisting of Compliance, Investigations, Legal and representatives of the business segments.

In response to Russia's invasion of Ukraine, a large number of natural persons, legal entities and institutions have been placed on EU sanctions lists since 23 February 2022 through various sanctions packages. The business units are immediately notified of new additions to the sanctions lists, which require immediate additional screening. In addition to continuous screening, all business units have been asked to carry out additional checks on client portfolios, including those that are clients of a.s.r. through intermediaries or agents. Agents have been reminded to be extra vigilant.

As a result, Compliance notified supervisory authorities of 10 business relations (companies) in which (sometimes several) UBOs produced a hit on the sanctions lists (total of 26). In all cases it concerns hits on regulations dating after 23 February 2022. Immediately after the discovery of a (possible) hit, the business relations were frozen. In the case of several 'hits', it was decided to part company relations (implementation of exit policy). In some cases, in collaboration with a legal advisor, it was assessed whether sufficient guarantees could be received from the business relations in question that the relationship could be continued. The aim is to establish that no funds flow from a.s.r.'s business client to a sanctioned UBO(s) and that adequate organisational measures are in place to prevent the sanctioned UBO(s) from having or exercising control.

IFRS 17/9
In June 2020, the International Accounting Standards Board (IASB) published the revised International Financial Reporting Standard 17 (IFRS 17) which was endorsed by the EU and will be effective from 1 January 2023. IFRS 17 is designed to facilitate comparability between insurers and to increase transparency in relation to risks, contingencies, losses and embedded options in insurance contracts. IFRS 9 Financial Instruments was published in July 2014 and will have a major impact on accounting for financial instruments (investments). In order to maintain cohesion between the two standards, a.s.r. applies the option in IFRS 4 which allows for the deferral of the implementation of IFRS 9 until the implementation of IFRS 17 in 2023. Since 2017, a.s.r. has had an internal programme in place to prepare for the implementation of IFRS 17 and IFRS 9 throughout the Group. In 2022, the programme IFRS 17 and IFRS 9 entered its final implementation phase. Systems were brought into production or are being further improved. The opening balance sheet and comparative figures

2022 have been prepared and analysed and included in the audit process. a.s.r. expects all systems, processes and the control environment to be implemented before the end of 2023. The presented condensed opening balance sheet and related disclosures in these consolidated financial statements 2022 are provisional. Since implementation has not been finalized some uncertainties have been identified.IFRS 17 and IFRS 9 had a major impact on the Group's primary financial processing and reporting and had significant effect on financial statements and related KPIs. Finance, Risk, Audit and the business segments have all been given due attention in the programmes due to the need to develop an integrated vision. For more information, see chapter 6.3.3.

Solvency II

The Solvency II Directive came into force on 1 January 2016 and provided for two review clauses in its texts, a review in 2018 and a review in 2020. As part of the 2020 review, the European Commission (EC), the European Council and the European Parliament all published draft amendments to the Directive. Changes to the Solvency II Delegated Regulations are also in scope. The proposed amendments consist of various changes to the Solvency II framework, affecting most notably the liability discount curve, the risk margin and the volatility adjustment (VA). The trialogue negotiations (EC, Council and Parliament) will start in 2023. The implementation date is not yet known, but will probably not be before 1 January 2025. Some measures could include a phase-in period.

Sustainability Regulation

The Group has become subject to increasing sustainability regulations, such as SFDR, and to the EU Taxonomy Regulation, which is intended to facilitate sustainable investment. The EU Taxonomy Regulation will enter into force in stages and will be further developed over time. These regulations require the Group to report certain, additional information at the entity and product level. The sustainability regulations also include the amendment of existing directives and regulations such as Solvency II, the IDD, and the Markets in Financial Instruments Directive (MiFID II), Alternative Investment Fund Managers Directive (AIFMD), and Benchmarks Regulation (BMR). These amendments have an impact on product development and advice, CDD, risk management, solvency requirements and the disclosure of financial products. Other European sustainability legislation has been developed as well, such as the Corporate Sustainability Reporting Directive (CSRD) and draft Corporate Sustainability Due Diligence Directive (CSDDD). The CSRD will require the Group to disclose information on how it operates and manages social and environmental challenges. The main elements of the CSDDD are identifying, bringing to an end, preventing, mitigating and accounting for negative human rights and environmental impacts in the company's own operations, their subsidiaries and their value chains. The developments in sustainability regulations and the impact of these developments on a.s.r. are continuously monitored. See chapter 4.9 for more detailed information on climate-related risks and opportunities, and Emerging risks.

Unit linked insurance

Political, regulatory and public attention has focused on unit-linked life insurance policies for some time now. Elements of a.s.r.'s unit-linked life insurance policies are challenged on multiple legal grounds in current legal proceedings and may continue to be challenged in the future. There is a risk that one or more of the current and/or future claims and/or allegations will be upheld. To date, a number of rulings relating to unit-linked life insurance products have been issued by the Financial Services Complaints Board (FSCB) and (appeal) courts in the Netherlands against a.s.r. and other insurers in specific cases. In these proceedings, different (legal) approaches have been taken to arrive at a ruling. The outcomes of these rulings are varied. Since the record of (a.s.r.'s) policies dates back many years, it contains a wide variety of products with different features and conditions and, since rulings are so diverse, no reliable estimate can be made of the timings and outcomes of these current and future legal proceedings. Although the financial consequences of these developments could be substantial, a.s.r.'s exposure cannot be reliably estimated or quantified at this point.

If one or more of these legal proceedings succeed, there is a risk that a judgement, though only legally binding for the parties involved in the proceedings, could be applied to, or be relevant for, other unit-linked life insurance policies sold by a.s.r. Consequently, the consequences of any current and/or future legal proceedings instituted against a.s.r. could be substantial for a.s.r.'s life insurance business and have a potential materially adverse effect on a.s.r.'s financial position, business, reputation, revenues, operating results, solvency, financial condition and/or prospects.

Regarding the investment insurance dossier, we can report that in an ongoing class action between a claims organisation and another Dutch insurer, questions for a preliminary ruling were referred tothe Supreme Court by the Court of Appeal of The Hague in Q1 2021. In its ruling of 1 February 2022, the Supreme Court answered these questions. The preliminary conclusion is that this ruling does not significantly advance the investment insurance dossier or parties involved for the time being.

Emerging risks

Emerging risks are defined by a.s.r. as new or existing risks with a potentially major impact, in which the level of risk is hard to define. In 2022, a.s.r.'s emerging risks were:

- Biodiversity loss and damage to natural ecosystems;
- Changes in society;
- Geopolitical instability.

Biodiversity loss and damage to natural ecosystems

Biodiversity comprises the variety of natural ecosystems that, among other things, help regulate the climate and protect against (the effects of) climate change. As a result of environmental degradation such as air, water and soil pollution and deforestation caused mainly by human action, the quality of ecosystems is deteriorating with irreparable consequences for nature, society and the economy. The effects can be divided into acute and chronic. Estimating the chronic effects and subsequent possible systemic risks is particularly challenging. Missing information on the chronic effects of disturbance in ecosystems plays a role in this context. But these effects are almost certainly negative. Examples include lower food productivity, less healthy crops (nutrient loss) or water shortages.

Biodiversity legislation is under development as a result of the agreements made at the COP15 in Montreal (December 2022). In addition, the topic of biodiversity will be increasingly prominent in questions from stakeholders, benchmarks and ratings. Within a.s.r., this mostly applies to the rural property portfolio. Steps are already being taken to encourage leaseholders to produce in more nature-friendly ways.

a.s.r. monitors and assesses relevant developments for possible risks, and implements appropriate control measures.

Developments from biodiversity loss and ecosystem damage are taken into account in the products and services that a.s.r. develops and offers. The actual impact on a.s.r.'s investments, products and services will be mapped by 2024 through application of the Taskforce on Nature-related Financial Disclosures (TNFD) framework. To identify key developments andanticipate them in a timely manner, business units of a.s.r. have formulated responsibilities in governance and participate in various collaborations with third parties.

a.s.r. is committed to making its own investment portfolio more sustainable by increasing its exposure to impact investments. This includes investments in green and sustainable projects and businesses, including investments that have a positive impact on biodiversity. In 2020, a.s.r. signed the Finance for Biodiversity Pledge. By doing so, a.s.r. committed itself to measuring, monitoring and improving its investment impact on biodiversity in a targeted way, for example by setting targets for the end of 2024. Due in part to the limited availability of data, the further development of consistent and widely applied standards for measuring and reporting biodiversity risks is important. a.s.r. Asset Management partners with other financial institutions and shares knowledge on assessment methodologies, biodiversity-related KPIs, targets and funding approaches for creating positive impact. In addition, a.s.r. conducted several pilots with data providers to understand the impact of the investment portfolio on biodiversity. Cooperation is also being sought with research institutes to improve mapping of the impact. The investment portfolio is already being adjusted to reduce investments in polluting and vulnerable companies and increase impact investments, biodiversity being one of the focus themes in this context.

a.s.r. real estate (Real estate) focuses on making the agricultural sector more sustainable with its 'climatesmart farming' strategy - which is aimed at creating a climate-robust landscape with enhanced biodiversity. One of the recent measures taken is to reward farmers who commit to sustainable farming, if they meet certain conditions. The sustainability requirements are divided into three themes: soil, biodiversity and business. Real estate is a co-initiator of the development of the Open Soil Index (openbodemindex.nl), which measures soil health and expects farmers to apply sustainable soil management. This improves soil health in and on the ground.

Together with ASN bank, Non-life (P&C) participates in Naturalis' research programme Knowledge Naturally! which focuses on increasing knowledge relating to bio-based building, housing and living to gain more knowledge on new technological developments in nature-inclusive building, housing and living. Also, Non-life, in cooperation with a.s.r. Mortgages, provides customers with advice on home biodiversity, through the Sustainable Living platform.

To continue to adequately address the mitigation and adaptation of environmental risks, a.s.r.will continuously tighten its policies and measures.

Changes in society

Society in the Netherlands has become more fragmented, polarised, and individualised. Social dynamics of the changing welfare state (social system) also play a role. These circumstances divide society in people who can adapt to these changes and those who can't adapt. Causes include:

- Demographic developments including urbanisation, ageing, more singles and single-parent families and an increase in immigration. Moreover, inequality can be triggered by government intervention;
- Financial developments including increasing disparities between rich and poor resulting in greater political uncertainty, i.e. populism;
- Social developments including increasing differences between the theoretically educated and the more practically educated and changes in livelihood security through contract forms and jobs. In addition, conspiracy thinking and anti-government thinking are on the rise;
- Technological developments including automation, digitisation, big data (including artificial intelligence and machine learning), Internet of Things (IoT), new forms of mobility such as (shared) electric cars and 'pay for use' propositions.

The role insurers have in society is changing as these new developments impact the way an insurer invests, markets its products, and delivers its services. Supporting processes and technology also need adaptation to align with new demands, as well as implementing data-driven requirements needed by customers and regulators in light of this changing society.

a.s.r. monitors and assesses relevant developments for possible risks and implements appropriate control measures. In doing so, a.s.r. periodically monitors the progress of claims and determines what impact a.s.r. has on the changing society through its investments, products and services. To identify key developments and anticipate them in a timely manner, business units of a.s.r. have formulated responsibilities in governance and participate in various (Alliance) collaborations.

Measures taken by a.s.r. are the continuous improvement of processes, systems, products, services - including insurability and insurance rate - and data quality for data-driven applications as well as implementing technological developments including learning to use algorithms and understanding their capabilities and potential risks.

Geopolitical instability

Geopolitical tensions have risen sharply in recent years. There is a decreasing interdependence and integration in the world (deglobalisation). There are conflicts between countries which range from sanctions and protectionist measures to wars and terrorist attacks. These include, for instance, the sharply deteriorating relationship between the West and Russia and trade relations with China. These conflicts could impact, for example, energy prices, inflation and interest rates. Central bank policies and the (in)direct impact of other strategic risks, including the impact of (new) pandemics, can also bring economic uncertainty.

a.s.r. monitors and assesses relevant developments for possible risks, and implements appropriate control measures.

Financial risks

Currently, financial risks arise in particular from the war in Ukraine (see also the description under emerging risk 'Geopolitical instability'). There is high inflation that may persist for longer than initially expected. Central banks are raising interest rates to limit inflation. Lower consumer and investor confidence could hurt the real economy. Fears of a global stagflation scenario have increased. For more details on the financial risk management, refer to chapter 6.8.

Non-financial risks

In addition to strategic and financial risks, a.s.r. has recognized several non-financial risks. In 2022, the most relevant of these were outsourcing risk, data quality, and agile methodologies.

Outsourcing risk

Outsourcing risk continues to be relevant for a.s.r., especially in view of cyber resilience and growing dependence on suppliers. The risks related to outsourcing are managed and reported as part of the overall operational risk profile. An outsourcing framework is in place to define responsibilities, processes, risk assessments and mandatory controls. In 2022, a.s.r. started the implementation of a database which will increase the oversight of key suppliers. In 2023, a.s.r. aims to expand the available information from this database, as well as the number of connected suppliers. The insight obtained from this database supports the implementation of regulatory developments on suppliers such as CSRD and DORA. Furthermore a.s.r. has drawn up a code of conduct to provide clarity about key principles in the field of sustainable procurement. The code of conduct will be part of contractual agreements from 2023. a.s.r. invites suppliers to work together on solutions that support sustainable business.

Data quality

Sound data quality is important for a.s.r. in relation to financial (including regulatory) reporting (SII, IFRS) and the digital transformation and ambitions it pursues. In this regard, insufficient data quality could pose a threat to the degree to which:

- Processes can be digitised;
- Operations can be made efficient;
- The front-end of business can be transformed;
- Customer and advisory relationships/connections can be enhanced.

As such, a.s.r. recognises the importance of sound data quality (both financial and non-financial). To uphold the reliability and confidentiality of its data, a.s.r. has an explicit data quality policy in place defining the data quality (including control) framework and data governance. Adherence to this policy is ensured by the three lines of the defence risk governance model. With a dedicated Central Data Office and a Data Quality Improvement Programme, additional measures are taken to increase maturity in data management practices.

Agile methodologies

As mentioned earlier, digitisation is an important objective for a.s.r. Agility and risk management both drive the rate of change as they coincide in digitising the customer experience. Agility breaks down complexity and delivers focus while risk reduces uncertainty and insures value. a.s.r. shifts from traditional to digital communication channels which changes risk exposure and this leads to policy realignment. On an operational level, digitisation is an enabler to reduce effort in monitoring business processes and to automate risk management controls. At a strategic level, digitisation enables data-driven insight by combining process and customer experience data. The continuous change that digitalisation brings about requires development risks to be integrated in automated pipelines in order to optimise risks without hindering the continuous delivery of business value.

Case
Sustainable repair

‘There is an **increasing willingness** to repair rather than replace’

Left:
Esther Egeter
Sustainability manager at a.s.r.

Right:
Jeroen Gerritsen
Owner of repair company Nomot

a.s.r. is committed to the principle of sustainable repairs. For example, getting a table-top with a burn mark sanded down and revarnished or a section of laminate repaired rather than replacing the entire floor. Esther Egeter, sustainability manager at a.s.r. Schade, and Jeroen Gerritsen, owner of repair company Nomot, are seeing sustainable repairs becoming increasingly common. 'Consumers are now far more aware of the negative environmental impact of buying completely new products'.

Sustainable solutions that benefit people, the environment and society are one of the spearheads of a.s.r.'s policy. This is done by having damage repaired sustainably wherever possible rather than completely replacing the damaged product. Esther cites water stain on a parquet floor. Often all that's needed is to replace the damaged area rather than the entire floor. 'This is less environmentally damaging. For one thing, it wastes less timber. Laying a new floor also generates more emissions than a partial repair.

Jeroen, owner of repair company Nomot, says customers come to him with damage to buildings or their contents. 'First of all we assess whether a repair is possible. If it is, we'll either do the work at the client's home or take a damaged piece of furniture back to our workshop. Mostly it's things like cigarette burns in sofas or dents and scratches in tables, worktops or laminate floors. It's very easy for us to replace a section of fabric or a piece of leather in a sofa. Sanding and revarnishing or oiling a table is also often a viable option. We frequently repair damage to worktops and floors using putty. Milling out the damage, filling the gap and drawing the surface pattern back in means you no longer see where the damaged area was'.

Jeroen observes that the willingness to repair rather than replace has grown over the years. 'Consumers are now far more aware of the negative environmental impact of buying completely new products. The message is constantly hammered home in the media, and environmental organisations and the business sector are also insisting that things have to change. For instance, that production cycles need to become more sustainable. We, in partnership with insurers, are taking up our responsibility by making customers aware of the benefits of repair over replacement.' Nomot's warehouse is now full of items such as sofas and tables, rugs and kitchen cupboard doors. Jeroen: 'The end of one year and the beginning of the next is generally always very busy. We get a lot of damage from, say, candles in the winter months. People tend to spend more time inside, so the risk of damage increases'.

If a product can no longer be repaired and has to be replaced, a.s.r. will still look for the sustainable option. At the end of last year, for example, it launched a pilot project based on 'pre-owned' items. Esther explains. 'Mobile phones and tablets that can't be repaired can be exchanged for a similar pre-owned replacement. We're thus still contributing to the circular economy'. The pilot project runs to 1 April this year, and if it's a success it will become part of a.s.r.'s ongoing policy.

a.s.r. has applied various targets to sustainable repairs. In 2022, for example, 30% of damage to property and 65% of vehicle bodywork damage had to be sustainably repaired. The target for bodywork repairs has been comfortably met, with damage to property not far behind. Esther: 'Bodywork damage is usually repaired unless the car is a total write-off. Hardly anyone goes out and buys a new car just because of a dent of course, but it's still gratifying that we've met the target we set ourselves'. The storms at the beginning of 2022 negatively affected the property insurance sector, which is why the results there are slightly lower. 'Because so many repair requests came in simultaneously, pressure of time and lack of capacity meant the repair companies in our network weren't always able to repair everything sustainably. Some damage to buildings and/or their contents had to be sorted out urgently, as a result of which more often the choice made to replace instead of to repair. Since then we've got back on track and are even increasing the target for property insurance to 35% in 2023'.

Esther adds that the repair companies will be asked to work more sustainably within their own business processes as well. 'Our Contract management department is talking to the firms in our network to find out how sustainably they are working and what they might be able to improve.' Examples include using recyclable or second-hand products in repairs, eco-friendly vehicles to get to customers and sustainable manpower deployment. 'This is all still in its infancy but it's yet another area where we want to apply targets. It's the next step in our mission to be part of a sustainable repair chain'.

4.8 Compliance

The Compliance department (Compliance) is a centralised function within a.s.r., headed by the compliance manager for both a.s.r. and the supervised entities. Being part of the second line of defence, Compliance is considered a key function in line with the Solvency II regulation. The CEO bears ultimate responsibility and the compliance manager has a direct reporting line to the CEO.

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

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

The compliance manager also has an escalation line to the chair of the A&RC and/or the chair of the SB in order to safeguard the independent position of the compliance function and to allow it to operate autonomously.

The compliance manager issues quarterly reports on compliance matters and on the progress made regarding advised business measures and actions at the Group level, supervised entity (OTSO) level and business line level. The quarterly report at the divisional level is discussed with the management responsible and with the relevant Business Risk committees. The quarterly report at the Group and OTSO levels is presented to and discussed with the individual members of the EB, with the Non-Financial Risk Committee, with the Risk Committee and with the A&RC of the SB. The report is shared and discussed with Dutch Central Bank (De Nederlandsche Bank; DNB), the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten; AFM), and the internal and external auditors.

4.8.1 Compliance risks

Developments in rules and in the management of (identified) compliance risks and action plans provide the basis for the annual compliance plan and compliance monitoring activities. a.s.r. continuously monitors changing legislation and regulations and assesses their impact on a.s.r. and the corresponding measures to be taken.

In 2022 a.s.r. paid specific attention to:

- Customer Due Diligence (CDD);
- Privacy laws and regulations, including the GDPR. a.s.r. considers it important that personal data are handled with care. More information on this topic can be found in chapter 4.8.2;
- Sustainability regulation, such as the SFDR, the EU Taxonomy Regulation and the CSRD. Increasing attention has been given to sustainability and the implementation of regulations as part of the EU Green Deal. Detailed information can be found in chapter 4.9.1.

CDD-related risks (including Anti-Money Laundering and Anti-Terrorist Financing) are relevant to a.s.r. Commissioned by the Business Executive Committee (BEC), the Central CDD Review project was launched in 2020 with the following objectives:

- Making the review results of all business units transparent through central recording;
- Strengthened continuous demonstrable compliance with the a.s.r. CDD policy;
- Implementing central management of hits on sanction and PEP-lists, monitoring and reporting, and establishing (decentralised) knowledge rules regarding the assessments to be performed;
- Establishing the processes required for this, and for governance and its implementation.

Within the investigation department, a central CDD-Ultimate Beneficial Owner (UBO) desk has been set up for the central handling of business customers (e.g. if the UBO cannot be determined automatically and in the case of hits on Politically Exposed Person (PEP) and/or sanction lists). In 2023, a.s.r. will complete the central process handling to identify UBO's. The centralised review of private relationships is also in progress. This process will be completed in 2023.

In addition, a.s.r. has set up a CDD Center that centrally manages compliance with CDD policy and reports centrally on this. The CDD Center has drawn up an action plan to further shape compliance with the relevant laws and regulations. The CDD Center uses the advice of the central desk consisting of Compliance, Investigations, Legal and representatives of the business segments.

a.s.r. monitors sound and controlled business operations, including reputational risks. The framework for monitoring and reviewing is based on the rules, regulations and standards of a.s.r. itself, including the a.s.r. code of conduct. In 2022, a.s.r. monitored compliance with e.g. the rules, regulations and policies on CDD, privacy, remuneration, the digital agenda, sustainability, the product approval and review process, handling of client requests, intra-group outsourcing, and the registration and reporting of data breaches, and the quality of information provided to customers.

In addition, a.s.r. focused in 2022 on further improving ongoing monitoring activities by reviewing the compliance risk and monitoring framework and its translation into the business units' Risk Control Matrix (RCM). Also in 2022, Compliance launched a behaviour and culture pilot on the subject of professional competence. It is the ambition of a.s.r. to increasingly integrate behaviour and culture into its monitoring surveys. Good insight into behaviour and culture, together with the analysis of process design and monitoring, provides an integral picture of the control environment. In addition, behaviour and culture influence the ethical and controlled business operations and are a deciding factor in decision-making. Thus, they become an important part of the compliance monitoring activities. Behaviour and culture studies will be part of the compliance monitoring activities and the monitoring cycle in 2023.

4.8.2 Privacy

Governance and organisation

a.s.r. has a Privacy Charter which outlines a.s.r.'s privacy governance. The Charter states that a.s.r. has appointed a Data Privacy Officer (DPO) who is functionally positioned within the Compliance department. The DPO is entitled to scale up critical privacy compliance matters to the highest organisational level or to the SB. The DPO has an escalation to the chair of the A&RC and/or the chair of the SB in order to safeguard the independence of the DPO. As part of the compliance risk and monitoring framework, a privacy risk and control framework is put in place in order to ensure controls are in place which ensure privacy compliance.

The Privacy Charter and a.s.r.'s policies - such as a.s.r.'s privacy policy, cookie policy and retention policy - are applicable to a.s.r. and its subsidiaries except for the intermediary subsidiaries/distribution companies[1]. This section of the report concerns a.s.r. excluding the aforementioned entities.

Gathering and handling of personal data

Customers or employers applying for insurance or other financial services are asked to provide personal data. They supply these data to a.s.r. either through an intermediary or directly. As well as the information provided by customers or other data subjects, a.s.r. may receive data from third parties.

Personal data are necessary for the performance of a.s.r.'s services. Using personal data helps a.s.r. to improve its products, perform marketing activities, reduce risks and trace fraud or cases of abuse. In this context, a.s.r. complies with the Protocol Verzekeraars en Criminaliteit (insurers and crime protocol) and the Protocol Incidentenwaarschuwingssysteem Financiële Instellingen (financial institutions incident warning system protocol). Both protocols were established, among other organisations, by the Verbond of Verzekeraars.

All data are handled with due care, and adequate technical and organisational measures are taken to safeguard sufficient protection levels. a.s.r. has put in place technical and organisational measures to protect data against loss or unlawful processing. Examples include measures for safe use of a.s.r.'s websites and IT systems and for avoiding abuse, as well as for securing physical areas where data are stored. a.s.r. has an information security policy in place and arranges training programmes for its employees in personal data protection. Data can be accessed and processed only by authorised employees.

a.s.r. employees have a duty of confidentiality in respect of the processed data. All employees take an oath or make a solemn affirmation when they start as employees at a.s.r. This involves, for example, declaring that they will act with integrity and due care and protect the confidentiality of information that has been entrusted to them.

At a.s.r., health data are only collected and processed where this is permitted by applicable legislation and regulations. Only a medical advisor and qualified employees under the responsibility of a medical advisor may process health data (medical data) for drawing up medical opinions. a.s.r. abides by the professional code for medical advisors involved in private insurance cases and/or personal injury cases. a.s.r. processes the health care data of a.s.r. Vitality members, such as exercise information from activity tracking, in the corresponding mobile application. To ensure that data regarding health are processed only within a.s.r. Vitality and are not shared with the company's insurance departments, a.s.r. has set up a separate legal entity, ASR Vitaliteit en Preventieve Diensten B.V.

1 D&S Holding B.V. and its subsidiaries and Corins B.V.

Data are not kept any longer than necessary. a.s.r. has a retention policy in place to ensure that data are not kept longer than needed or permitted by Dutch law.

Data are only supplied to third parties if this is permitted by law, and where necessary for a.s.r.'s business operations. Occasionally, a.s.r. is legally required to transfer specific personal data to the authorities, e.g. disclosures concerning life insurance policies to the tax authorities. Financial institutions can record the behaviour of natural persons or legal entities who have been or could be detrimental to financial institutions in an incident register. To ensure a sound acceptance and risk policy, and to prevent fraud, a.s.r. records data in the Central Information System (CIS) of the CIS foundation. This concerns data relating to claims received by insurance companies or the individuals concerned who have intentionally deceived the insurance company. The CIS foundation supports insurers in their acceptance and claims processes. With regard to information concerning the CIS foundation, a.s.r. is permitted under strict conditions to exchange information via the CIS foundation. For more information see the CIS foundation website.

a.s.r. has various privacy statements applicable to different categories of data subjects. a.s.r.'s full privacy statement applicable to the processing of personal data of parties including customers (hereafter: a.s.r.'s privacy statement(s)) can be found on www.asrnl.com[1].

a.s.r. may generate profiles of its customers based on data it collects for the purposes of analysis and obtaining insight into (future) actions and preferences. In doing so, a.s.r. complies with relevant laws and regulations. This means, among other things, that a.s.r. asks permission in advance if required by law. In addition a.s.r. assesses applications for a number of products via an automated process. If individuals do not agree with an automated decision, they have the right to obtain human intervention on the part of a.s.r., to express their point of view on the decision made and to contest that decision.

a.s.r. respects the privacy rights of individuals. a.s.r.'s privacy statements contain detailed information on how a.s.r. deals with individual rights requests or other requests or complaints.

Privacy legislation and regulations, including the GDPR prescribe that personal data may only be processed for clearly defined and justified ends (activities). a.s.r. has listed these ends in the processing register. The ASR Nederland N.V. privacy statement includes an accessible translation of these ends for customers. They relate to:

- The performance of a.s.r.'s services;
- Reducing risks;
- Performing marketing activities;
- Improvement and innovation;
- Detecting fraud and abuse.

Where a.s.r. works with third parties it ensures that appropriate safeguards are put in place. Where a.s.r. works with third parties which process personal data on a.s.r.'s behalf (processors), a.s.r. puts in place data processing agreements detailing the restrictions regarding personal data (including personal data of customers), all in line with applicable legislation and the a.s.r. privacy statement(s).

If data are transferred by a.s.r., to international organisations or parties outside of the European Economic Area (EEA), appropriate safeguards and arrangements will be made in order to ensure compliance with the rules applicable in the EEA. Following the decision of the Court of Justice of the European Union in July 2020[2], the European Data Protection Board recommended measures that organisations should take to ensure compliance with the Court's decision in the event of the transfer of personal data outside the EEA. a.s.r. is implementing the required measures in addition to any measures or actions required after the European Commission (EC) issued an implementing decision on the new Standard Contractual Clauses (SCCs).

Executing a.s.r.'s digital strategy will contribute to improving customer services, while at the same time increasing efficiency. However, the anticipated and related increased use of (personal) data also creates privacy risks, as well as security and ethical risks. In executing the digital strategy, a.s.r. has continuously observed and mitigated these risks and will continue to do so.

Data leaks and complaints

A data leak is a personal data breach, a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access

1 The privacy statement of ASR Nederland N.V. applies to the following entities and brands: ASR Levensverzekering N.V., ASR Basis Ziektekostenverzekeringen N.V., ASR Aanvullende Ziektekostenverzekeringen N.V., ASR Schadeverzekering N.V., ASR Vermogensbeheer N.V., ASR Vooruit B.V., ASR Premiepensioeninstelling N.V., ASR Re-integratie B.V., Ditzo, Ardanta, Loyalis and Europeesche Verzekeringen. The privacy statement also applies to brands that are no longer used, insofar as personal data are still being processed, such as: ZZP Pensioen, De Amersfoortse, Axent, De Eendragt, and Generali Nederland. ASR Real Estate B.V. (Real estate) and ASR Vitaliteit en Preventieve Diensten B.V. (Vitality) have their own privacy statements

2 In July 2020, the Court of Justice of the European Union (CJEU) ruled that the adequacy of the protection of personal data by the US-EU Data Protection Shield (privacy shield) was invalid. The use of the (new) standard contractual clauses (SCCs) remains valid. However, the CJEU places a heavy burden on data exporters which wish to use SCC's. The data exporter must consider the law and practice of the country to which data will be transferred, in particular if public authorities may have access to the data. Additional safeguards may be required.

Ethical sessions organised
(in numbers)

4

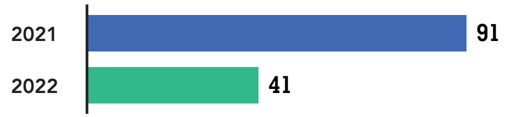
to, personal data from the organisation. In accordance with the GDPR, a.s.r. is obliged to report directly to the Autoriteit Persoonsgegevens (Dutch Data Protection Authority (Dutch DPA)) any data leaks which could have serious consequences for those involved. Such notifications are made by Compliance, in consultation with the DPO. While the data leaks that were reported could have had serious consequences for those involved, there were no reports of any damage relating to the misuse or abuse of leaked data in 2022. Most data leaks were due to human error. a.s.r. took appropriate measures to mitigate any risks relating to both reported and unreported data leaks. a.s.r. does not, at present, have any reason to expect any of the data leaks to have a serious impact for those involved. The number of data leaks reported to the Dutch DPA stabilised at 41 (2021:43) In the Annual Report 2021 it was reported that 51 data leaks were reported to the Dutch DPA. This number has been corrected to 43. The expected change in regulation that will enable life insurers to have access to the Basis Registratie Personen (Dutch registration system) in the case of payment of policies will also help to prevent data leaks in the future.

Compliance and the DPO report quarterly on the number and type of data leaks to the relevant management, the EB, the Business Executive Committee (BEC) and the A&RC of the SB. When necessary, a.s.r. has implemented measures to improve processes for, and awareness of, dealing with data to avoid any future data leaks.

a.s.r. received 107 complaints from third parties (2021: 91). Most of these complaints relate to data leaks, but also concern individuals exercising their data privacy rights, such as the right of access and the right to be forgotten.

Complaints relating to customer privacy received from third parties [1]

(in numbers)



4.8.3 Awareness

a.s.r. employees keep their knowledge up to date through yearly compliance trainings, presentations and dialogue, but also, for example, through (voluntary) gamification. By answering relevant questions each day, employees can refresh their knowledge of the code of conduct. Topics that were brought to the attention in 2022 include outside business activities, incentives, privacy, Customer Due Diligence, information security, sustainability, social media code, inside information and diversity, equity and inclusion (DEI). In addition, all a.s.r. employees receive three mandatory questions every month on the a.s.r. code of conduct, information security and cybercrime.

In 2022, (mandatory) training courses were organized to increase awareness and knowledge of CDD-related legislation and regulations (including the Anti-Money Laundering and Anti-Terrorist Financing Act). In 2023, Compliance will continue its awareness programme on the a.s.r. code of conduct.

Ethical themes

Employees are encouraged to speak up regarding integrity issues and engage in dialogue with each other. a.s.r. facilitates open dialogue throughout the company on ethical dilemmas and challenges that arise during daily business by organizing ethics workshops and dilemma sessions. This stimulates and strengthens ethical awareness among employees. In 2022, four ethics sessions were organised to develop ethical awareness and encourage critical reflection and informed decision-making on the following topics:

- Ethical data use;
- Diversity equity and inclusion;
- Sustainable business practice.

Ethical framework for data-driven applications and decision-making

In cooperation with the Dutch Association of Insurers (*Verbond van Verzekeraars*), a.s.r. has developed an ethical framework for data-driven applications and decision-making, as a form of binding self-regulation for the insurance sector. This framework helps the organisation implement an ethical data vision and invites critical reflection on issues such as discrimination and exclusion, accessibility of data applications, privacy, transparency and explicability.

Ethical data use requires customer trust, a self-aware vision regarding desirable contexts of data collection to generate useful insights, and the appropriate tailoring of these insights to product and service delivery to serve customer interests. In an increasingly data-driven world, critical reflection is needed to avoid risks of discrimination and exclusion, keep applications accessible for vulnerable groups and protect customers' autonomy and self-determination, as well as their privacy, in all relevant processes.

By implementing the ethical framework for data applications in all layers of the organisation, all business units, departments, disciplines and employees involved in the data journey of customers throughout a.s.r. act in more ethically responsible ways, carefully considering

1 Complaints received from regulatory bodies are also included in the figure reported for complaints received from third parties.

important ethical themes and risks. In 2022, the following activities were organised to promote more awareness:

- Awareness sessions were organised for different departments to promote familiarity with the framework, its background and intended application in practice;
- Ethics sessions and workshops were organised to practice working with the ethical framework and help colleagues translate its elements to their daily practice;
- A (e-learning) training programme was developed for managers, to promote awareness about the ethical framework at management level and activate business units to actively use the framework by implementing it in all relevant sub-departments and data processes that are involved in core customer processes (i.e. marketing, underwriting, pricing, claims, and fraud).

Diversity, equity and inclusion

A diverse, equal and inclusive working environment is essential for an organisation and its employees. Not only to make full use of people's diverse qualities and perspectives for better decision-making, but also to better understand the diversity of customer needs, to inspire equal treatment of the interests of all internal and external stakeholders and promote a safe, pleasant and inclusive working atmosphere. The goal is to realise a working environment where mutual understanding, attention and empathy are central and everyone is given the space to be themselves and provide their input.

Dialogue sessions, panel discussions and other initiatives are organised on a regular basis to draw attention to these topics, allow colleagues to engage in dialogue with each other and explore how the organisation can further improve on these themes.

Sustainable business practice

a.s.r. wants to do business in an increasingly sustainable way. To properly weigh all interests involved requires ethical self-awareness and critical reflection. This leads to complex ethical considerations in daily practice, where the following questions need to be answered:

- How to determine the moral weight of all the stakeholder interests involved?
- Which moral duties and principles, ethical preconditions or frameworks help prevent risks, including risks in terms of (unintentional) discrimination and exclusion and possible human rights violations in value chains?
- How does the organisation fulfil its moral responsibility to promote value chains with integrity, through constructive and effective cooperation between all stakeholders and parties involved?

To advise the organisation on these complex dilemmas, a Sustainability Committee was created, to discuss issues regarding sustainable business practice and provide tools and support for business units to make ethically self-aware choices that are in line with a.s.r.'s vision and strategy.

4.8.4 Integrity and ethical conduct

Integrity and ethical conduct are prerequisites for a.s.r.'s reputation as a trustworthy insurer. In addition to the use of clear frameworks, sound and controlled business operations are above all driven by sound, intrinsically embedded core values and ethical behaviour.

Code of conduct

a.s.r.'s code of conduct forms a guideline for its actions and decisions, and helps to perform its duties properly, with due care and integrity. It also forms a clear guideline for how employees interact with each other, how a.s.r. serves its customers and how a.s.r. takes its responsibility for the environment in which we work and live. The a.s.r. code of conduct applies to anyone who performs work for a.s.r., whether or not on a regular basis. a.s.r. expects everyone to observe the code of conduct and to call each other to account for compliance with it. The a.s.r. code of conduct is available on the website of a.s.r.

Every employee must take an oath or make a solemn affirmation. This demonstrates that the employee accepts and complies with the rules of conduct, and observe ethics in their actions.

Unethical behaviour

In order to guarantee sound and controlled business operations, a.s.r. has taken a number of control measures to prevent, identify and contest unethical behaviour, including combating corruption. Examples of control measures include integrity screening carried out by the investigations department prior to hiring new employees as well as in-employment screening. This integrity screening also applies to contracting parties. In this way, a.s.r. seeks to prevent the risk of physical, financial or reputational damage to the company, its customers and/or other business relations. Moreover, in order to guarantee sound and controlled business operations, a.s.r. has taken measures such as monitoring and creation of awareness throughout the business with respect to insiders, incentives and outside business activities.

a.s.r. believes it is important that incidents are reported and that this can be done safely and with due care. a.s.r. has an internal reporting point for integrity incidents and a whistleblower scheme. Identifying and reporting incidents helps to detect irregularities and errors. This enables a.s.r. to learn from incidents and prevent them in the future.

Under the whistleblower scheme, employees and third parties, including former employees, customers and other contracting parties, can report alleged malpractice anonymously, freely and without feeling threatened.

Ethics sessions 2022

In 2022, four ethics sessions were organised to develop ethical awareness and encourage critical reflection and informed decision-making.

Dilemma session rural real estate

Dilemmas were discussed in relation to lessees, tenants and to other initiatives being developed on land belonging to a.s.r. How do initiatives contribute to sustainability and sustainable impact? What frameworks and preconditions are there ethically to guide decision-making and acceptance criteria?

- Participation: rural real estate with approximately 20 people;
- Topics: sustainable land use, engagement with lessees/tenants, ethical acceptance criteria and critical reflection on social impact;
- Results: critical ethical reflection on the above themes. In addition, an a.s.r. Sustainability Committee is being set up to provide central advice and support on sustainability dilemmas in all business units, as well as on dilemmas in underwriting criteria in a dynamic world with a complex field of stakeholders.

Data stewards Individual life and Pensions

Dilemmas around ethical data use took centre stage. Colleagues in their new role as data stewards practised using the ethical framework for data applications for their daily practice. How do you take ownership of (sensitive) customer data? In this, how do you work well with the departments and disciplines involved, all of which are part of the data puzzle?

- Participation: data stewards of Individual ife and Pensions (twice, with approximately 10 people on each occasion);
- Topics: ethical data use, the ethical framework for data applications and decision-making;
- Results: critical reflection on taking ownership of sensitive customer data by putting the customer perspective and their data journey at the centre of collaboration with other colleagues within a.s.r. Awareness and practice with the ethical framework and its application to their daily practice.

Ethical data use in customer contact

Dilemmas about ethical customer contact based on data were discussed. Profiling using customer data can better predict customer preferences and needs. But which data types and contexts are justified in doing so? When and how do you act towards customers based on those profiles or insights? How do you optimally protect their privacy without losing sight of good service and targeted product offers in the customer's interest?

- Participation: colleagues involved in customer contact (and customer contact strategy);
- Topics: ethical data use, the ethical framework for data applications and decision-making, privacy versus customer-focused service;
- Results: critical reflection on customer contact, service in the customer interest, critical reflection on customer profiles and data insights (what do they really say?).

Awareness session ethical framework with data scientists

Session aimed at promoting awareness of the ethical framework. Critical dialogue about the contexts in which customers are tracked on the basis of data, what insights this generates and how a.s.r. acts on this responsibly in the customer’s interest, without harming customers’ autonomy and privacy. Is it responsible to track customers online? For which products and services do you act more quickly towards customers on the basis of (moral) duty of care? How do you protect autonomy and privacy?

- Participation: data scientists and marketers from (with approximately 20 people);
- Topics: ethical data science, data collection, actions towards customers, customer autonomy and privacy in online environments;
- Results: awareness of a.s.r.'s ethical data applications framework, its use for critical dialogue and reflection on dilemmas concerning data use.

a.s.r. has a policy on controlling unethical behaviour at the group and business levels. a.s.r. investigates signals of unethical behaviour, including corruption and fraud, from employees, intermediaries, and suppliers. Should integrity be compromised, including through corruption and/or fraud, a.s.r. will take appropriate measures, with due regard for the applicable laws, regulations and sector-based protocols. The risk of corruption is addressed in various policies, such as a.s.r.’s incentive policy and its anti-corruption policy. The latter also prohibits political contributions and charitable donations that act as a means of bribery and corruption by a.s.r. a.s.r. uses the definition formulated by the DNB: ‘The risk of corruption is the risk of financial companies in the Netherlands being involved in bribery and/or conflicts of interest which impair the integrity of, and trust in, that company or in the financial markets’. a.s.r. operates a policy of zero-tolerance. By performing systematic integrity risk analyses (SIRAs), a.s.r. maps integrity risks and determines which additional control measures must be taken if the risk falls outside the risk appetite. The SIRA contributes to recognition and prevention of a.s.r. involvement in violations of laws and regulations or other socially undesirable acts. The fraud and corruption risks are part of the SIRA.

In 2022, 68 cases of alleged lack of integrity (2021: 108) were investigated by the investigations department. 23 disciplinary measures (2021: 55) were taken in cases of proven lack of integrity in the conduct of an employee, intermediary, or supplier. With respect to employee conduct, 6 employees were found to have violated the a.s.r. code of conduct. Following investigation, a lack of integrity, e.g. fraud and inappropriate conduct or behaviour, was proven. These employees were disciplined for the infringement of the company's principles. This resulted in addressing undesirable behaviour, a written warning or dismissal. The investigations department reports quarterly on the number of incidents and the measures taken. This report is discussed with the EB, the NFRC, the a.s.r. Risk Committee and the A&RC of the SB. Where necessary, additional action is taken.

4.9 Environmental performance

4.9.1 Taxonomy Regulation

General information

The Taxonomy Regulation (Regulation EU 2020/852) is a classification system that provides investors, companies and financial institutions with a standardised definition of which economic activities are considered to be ecologically sustainable. Its purpose is to facilitate sustainable finance, protect against 'green washing' and helps companies become more focused on sustainability.

a.s.r. wants to play a leading role in the financial sector when it comes to sustainable business. This means that a.s.r. strives to make a positive contribution to making society more sustainable. In a.s.r.'s climate policy, the organisation systematically takes into account the climate effects of its activities. It does so by setting clear targets, developing instruments and reporting clearly on the progress and results of its efforts. The Taxonomy Regulation gives a.s.r. an universal language for reporting on its efforts. a.s.r. will consider, and where possible include, the Taxonomy criteria in its target-setting.

For the reporting year 2022 the Taxonomy Regulation requires large companies to report on the taxonomy eligibility and as of reporting year 2023 on the taxonomy alignment of their economic activities. An economic activity is eligible when the activity is mentioned in the Climate Delegated Act. (Regulation EU 2021/2139). Eligible activities are aligned with the Taxonomy Regulation when in addition to being mentioned in the Taxonomy, they also meet the criteria for taxonomy alignment. In order for economic activities to be aligned with the Taxonomy Regulation, they must be deemed to substantially contribute to any of the taxonomy's environmental objectives. They must also cause no significant harm to any of the other Taxonomy Regulation environmental objectives, while at the same time respecting minimum social safeguards.

For 2022, a.s.r. assessed whether its economic activities were taxonomy eligible in relation to the applicable two environmental objectives; climate change mitigation and climate change adaptation. a.s.r.'s relevant economic activities in light of the Taxonomy Regulation are its insurance underwriting activities and investment activities. As of 2022, the Taxonomy Regulation also includes economic activities in gas and nuclear energy. The extended definition of eligibility had no material impact on the eligible disclosure of a.s.r., nor any impact on its strategy.

Insurance underwriting activities

The eligibility of non-life insurance underwriting activities is determined as follows:

- The gross written premiums (GWP) are part of the non-life lines of business as defined under Solvency II legislation: for a.s.r., these are medical expense insurance, income protection insurance, workers' compensation insurance, motor vehicle liability insurance, other motor insurance, transport insurance, fire and other damage to property insurance and assistance. As such, the Life insurance business and the Health insurance business under Disability are not in the scope of the Taxonomy;
- The related underwriting activities cover at least one of the climate-related perils as described in the delegated act. Within Non-life, these mainly concern heat waves and wildfires, wind-related calamities such as storms, water-related calamities such as flooding and heavy precipitation and hail;

Reconciliation total gross written premium to total non-life gross written premiums in scope of the Taxonomy

(in € millions)	2022		
	Total GWP	Not in scope of taxonomy	Total non-life GWP in scope of Taxonomy
P&C	1,668	-	1,668
Disability	1,485	887	599
Health	1,121	-	1,121
Life	1,767	1,767	-
Total	**6,041**	**2,654**	**3,387**

Taxonomy eligibility of the insurance underwriting activities

(in € millions)	2022	
	GWP	% of total GWP
Taxonomy non-eligible economic activities	2,502	74%
Taxonomy eligible economic activities[1]	885	26%
Total non-life	**3,387**	**100%**

1 Taxonomy eligibility is determined at the product code level. When Taxonomy eligibility is determined at lines of business level, the eligibility would have been 27% instead of 26%. For more information see paragraph Key estimates and assumptions.

- The climate-related hazard is explicitly mentioned in the policy terms and conditions. Health and Disability do not have these explicit terms and conditions and are therefore non-eligible;
- In summary, a.s.r. considers the following non-life insurance activities as eligible: other motor insurance, transport insurance and fire and other damage to property insurance;
- The eligible GWP of insurance underwriting activities is measured at coverage level within a product. If a climate-related calamity is included within the coverage of a non-life insurance product, the full GWP of that coverage is considered taxonomy-eligible.

Investment activities

Eligibility of investment activities

Investments directed at funding or associated with economic activities as described in the Climate Delegated Act are considered taxonomy eligible.

Investments

The main activities covered by the taxonomy-eligible investments relate to:

- Manufacture of renewable energy technologies, equipment for the production and use of hydrogen and other low carbon technologies;
- Installation, maintenance and repair of energy efficiency equipment, charging stations for electric vehicles in buildings and parking spaces attached to buildings, instruments and devices for measuring, regulating and controlling the energy performance of buildings or renewable energy technologies;
- Non-life insurance and reinsurance: underwriting of climate-related calamities;
- Manufacture of low carbon technologies for transport;
- Electricity generation using solar photovoltaic technology, concentrated solar power (CSP) technology, wind power, ocean energy technologies, hydropower, geothermal energy, renewable non-fossil gaseous and liquid fuels or bio-energy. Co-generation of heat/cool and power from solar energy, geothermal energy, renewable non-fossil gaseous and liquid fuels or bio- energy;
- Data-driven solutions for GHG emissions reductions;
- Acquisition and ownership of buildings;
- Infrastructure for rail transport;
- Transmission and distribution of electricity.

The investments covered by the Taxonomy Regulation include investments on behalf of policyholders and investments relating to investment contracts for an amount of € 11.857 million.

Reconciliation total assets to total investments covered by the Taxonomy

(in € millions)	31 December 2022			
	Total assets	Assets not qualifying as investments	Investments not covered by the Taxonomy	Total investments covered by the Taxonomy
Investments[1]	37,551	55	10,937	26,559
Derivatives	5,428	-	-	5,428
(Investment) property and plant[2]	1,259	-	-	1,259
Loans and receivables	17,171	605	221	16,345
Other[3]	4,130	3,878	-	252
Total	**65,539**	**4,538**	**11,158**	**49,843**

1 Investments include investments own book, investments on behalf of policyholders and investments related to investment contracts. Investments not qualifying as investments are mainly cash and cash equivalents on behalf of policyholders and investment contracts.
2 (Investment) property and plant includes investment property, property for own use, and plant.
3 Other includes equipment, associates and joint ventures, which are in scope of the definition investments, and intangible assets, deferred tax assets, reinsurance contracts, other assets and cash and cash equivalents, which are out of scope of the definition of investments.

Taxonomy eligibility of the investment activities

(in € millions)	31 December 2022	
	Monetary amount	% of total investments covered[1]
Derivatives	5,443	11%
Investments in undertakings that are not in scope of NFRD[2]	15,433	31%
Taxonomy non-eligible economic activities	10,816	22%
- based on readily available information (mandatory)	2,343	5%
- based on estimates (voluntary)[3]	8,473	17%
Taxonomy eligible economic activities[4]	18,151	36%
- based on readily available information (mandatory)	13,574	27%
- based on estimates (voluntary)[3]	4,577	9%
Total investments covered by the Taxonomy	**49,843**	**100%**
Investments not covered by the Taxonomy		
Exposure to central governments, central banks and supranational issuers	11,158	

1 Total investments covered includes all direct and indirect investments as defined in the Taxonomy with the exception of investments with exposure to central governments, central banks and supranational issuers.
2 Undertakings not subject to an obligation to publish non-financial information pursuant to Taxonomy.
3 Mainly investments and loans relating to savings mortgages are based on estimates and therefore on a voluntary basis.
4 Taxonomy eligibility is based on the investments covered by the Taxonomy. When taxonomy eligibility is determined based on total investments (including the exposure to central governments, central banks and supranational issuers), the eligibility would have been 30% instead of 37%.

Within investments is included the investment in the Dutch Farmland fund (€ 1.728 million) which is managed by ASR Real Estate B.V. Farmland is considered taxonomy non-eligible since activity relating to agriculture is not currently included in the Climate Delegated Act.

Property and plant (investment)

The eligible activities within (investment) property and plant relate to the acquisition and ownership of buildings, construction of new buildings, renovation of existing buildings, electricity generation from wind or solar power, and (to some degree) forest management.

Loans and receivables

Eligible activities under loans and receivables relate to mortgage loans. The main activities covered by the taxonomy-eligible investments within mortgages concern the funding of acquisitions and the ownership of buildings, the construction of new buildings and the renovation of existing buildings. Other loans were considered non-eligible.

Measurement

Investment activities are accounted for using the same valuation principles as used in the IFRS consolidated financial statements.

When estimates and proxies are used, disclosures under the Taxonomy Regulation may not be classified as mandatory and are classified as voluntary.

Key estimates and assumptions

a.s.r. has made efforts to gather the required data for taxonomy eligibility. Due to uncertainties in legislation and limitations in the availability of data at the time the Annual Report was being prepared. a.s.r. has to some extent used interpretations, estimates and assumptions to arrive at the required disclosures. The disclosures made therefore represent a snapshot at the time the disclosures were prepared and are only an indication of the eligibility of the economic activities undertaken by a.s.r. The assumptions and interpretations used are further disclosed below.

Investment activities

To assess the eligibility of the investments, a.s.r. is often dependent on the taxonomy information provided by the investee companies. In most cases, this information was not readily available. a.s.r. has therefore used alternative input, such as taxonomy data from data-vendors. The data-vendors estimated eligibility for investee companies based on the reported revenue for each industry sector they operate in which they then mapped with the Taxonomy Regulation using NACE codes.

Information on the underlying investments for third-party managed funds was not always available. For the underlying activities of investment funds for which no information was available, a.s.r. made an assessment of whether these investments were classified as investments in undertakings that were not in the scope of the NFRD. The remaining investments were classified as taxonomy non-eligible. Their impact is expected to be limited.

The eligibility of real estate equity funds is assessed using the economic activities of the underlying assets in that fund. Own source information was used to establish the eligibility of the real estate portfolio, such as knowledge of the underlying assets and operation. The information relating to external real estate equity funds was provided by the fund manager.

Own source information was largely used to establish the eligibility of the mortgages (e.g. mortgage agreements). The information for external mortgage funds was provided by the fund manager.

Underwriting activities

a.s.r. offers its underwriting activities both directly and through the intermediary channel via advisors and mandated agents. Own source information was used to determine eligibility for the insurance premium of P&C for insurance policies sold through direct distribution channels and through advisors. For policies sold by mandated agents, no detailed information was available, and therefore the same portfolio composition was assumed as for the portfolio held by advisors.

Description of compliance with the Taxonomy regulation

a.s.r. complies with the current scope of the Taxonomy regulation for the 2022 financial year.

Future developments

For the 2023 financial year onwards, the Taxonomy Regulation will require that companies report on taxonomy alignment instead of eligibility. It is currently not clear whether the taxonomy alignment regarding the financial year 2023 will also cover the four remaining environmental objectives as the delegated acts are still being developed.

The Taxonomy Regulation and its delegated acts will be regularly reviewed and updated by the European authorities, with the possibility of revising and/or complementing the list of environmentally sustainable activities, their criteria and the further development of the taxonomy classification system, including an anticipated scope expansion to include social objectives.

The Corporate Sustainability Reporting Directive (CSRD) will replace the NFRD from the 2024 reporting period onwards. It is too early to determine the impact of this change on the taxonomy disclosure of a.s.r.

4.9.2 Climate change

Dealing with climate change is one of the greatest challenges of our time. a.s.r. will step up its efforts towards a climate-neutral society. a.s.r. is aware of the importance of this and, as an insurer and investor, wants to play a role in the energy transition. In this chapter a.s.r. briefly describes how a.s.r. identifies, measures and manages climate risks and opportunities for its business in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. For a more detailed description, please refer to a.s.r.'s separate Climate Report 2022.

Governance

Sustainability is embedded within a.s.r. at different levels in the organisation. Within the EB, the CEO has final responsibility for sustainability. The EB shares responsibility for the implementation of the sustainability strategy and is supported in its implementation by the Business Executive Committee (BEC). The Sustainability Workforce and the TCFD Working Group support the BEC in its responsibility for policy development and implementation. The Sustainability Workforce reports quarterly on the climate related targets and other sustainability targets and KPIs to the BEC. The Corporate Sustainability quarterly reports including targets for each business unit provide the EB with a good overview of strategy, progress and resources so that any adjustments can be made. Since 2021, an Nomination & ESG committee was established within the SB. This Nomination & ESG Committee advises and supports the SB with its supervisory role regarding ESG developments and results of the sustainable business strategy.

Within the separate business segments, the management teams are responsible for sustainability. This includes monitoring and managing climate risks and opportunities. Within each management team, one member is responsible. This member is assisted by a sustainability or ESG committee, or by a sustainability specialist, in combination with the business risk manager of the relevant business unit.

Strategy

a.s.r.'s climate policy consists of four strategic pillars, through which a.s.r. manages the risks associated with its investments and insurance products, while at the same time aiming to contribute to solutions:

- Helping customers to prevent or reduce climate risks;
- Stimulating the energy transition;
- Incorporating climate risks into business processes;
- Contributing to sector initiatives.

For a.s.r., climate change is a direct and indirect risk to both its assets and its liabilities. At the same time, opportunities are also created for operating performance, including by helping customers reduce climate risks and facilitating them in the energy transition. This makes a.s.r. an insurer that moves with the transition its customers are going through, which in effect means a.s.r. is an interesting party to (continue to) house their assets and risks. More information on this and the four pillars of the a.s.r. climate strategy can be found in the Climate Report 2022.

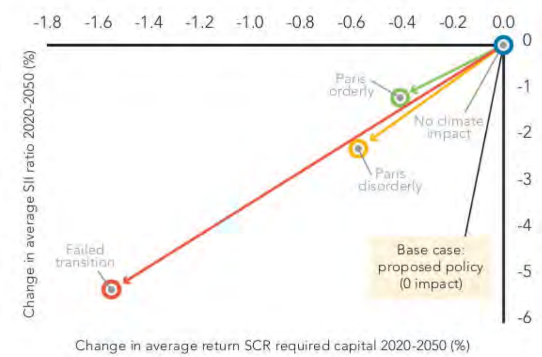
The following section describes how climate change affects a.s.r.'s product lines, how this is measured and how a.s.r. deals with it.

Asset management

Since 2018, a.s.r. validates its investment strategy by analysing the impact on various metrics in its Risk Appetite Statement due to climate change, based on climate scenario sets. a.s.r. has incorporated the impact of the different climate pathways on all assets in the annual Strategic Asset Allocation study.

a.s.r. considers itself resillient to climate change under different climate scenarios. The impact of the three climate pathways on the Solvency II ratio and the average return on capital is limited. The main reasons for the limited impact are: the European focus of the investment portfolio, the ESG policy, and the dynamic investment policy. All of which results in a.s.r. investing less in countries, markets and companies that are hit harder by climate change and climate adaptation. The dynamic investment policy also provides for de-risking in the event of market stress due to climate change and thus supporting the overall solvency ratio.

Average SCR ratio vs. average return on SCR



- The return on SCR (Solvency Capital Requirement) becomes lower as the Paris Agreement target is not achieved compared to when the Paris agreement is achieved. This is due to the direct impact of physical risks and therefore also indirectly due to a decrease in return expectations under the different climate pathways;
- Within the Paris disorderly scenario, abrupt sales of stranded assets are expected around 2025. This will cause a major financial crisis. The solvency development in that period is slightly different, but because of the dynamic investment policy and the ESG policy a.s.r. is well able to withstand this;
- A failed transition to the Paris Agreement is a.s.r.'s largest risk. In such a case the average SCR ratio will fall more sharply as a result of lower returns in particular, due to physical risks.

Real estate

Climate change poses risks to the built and rural property managed by a.s.r. Physical risks include inundation from large amounts of precipitation, but drought, heat and flooding can also cause damage to buildings, land and its users. These risks are incidental in the short term. If the trend of climate change continues, turning these risks into patterns, it will result in increasing damage and in changing desires of users (tenants). In the long term, this could result in changing demand for property and possible decreases in value for property susceptible to the effects of climate risks.

Attention is also paid to transition risks involving financial investments. For example, new legislation and regulations are being drawn up at the national and international level in the context of making real estate more sustainable and reducing chemical substances such as PFAS and NO_2. In addition to applicable legislation and regulations, Real estate contributes to the energy transition and a sustainable living environment through investments in wind and solar parks. For developments in 2022, refer to chapter 4.4.

Mortgages

Physical climate risks within the mortgage portfolio may be caused by damage to houses due to climate-related events, which either lead to a decrease in the value of the collateral and/or affect homeowners' ability to pay or repay their mortgage.

To reduce the risks of climate change within our real estate and mortgage portfolios, a.s.r. investigates where these risks are greatest. By combining data from the Climate Impact Atlas with portfolio data in the Geographical Information System (GIS), a.s.r. can see how vulnerable and sensitive locations in the Netherlands are to climate change. a.s.r. uses that data, among other things, in decision-making around acquisitions and maintenance of our property portfolios and now also to assess the risks of the collateral in the mortgage portfolio. Drought/heat, storm and flood risks were considered. Most risks are covered by the building insurance that homeowners are obliged to have on a mortgage-backed collateral, such as storm damage to a home. The National Contingency Fund also covers some forms of climate risks. Of the climate risks not covered, a.s.r.'s mortgage portfolio has moderate to almost no risk (total 97% of the portfolio).

Where these risks are not covered, such as pile rot, settlement risk, subsidence, groundwater nuisance and other foundation problems, they occur in specific regions in the Netherlands. a.s.r.'s mortgage portfolio is particularly susceptible to groundwater flooding in 2050. Next year and beyond, a.s.r. will investigate this further and also hope to gain more insight into the government's role in this.

P&C

Climate risks affect non-life insurance. In the short-term, a.s.r. has identified risks in property and traffic products, among others, due to an increase in extreme weather. This results in more and higher claims. In the medium-term, a.s.r. may also be confronted more frequently with floods from non-primary water defences and the resulting cost of claims. In the long term, drought, heat and wild fires may influence P&C's claims burden.

The impact of extreme weather conditions clearly revealed itself during three consecutive storms in early 2022. This resulted in a € 38 million cost of claims for Non-life after reinsurance. In Southern Europe, as well as in the Netherlands, more forest fires occurred in the summer of 2022 due to high temperatures and severe drought which resulted in damage to customers' properties. The flooding in the Dutch province of Limburg in 2021, with a total cost of insurance claims estimated at € 200 million, highlighted that flood cover is essential for customers.

a.s.r. regularly determines the total loss ratio per product in relation to climate change over the past period and makes forecasts for several years in order to set its premiums, partly with the aid of Royal Netherlands Meteorological Institute (*Koninklijk Nederlands Meteorologisch Instituut*; KNMI) data. For the longer term, a.s.r. uses climate analyses. On the basis of several climate scenarios, these analyses provide insight into the long- term effects of climate risks in the Netherlands. These insights are used in a.s.r.'s calculations and have an effect on the development of premiums and coverage on the long term pricing policy, and reinsurance strategy for non- life products that involve climate cover.

In order to reduce risks, a.s.r. continuously monitors developments in climate influences and adjusts its acceptance policy (underwriting), products, claims handling, and communications accordingly. In addition, a.s.r. encourages its customers to take preventive measures in order to avoid damage and save energy, e.g. by providing tailor-made advice after inspection visits.

a.s.r. works with annual contracts and can therefore make quick adjustments if required due to physical climate risks such as changing weather conditions. To mitigate transition risks created by new technologies in areas such as climate mitigation, a.s.r. works with various research institutes and other knowledge-holders to gain as much knowledge as possible about the new technologies and thus determine the right price and conditions to insure them responsibly.

Health and Income

Climate change may affect the development of disease and pandemics with potential implications for healthcare costs, absenteeism and disability. Therefore, a.s.r. has identified and estimated the main health risks due to climate change with an impact on labour and healthcare costs. By investigating the impact of climate change on key medical conditions at an early stage, a.s.r. is trying to get a better grip on the potential impact this will have, enabling a.s.r. to take timely measures to mitigate the impact of these risks. Timely recognition and anticipation of risks affecting customers is also important in the context of customer interests.

Three medical conditions with the greatest potential impact on the cost of claims for healthcare costs, absenteeism and disability are expected to become more common as a result of climate change:

- Tick-borne communicable diseases, such as Lyme disease (caused by a Borrelia bacteria);
- Increased airborne exposure to allergens from pollen, dust mites and caterpillars. Higher temperatures cause existing plants and trees to flower earlier and possibly more intensely. New (non-native) species may also become established. Increases in air pollution and heat stress in cities amplify this aforementioned effect and lead to more lung diseases;
- Increased UV light, in particular, will greatly increase the incidence of skin cancer in a specific period.

There is also an important uncertain factor, namely zoonoses, infectious diseases that can spread from animals to humans. Zoonosis can lead to new diseases or variants of known diseases that can be (extremely) harmful to health. Rapid spread of a zoonosis is one of the symptoms of climate change.

With today's knowledge, the expected financial impact for the next 10 years seems limited because the increase in absenteeism or disability will mostly fall within the deductible period and the net effect on healthcare costs is limited due to the current equalisation system in the Netherlands.

Funeral and Individual life

The effects of temperatures rising seem limited for Funeral and Individual life, due to the fact that most insurance portfolios have a short-term lifetime/premium cycle or will mature before the anticipated long-term climate changes might affect the risks insured. Future pricing can therefore most likely be targeted to an acceptable level of investment return. In the near future, more attention will be paid to analysing climate risks and making them measurable in order to target them for the Funeral and Individual life portfolio.

Risk management

To fully understand the potential physical and transition impacts of climate change on its business, a.s.r. has developed a top-down and bottom-up management approach.

The bottom-up approach revolves around the relevant business segments within a.s.r. developing measures and tools to identify and to mitigate identified climate-related risks or capture its opportunities. This ranges from portfolio construction, exclusions and engagement within its asset management activities to underwriting taking into account climate risks, client engagement and developing new products and services.

In the top-down approach a.s.r. analyses the impact of three climate scenario-driven insights into the resilience of the business, mainly focused on the impact of climate change on assets. These are attained using three climate scenarios with a 30-year horizon based on the Strategic Asset Allocation (SAA) model.

Three climate scenarios with a 30-year horizon

For Real estate, the Climate Risk Monitor was developed to manage climate risks within the urban property portfolio. This is an analysis tool for decision-making in acquisitions, disinvestments and portfolio maintenance. The Climate Risk Monitor contains building-specific data combined with climate data from the Climate Effect Atlas. These datasets are then combined in the GIS to generate cartographic layers that provide a quantitative insight into the level of risk per asset. By 2021, the climate dataset was embedded in the business processes.

A risk analysis was also carried out for the mortgage portfolio on the basis of the climate effect atlas in order to generate insight into the risk areas for flooding, for example. Because mortgages at a.s.r. can run for up to 40 years, it is important to have insight into the long-term risks for this portfolio.

a.s.r. Non-life identified its most important climate risks in a brainstorming session with knowledge holders and stakeholders. When climate change risks were included in the strategic risk analysis (SRA), measures were identified to mitigate the risks. These measures are regularly monitored for progress and effectiveness.

As of August 2022, the Solvency II regulation is enhanced with sustainability risk endorsed by an amendment of the Delegated Regulation (EU) 2015/35. Herein, sustainability risk is described as environmental, social or governance event or circumstance that, if it occurs, could cause an actual or potential adverse effect on the value of the investment or the value of a liability.

Scenarios

Scenario properties	Orderly transition according to 'Paris'	Disorderly transition according to 'Paris'	Failed transition according to 'Paris'
Assumed temperature rise temperature rise for 2100 relative to the average of 1850 - 1900	~1.5°C	~1.5°C	~4.3°C
The range of the 90% likelihood of the temperature rise (until 2100)	+1.4°C to +1.6°C	+1.4°C to +1.6°C	+3.1°C to +6.1°C
Aligned Climate panel emission scenario VN IPCC 6	SSP1-1.9*	SSP1-1.9*	SSP3-7.0*
Assumptions	• Large impacts of government policy and technological developments • The impact of the transition is assumed to be 'smooth' over time • Cimate risks are included in market prices according to a dynamic and en 'smooth' pathway • The physical impact of climate change is significant, but lower than in a failed transition scenario	• Large impacts of government policy and technological developments • The transition has a disruptive effect on financial markets causing prices to fluctuate strongly due to repricing of risk and sentiment and 'stranded assets' • The physical impact of climate change is significant, but lower than in a failed transition scenario	• Limited impact due to a 'business-as-usual' pathway without significant policy changes • Large physical impacts that effect productivity in addition to more frequent and more damaging 'extreme weather' events • Markets do not include the impact of materialising physical risks until late in the scenario

* SSP = Shared Socioeconomic Pathways = plausible world views that assume different socio-economic, technological and demographic developments in the future

Overall, climate risks as a result of climate change and the energy transition are incorporated into a.s.r.'s risk appetite and part of the regular risk management processes such as the annual group-wide SRA process. Material climate risks identified in the SRA process, including storms and floods, are incorporated into the scenario analysis of the Own Risk and Solvency Assessment (ORSA) and quantified by the business actuary teams. Physical risks are mainly associated with the non-life portfolio. With life and health insurance, the impact is mainly in the longer term and not quantified in the ORSA horizon of 5 years. Transition risks apply in particular to investments and financing The ORSA assesses the overall solvency needs of a.s.r. in the context of the strategic plans, making allowance for the current and expected solvency positions, the risk appetite and solvency targets.

Metrics and targets

a.s.r. believes it can make a positive impact through a sustainable investment policy and by developing insurance products and services that support the energy transition and help customers adapt to climate risks. In addition, a.s.r. continuously works to reduce its own (indirect) negative impact.

The climate metrics and targets are shown in the table on this page.

Climate metrics and targets

KPIs	Target	2022 progress
Reduction of carbon footprint of the investment portfolio's in-house own funds[1]	65% by 2030	65%
Impact investments	€ 4.5 billion in 2024	€ 2.8 billion
Reduction of carbon emissions in the insurance portfolio	Climate neutral by 2050	Methodology report and target setting protocol have been launched. a.s.r. will publish first interim targets mid 2023.
Make P&C's insurance products, as far as they are influenced by climate risks and opportunities, more resilient and enhance these products with (more) sustainable covers	100% by 2025	60%
Reduction of carbon footprint of operations at a.s.r.	50% in 2025 (base year 2018)	62%

1 This includes listed shares, corporate bonds, government bonds, real estate investments and the mortgage portfolio.

4.9.3 Carbon footprint own operations

Pursuing climate-neutral operations is part of the a.s.r. strategy. In early 2022, the COVID-19 pandemic had a positive impact on a.s.r.'s carbon footprint through its own business operations. Hybrid working following the COVID-19 pandemic also led to a reduction in CO_2-eq emissions compared with the 2018 base year, meaning that the target on both KPIs was met.

a.s.r. actively manages waste, mobility, energy consumption and CO_2-eq emissions to minimise its impact on the environment. It focuses special attention on its carbon footprint, which has two levels of impact:

- Indirect footprint due to investment activities (see chapter 4.9.and the Climate Report 2022);
- Direct footprint due to own activities, as explained below.

a.s.r.'s target is to reduce direct CO_2-eq emissions by 50% in 2025 compared to the base year 2018. To achieve this, a.s.r. constantly aims to reduce its emissions. The remaining emissions are offset by purchasing certificates with the Verified Carbon Standard, the Climate, Community and Biodiversity Standard, and Plan Vivo.

All employees are based in the Netherlands. Approximately 92% of all the 4,313 FTEs work from the head office in Utrecht. a.s.r. has a total of 100,302 m^2 of office space in use, of which the head office represents the major share of 92% (91,912 m^2 gross floor area). This makes the head office and its employees the most material part of a.s.r.'s direct CO_2-eq footprint. The figures in the diagram are based on the a.s.r.'s head office and presented in accordance with the Greenhouse Gas Protocol. 6.2% of the head office has not been used by a.s.r. itself since mid-2020. a.s.r.'s energy consumption does however include consumption by the sub-tenant. a.s.r.'s offices in Enschede (1,830 m^2 gross floor area), Rotterdam (approx.1,000 m^2 gross floor area of office space and 3,900 m^2 gross floor area of archives), Heerlen (2,815 m^2 gross floor area) and the Distribution & Services offices are not included.

Scope 1

At a.s.r., emissions from fuel and heat, cooling and from leased cars fall under scope 1. In 2022, a.s.r.'s business travel was affected by the measures taken in relation to COVID-19 in the first quarter and as a result of changes within the lease car fleet. The increase in the number of electric cars and improved fuel efficiency contributed positively to lower emissions from the overall fleet, as a

Trees planted
(in thousands)

14

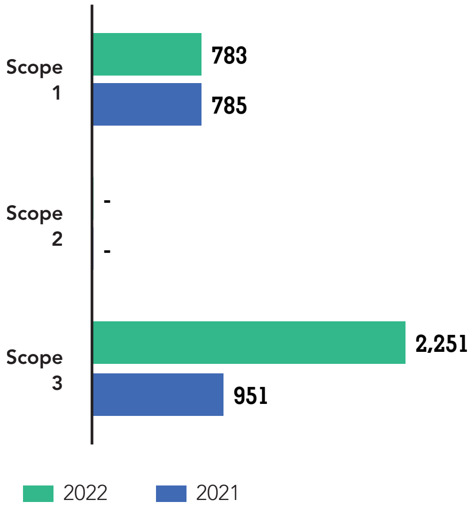
result of the policy introduced in 1 January 2021 for all new lease cars to be fully electric. The rise in CO_2-eq emissions during 2022 was mainly due to increased employee travel following the relaxation of COVID-19 measures in that year. a.s.r.'s head office in Utrecht has been fully carbon-neutral since 2019 and it has not used gas since the middle of 2019.

Scope 2

Emissions due to electricity consumption fall under scope 2. In 2022, a.s.r.'s head office consumed 47 kWh of purchased energy per m² (gross floor area + atriums) (2021: 51 kWh). a.s.r.'s goal is to consume a maximum of 50 kWh/m² gross floor area + atriums by 2030. This is in line with the Paris-agreement. This target was achieved in 2022 partly due to the increased use of renewable energy compared with previous years. There are now also fewer people on average working at the head office due to hybrid working. Scope 2 emissions remained at zero since all electricity consumed was carbon-neutral. The vast proportion of this electricity is generated by Danish wind turbines. As in previous years, a.s.r. generated part of its electricity itself using solar cells. At a total of 983,196 kWh, more electricity was generated in 2022 than in previous years. For the second year in a row, a.s.r. supplied surplus electricity back to the grid.

Emissions of own activities

(in tCO_2-eq)



Scope 3

Emissions from mobility - excluding Scope 1 mobility (lease cars) - and waste fall under scope 3. In 2022, CO_2-eq emissions increased by 1,300 tonnes compared with 2021. Compared with 2018, Scope 3 emissions fell by 3,476 tonnes, which means that the projected savings of 50% for the 2018-2025 period were already largely achieved in 2021. Due to the easing of COVID-19 measures, CO_2- eq emissions rose slightly compared with 2021, but were still significantly below pre-pandemic levels. This was mainly due to incentives for hybrid working, which reduced commuting.

Compensation emissions

a.s.r. compensated the emissions resulting from its scope 1, 2 and 3 activities, expressed in tonnes of CO_2-eq, through the planting of trees (3,034 tonnes compensation). The Trees for All foundation is responsible for sustainable CO_2-eq sequestration in certified sustainable forest projects. CO_2-eq compensation for a.s.r. took place in 2022 through certified Trees for All projects in Uganda, Bolivia and Mexico. A total of 13,958 trees were planted.

4.10 Statements of the Executive Board

a.s.r.'s consolidated and company financial statements for 2022, as well as chapters 1-5 of the Annual Report, have been prepared in accordance with the IFRS as adopted by the EU and with applicable Dutch law.

As required by Section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, the Executive Board (EB) declares that, to the best of its knowledge:

I. The financial statements provide a true and fair view of the assets, liabilities, financial positions and earnings of a.s.r. and the enterprises included in the consolidation taken as a whole.
II. The management report provides a fair view of the position at the balance sheet date and developments during the year under review and the enterprises included in the consolidation taken as a whole, together with a description of the principal risks confronting a.s.r.

In accordance with best practice 1.4.3 of the Dutch Corporate Governance Code of December 2016 and based on the evaluation carried out, the EB declares that, to the best of its knowledge:

I. The report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems (see chapter4.7).
II. The aforementioned systems provide reasonable assurance that the financial reporting does not contain any material inaccuracies (see chapter 4.7, 4.8 and 6.8).
III. Based on the current state of affairs, the preparation of the financial reports on a going concern basis is justified (see chapter 2 , 3 and 6).
IV. The report states those material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of 12 months after the preparation of the report (see chapter 2.1, 2.3 and 6).

Utrecht, The Netherlands, 21 March 2023

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

5

Governance

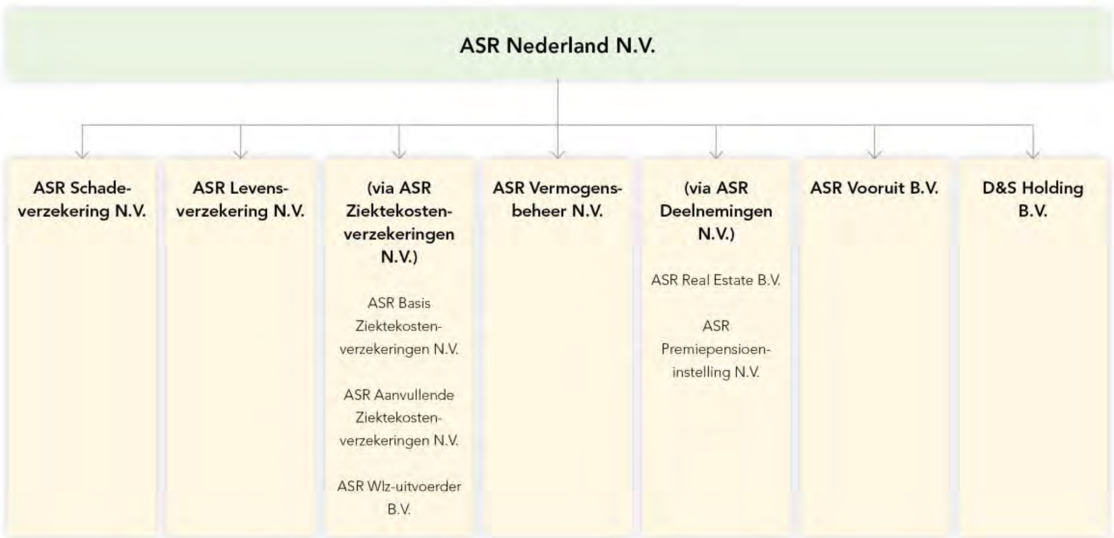
a.s.r. is a public listed company with a two-tier board governance structure. The Executive Board (EB) consists of three members and the Supervisory Board (SB) consists of five members.

5.1 Corporate governance

This chapter describes a.s.r's corporate governance and legal structure. a.s.r. is a public listed company with a two-tier board governance structure. The Executive Board (EB) consists of three members and the Supervisory Board (SB) consists of five members.

5.1.1 General

a.s.r. is a public limited company which is listed on Euronext Amsterdam and governed by Dutch corporate law. It has a two-tier board governance structure consisting of an EB and a SB. The EB is responsible for the setting of the company's corporate objectives, executing the strategy and the delivery of the results. The SB is responsible for advising the EB, supervising its policies and for the general state of affairs relating to a.s.r. and its group entities. The SB also acts as employer of the EB. Next to the EB, there is also a Business Executive Committee (BEC). The task of the BEC is to support the EB in implementing and realising a.s.r.'s targets and executing the (business) strategy with the associated risk profile. More information on the governance structure can be found in chapter 5.1.2.



Legal structure

ASR Nederland N.V. is the Group's holding company. The supervised entities (OTSOs) within the Group are ASR Schadeverzekering N.V., ASR Levensverzekering N.V., ASR Basis Ziektekostenverzekeringen N.V., ASR Aanvullende Ziektekostenverzekeringen N.V. and ASR Premiepensioeninstelling N.V.

A union exists between ASR Nederland N.V., ASR Levensverzekering N.V. and ASR Schadeverzekering N.V. through cross-membership of the EB and the SB. ASR Basis Ziektekostenverzekeringen N.V. and ASR Aanvullende Ziektekostenverzekeringen N.V. have their own EBs. The SBs of these entities consist of a combination of members of the EB and members of the SB of ASR Nederland N.V.

ASR Premiepensioeninstelling N.V. is an Institution for Occupational Retirement Provision (IORP) and has its own EB and SB.

ASR Vermogensbeheer N.V. and ASR Real Estate B.V. are two Alternavie Investment Fund Managers Directive (AIFMD)-licensed Alternatvie Investment Fund Managers (AIFM). These entities have their own EBs.

ASR Vooruit B.V. operates as an investment firm and insurance advisor. The EB of this company consists of one member of the EB of ASR Nederland N.V. and one other member.

D&S Holding B.V. operates as a holding company for the entities within the segment Distribution & Services.

On 27 October 2022, a.s.r. announced the Aegon Transaction, approved by the Extraordinary General Meeting of Shareholders on 17 January 2023. For more information on the Aegon Transaction, please refer to At a glance.

General Meeting of Shareholders and consultation with shareholders

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

In 2022, the AGM was held on 25 May. Shareholders had the option to attend the AGM physically or virtually. A total of 74.64% of the total issued share capital with voting rights was represented, either physically or by an electronic proxy with voting instructions. The agenda of the AGM included for advisory vote the 2021 remuneration report and the proposals to adopt the financial statements, the dividend payments for the financial year 2021, the proposal to grant a discharge to each (former) member of the EB and SB from liability in respect of the exercise of their duties in the 2021 financial year, the proposals to extend the authorisation of the EB to issue ordinary shares and / or to grant rights to subscribe for ordinary shares, to restrict or exclude the statutory pre-emptive right and to acquire the company's own shares, the proposal to cancel shares held by a.s.r. and the proposal to reappoint Sonja Barendregt as member of the SB. All agenda items were approved by the AGM. The next AGM will be held on 31 May 2023.

There were no Extraordinary General Meetings (EGMs) in 2022. On 24 November 2022, a.s.r. announced an EGM to be held on 17 January 2023. Shareholders had the option to attend the EGM physically or virtually. A total of 74.98% of the total issued share capital with voting rights was represented, either physically or by an electronic proxy with voting instructions. The agenda for the EGM included the proposal to approve the Aegon Transaction and, in relation thereto, the proposals to authorise the EB to issue ordinary shares and / or to grant rights to subscribe for ordinary shares and to restrict or exclude the statutory pre-emptive right, as well as the proposals (conditional upon closing of the Aegon Transaction), to appoint two new members to the SB, Daniëlle Jansen Heijtmajer and Lard Friese. All agenda items were approved by the EGM. Further agenda items included the proposal of the SB to reappoint Jos Baeten as member and chair of the EB, conditional upon closing of the Aegon Transaction.

Contacts with shareholders are conducted entirely in line with the policy on fair disclosure and on the basis of bilateral dialogue with shareholders (see www.asrnl.com). The Group's Disclosure Committee supervises compliance with laws and regulations in relation to the disclosure of price-sensitive information.

Anti-takeover measures

Stichting Continuïteit ASR Nederland (the Foundation) was established on 26 May 2016 under Dutch law in connection with a.s.r.'s listing on Euronext Amsterdam. The Foundation has an independent board consisting of three members. The role of the Foundation is to promote and protect the interests of a.s.r., its business and stakeholders, and to work against possible influences that could threaten the continuity, independence, strategy and / or identity of a.s.r. or its associated business to the extent that they could conflict with the aforementioned interests. If the interests of a.s.r., its business, stakeholders or continuity were to be undermined, the Foundation would be entitled - provided certain conditions under the call option agreement were to be met - to exercise a call option right on preference shares such that the number of preference shares acquired under the call option would never exceed the total number of shares forming the issued capital of a.s.r. at the time the call option was exercised, minus the number of preference shares already held by the Foundation (if any) at the time and minus one. Please refer to chapter 7.4 for more information about the Foundation.

5.1.2 Executive Board

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

Certain resolutions made by the EB require the approval of the SB and/or the AGM. These resolutions are outlined in the a.s.r. articles of association and the Rules of Procedure of the EB. Both can be viewed at www.asrnl.com.

Composition of the Executive Board

The articles of association specify that the EB must consist of a minimum of two members, including at least a CEO and a CFO. Only candidates found to meet the fit and proper test under the Dutch Financial Supervision Act are eligible for appointment. In accordance with Article 17.1 of the articles of association of ASR Nederland N.V., the SB appoints the members of the EB and may suspend or dismiss any EB member at any time. The SB also notifies the AGM of proposed (re)appointments. During 2022, the composition of the EB remained unchanged, consisting of the following three members: the CEO, Jos Baeten, the CFO, Ewout Hollegien and the COO/CTO, Ingrid de Swart.

Business Executive Committee

The BEC supports the EB, and shares responsibility for the implementation and realisation of the business strategy. A further purpose of the BEC is to strengthen a.s.r.'s innovation power and improve customer focus. The BEC consists of the members of the EB, the Chief Risk Officer (CRO) and senior managers representing specific business areas and staff departments. Only the members of the EB have voting rights in BEC meetings.

The BEC ensures the direct involvement, knowledge and skills of a.s.r.'s senior management responsible for specific business areas in the decision-making process at board level. With part of the industry in motion, it is vital that a.s.r. is able to respond quickly to opportunities that arise and efficiently anticipate constantly changing customer needs.

Sustainability governance and culture

Governance

a.s.r. aims to embed sustainability in all its core processes and activities. In order to continue to drive and monitor sustainability in all its aspects within a.s.r., sustainability has been earmarked as a strategic topic. Within the EB, the CEO is ultimately responsible for a.s.r.'s sustainability themes. The Sustainability Workforce supports the CEO in his responsibility for the development and implementation of a.s.r.'s sustainability strategy and policy. This workforce includes delegates from the business as well as staff departments. It reports quarterly on a set of sustainability KPIs and targets to the BEC, which evaluates the results achieved and takes action where necessary.

The BEC also sets strategic sustainability targets as part of the total set of financial and non-financial KPIs. Each year, the SB, with advice from the Nomination & ESG Committee, discusses and approves the strategic targets and progress made in these specific areas. a.s.r.'s sustainability team coordinates the implementation together with the workforce. All members of the workforce subsequently promote this strategy, policy and targets within their own focus areas.

In September 2022, the Sustainability Committee was created, a new advisory body for dealing with a.s.r. wide sustainability issues and dilemmas. The committee is embedded in a.s.r.'s risk governance, making the chain of decision-making regarding these sustainability issues more transparent for the EB and SB.

Diversity, equity and inclusion

a.s.r. aims for a diverse representation and an inclusive culture, where differences are recognised, valued and contributed. a.s.r.'s Diversity, equity and inclusion (DEI) policy is published on www.asrnl.com. The EB believes that diverse representation, equity and belonging reinforce the success and relevance of a.s.r. as a socially desirable insurer and are necessary to create business models and develop (new) products that serve the whole of society. For further information on the DEI policy and a.s.r.'s targets in this area, please refer to chapter 3.3.

At the end of 2022, the EB consisted of one female and two male board members; the current composition of the EB therefore meets the gender target of having at least one-third female and at least one-third male board members. a.s.r. aims for an adequate and balanced composition of the EB in its future appointments by taking into account its DEI policy and all relevant selection criteria such as executive experience, experience in finance and experience in the political and social environment. Also, the Dutch Social and Economic Council's (*Sociaal Economische Raad*; SER) Act on in-growth quota and targets 2022/2023 came into force on 1 January 2022, requiring a.s.r. to set ambitious and appropriate goals to promote more balanced gender ratios in the EB, SB and senior management to report on this annually to the SER and in its management report, from 2023 onwards. An action plan has been set up to ensure a.s.r. will meet these requirements adequately and timely.

Code of Conduct

The Code of Conduct is the guideline for behaving with due care and integrity. When starting work at a.s.r., all employees receive the Code of Conduct, which is part of the employment agreement. All a.s.r. employees (both internal and external) take an oath or make a solemn affirmation within three months of commencing employment. During a specially organised ceremony, employees promise or declare to comply with the Code of Conduct. In this way, a.s.r. contributes to the trust that society has in financial institutions and in a.s.r. as an insurer.

Executive Board

Name	Years in Board	Date of initial appointment	Date of reappointment	Appointed until
Jos Baeten	14	26 January 2009	AGM 2020	AGM 2024[1]
Ewout Hollegien	1	1 December 2021	-	AGM 2025
Ingrid de Swart	3	1 December 2019	-	AGM 2023

1 Jos Baeten will be reappointed until AGM 2026, conditional upon closing of the Aegon Transaction.

The Code of Conduct contributes to optimum customer service and prescribes certain standards of behaviour in the working environment. This is then linked up with and referred to in various ways. Several workshops are organised throughout the year to discuss specific dilemmas in the workplace, moderated by a.s.r.'s internal ethicist. These workshops are open to all employees. In addition, the internal awareness programme, Gamification, ensures that the Code of Conduct and specific topics such as incentives, conflicts of interest and outside business activities receive attention throughout the year.

Permanent education and evaluation

The 2022 self-evaluation session of the EB was conducted on the basis of a questionnaire and discussed with the members of the EB and the company secretary.

The EB looks back positively on an exciting and intense year with many internal and external developments. These included remaining COVID-19 restrictions, geopolitical tensions and resulting economic uncertainty at the beginning of the year, the Aegon Transaction in the second half of the year, and CLA negotiations at the end of the year. Cooperation within the EB, in the first full year of its current composition, was evaluated as positive, constructive and open. Issues and dilemmas were discussed freely, focusing on content without impacting personal relationships. Within the organisation the EB is seen as a natural, cohesive, and confident team, with complementary skillsets that ensure stakeholder interests are addressed in a balanced way. Communication with the SB is assessed as transparent and positive, whereby the intensified collaboration during the Aegon Transaction process further strengthened the relationship between the EB and the SB. The EB looks forward to maintaining these constructive dynamics with the new composition of the SB after closing of the Aegon Transaction.

Focus areas for 2023 include the closing of the Aegon Transaction and the subsequent integration process, as well as realisation of the ambitious medium term targets. Sustainability and long-term value creation are increasingly and naturally integrated into the business, but in the coming years further developments in these areas will also remain important focus points for the new combination.

The performance of the EB was also assessed by the SB as part of the scope of the annual assessment process, see chapter 5.2. In this context, interviews are held twice a year with the individual EB members (by two SB members on each occasion) in which the results of the aforementioned self-evaluation are included.

In 2022, specific sessions were also organised jointly with the SB for the benefit of further education. The first session, led by Asset Management, provided an overview and update on the interest rate and inflation sensitivity of the a.s.r. balance sheet, as well as recent inflation developments and drivers of inflation in the short and long term. The second session focused on the implementation of a partial internal model for the envisaged business combination of a.s.r. and Aegon Nederland N.V. During this session, led by Group Balance Sheet Management and Group Risk Management, the SB and EB were given an overview of internal models in the Dutch insurance sector as a whole, the internal model used at Aegon Nederland N.V., the advantages of implementing an internal model for the new business combination and the steps required to do so. The session was the first in a series, to be continued in 2023.

The individual EB members attended (leadership) sessions on various topics in their capacity as board members and supervisory directors at other organisations.

Remuneration

Information on the remuneration policy for EB members and their individual remunerations can be found in chapter 5.3.

Executive Board

J.P.M. (Jos) Baeten

Chair of the Executive Board (CEO)

Responsible for
- Audit
- Corporate Communications
- Group Risk Management
- Human Resources
- Legal & Integrity

Male, Dutch, 1958

Additional positions
- Member of the Executive Board of the Dutch Association of Insurers
- Member of the Supervisory Board of the Efteling B.V.
- Member of the General Administrative Board of VNO-NCW
- Member of the Advisory Board of the Nyenrode Executive Insurance Programme
- Board Member of Stichting Grote Ogen until 22 December 2022

E. (Ewout) Hollegien

Chief Financial Officer (CFO)

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

Male, Dutch, 1985

Additional positions
- Ewout Hollegien does not hold any additional positions at the moment

I.M.A. (Ingrid) de Swart

Member of the Executive Board (COO / CTO)

Responsible for
- Disability
- Distribution and Services Segment
- Ditzo
- Funeral
- Health
- Mortgages
- Life & Pensions
- P&C
- Customer experience & Digital
- IT&C

Female, Dutch, 1969

Additional positions
- Board member of Thuiswinkel.org
- Member of the Supervisory Board of Thuiswinkel B.V.
- Member of the Supervisory Board of HumanTotalCare B.V.
- Member of the Supervisory Board of HumanTouch Holding B.V.

For more information about the biographies see www.asrnl.com

5.1.3 Supervisory Board

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

Composition of the Supervisory Board

In line with a.s.r.'s articles of association, the SB should consist of at least three members. The SB currently consists of five members: Joop Wijn (Chair), Herman Hintzen, Sonja Barendregt, Gerard van Olphen and Gisella van Vollenhoven. The composition of the SB of ASR Levensverzekering N.V. and ASR Schadeverzekering N.V. is the same as that of ASR Nederland N.V.

In accordance with the rotation schedule, the first term of office of Gerard van Olphen and Gisella van Vollenhoven will expire at the close of the 2023 AGM. Both Gerard van Olphen and Gisella van Vollenhoven were nominated by the SB for a reappointment for a further four-year term. The proposal to reappoint them will be submitted to the 2023 AGM.

Furthermore, on 17 January 2023, the EGM approved the proposed appointment of two new members to the SB, Daniëlle Jansen Heijtmajer and Lard Friese, conditional upon closing of the Aegon Transaction. With the appointment of these new members, the SB will consist of seven members as from closing of the Aegon Transaction.

Diverse representation

The SB has drawn up a projected profile for its size and composition, taking into account the nature of a.s.r.'s business, its activities and the desired expertise and background of its members. The SB profile can be viewed on www.asrnl.com. One of the targets of a.s.r.'s DEI policy is to achieve a SB consisting of at least one-third female and at least one-third male members. In 2022, the composition of the SB met this gender ratio, with 40% female and 60% male members.

The composition of the SB is such that each member has the skills to assess the main aspects of overall policy and the SB as a whole matches the desired profile due to a combination of experience, expertise and independence of the individual members. The diversity of its members ensures the complementary profile of the SB. a.s.r. will continue to aim for an adequate and balanced composition of the SB in any future appointments by taking into account the DEI policy and all relevant selection criteria such as executive experience, experience in finance and experience in the political and social environment.

Supervisory Board

Name	Years in Board	Date of initial appointment	Date of reappointment	End of current term of appointment[1]	End of the term of appointment at AGM[2]
Joop Wijn	2	28 October 2020	-	AGM 2024	2032
Herman Hintzen	7	1 January 2016	20 May 2020	AGM 2024	2028
Sonja Barendregt	4	31 May 2018	25 May 2022	AGM 2026	2030
Gerard van Olphen	3	30 October 2019	-	AGM 2023	2031
Gisella van Vollenhoven	3	30 October 2019	-	AGM 2023	2031

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

Independence and conflicts of interest

In line with the Dutch Corporate Governance Code, SB members are appointed by the AGM for a four-year term. They can be reappointed for a single additional four-year term and subsequently reappointed for a period of two years, which appointment may be extended by two years at most. Reappointments following an eight-year period must be justified in the SB report. All the SB members passed the fit and proper test required under the Dutch Financial Supervision Act. In 2022, there were no reports of potential conflicts of interest relating to members of the SB. The SB was also able to carry out its tasks independently pursuant to principles 2.1.7 to 2.1.9 of the Dutch Corporate Governance Code, in accordance with article 39 (1) Directive 2014/56/EU. The maximum number of other mandates for a member of the SB is set at 5.

Permanent education and evaluation

The SB is responsible for assessing the quality of its own performance. It therefore performs an annual self-assessment and discussion of its own performance and that of its committees and members. A self-assessment with external supervision is carried out every three years. The self-assessment for 2022 was based on a questionnaire and a plenary SB evaluation session. The following aspects were assessed:

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

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

The current composition of the SB is assessed as good and diversified; dynamics within the SB are transparent and positive. The SB has an open, constructive and professional relationship with the EB. Dilemmas, in general or in specific files, are openly discussed both during meetings and during informal (and one-on-one) contact. In 2022 the Aegon Transaction demanded significant extra flexibility and commitment from the SB. The SB was an important sparring partner and advisor for the EB during this process, which strengthened the relationship between the members. The evaluation of the remuneration policy was another extra focus area in 2022.

The Aegon Transaction will bring new challenges for a.s.r., including in terms of governance. The SB looks forward to the appointment of Daniëlle Jansen Heijtmajer and Lard Friese (conditional upon closing of the Aegon Transaction), whose specific knowledge and expertise will be valuable in achieving a successful integration. Attention will be given to smoothly onboarding the new members and to maintaining the currently existing open and constructive dynamics within the SB.

The SB is also satisfied with the division of roles between and within the SB committees. The SB looks forward to welcoming Daniëlle Jansen Heijtmajer to the Nomination and ESG Committee and Lard Friese to the Audit & Risk Committee after closing of the Aegon Transaction.

In 2022, specific sessions were also organised jointly with the EB for the benefit of further education. The first session, led by Asset Management, provided an overview and update on the interest rate and inflation sensitivity of the a.s.r. balance sheet, as well as recent inflation developments and drivers of inflation in the short and long term. The second session focused on the implementation of a partial internal model for the envisaged business combination of a.s.r. and Aegon Nederland N.V. During this session, led by Group Balance Sheet Management and Group Risk Management, the SB and EB were given an overview of internal models in the Dutch insurance sector as a whole, the internal model used at Aegon Nederland N.V., the advantages of implementing an internal model for the new business combination and the steps required to do so. The session was the first in a series, to be continued in 2023.

The individual SB members attended (leadership) sessions on various topics in their capacity as supervisory members at other organisations.

Supervisory Board

J. (Joop) Wijn
Male, Dutch, 1969

- Chair of the Supervisory Board
- Member of the Remuneration Committee
- Chair of the Nomination & ESG Committee

Additional positions
- Member of the Supervisory Board of NIBC Holding N.V. and NIBC Bank N.V.

H.C. (Herman) Hintzen
Male, Dutch, 1955

- Vice-chair of the Supervisory Board
- Member of the Audit & Risk Committee
- Member of the Remuneration Committee

Additional positions
- Non-Executive Board Member of VCM Holdings Ltd.

S. (Sonja) Barendregt
Female, Dutch, 1957

- Member of the Supervisory Board
- Chair of the Audit & Risk Committee

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

G. (Gisella) van Vollenhoven
Female, Dutch, 1970

- Member of the Supervisory Board
- Chair of the Remuneration Committee
- Member of the Nomination & ESG Committee

Additional positions
- Member of the Supervisory Board of Waarborgfonds Sociale Woningbouw and chair of the Remuneration Committee
- Member of the Supervisory Board of the Pensioenfonds Vervoer
- Member of the Supervisory Board of BUNQ
- Member of the Supervisory Board of MUFG BANK (Europe) N.V.
- (Substitute) council with the Enterprise Chamber of the Amsterdam Court of Appeal

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

- Member of the Supervisory Board
- Member of the Audit & Risk Committee
- Member of the Nomination & ESG Committee

Additional positions
- Member of the Supervisory Board of the Heart Foundation
- Chair of the Supervisory Board of de Volksbank
- Independent Director of GP House B.V.

For more information and full biographies see www.asrnl.com

Independence
(in %)

100

2021: **100**

Female members
(in %)

40

2021: **33**

Male members
(in %)

60

2021: **67**

Average age
(in years)

59

2021: **58**

Attendance

	Joop Wijn	Herman Hintzen	Sonja Barendregt	Gisella van Vollenhoven	Gerard van Olphen
Supervisory Board	32/33 97%	33/33 100%	33/33 100%	32/33 97%	32/33 97%
Audit & Risk Committee	-	5/6 83%	6/6 100%	-	6/6 100%
Remuneration Committee	7/7 100%	5/7 71%	-	7/7 100%	-
Nomination & ESG Committee	5/5 100%	-	-	5/5 100%	5/5 100%

Competencies

	Joop Wijn	Herman Hintzen	Sonja Barendregt	Gisella van Vollenhoven	Gerard van Olphen
General business management strategy	●	●	●	●	●
Finance (balance, solvency & reporting)	●	●	●	●	●
Financial markets / Disclosure, communication	●	●	●	●	●
Audit, risk, compliance, legal & governance	●	●	●	●	●
Insurance (Life, Non-life and Asset Management)	○	●	●	●	●
M&A	●	●	○	○	○
IT / Digital & innovation	●	○	○	○	●
Social / Employment	○	○	●	○	●
Sustainability / Climate change / Policies	●	○	○	●	●

5.1.4 Corporate Governance Codes and Regulations

The current articles of association (dated 3 August 2021) are published on www.asrnl.com. The SB and EB rules are also available on the corporate website.

Dutch Corporate Governance Code

Since being listed on Euronext Amsterdam, a.s.r. has been required to abide by the Dutch Corporate Governance Code. a.s.r. complies with all the principles and best practices of the Dutch Corporate Governance Code, with the exception of those that are not applicable. In the Corporate Governance section on www.asrnl.com, a.s.r. also publishes a detailed comply or explain list indicating which principles and best practices do not apply to it.

Professional oath

On 1 January 2013, the Dutch financial sector introduced a mandatory oath for EB and SB members of financial institutions licensed in the Netherlands. With regard to insurance companies, in addition to the EB and SB members, individuals holding a management position immediately below the EB who are responsible for employees who could have a significant influence on the risk profile of the insurance company are also required to take the oath, as are certain other employees. This includes individuals who may (independently) significantly influence the risk profile of the undertaking as well as those who are or may be involved in the provision of financial services.

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

Decision concerning disclosure of nonfinancial information and Decision concerning disclosure of diversity policy

a.s.r. also wishes to be transparent concerning the nonfinancial information in its Management Report. Since the 2017 reporting year, the relevant legal requirements have been extended for large companies of public interest. Such organisations, which include a.s.r., are expected to clarify how they deal with environmental, social and personnel issues, respect for human rights and the fight against corruption and bribery in their business operations and value chain. Large listed companies must also provide insight into their policy on diversity in relation to the EB and SB. In addition, from 1 January 2022, large companies of public interest must publish information about how and to what extent their activities are associated with economic activities (eligibility) that qualify as environmentally sustainable as defined in Regulation (EU) 2020/852 (EU Taxonomy Regulation). The information requirements regarding the disclosure of non-financial and diversity information can be found in chapter 3 and chapter 7.12.

5.2 Supervisory Board report

In this chapter, the Supervisory Board (SB) reports on its tasks, roles and activities over the past year. The SB consists of five members and has three committees.

5.2.1 Meetings of the Supervisory Board

The SB convened eight routine meetings, of which one was an offsite meeting with the Executive Board (EB). In addition, the SB convened twenty-five extra meetings relating to the Aegon Transaction, and two delegated SB members held several informal meetings with the EB and the deal team during the negotiations of the Aegon Transaction. Regular work meetings were also held in the absence of the EB. During these meetings, matters such as the self-evaluation of the SB and the evaluation of the EB members were discussed.

The SB has a good working relationship with the EB. The chair of the SB is in regular contact with the CEO, and several members of the SB are periodically approached outside meetings to give advice on various files. The SB as a whole also receives bi-monthly updates, outside meetings, from the EB on various developments within the company, such as business development and (potential) M&A transactions. For information about the attendance at the board meetings see chapter 5.1.3.

Highlights

The year 2022 began with the new composition of the EB due to the appointment of Ewout Hollegien as CFO from 1 December 2021. Partially as a result of this appointment, various senior managers rotated to new management positions. The SB is satisfied with the current EB composition and the senior management rotation, which increases work variety and reduces key person risk.

Important topics in 2022 included geopolitical developments, inflation and remaining effects of COVID-19. In the course of 2022, COVID-19 restrictions were gradually lifted, as a result of which a.s.r. offices were able to reopen in February and the advice to work from home ended in May. The intended working ratio of 40% at the office and 60% at home rose steadily throughhout 2022, from 14% in the office in the first quarter to 32% in the fourth quarter. The SB was pleased to note this, as regular contact between employees is important for maintaining the a.s.r. culture.

The desire to play an active role in the consolidation of the Dutch insurance sector, expressed during the annual strategy day of the SB and EB in 2021, culminated in the Aegon Transaction announced on 27 October 2022. The SB wishes to express its appreciation for the way in which the EB and all the employees involved have shown great commitment and discipline in effecting this transaction. The integration of a.s.r. and Aegon Nederland N.V. is expected to be largely completed within three years from closing of the transaction. Although the EB and SB remain interested in other suitable acquisition opportunities, the main focus in the coming years will be on successfully completing this integration process.

Strategy based on long-term value creation

Each year, the EB presents various matters to the SB for approval, such as the (quarterly) figures, the multi-year budget, the investment plan and the risk appetite. These matters were all discussed and approved by the SB in 2022. Throughout the year, the EB discussed the progress of a.s.r.'s strategy in detail with the SB and the realisation of sustainable value creation against and the ambitious group and business targets for 2022-2024. For a.s.r. as a multi-line insurer, this involves the portfolio strategy (as described in chapter 2.3) and the strategy for targeted acquisitions.

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

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

In 2022, a.s.r. remained on track to achieve its strategic priorities. Profitable growth was achieved in line with the strategy. Operating expenses rose in line with the growth of the company; customer service was enhanced and brand awareness was stable at a high level. a.s.r. is also widely recognised for the role it plays in society. In 2022, SB discussions covered the following topics:

- Review of the overall strategy, including a.s.r.'s longterm value creation and growth in various business areas such as P&C, Disability, Mortgages, Asset Management, Real estate, Pensions DC, and also key topics such as brand and reputation, sustainability and vitality.
- Digitalisation for customer service.
- The M&A landscape in the insurance sector.
- Corporate governance and composition of the SB and EB.
- EB and senior management succession planning.
- EB and SB remuneration, including the evaluation of the remuneration policy.
- HR & culture; reports on employee surveys, sustainable employability, Diversity, Equity and Inclusion (DEI), and compliance with the a.s.r. code of conduct.
- Cyber security, innovation and technology developments.
- NPS-c and NPS-r reports and developments in the field of customer service, including the focus on reducing the number of customer complaints in 2022.
- Financial and Enterprise Risk Management, including cyber security, EIOPA rules, the RAS and the ORSA.
- Annual and quarterly results, dividends and SBB programme, capital generation and the Solvency II capital position.
- Investor relations and access to the capital markets.
- Multi-year budget including the medium-term financial and non-financial targets 2022-2024 framework, capital & dividend policy, interest risk policy and funding plan.
- Legal, regulatory and compliance issues, including the relationship with the Dutch regulators.
- Tax policy and developments.

M&A

On 27 October 2022, a.s.r. announced its conditional agreement with Aegon N.V. to combine Aegon Nederland N.V. with a.s.r. This transaction (the "Aegon Transaction") was approved by the EGM on 17 January 2023. For a detailed description of the Aegon Transaction, please refer to chapter At a glance. Upon the successful closing of the Aegon Transaction, the SB will be expanded with Daniëlle Jansen Heijtmajer and Lard Friese. The duration of their appointment to the SB is linked to Aegon's shareholding in a.s.r. The SB is very pleased with this value enhancing transaction and with the knowledge and experience that the two new members will bring to the SB. The composition of the EB will remain unchanged post-transaction, with existing responsibilities maintained. As part of the transaction, Jos Baeten's term will be extended until the AGM of 2026 to oversee the integration.

The main focus of M&A in 2022 was on the Aegon Transaction. On 1 November 2022, a,s,r, acquired Windpark Strekdammen B.V. Also, a number of smaller acquisitions were done in the Distribution and Services segment. Although the EB and SB remain interested in other suitable acquisition opportunities, the main focus in the coming years will be on successfully integrating a.s.r. and Aegon Nederland.

Financial performance

The SB discusses the financial performance each quarter, covering standing issues such as developments in the GWP, COR, Operating Result, long-term cost development, OCC and Solvency II ratio. The SB is satisfied with a.s.r.'s financial performance in 2022. The financial results are strong across the board and the capital position has remained notably robust in volatile markets. Despite the impact of storm claims and an ongoing normalisation of claims following the termination of COVID-19 restrictions, the operating result and the Solvency II ratio increased. The quality of the capital is high. The impact of various scenarios were calculated and discussed, including developments such as higher inflation, and management actions were identified and discussed in detail.

External auditor

As from 1 January 2020 KPMG is the independent auditor of a.s.r. As part of their audit process, KPMG issued a management letter in December 2022 and a 2022 Audit report in March 2023 to the EB and SB. In the reports, KPMG notes the following:

Demands on the internal control framework are changing and increasing, driven amongst others by geopolitical and economic developments, cost savings, the Aegon Transaction (including the implementation of a partial internal model), continuous high demands from society and pressure from external stakeholders (including regulators), further development of internal controls, developments in IT and the new pension landscape.

a.s.r. has already taken several measures to address this increasing pressure on the organisation and existing capacity. Changes are underway in the financial internal control-organisation, driven by IFRS17/9. Good progress has been made in relation to CDD and Sanction law requirements, amongst others by the introduction of a centralized CDD center. An organisational change will be implemented in the CFO domain in the beginning of 2023, which should improve the design of responsibilities and uniformity in the execution of work.

In its audit approach, KPMG also addressed soft controls. KPMG noted that clarity, commitment, transparency and accountability are factors within a.s.r. that contribute to successful implementation of the project. Soft controls that require attention are feasibility, exemplary behaviour, discussability and enforcement.

KPMG reports that it can largely rely on a.s.r.'s risk and internal control system and that this system meets the requirements in terms of design, existence and operation. At the same time, improvements can still be realized. The three key findings with a high priority or impact can be summarised as following:

- Attention is required in relation to the implementation of governance of the IFRS 17/9 project to ensure a smooth transfer to the business lines, as well as in relation to the internal control framework.
- Ongoing attention is required for the increasing and rapidly changing requirements in relation to non-financial information.
- Improvements have been made to ensure the reliability of models; continuing priority must be given to the validation process.

In addition to these topics, KPMG has also provided suggestions with a more medium to low priority. KPMG asks for continued vigilance to ensure these items receive continuous focus so that a.s.r. is sufficiently prepared for the future.

a.s.r. welcomes all suggestions and is committed to follow up on these suggestions. The SB was pleased with these recommendations and thanks KPMG for the audit work performed during the term of the engagement.

Risk management and solvency

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

Culture and customer interest

Every six months, the SB devotes attention to the development in customer satisfaction, based amongst others on the NPS-c report, the NPS-r report and the customer complaints report. The SB was satisfied that a.s.r. goes to great lengths to deliver a good NPS-c and good NPS-r performance.

Contacts with the Works Council

All SB members attended one or more routine consultative meetings of the Works Council. In addition to these routine meetings, the Works Council maintains regular contacts with the Works Council-appointed SB member, Gisella van Vollenhoven. The SB also greatly appreciates its bilateral dialogues with the Works Council, which on several occasions took place also with one or more members of the EB.

The SB is especially appreciative of the approach taken by the Works Council in respect of developments impacting a.s.r., in particular the Aegon Transaction. Taking into account the interests of both a.s.r. as a whole and its employees, the Works Council makes thorough preparations when addressing the wide range of issues it is presented with, discusses them in a constructive dialogue with the EB, and issues balanced, well-considered opinions and recommendations. The SB wishes to express its gratitude for the continued cooperation with the members of the Works Council.

Contacts with external regulators and auditors

The SB periodically consulted with DNB and AFM in 2022. The independent external auditor, KPMG, attended the SB meetings at which the annual and interim financial results were discussed. During these meetings, the auditor elaborated on the audit reports and answered specific questions.

5.2.2 Supervisory Board Committees

The SB has three committees that discuss specific issues and prepare items on which the full SB takes decisions. The chair of each committee reports on the main points of discussion and the resulting recommendations are discussed at the subsequent SB meeting. The minutes of the committee meetings are available to the members of the SB. The three committees are:

- the Audit & Risk Committee (A&RC);
- the Remuneration Committee (RC);
- the Nomination & ESG Committee (N&ESGC).

Audit & Risk Committee

The committee advises the SB and prepares decision making on matters such as supervision of the integrity and quality of financial reporting and effectiveness of internal risk management and control systems. This explicitly also includes the application of information and communication technology, including cyber security risks.

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

The committee held six regular meetings in 2022. In accordance with the A&RC Rules of Procedure, committee meetings are also attended by the CFO, the Director of Group Risk Management, the Director of Finance, Risk and Performance Management, the Manager of Compliance, the Director of Audit and the independent external auditor. The committee also held an annual private meeting with the independent external auditor KPMG.

After each financial quarter, the committee discussed the financial results based on detailed financial, risk, compliance and internal and external audit reports and analyses. Progress on the recommendations of the internal and external auditor as well as of the Actuarial Function (AF) was monitored. The full 2022 reporting year was discussed in the first quarter of 2023, based on the (quarterly) internal finance report, the press release, the Annual Report, the financial statements, the Board report and the actuarial report. The discussion of the actuarial report was also attended by the AF.

The committee issued positive opinions on the Annual Report and on the financial statements to the SB. It discussed and adopted the external auditor's letter of engagement and the audit plan for 2022. The external auditors' independence and additional fees were reviewed each quarter. The management letter of the external auditor highlighting key internal control observations was discussed. The audit results report of the external auditor was also discussed and special attention was given to the reported key audit matters. The A&RC approved the updated charters and annual plans for 2023 of the Actuarial and Risk Management Function and the Compliance Function. It advised the SB to approve the updated charter and the audit plan 2022 of the internal Audit Function; this advice was followed.

Specific topics discussed in the committee included (i) progress of the IFRS 9/17 implementation, (ii) geopolitical developments, including the impact on inflation and interest rates, with an effect on solvency and other financial results. This was presented through the noted quarterly updates, the balance sheet plan and projection updates, (iii) cyber risks and IT security, and (iv) compliancy with rules and regulations, including CDD. In addition to these specific topics, the committee also discussed matters related to the Aegon Transaction, such as the funding for the business combination transaction and a non-regular Own Risk and Solvency Assessment (ORSA).

a.s.r.'s solvency position was reviewed and discussed each quarter. Specific attention was paid to the impact of inflation and interest rates, the development of operating costs and material events, such as the February-storms. The A&RC discussed the risk scenarios and the outcomes of the ORSA, plus the balance sheet plan and the related projection updates. In all the ORSA risk scenarios, the solvency ratio remains within the boundaries set by a.s.r., demonstrating the robustness of a.s.r.'s solvency and the effectiveness of certain management actions. Rising interest rates can result in increasing liquidity needs and as such liquidity is also integrated in the balance sheet plans and discussed during the committee meetings.

a.s.r.'s risk appetite is based on a prudent approach to risk management, which is translated into qualitative business guidelines for NFR matters and requirements for solvency, liquidity and returns for the FR matters. a.s.r.'s updated capital and dividend policy was also discussed, after which the SB approved the updated policy.

The A&RC regularly monitored the status of the risk appetite during the year through a.s.r.'s Integrated Risk Dashboard and the status report on the management of risk priorities. At the end of the year, the A&RC was informed of the outlines of the reinsurance programme for 2023.

Remuneration Committee

The RC advises the SB on matters including the remuneration policy for the EB and SB and the terms and conditions of employment of the EB, and reviews the remuneration of senior management.

The RC met seven times in 2022. Its meetings were also attended by the CEO (except when issues relating to the EB were discussed), the director of Human Resources and the company secretary. The committee solicits support and advice from departments such as Group Risk Management, Compliance, Audit and Human Resources. Where needed, it consults independent legal and pay & benefit experts.

In line with the policy, the committee advised the SB on target-setting and performance appraisals; and the yearly Remuneration Disclosure was also prepared.

In accordance with the current remuneration policy of a.s.r., approved by the AGM in 2019, the RC performed two separate benchmarks for both the EB and the SB, in order to follow trends (including the effects of COVID-19). The 2021 Remuneration Report was submitted to the AGM for an advisory vote; 98% of the votes cast were for the report and 2% were against. The results demonstrate the shareholders' increased understanding for remuneration in the Dutch context.

In 2022, the RC devoted considerable time and attention to the evaluation of the remuneration policy for the EB, which is compulsory every four years. The RC was assisted by an internal committee and a pay & benefits expert. In its evaluation of the remuneration policy, the RC carefully took into account the opinions of all stakeholders, resulting in an integrated approach for the evaluation based on four perspectives:

1. Organisational perspective;
2. Internal perspective: consistency with and fairness in relation to internal wages;
3. External perspective: competitiveness with the external market;
4. Stakeholder perspective: taking into account the views of various stakeholder groups with regard to remuneration (level and structure): customers, employees, society and shareholders.

The remuneration policy aims to strike a fair balance between the views and interests of these various stakeholder groups. Extensive analyses were made and various stakeholder groups were consulted on possible amendments of the remuneration policy for the EB.
In evaluating the remuneration policy, the RC carefully took into account the opinions of all stakeholders, a.s.r.'s market position, and its ability to attract and retain high-performing employees. As required every four years, the policy is scheduled for the 2023 AGM.

Nomination & ESG Committee

The N&ESGC advises the SB on its duties and prepares the SB's decision-making in this respect. The Committee advises the SB on ESG-topics, selection and appointment procedures and the composition of the EB and SB; it also prepares the (re)appointment of its members. The N&ESGC met five times in 2022. Its meetings were also attended by the CEO (except when issues relating to the EB were discussed), the director of Human Resources and the company secretary.

In 2022 the N&ESGC discussed the strategic personnel plan for the organisation, resulting in a rotation of senior management at the beginning of the year. As a result of the Aegon Transaction, a selection process will be undertaken in 2023 of senior management for the new combination.

The retirement schedule of the SB was also discussed, including the conditional nominations of Daniëlle Jansen Heijtmajer and Lard Friese as part of the Aegon Transaction, and the reappointment of Gisella van Vollenhoven and Gerard van Olphen.

Other topics discussed by the N&ESGC were the evaluation of the DEI policy, undesirable behaviour in the workplace as a result of several incidents at other companies as reported by the media, the SER's Act on in-growth quota and targets 2022/2023 that came into force on 1 January 2022 and a.s.r.'s action plan in that regard, as well as the results of the Cultural Diversity Barometer. The committee also discussed the annual appraisals of senior management, taking into consideration the financial as well as the non-financial KPIs set. A nine-box grid was used to evaluate senior managers and to discuss their individual development and possible successors. The committee was also informed of the results of the Denison scan, a tool used to measure the success of the organisation. For more information, refer to chapter 3.3.2.

With regard to ESG, the N&ESGC discussed the various developments in this field and related legislation and what this means for a.s.r. as a sustainable insurer, such as progress on the targets of the various themes, with a focus on the strategic pillars from the strategic framework for sustainability and internal and external developments in this area such as sustainability, climate change and biodiversity. In addition, progress on the non-financial targets was discussed and advice was given on new medium-term targets in that area. The committee compliments a.s.r. on the quality of the first edition of its Climate Aeport, published on the same date as the Annual Report 2021.

Financial statements and dividend

The EB prepared the 2022 Annual Report and discussed it with the SB in the presence of the external auditor. The 2022 financial statements will be submitted for adoption by the AGM on 31 May 2023. a.s.r. will propose a dividend of € 2.70 per ordinary share, or € 385.4 million in total, including the interim dividend paid in September 2022.

Appreciation

The SB wishes to express its gratitude to all the employees of a.s.r., both permanent and external employees, for their dedication to a.s.r. in 2022, and in particular for their efforts in relation to the Aegon Transaction. All employees worked collectively to achieve a.s.r.'s mission by helping customers share risks and build capital for the future. Together, we are creating a strong and sustainable insurance leader in the Netherlands. The SB also wishes to express its gratitude to the members of the EB and the senior management for their impressive leadership of a.s.r. and for achieving a good operational result and increased customer satisfaction. The SB greatly appreciates the ongoing and constructive open dialogue and cooperation with the EB.

Utrecht, The Netherlands, 21 March 2023

Joop Wijn (chair)
Herman Hintzen
Sonja Barendregt
Gisella van Vollenhoven
Gerard van Olphen

5.3 Remuneration report

The current remuneration policy was adopted by the AGM in 2019. In the course of 2022, the Supervisory Board evaluated the current policy and will submit an updated policy to the 2023 AGM for a shareholder vote.

5.3.1 Introduction

The remuneration policy consists of:

- A fixed salary within a salary scale (no variable remuneration system);
- Executive Board (EB) members progress through the scales in the same way as a.s.r. employees.

The remuneration policy was approved in the AGM in 2019 and will be up for vote again at the AGM in May 2023. This remuneration policy pertains to the remuneration of the EB and the Supervisory Board (SB). In 2022, the remuneration report was submitted for an advisory vote at the AGM. 97.99% of the votes were in favour of the report, compared to 90.14% in 2021, demonstrating the broad support for a.s.r.'s remuneration policy. The SB reviews and evaluates the remuneration policy regularly. In 2022, in preparation of the proposal that will be put forward at the AGM in May 2023, a comprehensive analysis was undertaken of the remuneration policy and executive remuneration, taking into account the views of a.s.r.'s key stakeholders such as shareholders, customers and employees. The analysis included a review of remuneration of EB members in relation to the policy, companies in a.s.r.'s reference group and all a.s.r.'s employees. Based on the results of this analysis and the dialogue within the Remuneration Committee and the SB, a proposal for an updated remuneration policy will be put to a vote at the 2023 AGM. The AGM will take place on 31 May 2023 and the convocation for the AGM will be published on 11 April 2023.

a.s.r. is of the opinion that it meets the requirements of the Shareholder Rights Directive II (as incorporated into Dutch law) in so far as these apply to a.s.r. The current remuneration policy was adopted by more than 75% of the votes cast. The remuneration policy is clear and comprehensible. The remuneration policy explains how it contributes to a.s.r.'s strategy, sustainability and the interests of stakeholders. The identity and positioning of a.s.r. and the remuneration relationships within a.s.r. were taken into account, by providing a framework for the four perspectives: the organisational perspective, the internal perspective, the external perspective and the stakeholder perspective. The 2022 Remuneration Report will be submitted to the AGM for advice.

5.3.2 Remuneration policy

The current remuneration policy of a.s.r. is applicable as of 1 January 2020.

The following four perspectives are used as a basis for the remuneration policy:

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

1. The organisational perspective

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

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

2. The internal perspective

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

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

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

3. The external perspective

a.s.r. pays its employees a salary in line with the market. Market conformity is tested against a reference group, and the current competitive labour market is taken into account as well. The reference group for the EB consists of Dutch organisations only, many of which have a social profile, including listed companies and Dutch financial institutions including insurers. To be included in the reference group, the listed companies must meet at least two of three criteria for comparable size with a.s.r. These criteria are: turnover, market capitalisation and number of employees. In addition, all remuneration data of companies in the reference group must be published individually. For companies in the reference group that have a variable remuneration component, the median is established using a conversion factor of 0.5 of the 'at target' variable to the fixed salary.

The 2022 reference group for other employees is the general market; from 2023 this will be financial institutions. For some positions within Asset Management and Real estate, the reference group is the asset management market. To prevent the salary scales of employees and the EB from diverging too much, partly as a result of the difference in reference groups, salary scales of the EB are validated against the reference group of other employees bi-annually. If the gap widens too much, this may be a reason to adjust the extent to which the maximum of the salary scales of the EB members is below the median. The ratio between the remuneration of the CEO and the average remuneration of a.s.r's employees must be less than 20.

4. The stakeholders' perspective

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

Periodical review

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

The performance of each EB member is reviewed annually, based on a set of financial and non-financial targets approved by the SB. The targets for 2022 can be summarised as follows:

- Shareholder: realisation of the financial targets and the financial KPIs in the multi-year budget within the established risk appetite. In addition, a visible focus on sustainable and long-term value creation.
- Customer: targets to improve a.s.r.'s service and to retain its customers over a long(er) period. This target is measured by tracking the development of both the NPS and the scores of the annual reputation survey. Other targets include expansion of financial services, further digitisation in the interest of the customer, and sustainable reputation.
- Employee: a minimum annual Denison scan score of 85.
- Society: further expansion of the positioning of a.s.r. as a long-term value-creating insurer and socially aware financial institution. This is measured by different ratings and benchmarks.
- Sustainability targets: CO_2-eq reduction across the whole investment portfolio, and an increase in impact investments.

These targets are complemented by specific strategic priorities for each EB member, such as the implementation of IFRS 17 and IFRS 9, and the details of the digitisation roadmap. Targets are discussed periodically during various evaluation meetings between the SB and (members of) the EB. After assessing the financial and non-financial targets of a.s.r. and the performance of the EB, all in relation to the perspectives of the remuneration policy, the SB may adjust the growth path of EB members within their salary scale from 0% to 6%. The SB accounts for this in the annual remuneration report.

Contractual aspects

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

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

- The maximum severance pay is 100% of the (fixed) annual remuneration.
- Severance pay is not awarded in the event of the company's failure.
- No severance pay is awarded that can be classified as variable.
- Severance pay may not be awarded to any employee (including EB members) in the following cases:
  - If an employment relationship is terminated prematurely at the employee's own initiative, except

Pay ratio

(in units below)	2022	2021	2020[1]	2020 (reported)	2019
Annual total compensation for the highest-paid individual (€)[2]	1,215,000	1,108,000	1,420,000	824,000	1,145,000
Average annual total compensation for all employees (€)	106,000	100,000	102,000	62,000	98,000
Average Pay ratio (%)	11.5	11.0	13.9	13.3	11.7

1 The pay-ratio of 2020 excluding the extraordinary items is in accordance with the new calculation method 12.38.
2 The annual total compensation for the highest-paid individual is less high in 2021 because of the new defined contribution plan started from 1 January 2021. All employees participate in the defined contribution plan. The annual pension expenditure is based on a premium table.

where this is due to serious culpable conduct or neglect by the employer.
- In the event of serious culpable conduct or neglect by the employee and/or an urgent reason for instant dismissal applies.

Pay ratio
a.s.r. is transparent concerning the remuneration of the EB, not only in terms of actual amounts, but also in accordance with Dutch law and the Dutch Corporate Governance Code as compared with the average remuneration of all employees of a.s.r. As laid down in the remuneration policy, the ratio between the remuneration of the CEO and the average remuneration of the employees at a.s.r. should at all times be less than 20. The current average pay ratio is 11.5. The SB feels that this pay ratio is reasonable. Compared to the remuneration of other executive directors of comparable companies, this pay ratio is among the lowest.

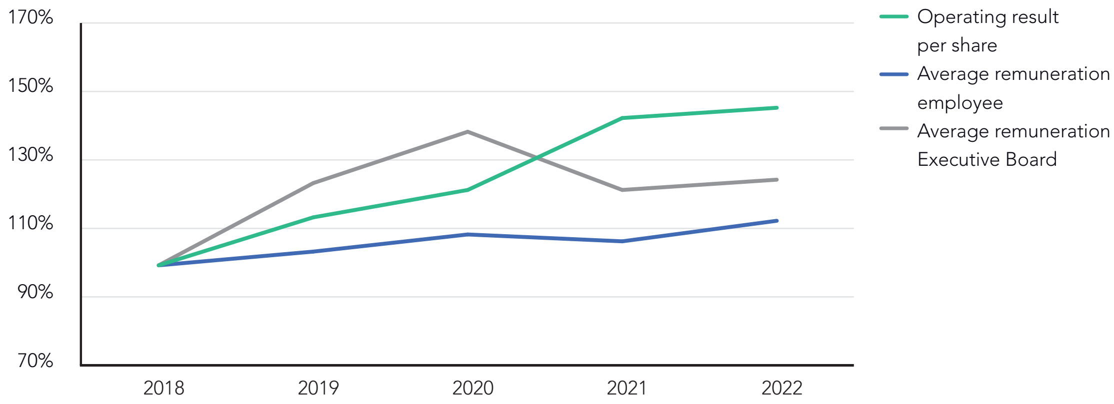
5.3.3 Executive Board

The remuneration of current and former EB members is in accordance with the remuneration policy. Neither a.s.r. nor any Group company provides any loans, advances or guarantees on behalf of an EB member.

The comparative chart above shows the remuneration and company performance over the last five reported financial years. Company performance is expressed in terms of operating result per share. The average remuneration of employees (who are not EB members) is also shown, and this is also used to calculate the pay ratio. Finally, the average EB remuneration (CEO and CFO) is presented.

The full remuneration policy can be found at www.asrnl.com.

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



- Pensions based on a maximum pensionable salary cap (€ 114,866, fiscal maximum).
- Compensation for the maximum pensionable salary cap (to be used for pensions at the employee's discretion).
- Pension benefits related to historically awarded pension rights.
- VPL (early retirement and life cycle; 'VUT, Prepensioen en Levensloop') (*vervroegde pensioenleeftijd*).

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

In 2022, a.s.r. and the labour unions came to an agreement (and thereby a commitment) to add additional funds to the indexation of the defined benefit plan, which until the commitment could not be allocated to the individual participants in the defined benefit plan. As a result of the commitment, the indexation granted to EB members in 2022 is as follows: Jos Baeten € 234,351 and over 2021 € 329,120, Ewout Hollegien € 6,866 and over 2021 € 11,047 and Ingrid de Swart € 823 and over 2021 € 1,222. In addition, the indexation granted in 2022 to former EB members who are participants in the defined benefit plan is € 1,503,676 and over 2021 € 719,771.

Remuneration in 2023

Based on the benchmark and in line with the remuneration policy, the CEO's salary scale is currently between € 764,363 and € 1,091,948. A salary scale of € 592,676 to € 846,679 applies for the CFO. For the COO, a scale of € 584,500 to € 835,000 applies. The benchmark is set every two years. The positioning, scale maximum and resulting bandwidth of the scales are then assessed and may be adjusted in relation to the resulting median.

The reference group 2022, which consists of 20 companies, is shown in the overview of the right.

The financial results for 2022 are strong and, in addition, a.s.r. is on track to achieve the medium term targets for the period 2022-2024. Strategic developments are also exceptional with the Aegon Transaction and the largely completed financing of the cash consideration. Further to the advice of the Remuneration Committee, it was therefore decided to grant a salary increase of 3% to all members of the EB as of 1 January 2023.

Furthermore, under the new CLA (applicable from 1 January 2023 until 1 July 2024), a.s.r. employees were given an indexation of their salary of 4% from 1 December 2022 and will receive another 3% from 1 July 2023. This increase also applies to EB members.

Participation in a.s.r. shares

In addition to the remuneration policy, EB members have committed to acquiring a certain percentage of their remuneration in a.s.r. shares (75% for the CEO and 50% for other EB members). These percentages must be achieved by 2026 and the shares must be held for a minimum of five years (blocking period). The percentages may be considered low in relation to other companies, but the fact that EB members use their own financial resources to purchase the shares should be taken into account. The shares are therefore not variable remuneration, nor a remuneration in shares.

As of 1 March 2023, the current EB members hold at least the following numbers of shares:

- Jos Baeten 10,213 (40.4% of latest gross salary);
- Ewout Hollegien 1,640 (10.1% of latest gross salary);
- Ingrid de Swart 4,539 (22.1% of latest gross salary).

Reference group

Organisation	Index
Aalberts Industries	AMX
Arcadis	AMX
BAM Groep	AScX
Boskalis	AMX
Fugro	AMX
GrandVision	AMX
KPN	AEX
PostNL	AMX
SBM Offshore	AMX
Sligro	AScX
Signify	AEX
TomTom	AScX
Vopak	AMX
ABN AMRO	AMX
Achmea	Not listed
Aegon	AEX
NN Group	AEX
Triodos Bank	Not listed
Van Lanschot Kempen	AScX
Volksbank	Not listed

2022 remuneration for members of the Executive Board

(in € thousands)	Fixed remuneration			Variable remuneration					
Executive Board member	Base salary	Fees	Fringe benefits[1]	One-year variable	Multi-year variable	Extraordinary items	Pension expense[2]	Total remuneration	Fixed portion of the total remuneration
Jos Baeten, CEO	946	-	14	-	-	-	255	1,215	100%
Ewout Hollegien, CFO	664	-	23	-	-	-	82	769	100%
Ingrid de Swart, COO / CTO	777	-	19	-	-	-	152	948	100%
Total	**2,388**	**-**	**55**	**-**	**-**	**-**	**489**	**2,932**	**100%**

2021 remuneration for members of the Executive Board

(in € thousands)	Fixed remuneration			Variable remuneration					
Executive Board member	Base salary	Fees	Fringe benefits[1]	One-year variable	Multi-year variable	Extraordinary items	Pension expense[2]	Total remuneration	Fixed portion of the total remuneration
Jos Baeten, CEO	861	-	13	-	-	-	233	1,108	100%
Ewout Hollegien, CFO[3]	51	-	2	-	-	-	3	57	100%
Ingrid de Swart, COO / CTO	713	-	16	-	-	-	141	869	100%
Former member									
Annemiek van Melick[4]	653	-	14	-	-	-	95	762	100%
Total	**2,279**	**-**	**44**	**-**	**-**	**-**	**473**	**2,796**	**100%**

1 Variations arise as a result of the fiscal treatment of lease vehicles depending on the price and private use of the car, personal allowance and social security.
2 The post-employment defined benefit plan of a.s.r. ended 31 December 2020. A new defined contribution plan started from 1 January 2021. The defined benefit obligation will continue to exist, but no further regular annual premium contributions will be paid to the plan. All members of the Executive Board participate in the defined contribution plan. The annual pension expenditure is based on a premium table. Further changes in the cost of pension benefits are mainly due to the impact of age. The pension costs include defined contribution pensions based on maximum pensionable salary cap, compensation for the maximum pensionable salary cap (to be used for pensions at the employees' discretion in total), and VPL. The amount presented is excluding amounts related to the indexation of the defined benefit plan, as they are not expenses in the current year.
3 Ewout Hollegien was appointed as CFO and member of the EB of a.s.r. on 1 December 2021. The remuneration figures for 2021 reflect a partial year as a member of the EB.
4 Annemiek van Melick stepped down as member of the EB of a.s.r. on 12 October 2021 and left a.s.r. on 1 December 2021. The remuneration figures for 2021 reflect a partial year as a member of the EB.

5.3.4 **Supervisory Board**

Remuneration paid to SB members is not linked to the financial performance of a.s.r. and none of the SB members own a.s.r. shares. SB members are entitled to the following remuneration, as adopted by the 2019 AGM:

- A base fee for each SB member and the chair.
- A committee fee for each member and chair of a committee of the SB.

In determining the level of remuneration, the responsibilities and time commitment of an SB of a listed financial institution are taken into account as stated in the Dutch Corporate Governance Code, including with respect to:

- Revised and increased legislation and regulations.
- Fundamental changes in the nature and complexity of the business and governance.
- a.s.r.'s profile, in which organic growth, mergers, acquisitions and collaborations in complex insurance areas are actively explored and / or pursued.

SB committee fees

(in €)	2022
Supervisory Board	
Chair	50,000
Member	35,000
Audit & Risk Committee	
Chair	15,000
Member	10,000
Remuneration Committee	
Chair	10,000
Member	5,000
Nomination & ESG Committee	
Chair	10,000
Member	5,000

The remuneration level within the reference group used is also taken into consideration. The reference group for the SB is the same as the reference group used for the EB.

An overview of the committee fees for the SB is shown in the table on this page.

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

Remuneration of Supervisory Board members in 2022

The remuneration of current and former members of the SB is in accordance with the remuneration policy. Neither a.s.r. nor any Group company provides loans, advances or guarantees on behalf of an SB member.

A basic principle of a.s.r.'s current remuneration policy (both for the EB and the SB) is that remuneration should be just below the median for the reference group. The current remuneration of the SB has not been adjusted since 2019. A yearly benchmark study commissioned by the SB shows that the remuneration levels of the SB are significantly below the median for the reference group.

The responsibilities and time commitment of SB members have become considerably more intense and complex in recent years. Also, a.s.r. has experienced important developments, whereby changes in the nature and complexity of the business and governance have led to an improved growth and profit profile. a.s.r. has also strengthened itself in recent years with targeted acquisitions. The successful completion and integration of the Aegon Transaction could well become one of the biggest achievements. These continuing developments require solid knowledge and experience at SB level, as well as an increased time commitment.

To address the above, the SB will propose to amend the remuneration of the SB at the 2023 AGM.

2022 remuneration for members of the Supervisory Board

(in € thousands)	Fixed remuneration			
	Base salary	Fees	Total remuneration	Fixed portion of the total remuneration
Joop Wijn[1]	50	15	65	100%
Herman Hintzen[2]	35	15	50	100%
Sonja Barendregt[3]	35	20	55	100%
Gisella van Vollenhoven[4]	35	23	58	100%
Gerard van Olphen[5]	35	15	50	100%
Total	**190**	**88**	**278**	**100%**

2021 remuneration for members of the Supervisory Board

(in € thousands)	Fixed remuneration			
	Base salary	Fees	Total remuneration	Fixed portion of the total remuneration
Joop Wijn[1]	44	13	57	100%
Herman Hintzen[2]	35	19	54	100%
Sonja Barendregt[3]	35	19	54	100%
Gisella van Vollenhoven[4]	35	18	53	100%
Gerard van Olphen[5]	35	11	46	100%
Former member				
Kick van der Pol[6]	21	8	29	100%
Total	**205**	**88**	**292**	**100%**

1 Joop Wijn was appointed chair of the SB on 19 May 2021. Fees in 2022 are amounts received as chair of the N&ESG Committee (€ 10,000) and member of the Remuneration Committee (€ 5,000). Fees in 2021 are amounts received as member and subsequently chair of the N&ESG Committee (€ 7,917) and member of the Remuneration Committee (€ 5,000).
2 Fees are amounts received as member of the Audit & Risk Committee (€ 10,000), member of the Remuneration Committee (€ 5,000), and a partial year in 2021 as member of the N&ESG Committee (€ 3,750).
3 Fees are amounts received as chair of the Audit & Risk Committee (€ 15,000) and member of the SB of ASR Basis/Aanvullende Ziektekostenverzekeringen N.V. (€ 5,000 in 2022; € 4,000 in 2021).
4 Fees are amounts received as member of the N&ESG Committee (€ 5,000), chair of the Remuneration Committee (€ 10,000), member of the SB of ASR Basis/Aanvullende Ziektekostenverzekeringen N.V. (€ 5,000 in 2022; € 3,000 in 2021, reflecting a partial year), and a partial year in 2022 as member of the SB of PPI (€ 2,500).
5 Fees are amounts received as member of the Audit & Risk Committee (€ 10,000) and member of the N&ESG Committee (€ 5,000 in 2022; € 1,250 in 2021, reflecting a partial year).
6 Kick van der Pol left the SB as of 19 May 2021. The remuneration figures for 2021 reflect a partial year as SB member. Fees are amounts received as chair of the N&ESG Committee (€ 4.167), member of the Remuneration Committee (€ 2,083) and member of the SB of ASR Basis/Aanvullende Ziektekostenverzekeringen N.V. (€ 1,667).

5.4 Employee participation

Setup of works council
At a.s.r., employee participation consists of the Works Council, business unit committees and the Employee Council (*Raad van medewerkers*). The Works Council discusses issues with the Executive Board that are of interest throughout a.s.r. For the various business units, employee participation is arranged in nine business unit committees. The nine business unit committees focus on the following business units:

- Life & Funeral;
- Disability;
- Finance (AVB, FRPM, GBSM and Real Estate);
- Mortgages;
- IT&C;
- Pensions;
- Non-life;
- Health;
- Other business units.

The Employee Council consists of members of the Works Council and members of the business unit committees. The Employee Council ensures that the Works Council and the business unit committees are well aware of each other's concerns. Every six weeks an Employee Council meeting is held.

Works Council involvement in changes
The Works Council or business unit committee is informed at an early stage of any (organisational) changes within the organisation or business unit. If these changes are subject to consultation, a member of the Works Council prepares a request for advice. For complex requests for advice, the Works Council or relevant business unit committee sets up a working group consisting of members of the Works Council or business unit committee and possibly outside members. These are employees with expertise on the subject in question. Based on an exchange of information exchange with the manager, the Works Council prepares an opinion. Requests for consent on introducing, withdrawing or changing regulations on personnel matters such as a working hours or the remuneration scheme always go through the Works Council and follow the same process.

Topics covered in 2022
During 2022, the Works Council addressed the following issues:

- Marketing optimisation;
- Hybrid working;
- New organisation for Life, Funeral and Pensions;
- Integration of Ditzo Schade and Europeesche into a.s.r. schade;
- Organisational change at Finance;
- Organisational change at IT&C;
- Policy on working abroad temporarily;
- Change disability insurance employees;
- Division of Asset Management pay scales;
- Health and safety policy;
- Aegon transaction.

Aegon
A key topic in 2022 was the business combination between Aegon Nederland N.V. and a.s.r. This trajectory can be broken down into three phases. The first phase ran until the announcement on 27 October 2022. The Works Council was informed of the plans at an early stage and, with the support of an external legal expert, questioned the plans in detail in order to obtain a clear picture of the impact on employees and the company. There has been ample scope for consultation and discussions. The main subject of discussion was, and remains, the harmonisation of employment conditions, a subject that is important to many employees. Furthermore, the Works Council advised on the proposed reappointment of CEO Jos Baeten and the financing of the transaction. In addition, the Works Council took a position on the new composition of the Supervisory Board, which will be expanded by two representatives from Aegon N.V. In addition to Lard Friese (current Chairman of the board of Aegon N.V.), this is, on the recommendation of the Works Council, Daniëlle Jansen Heijtmajer (current member of the Supervisory Board of the Aegon N.V.). Until the close of the current second phase, the focus of the Works Council will be on integration the two businesses. For the organisation in general, the emphasis is on gathering data in order to make informed decisions based on these data. The third phase will be actual integration. During these phases, the Works Council will carefully monitor the interests of both the company and the employees.

Communication with the employee support base
All departments within a.s.r. are represented on the Works Council or the business unit committees. This ensures short lines of communication with the employee support base and makes it easy to seek information or advice. Employees know how to contact the members of the Works Council or the business unit committees.

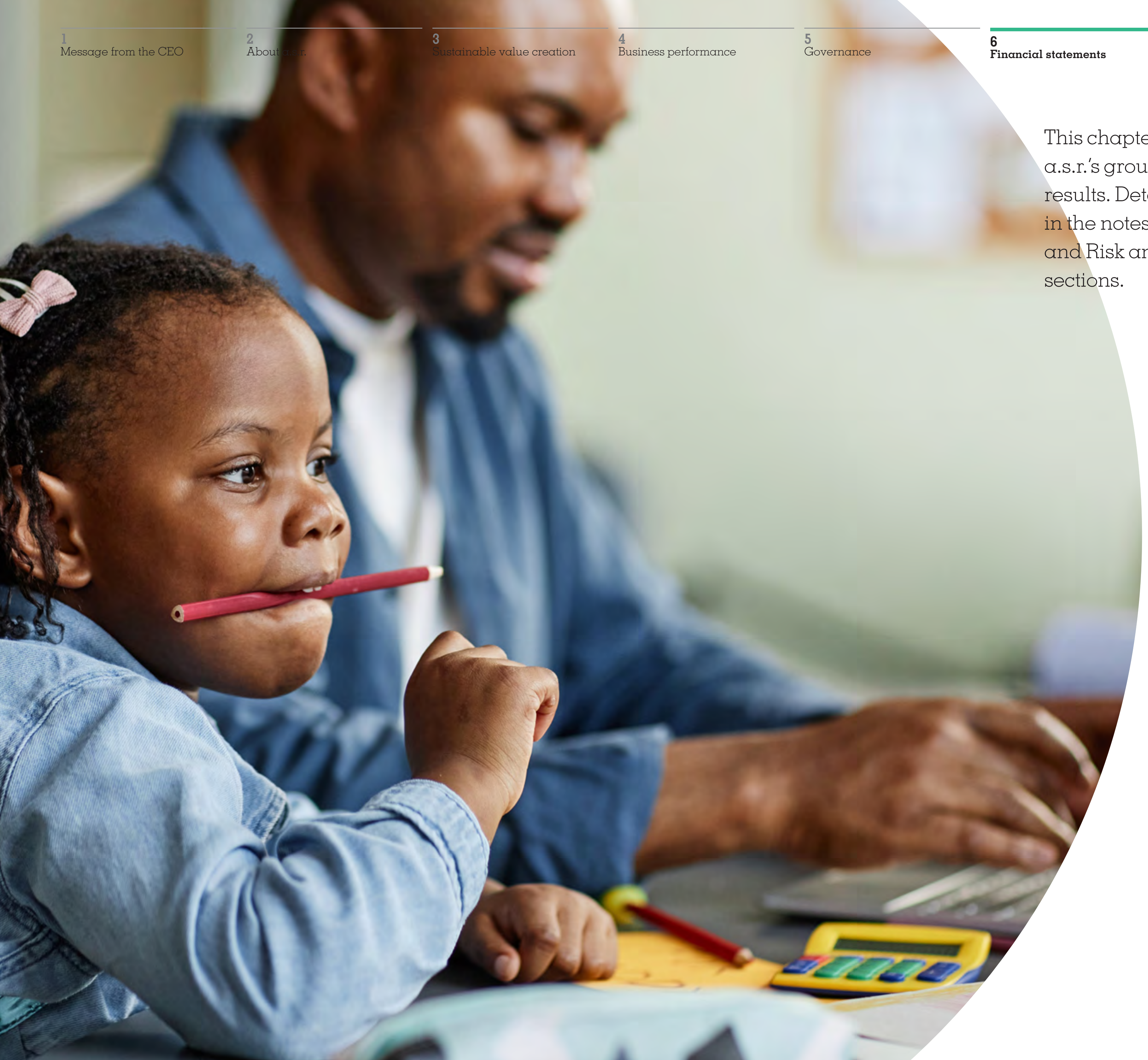
The Works Council regularly calls on support base, for example to form working groups or ask for reactions to an organisational change. Members of the Works Council and business unit committees also regularly call on employees regarding matters such as the new collective labour agreement (CLA), and their response is then shared with both the HR department and the trade unions.

Meetings of the Works Council

Meeting	Participants	Number of meetings
Regular Works Council meetings with a member of the EB	Chair of EB, secretary of EB, HR Director and Works Council	6
Ad hoc meetings Works Council with a member of the EB	Chair of EB, secretary of EB, HR Director and two or members of the Works Council	22
Regular Works Council meetings with a member of the EB and members of the SB	Chair of the EB, member(s) of the SB, secretary of EB, HR Director, and Works Council	2
Works Council meetings without a member of the EB	Works Council	70

6

Financial statements



This chapter provides an overview of a.s.r.'s group and company financial results. Detailed information can be found in the notes to the financial statements and Risk and Capital management sections.

6.1 Introduction

6.1.1 General information

ASR Nederland N.V. (a.s.r.) is the Dutch insurance company and ranks among the top two insurers in the Netherlands. a.s.r. offers a wide range of financial products for consumers, self-employed persons and companies covering non-life, life, income protection and health insurance, group and individual pensions and mortgages. In addition, a.s.r. is active as an asset manager for third parties.

a.s.r. is listed on Euronext Amsterdam. Until 19 March 2023 a.s.r. was included in the MidKap index and as of 20 March 2023 a.s.r is included in the AEX index. At year-end, a.s.r. has a total of 4,313 internal FTE's (2021: 4,155).

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 Euronext Dublin (Ticker: ASRNL).

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

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

These statements have been prepared on a going concern basis.

The financial statements for 2022 were authorised for issue by the Executive Board (EB) and approved by the Supervisory Board (SB) on 21 March 2023. The financial statements for 2022 will be presented to the Annual General Meeting (AGM) of Shareholders for adoption on 31 May 2023.

6.1.2 Statement of compliance

The consolidated financial statements of a.s.r. have been prepared in accordance with IFRS – including the International Accounting Standards (IAS) and Interpretations – as adopted by the EU (EU-IFRS), and with the financial reporting requirements included in Title 9, Book 2 of the Dutch Civil Code, where applicable. a.s.r.'s interpretation of the EU-IFRS is included in the a.s.r. accounting manual. The accounting policies included in chapter 6.3 are a summary of the relevant accounting policies of the a.s.r. accounting manual.

Pursuant to the options offered by Section 362, Book 2 of the Dutch Civil Code, a.s.r. has prepared its company financial statements in accordance with the same principles as those used for the consolidated financial statements.

6.2 Consolidated financial statements

6.2.1 Consolidated balance sheet

Consolidated balance sheet

(in € millions and before profit appropriation)	Note	31 December 2022	31 December 2021
Intangible assets	6.5.1	418	428
Property, plant and equipment	6.5.2	679	556
Investment property	6.5.3	664	2,052
Associates and joint ventures at equity method	6.5.4	79	102
Investments	6.5.5	25,640	33,550
Investments on behalf of policyholders	6.5.6	9,912	11,574
Investments related to investment contracts	6.5.7	2,000	1,952
Loans and receivables	6.5.8	17,171	15,259
Derivatives	6.5.9	5,428	6,212
Deferred tax assets	6.5.10	119	-
Reinsurance contracts	6.5.15	357	417
Other assets	6.5.11	828	631
Cash and cash equivalents	6.5.12	2,245	2,306
Total assets		**65,539**	**75,040**

(in € millions and before profit appropriation)	Note	31 December 2022	31 December 2021
Share capital	6.5.13	24	22
Share premium reserve	6.5.13	1,533	956
Unrealised gains and losses	6.5.13	-922	1,461
Actuarial gains and losses	6.5.13	-168	-1,055
Retained earnings		5,333	5,061
Treasury shares	6.5.13	-79	-83
Equity attributable to shareholders		**5,722**	**6,363**
Other equity instruments	6.5.13	1,004	1,004
Equity attributable to holders of equity instruments		**6,726**	**7,366**
Non-controlling interests		27	18
Total equity		**6,753**	**7,385**
Subordinated liabilities	6.5.14	1,980	992
Liabilities arising from insurance contracts	6.5.15	29,633	37,797
Liabilities arising from insurance contracts on behalf of policyholders	6.5.15	13,007	14,566
Liabilities arising from investment contracts	6.5.16	2,000	1,952
Employee benefits	6.5.17	2,742	4,013
Provisions	6.5.18	18	24
Borrowings	6.5.19	214	192
Derivatives	6.5.9	5,523	759
Deferred tax liabilities	6.5.10	-	69
Due to customers	6.5.20	471	573
Due to banks	6.5.21	2,262	5,741
Other liabilities	6.5.22	938	976
Total liabilities		**58,787**	**67,655**
Total equity and liabilities		**65,539**	**75,040**

The numbers following the line items refer to the relevant chapters in the notes.

6.2.2 Consolidated income statement

Consolidated income statement for the year ended 31 December

(in € millions)	Note	2022	2021
Gross written premiums	6.6.1	6,041	5,859
Change in provision for unearned premiums		-4	16
Gross insurance premiums		**6,037**	**5,875**
Reinsurance premiums		-114	-99
Net insurance premiums		**5,923**	**5,777**
Investment income	6.6.2	1,732	1,571
Realised gains and losses	6.6.3	-288	490
Fair value gains and losses	6.6.4	38	110
Result on investments on behalf of policyholders		-1,943	1,636
Result on investments related to investment contracts		-351	185
Fee and commission income	6.6.5	247	204
Other income	6.6.6	144	56
Share of result of associates and joint ventures		-3	9
Total income		**5,500**	**10,036**
Insurance claims and benefits		-2,984	-6,846
Insurance claims and benefits recovered from reinsurers		64	29
Net insurance claims and benefits	6.6.7	**-2,919**	**-6,817**
Changes in liabilities arising from investment contracts		351	-185
Operating expenses	6.6.8	-779	-725
Restructuring provision expenses		-4	-4
Commission expenses		-589	-526
Impairments	6.6.9	-95	-22
Interest expense	6.6.10	-447	-362
Other expenses	6.6.11	-90	-186
Total expenses		**-1,652**	**-2,010**
Result before tax		**929**	**1,209**
Income tax (expense) / gain	6.6.12	-204	-270
Net result		**725**	**939**

(in € millions)	Note	2022	2021
Attributable to:			
Non-controlling interests		-8	-3
- Shareholders of the parent		685	894
- Holders of other equity instruments		48	48
Result attributable to holders of equity instruments		**733**	**942**

The numbers following the line items refer to the relevant chapters in the notes.

Earnings per share

(in €)	Note	2022	2021
Basic earnings per ordinary share	6.5.13	5.00	6.56
Diluted earnings per ordinary share	6.5.13	4.42	5.77

6.2.3 Consolidated statement of comprehensive income

Consolidated statement of comprehensive income for the year ended 31 December

(in € millions)	Note	2022	2021
Net result		**725**	**939**
Remeasurements of post-employment benefit obligation	6.5.17	1,195	249
Unrealised change in value of property for own use	6.5.2	13	-7
Income tax on items that will not be reclassified to profit or loss		-312	-49
Total items that will not be reclassified to profit or loss		**896**	**193**
Unrealised change in value of available for sale assets		-4,168	-389
Realised gains/(losses) on available for sale assets reclassified to profit or loss		-750	-456
Shadow accounting	6.5.15	1,760	1,260
Segregated investment pools		21	-6
Income tax on items that may be reclassified subsequently to profit or loss		745	-79
Total items that may be reclassified subsequently to profit or loss		**-2,392**	**330**
Total other comprehensive income, after tax		**-1,496**	**523**
Total comprehensive income		**-771**	**1,461**
Attributable to:			
Non-controlling interests		-8	-3
- Shareholders of the parent		-811	1,416
- Holders of other equity instruments		48	48
Total comprehensive income attributable to holders of equity instruments		**-763**	**1,465**

The numbers following the line items refer to the relevant chapters in the notes.

Shadow accounting allows a recognised but unrealised gain or loss on an asset to be transferred to liabilities arising from insurance contracts (see accounting policy J, chapter 6.3.4).

6.2.4 **Consolidated statement of changes in equity**

Consolidated 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**	**0**	**6,313**
Net result	-	-	-	-	942	-	942	-	-3	939
Total other comprehensive income	-	-	325	198	-	-	523	-	-	523
Total comprehensive income	**-**	**-**	**325**	**198**	**942**	**-**	**1,465**	**-**	**-3**	**1,461**
Dividend paid	-	-	-	-	-285	-	-285	-	-	-285
Discretionary interest on other equity instruments	-	-	-	-	-48	-	-48	-	-	-48
Treasury shares acquired (-)/sold	-	-	-	-	-1	-78	-79	-	-	-79
Increase (decrease) in capital	-	-20	-	-	-57	78	-	-	22	22
Other movements	-	-	-	-	1	-	1	-	-1	-
At 31 December 2021	**22**	**956**	**1,461**	**-1,055**	**5,061**	**-83**	**6,363**	**1,004**	**18**	**7,385**
At 1 January 2022	**22**	**956**	**1,461**	**-1,055**	**5,061**	**-83**	**6,363**	**1,004**	**18**	**7,385**
Net result	-	-	-	-	733	-	733	-	-8	725
Total other comprehensive income	-	-	-2,383	887	-	-	-1,496	-	-	-1,496
Total comprehensive income	**-**	**-**	**-2,383**	**887**	**733**	**-**	**-763**	**-**	**-8**	**-771**
Dividend paid	-	-	-	-	-346	-	-346	-	-1	-347
Discretionary interest on other equity instruments	-	-	-	-	-48	-	-48	-	-	-48
Treasury shares acquired (-)/sold	-	-	-	-	-	-71	-71	-	-	-71
Increase (decrease) in capital	2	577	-	-	-68	75	586	-	18	604
Other movements	-	-	-	-	1	-	1	-	-	1
At 31 December 2022	**24**	**1,533**	**-922**	**-168**	**5,333**	**-79**	**5,722**	**1,004**	**27**	**6,753**

The share premium reserve increased, mainly driven by issued share capital to finance the business combination of a.s.r. and Aegon Nederland N.V., see chapter 6.5.13.2.

A decrease in unrealised gains and losses (€ -2,383 million) includes shadow accounting (see accounting policy J, chapter 6.3.4). This relates mainly to increased interest rates - affecting the valuation of the fixed income bonds portfolio - and the impact of lower equity markets. For more detailed information on the unrealised gains and losses, see chapter 6.5.13.3.

For more information on the actuarial gains and losses related to the pension obligation, see chapter 6.5.13.4.

For more information on treasury shares acquired and sold, see chapter 6.5.13.5.

6.2.5 **Consolidated statement of cash flows**

Consolidated 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	929	1,209
Adjustments on non-cash items included in result:		
Revaluation through profit or loss	50	-209
Retained share of result of associates and joint ventures	23	-7
Amortisation of intangible assets	34	33
Depreciation of property, plant and equipment	37	19
Amortisation of investments	-23	110
Amortisation of subordinated debts	1	1
Impairments	95	22
Changes in operating assets and liabilities:		
Net (increase) / decrease in investment property	1,510	12
Net (increase) / decrease in investments	2,738	2,198
Net (increase) / decrease in investments on behalf of policyholders	1,662	-1,420
Net (increase) / decrease in investments related to investment contracts	-48	-428
Net (increase) / decrease in derivatives	5,548	2,296
Net (increase) / decrease in amounts due from and to customers	-949	-2,630
Net (increase) / decrease in amounts due from and to credit institutions	-4,749	-499
Net (increase) / decrease in trade and other receivables	223	4
Net (increase) / decrease in reinsurance contracts	60	66
Net increase / (decrease) in liabilities arising from insurance contracts	-6,405	-2,402
Net increase / (decrease) in liabilities arising from insurance contracts on behalf of policyholders	-1,560	1,429
Net increase / (decrease) in liabilities arising from investment contracts	48	428
Net (increase) / decrease in other operating assets and liabilities	3	96
Income tax received (paid)	-202	-131
Cash flows from operating activities	**-974**	**198**

(in € millions)	2022	2021
Cash flows from investing activities:		
Investments in associates and joint ventures	-	-6
Proceeds from sales of associates and joint ventures	-	19
Purchases of property, plant and equipment	-179	-386
Purchases of group companies (less acquired cash positions)	-10	-88
Proceeds from sales of property, plant and equipment	1	-
Purchase of intangible assets	-11	-1
Cash flows from investing activities	**-199**	**-463**
Cash flows from financing activities:		
Increase / (decrease) of capital	586	-
Issue of subordinated debts	987	-
Proceeds from issues of loans	-	113
Repayment of loans	-5	-9
Repayment of lease liabilities	-8	-7
Dividend paid	-347	-285
Discretionary interest to holders of equity instruments	-48	-48
Non-controlling interests	18	22
(Purchase) / sale of treasury shares	-71	-79
Cash flows from financing activities	**1,112**	**-292**
Cash and cash equivalents as at 31 December	**2,245**	**2,306**
Further details on cash flows from operating activities:		
Interest received	1,474	1,458
Interest paid	-438	-370
Dividend received	164	146
Further details on lease payments:		
Total cash outflow for leases	-7	-6

6.3 Accounting policies

6.3.1 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.

6.3.2 Changes in EU endorsed published IFRS standards and interpretations effective in 2022

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

6.3.3 New standards, interpretations of existing standards or amendments to standards, not yet effective in 2022

The following new standards, amendments to existing standards and interpretations, relevant to a.s.r. and published prior to 1 January 2023 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).

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 which has been endorsed by the EU. 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 and the transition date will be 1 January 2022.

IFRS 17 is expected to increase comparability between insurers by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current fulfilment value every reporting period with current assumptions and discount rates, – instead of using the highest value of either the tariff rates ('tariefgrondslagen') or Solvency II value (as used for the Liability adequacy test) which is currently the a.s.r. accounting policy (see accounting policies J and K). Shadow accounting and provisions for the realised gains and losses on financial assets allocated to insurance contracts have been a significant driver in ensuring that the insurance contract liabilities remain adequate compared to Solvency II valuation of insurance contracts. 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) for the life insurance contracts (including funerals and pension contracts) and income insurance contracts in the Non-life segment and the long-term reinsurance contracts within the life segment.
- The variable fee approach (VFA) for contracts with a direct participating feature such as the unit linked type insurance contracts and defined contribution pension type contracts.
- The premium allocation approach (PAA) which is a simplified version of the GM and is mainly opted to be used for short-term duration contracts consisting of property and casualty (P&C) and health insurance contracts. PAA is also used for most reinsurance contracts based on the short-term nature of these contracts.

The GM measures insurance liabilities by taking the fulfilment cash flows, being the present value of future cash flows (PVFCF) including a risk adjustment to account for future uncertainty of non-financial risks, and 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 and 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 of the related assets 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. In applying IFRS 17 for both the GM and VFA, directly attributable acquisition costs are accounted for as part of the insurance liability.

The PAA has similar mechanics as the current IFRS approach and therefore only limited impact on main result drivers and only limited judgmental areas for the underwriting result.

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 depicts 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 and excludes the non-distinct investment component when applicable. 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. Changes in non-economic assumptions related to future services are absorbed in the CSM, while under IFRS 4 these changes did not have an impact as they were measured based on tariff rates at inception, taking into account shadow accounting and provisions for the realised gains and losses on financial assets allocated to insurance contracts.

The following aspects are important to a.s.r.'s implementation (IFRS 17):

- a.s.r. has opted to recognise all insurance finance income or expenses for the reporting period in profit or loss (P&L). a.s.r. also opted to disaggregate the change in the RA for non-financial risk between the insurance service result and insurance finance income or expenses in the income statement.
- Given the nature of the service provided to policyholders with GM (Insurance services) and VFA (investment type service) the CSM is released for a group of contracts in line with the services provided and is expected to be generally on a straight-line basis over the expected remaining duration (taking into account contract terms and lapse assumptions) on an individual insurance contract basis.
- Although the PAA methodology does not have a CSM, the insurance service revenue will also be generally recognised on a straight-line basis over the insurance contracts duration generally similar to the current accounting treatment.
- The incorporation of a RA is a significant change from IFRS 4 but similar to Solvency II risk margin methodology and is recognised in both the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). The RA uses amongst others a 6% Cost of Capital methodology and takes into account diversification in line with Non-Life pricing policy.
- Discount rates to discount the expected future fulfilment cash flows are determined using a liquid risk free curve to which an illiquidity premium is added. The risk-free curve is based on the swap rate and includes a credit-risk adjustment and a first smoothing point of 20 years. The illiquidity premium is derived from a.s.r.'s own asset portfolio.
- Contracts are grouped together if, at inception, these are in the same portfolio and managed together, (generally based on the Solvency II homogeneous risk groups and disaggregated when needed based on the IFRS 17 assumptions), same level of profitability and recognised within the same annual reporting period ('annual cohorts') a.s.r. will not make use of the carve-out for annual cohorts on the IFRS 17 standard as endorsed by the EU.
- The cashflows included in the contract boundaries are aligned with Solvency II except for initial recognition regarding non-onerous contracts.
- a.s.r. will keep using the operating result, adjusted for the different aspects under IFRS 17, as a main KPI performance measure. For insurance contracts in the Non-Life segment the (net) combined ratio will remain the main KPI and will be defined as the sum of insurance service expenses divided by insurance contract revenue.

IFRS 17 must be implemented retrospectively with amendment of comparative figures. However, other approaches are used on transition when the full retrospective approach (FRA) is impracticable. On transition a.s.r. will primarily use the FRA for funeral, P&C and health insurance contracts. The Fair Value Approach (FVA) will be used for most individual life, pension and individual income insurance contracts. The modified retrospective approach (MRA) will be applied for the group income insurance contracts. In the fair value transition approach, the contractual service margin is determined by reference to the fair value of insurance liabilities in a manner consistent with the fair value as determined in the acquisitions over the last number of years. The fair value is based on the compensation for fulfilling the insurance obligations and includes a market based compensation for transferring the risk.

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.

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

a.s.r. bases the classification and measurement of financial assets under IFRS 9 on its business model. a.s.r. determined its business model as "other" as a.s.r. manages assets and liabilities on a fair value basis and uses that information to assess the performance and to make decisions. This is also in line with Solvency II. This business model results primarily in a valuation of assets designated at fair value through profit or loss. 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. The classification and measurement is based on the interaction between IFRS 17 insurance contract accounting and IFRS 9 accounting for financial assets and liabilities, taking into account decisions and guidance prepared in the IFRS 17 and IFRS 9 implementation project.

The following aspects are important to a.s.r.'s implementation (IFRS 9):

- Classification and measurement. a.s.r. intends to align the accounting for financial assets under IFRS 9 as much as possible to the accounting for insurance. As a result to avoid accounting mismatches in the income statement, investments backing the insurance contracts will be valued at fair value through profit or loss (excluding equities). These financial instruments consist primarily of government and corporate bonds, loans and mortgages.
- In line with Solvency II reporting a.s.r. will account for debt instruments at their "dirty" fair value, thus including any related accrued interest.
- Equities will generally be measured at fair value through other comprehensive income (FVOCI). Any gains and losses will not be recycled to the income statement, thereby reducing volatility in the income statement under IFRS 9.
- a.s.r. will use the classification overlay approach whereby the 2022 comparative figures will be adjusted retrospectively as though IFRS 9 was implemented on 1 January 2022.
- a.s.r. currently does not apply hedge accounting and will not apply hedge accounting under IFRS 9 to its insurance activities.
- Although the accounting for the post-employment benefits related to pensions (IAS 19) is unchanged, as a result of the FVTP&L classification of the investments an accounting mismatch arises in the income statement. This is due to the actuarial gain and losses related to the DBO being recognised in OCI (i.e. discount rate, indexation and mortality) while the fair value movements on the investments are recognised in the income statement (FVTP&L). This mismatch will be addressed through the revised operating result.

Impairment

a.s.r. applies FVTP&L and FVOCI non-recycling to most of the financial instruments. Therefore the changes with respect to the expected credit loss model are limited to the impact on the other receivables in the Distribution & Services and Asset Management segments.

Programme and implementation IFRS 17 and IFRS 9

In 2022, the programme IFRS 17 and IFRS 9 entered its final implementation phase. Systems and models were brought into production or are being further improved or reviewed. The opening balance sheet and comparative figures 2022 have been prepared and analysed and included in the audit process. a.s.r. expects all systems, processes, models and the control environment to be implemented before the end of 2023.

The presented condensed opening balance sheet and related disclosures in these consolidated financial statements 2022 are provisional. Since implementation has not been finalised some uncertainties have been identified. Due to the complexity of IFRS 17 and the lack of experience with this new standard this will influence the control environment. Management has taken mitigating measures like the hiring of expertise and resources, performing more thorough analysis. The main areas where finalisation of the implementation is work in progress are the business lines Income and Pensions. The IFRS 17 model validation in the Life segment is also still work in progress. As a result, there is an inherent uncertainty related to the figures presented in the condensed opening balance sheet as at 1 January 2022.

Estimated impact of IFRS 17 and IFRS 9

a.s.r. has as part of its opening balance sheet assessed the estimated impact that the initial application of IFRS 17 and IFRS 9 will have on its consolidated financial statements. Based on assessments undertaken to date, the total adjustment (after tax) to the balance of a.s.r.'s total equity is estimated to decrease by € 0.1 billion at 1 January 2022 and is presented in the condensed balance sheet on the next page. The balance sheet per 31 December 2022 and the income statement for 2022, are still being reviewed by a.s.r. and therefore not finalised for publication.

Condensed opening balance sheet (estimated impact per 1 January 2022)

(in € billions)	31 December 2021	Reclassification	Revaluation	Restated 1 January 2022
Investments	33.5	14.7	1.4	49.6
Investments on behalf of policyholders	11.6	-11.6	-	-
Investments related to direct participating contracts	-	11.6	0.0	11.6
Investments related to investment contracts	2.0	0.0	0.0	2.0
Loans and receivables	15.3	-15.3	-	-
Derivatives	6.2	0.2	0.0	6.4
Reinsurance contracts	0.4	-0.4	-	-
Reinsurance contract assets	-	0.5	0.0	0.5
Remaining assets (not specified above)	6.1	-0.1	-0.1	5.9
Total assets	**75.0**	**-0.4**	**1.4**	**76.0**
Total equity	**7.4**	**0.0**	**-0.2**	**7.2**
Subordinated liabilities	1.0	0.0	-0.0	1.0
Liabilities arising from insurance contracts	37.8	-37.8	-	-
Liabilities arising from insurance contracts on behalf of policyholders	14.6	-14.6	-	-
Insurance contract liabilities	-	40.4	1.8	42.2
Liabilities arising from direct participating insurance contracts	-	12.1	-0.2	11.9
Liabilities arising from investment contracts	2.0	0.0	0.0	2.0
Employee benefits	4.0	-	0.0	4.0
Derivatives	0.8	0.1	0.0	0.8
Remaining liabilities (not specified above)	7.6	-0.7	-0.1	6.8
Total liabilities	**67.7**	**-0.4**	**1.6**	**68.8**
Total equity and liabilities	**75.0**	**-0.4**	**1.4**	**76.0**

The condensed opening balance sheet is provisional with regard to the insurance contracts and presented in euro billions. The opening balance sheet will be finalised with the publication of the interim financial statements 2023.

The CSM included in the insurance contract liabilities and liabilities arising from direct participating insurance contracts is expected to be in the range between € 1.7 billion and € 2.3 billion.

For measuring the insurance contracts a.s.r. has used the best information and knowledge currently available and put internal controls in place to ensure reliable figures. However given the complexity of IFRS 17, the recent transition, increasing experience or changes based on market consensus prior to publication of the interim financial statements 2023, certain assumptions and calculations might improve resulting in an amended opening balance sheet. Any changes or adjustments may have an impact on the measurement of the insurance contracts (including CSM) and total equity.

The accounting policy choices made when implementing IFRS 17 and IFRS 9 aim to reduce the net volatility as presented in the income statement and to avoid accounting mismatches where possible. However, volatility in the shareholders' equity and net result is still expected to increase significantly compared to reporting under IFRS 4. As a result, a.s.r. will be steering primarily on a revised operating result, as an alternative performance measure, which is expected to be less volatile than the IFRS result.

6.3.4 Key accounting policies

A. Estimates and assumptions

The preparation of the financial statements requires a.s.r. to make estimates, assumptions and judgements in applying accounting policies that have an effect on the reported amounts in the financial statements. These relate primarily to the following:

- The fair value and impairments of unlisted financial instruments (see accounting policy B and E);
- The estimated useful life, residual value and fair value of property, plant and equipment, investment property, and intangible assets (see accounting policy C, D and U);
- The measurement of liabilities arising from insurance contracts (see accounting policy J);
- Actuarial assumptions used for measuring employee benefit obligations (see chapter 6.5.17);
- When forming provisions, the required estimate of existing obligations arising from past events;
- The recoverable amount of impaired assets (see accounting policy B, E and H);
- 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 are given in the relevant notes to the consolidated financial statements.

As mentioned in paragraph 6.3.4 (accounting policy J) a.s.r. applies shadow accounting. In 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 Liability Adequacy Test (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 6.5.15.

B. Fair value of assets and liabilities

The fair value is the price that a.s.r. would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants on the transaction date or reporting date in the principal market for the asset or liability, or in the most advantageous market for the asset or liability and assuming the highest and best use for non-financial assets. Where possible, a.s.r. determines the fair value of assets and liabilities on the basis of quoted prices in an active market. In the absence of an active market for a financial instrument, the fair value is determined using valuation techniques. Although valuation techniques are based on observable market data where possible, results are affected by the assumptions used, such as discount rates and estimates of future cash flows. In the unlikely event that the fair value of a financial instrument cannot be measured, it is carried at cost.

Fair value hierarchy

The following three hierarchical levels are used to determine the fair value of financial instruments and non-financial instruments when accounting for assets and liabilities at fair value and disclosing the comparative fair value of assets and liabilities:

Level 1. Fair value based on quoted prices in an active market

Level 1 includes assets and liabilities whose value is determined by quoted (unadjusted) prices in the primary active market for identical assets or liabilities.

A financial instrument is quoted in an active market if:

- Quoted prices are readily and regularly available (from an exchange, dealer, broker, sector organisation, third party pricing service, or a regulatory body); and
- These prices represent actual and regularly occurring transactions on an arm's length basis.

Financial instruments in this category primarily consist of bonds and equities listed in active markets. Cash and cash equivalents and reverse repurchase agreements are also included as level 1.

Level 2. Fair value based on observable market data

Determining fair value on the basis of Level 2 involves the use of valuation techniques that use inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices of identical or similar assets and liabilities). These observable inputs are obtained from a broker or third party pricing service and include:

- Quoted prices in active markets for similar (not identical) assets or liabilities;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Input variables other than quoted prices observable for the asset or liability. These include interest rates and yield curves observable at commonly quoted intervals, volatility, loss ratio, credit risks and default percentages.

This category primarily includes:

I. Financial instruments: unlisted fixed-interest preference shares and interest rate contracts;
II. Financial instruments: loans and receivables (excluding mortgage loans and reverse repurchase agreements)[1];
III. Other financial assets and liabilities[1].

I. Financial instruments: unlisted fixed-interest preference shares and interest rate contracts

This category includes unlisted fixed-interest preference shares and interest rate contracts. The valuation techniques for financial instruments use present value calculations and in the case of derivatives, include forward pricing and swap models. The observable market data contains yield curves based on company ratings and characteristics of the unlisted fixed-interest preference shares.

II. Financial instruments: Loans and receivables (excluding mortgage loans and reverse repurchase agreements)

The fair value of the loans and receivables is based on the discounted cash flow method. It is obtained by calculating the present value based on expected future cash flows and assuming an interest rate curve used in the market that includes an additional spread based on the risk profile of the counterparty.

III. Other financial assets and liabilities

For other financial assets and liabilities where the fair value is disclosed these fair values are based on observable market inputs, primarily being the price paid to acquire the asset or received to assume the liability on initial recognition, assuming that the transactions have taken place on an arm's length basis. Valuation techniques using present value calculations are applied using current interest rates where the payment terms are longer than one year.

Level 3. Fair value not based on observable market data

The fair value of the level 3 assets and liabilities are determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument and for which any significant inputs are not based on available observable market data. The financial assets and liabilities in this category are assessed individually.

Valuation techniques are used to the extent that observable inputs are not available. The basic principle of fair value measurement is still to determine a fair, arm's length price. Unobservable inputs therefore reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are generally based on the available observable data (adjusted for factors that contribute towards the value of the asset) and own source information.

1 Not measured at fair value on the balance sheet and for which the fair value is disclosed.

This category primarily includes:

I. Financial instruments: private equity investments (or private equity partners) and equity funds third parties directly investing in real estate;
II. Financial instruments: loans and receivables – mortgage loans, and mortgage equity funds;
III. Investment property, real estate equity funds associates, rural property contracts, buildings for own use and plant (e.g. wind farms);
IV. Financial instruments: asset-backed securities.

I. Financial instruments: private equity investments and real estate equity funds third parties

The main non-observable market input for private equity investments and equity funds third parties directly investing in real estate is the net asset value of the investment as published by the private equity company (or partner) and real estate equity funds respectively.

II. Financial instruments: loans and receivables – mortgage loans, and mortgage equity funds

The fair value of the mortgage loan portfolio is based on the discounted cash flow method. It is obtained by calculating the present value based on expected future cash flows and assuming an interest rate curve used in the market that includes an additional spread based on the risk profile of the counterparty. The valuation method used to determine the fair value of the mortgage loan portfolio bases the spread on 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.

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.

III. Investment property, real estate equity funds associates, rural property contracts, buildings for own use and plant

The following categories of investment properties, buildings for own use and plant is recognised and methods of calculating fair value are distinguished:

- Residential – based on reference transaction and discounted cash flow method;
- Retail – based on reference transaction and income capitalisation method;
- Rural – based on reference transaction and discounted cash flow method;
- Offices – based on reference transaction and discounted cash flow method (including buildings for own use);
- Other investment property – based on reference transaction and discounted cash flow method;
- Property under development – based on both discounted cash flow and income capitalisation method;
- Plant - based on reference transaction and discounted cash flow method.

The following valuation methods are available for the calculation of fair value by the external professional appraisers for investment property, including real estate equity funds associates, rural property contracts, buildings for own use and plant:

Reference transactions

Independent professional appraisers use transactions in comparable properties and plant as a reference for determining the fair value of the property and plant. The reference transactions of comparable objects are generally based on observable data consisting of the land register 'Kadaster' and the rural land price monitor as published by the Dutch government 'grondprijsmonitor' in an active property market and in some instances accompanied by own use information.

The external professional appraisers valuate the property or plant using the reference transaction in combination with the following valuation methods to ensure the appropriate valuation of the property:

- Discounted cash flow method;
- Income capitalisation method (property only).

Discounted cash flow method

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on the investment property or plant dependent on the duration of the lease contracts.

A market-derived discount rate is applied to these projected cash flow series in order to establish the present value of the cash flows associated with the asset. The exit yield is normally determined separately, and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour, which depends on the class of investment property. Periodic cash flow is typically estimated as gross rental income less vacancy (apart from the rural category), non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

For the categories residential, offices and other in applying the discounted cash flow method, the significant inputs are the discount rate and market rental value. These inputs are verified with the following market observable data (that are adjusted to reflect the state and condition, location, development potential etc. of the specific property):

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

When applying the discounted cash flow method for rural valuations, the significant inputs are the discount rate and market lease values. These inputs are verified with the following market observable data (that are adjusted to reflect the state and condition, location, development potential etc. of the specific property):

- Market value per acre per region in accordance with the 'rural land price monitor';
- 10 Year Dutch Government Bond Yield (%) as published by the DNB.

When applying the discounted cash flow method for plant, the significant inputs are the discount rate and energy prices.

Income capitalisation method

Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return). The difference between gross and net rental income includes the same expense categories as those for the discounted cash flow method with the exception that certain expenses are not measured over time, but included on the basis of a time weighted average, such as the average lease up costs. Under the income capitalisation method, rents above or below the market rent are capitalised separately.

The significant inputs for retail valuations are the reversionary yield and the market or reviewed rental value. These inputs are generally verified with the following observable data (that are adjusted to reflect the state and condition, location, development potential etc. of the specific property):

- Market rent per square meter for renewals;
- Reviewed rent per square meter (based on the rent reviews performed in accordance with Section 303, Book 7 of the Dutch Civil Code).

The fair value of investment properties and buildings for own use, are appraised annually. Valuations are conducted by independent professional appraisers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the property being valued. Market value property valuations were prepared in accordance with the Royal Institution of Chartered Surveyors Valuation Standards, 7th Edition (the 'Red Book'). a.s.r. provides adequate information to the professional appraisers, in order to conduct a comprehensive valuation. The professional appraisers are changed or rotated at least once every three years.

IV. Financial instruments: asset-backed securities

The fair value of the asset-backed securities is based on quotes published by an independent data vendor.

Transfers between levels

The hierarchical level per individual instrument, or group of instruments, is reassessed at every reporting period. If the instrument, or group of instruments, no longer complies with the criteria of the level in question, it is transferred to the hierarchical level that does meet the criteria. A transfer can for instance occur when the market becomes less liquid or when quoted market prices for the instrument are no longer available.

C. Intangible assets

Intangible assets are carried at cost, less any accumulated amortisation and impairment losses. The residual value and the estimated useful life of intangible assets are assessed on each balance sheet date and adjusted where applicable.

Goodwill

Acquisitions by a.s.r. are accounted for using the acquisition method. Goodwill represents the excess of the cost of an acquisition over the fair value of a.s.r.'s share of the net identifiable assets and liabilities and contingent liabilities of the acquired company at acquisition date. If there is no excess (purchase gain), the carrying amount is directly recognised through the income statement. At the acquisition date, goodwill is allocated to the cash-generating units (CGUs) that are expected to benefit from the business combination.

Goodwill has an indefinite useful life and is not amortised. a.s.r. performs an impairment test annually, or more frequently if events or circumstances warrant so, to ascertain whether goodwill has been subject to impairment. As part of this, the carrying amount of the cash-generating unit to which the goodwill has been allocated is compared with its recoverable amount. The recoverable amount is the higher of a CGU's fair value less costs to sell and value in use. The carrying value is determined as the net asset value including goodwill. The methodologies applied to arrive at the best estimate of the recoverable amount involves two steps.

In the first step of the impairment test, the best estimate of the recoverable amount of the CGU to which goodwill is allocated is determined separately based on Price to Earnings or Price to EBITDA ratios (fair value less cost to sell model). The ratio used per CGU depends on the characteristics of the entity in question. The main assumptions in this valuation are the multiples for the aforementioned ratios. These are developed internally but are either derived from or corroborated against market information that is related to observable transactions in the market for comparable businesses.

If the outcome of the first step indicates that the difference between the recoverable amount and the carrying value may not be sufficient to support the amount of goodwill allocated to the CGU, step two is performed. In step two an additional analysis is performed in order to determine a recoverable amount in a manner that better addresses the specific characteristics of the relevant CGU.

The additional analysis is based on internal value-in-use models, wherein managements assumptions in relation to cash flow projections for budget periods up to and including five years are used and, if deemed justified, expanded to a longer period given the nature of the insurance activities. Other assumptions, such as the (pre-tax) discount rate and the steady state growth rate, are determined on the advice of an independent external party and are based on a Capital Asset Pricing Model.

This methodology is based on a risk-free rate plus a risk premium. Operating assumptions are best estimate assumptions and based on historical data where available. Economic assumptions are based on observable market data and projections of future trends.

If the recoverable amount is lower than its carrying amount, the difference is directly charged to the income statement as an impairment loss.

In the event of impairment, a.s.r. first reduces the carrying amount of the goodwill allocated to the CGU. After that, the carrying amount of the other assets included in the unit is reduced pro rata to the carrying amount of all the assets in the unit.

Value of Business Acquired

The Value of Business Acquired (VOBA) represents the difference between the fair value and the carrying amount of insurance portfolios that have been acquired, either directly from another insurer or through the acquisition of a subsidiary. VOBA is recognised as an intangible asset with a finite useful life and amortised over the term of the current insurance contracts at acquisition date, in conjunction with the corresponding obligations. With regard to VOBA, allowance is made for the outcome of the annual compulsory LAT for insurance contracts (see accounting policy J). Amortisation charges related to VOBA are included in net claims and benefits. The negative VOBA is amortised based on the weighted average term of the acquired insurance contracts at acquisition date. Negative VOBA, or an additional provision, is recognised and presented under the Liabilities arising from insurance contracts.

Should VOBA's carrying amount exceed the difference between the carrying amount of the liabilities arising from insurance contracts and the liabilities identified as part of the LAT and no other adjustment is made to the liabilities as a result of the LAT outcomes, VOBA is impaired to a level where the values are equal. This is charged to the income statement as an impairment loss.

D. Investment property

Investment property is property held to earn rent or for capital appreciation or both. Property interests held under operating leases are classified and accounted for as investment property. In some cases, a.s.r. is the owner-occupier of investment properties. If owner-occupied properties cannot be sold separately, they are treated as investment property only if a.s.r. holds an insignificant portion for use in the supply of services or for administrative purposes. Property held for own uses (owner-occupied) is recognised within property, plant and equipment.

Investment property is primarily recognised using the fair value model. After initial recognition, a.s.r. remeasures all of its investment property (see accounting policy B) whereby any gain or loss arising from a change in the fair value of the specific investment property is recognised in the income statement under fair value gains and losses.

Residential property is generally let for an indefinite period. Other investment property is let for defined periods under leases that cannot be terminated early. Some contracts contain renewal options. Rentals are accounted for as investment income in the period to which they relate.

If there is a change in the designation of property, it can lead to:
- Reclassification from property, plant and equipment to investment property: at the end of the period of owner-occupation or at inception of an operating lease with a third party; or
- Reclassification from investment property to property, plant and equipment: at the commencement of owner-occupation or at the start of developments initiated with a view to selling the property to a third party.

The following categories of investment property are recognised by a.s.r. based primarily on the techniques used in determining the fair value of the investment property:
- Retail;
- Residential;
- Rural;
- Offices;
- Other (consisting primarily of parking);
- Investment property under development.

Property under development for future use as investment property is recognised as investment property. The valuation of investment property takes (expected) vacancies into account.

Borrowing costs directly attributable to the acquisition or development of an asset are capitalised and are part of the cost of that asset. Borrowing costs are capitalised when the following conditions are met:
- Expenditures for the asset and borrowing costs are incurred; and
- Activities are undertaken that are necessary to prepare an asset for its intended use.

Borrowing costs are no longer capitalised when the asset is ready for use or sale. If the development of assets is interrupted for a longer period, capitalisation of borrowing costs is suspended. If the construction is completed in stages and each part of an asset can be used separately, the borrowing costs for each part that reaches completion are no longer capitalised.

E. Investments

Based on the amended IFRS 4, effective as of 1 January 2018, a.s.r. meets the criteria of a predominant insurer as of 31 December 2015 as the percentage of the total carrying amount of its liabilities connected with insurance related activities to the total carrying amount of all its liabilities exceeded 90% at that date. The liabilities connected with insurance, that are not liabilities directly arising from contracts within the scope of IFRS 4, have a carrying amount of € 3.3 billion and primarily relate to the derivative liabilities and due to banks as included in the Non-life and Life segments and the subordinated liabilities.

As a result a.s.r. decided to apply the temporary exemption from applying IFRS 9 by deferral until IFRS 17 (new accounting standard for insurance contracts) is implemented. The implementation of amended IFRS 4 had no significant impact on the consolidated financial statements of a.s.r. The additional disclosure requirements are presented in the chapters on Risk management and Other notes.
When a.s.r. becomes party to a financial asset contract, the related assets are classified into one of the following categories:
- Financial assets at fair value through profit or loss;
- Loans and receivables (see accounting policy H); or
- Financial assets available for sale.

The classification of the financial assets is determined at initial recognition. The classification depends on the purpose for which the investments were acquired. For detailed information on the fair value of the financial assets please see accounting policy B.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include:
- Derivatives that do not qualify for hedge accounting (see accounting policy B and I);
- Financial assets, designated by a.s.r. as carried at fair value through profit or loss. This option is available whenever:
  - It eliminates or significantly reduces a measurement inconsistency that would otherwise arise from measuring assets or liabilities on different bases (accounting mismatch);
  - a.s.r. manages a group of financial instruments (assets, liabilities or both) on the basis of fair value in accordance with a documented risk management or investment strategy; or
  - The financial assets contain one or more embedded derivatives and a.s.r. does not separate the derivative from the host contract; and
- Associates for which a.s.r. uses the fair value option under IAS 28.

Financial assets at fair value through profit or loss are stated at fair value. At initial recognition, transaction costs are recognised in the income statement. Realised and unrealised gains and losses in the fair value are also recognised in the income statement.

Financial assets available for sale
Financial assets available for sale are financial assets that are not accounted for as financial assets at fair value through profit or loss, or as loans and receivables. On initial recognition, financial assets available for sale are measured at fair value (including transaction costs). They are subsequently measured at fair value, including any unrealised fair value changes in equity and impairments, taking into account any deferred tax liabilities. Financial assets available for sale include equities (ordinary and preference shares), bonds, other fixed-income securities, unit trusts, variable-income securities and interests in investment pools.

Impairment of financial assets
At the end of each reporting period, a.s.r. assesses whether there is any objective evidence that a financial asset or a group of financial assets may be impaired. Financial assets at fair value through profit or loss are not subject to impairment testing, because the fair value of these assets reflects any impairment losses.

In the case of equity investments available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment. a.s.r. considers as a significant or prolonged decline to have occurred if the fair value:
- Has fallen 25% or more below cost; or
- Has fallen below cost for an uninterrupted period of twelve months or longer.

Fixed-income financial assets available for sale are tested for impairment if objective evidence exists that the counterparty will default. Objective evidence includes: bankruptcy, financial reorganisation or delinquency in payments for more than 30 days. The assessment may also involve circumstances requiring a more detailed estimate, such as in the event of an equity deficit, recurring financial difficulties, downgrading of the credit rating or other creditors reverting to legal action. This assessment is made at each reporting date by the Level of Concern Committee, where the portfolio managers and analysts assign a level of concern from 'Nil' to 'Three' to each of the fixed-income assets. A level of concern 'Nil' means that there is no reason for concern, while a level of concern 'Three' indicates that the situation is critical and that an impairment is highly recommended. The final decision to recognise an impairment loss on a financial asset or to reverse a prior impairment loss is taken in the Impairment and Valuation Committee, chaired by the director ASR Vermogensbeheer N.V.

Impairment losses are recognised directly in the income statement and represent the difference between amortised cost and the fair value at the balance sheet date, net of any previously recognised impairments.

If, at a later stage, the fair value of the financial assets available for sale should increase and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement. Impairment losses on equities available for sale are not reversed, and any increases in fair value are recorded in equity.

F. Investments on behalf of policyholders
Investments made for the account and risk of policyholders mainly concern unit-linked insurance contracts and group contracts with segregated pools. These investments are carried at fair value. Any realised and unrealised value changes of the investments are recognised in the income statement as gains or losses on investments on behalf of policyholders. Where applicable the investments are consolidated in the financial statements and the breakdown is included in the related disclosure.

G. Investments related to investment contracts
Investments related to investment contracts comprise investments made for the account and risk of policyholders. These investments are carried at fair value. Any realised and unrealised value changes of

the investments are recognised in the income statement as gains or losses on investments related to investment contracts. Where applicable the investments are consolidated in the financial statements and the breakdown is included in the related disclosure.

H. Loans and receivables

Loans and receivables are measured at fair value plus transaction costs on initial recognition. They are subsequently measured at amortised cost based on the effective interest rate method, less impairment losses if deemed necessary.

Receivables from customers

Receivables from customers are primarily comprised of business loans and mortgage loans.

Receivables from credit institutions

Receivables from credit institutions concern business loans, deposits and the savings portion of savings mortgages concluded by a.s.r.

Trade and other receivables

Trade and other receivables are receivables arising from a.s.r.'s normal business operations.

Impairment of loans and receivables

At each balance sheet date, a.s.r. assesses whether objective evidence of impairment exists of the loans and receivables.

An individually assessed asset is considered impaired if objective evidence exists that a.s.r. is unable to collect all the amounts due by the counterparty in accordance with the contractual terms and conditions. The amount of the impairment loss is equal to the difference between the asset's carrying amount and its recoverable amount. The recoverable amount equals the present value of estimated future cash flows, including amounts realised from guarantees and securities provided, discounted at the financial asset's original effective interest rate.

Loans and receivables that are not individually significant are grouped on the basis of similar credit risk characteristics.

Impairment based on the collective approach is determined by applying risk models for similar financial assets, taking account of historical information and regularly updated parameters for default.

Incurred but not reported (IBNR) losses are also taken into account. IBNR is estimated by reference to historical loss patterns. The current economic climate is reflected, and account is taken of potentially higher credit risk-based on an analysis of the economic situation.

Impairment losses are charged to the income statement. If, at a later stage, the impairment losses should decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in the impairment loss is recognised in the income statement.

I. Derivatives

Derivatives are primarily used by a.s.r. for hedging interest rate and exchange rate risks, for hedging future transactions and the exposure to market risks. Derivatives are mandatorily measured at fair value through profit or loss. a.s.r. does not apply hedge accounting.

J. Liabilities arising from insurance contracts

General

This includes liabilities arising from insurance contracts issued by a.s.r. that transfer significant insurance risks, and in some cases also financial risk (FR), from the policyholder to a.s.r.

Liabilities arising from Non-life insurance contracts

These liabilities comprise a provision for claims, a provision for current risks, and a provision for unearned premiums. The provision for claims is based on estimates of claims payable. Claims payable relate to unpaid claims and claims handling costs, as well as claims IBNR.

The estimates are based on individual assessments of the reported claims, on past experiences and estimates of trends (expert judgement) in claims behaviour, (national) social factors and economic factors and relevant court decisions. In the process of determining the liabilities, allowance is made for amounts recoverable from third parties and expected subrogation reimbursements.

Loss obligations in respect of occupational disability are discounted. The recognised provisions are sufficient to cover the cost of claims and claims handling fees. a.s.r. discounts obligations for losses only for claims with determinable and fixed payment terms.

Additional provisions are generally recognised for realised gains or losses on financial assets allocated to insurance contracts if and to the extent that the current interest rate is lower than the interest rate that was used in the pricing principles at inception of the insurance contract.

The provision for current risks is based on the estimate of future claims taking into account future premiums.

The provision for unearned premiums is equal to gross unearned premium income less commissions paid. The provision is determined on a time proportional basis.

Liabilities arising from life insurance contracts

Future obligations in respect of policy benefits for life insurance contracts are calculated based on a net premium method (the present value of future obligations less the present value of future net premiums) using the same principles as for calculating the premium at inception of the insurance contract. A provision for future administrative expenses is recognised for contracts whose future premium payment period is shorter than the future maturity of the insurance policy, or for which no more premiums are paid. A provision is recognised for part of longevity risk associated with life insurance contracts (e.g. group life and annuity contracts), a.s.r. manages the longevity risk exposure in combination with the mortality risk exposure. No addition to the provision for longevity risk is recognised if the outcome of the LAT (see 'IFRS LAT Life' later in this chapter) indicates that the total amount of the provision is adequate.

Additional provisions are generally recognised for realised gains or losses on financial assets allocated to:
- Insurance contracts with participation features;
- Non-participating insurance contracts if and to the extent that the current interest rate is lower than the interest rate that was used in the pricing principles at inception of the insurance contract.

These financial assets include fixed-income financial assets available for sale, specific financial assets designated at fair value through profit or loss, and specific derivatives (i.e. swaptions, interest rate swaps and inflation rate swaps). The realised gains or losses are amortised based on the remaining maturity period of the disposed financial assets. The realised gains or losses and the amortisation thereof are included in net insurance claims and benefits.

Participating contracts include additional obligations relating to contractual dividends or profit sharing and are stated net of capitalised interest rate rebates. These interest rate rebates are amortised in accordance with actuarial principles to the extent that the expected surplus interest is realised.

Reinsurance liabilities
Reinsurance liabilities, with a.s.r. qualifying as the reinsurer and with significant insurance risk being transferred to a.s.r., are accounted for in the same way as regular directly written insurance contracts. They are included under liabilities arising from insurance contracts.

Obligations to insurers where a.s.r. qualifies as the reinsurer, and with no significant insurance risk being transferred to a.s.r., are recognised as debts to policyholders.

Life insurance contracts with a discretionary participation features (DPF)
Under DPF life insurance contracts, policyholders are assigned, in addition to their entitlement to a guaranteed element, an entitlement to potentially significant additional benefits whose amount or timing is contractually at the discretion of a.s.r. These additional benefits are based on the performance of a specified pool of investment contracts, specific investments held by a.s.r. or on the issuer's operational result.

Expected entitlements to discretionary benefits are recorded in equity. Once a decision has been taken for discretionary participation features, any related benefits are recognised as liabilities.

Shadow accounting
The Group's insurance accounting policies include the application of shadow accounting which is a specialised accounting treatment commonly utilised in insurance accounting and is permitted under IFRS.
The purpose of shadow accounting is to help reduce potential accounting mismatches which can occur when related assets and liabilities:
- Are measured on a different basis; or
- Have changes in their measurements recorded in different IFRS performance statements (Income Statement or OCI).

Under shadow accounting, adjustments are made to the insurance liability to reflect the unrealised gains or losses from the financial instruments backing these insurance liabilities. For non-participating contracts, adjustments are made to the insurance liability to reflect the unrealised gains from the financial instruments (including derivatives) backing these insurance liabilities. In addition, shadow accounting is applied to the unrealised fair value losses on derivatives held to the extent that they are allocated to the entity.

The shadow accounting policy is applied to certain types of insurance liabilities:
- Insurance contracts with participation features;
- Non-participating insurance contracts (including disability insurance contracts) if and to the extent that the IFRS LAT would be triggered. This would be the case when current interest rates are lower than the interest rates that were used in the pricing principles at inception of the insurance contract.

Shadow accounting allows a recognised but unrealised gain or loss on an asset to affect the measurement of its insurance liabilities in the same way that a realised gain or loss does.

Shadow accounting is applied to unrealised value changes in fixed-income financial assets available for sale, specific financial assets designated at fair value through profit or loss, and specific derivatives (i.e. swaptions and interest rate and inflation rate swaps) that are backing the liabilities arising from insurance contracts. The related adjustment to the insurance liability is recognised in OCI if, and only if, the unrealised gains or losses are recognised in other comprehensive income. Unrealised gains and losses on assets at fair value through profit or loss are recognised in the income statement with a corresponding adjustment for shadow accounting in the income statement under 'Net insurance claims and benefits'.

No shadow accounting is applied to:
- Impairments; and
- Revaluations of debt instrument that have been subject to impairment.

In 2022, triggered by increasing interest rates, a.s.r. enhanced the application of shadow accounting, see accounting policy A.

IFRS Liability Adequacy Test Non-life
The LAT is performed at each reporting date to assess the adequacy of insurance liabilities. The insurance liabilities for the LAT are calculated in accordance with Solvency II, using the Ultimate Forward Rate (UFR) prevailing at the reporting date.

Where the Property & Casualty (P&C) (motor, fire and liability) and Health liabilities business is concerned, the LAT is performed using statistical analyses. Any identified losses are used as a basis for estimating future claims arising from an insurance contract from the portfolio on the balance sheet date. This is the best estimate. An appropriate risk margin is added. The risk margin is determined for each homogeneous risk group using the Cost of Capital (CoC) method that is also used for Life. With effect from 2016 the Non-life CoC rate of 6% is used for all Non-life business, including Disability. The total of best estimate and risk margin is compared to the technical provision recorded in the balance sheet.

The LAT for the disability portfolio is based on cash flow projections using realistic assumptions comparable to the LAT for the life portfolio (see below).

The total of best estimate and risk margin for Non-life segment as a whole, is compared to the technical provision recorded in the balance sheet. If there is a deficiency, the Non-life insurance liabilities are increased to adequate levels through a charge to the income statement.

IFRS Liability Adequacy Test Life
The LAT is performed at each reporting date to assess the adequacy of insurance liabilities. The insurance liabilities for the LAT are calculated in accordance with Solvency II, using the UFR prevailing at the reporting date.

Liabilities are adequate if the technical provision recognised in a.s.r.'s balance sheet for the Life segment as a whole at least equals the best estimate of the life insurance liabilities including an appropriate risk margin. If there is a deficiency in the life insurance liabilities, those liabilities are increased to adequate levels through a charge to the income statement.

Also unrecognised gains and losses from relevant assets that are not carried at fair value in the balance sheet are taken into account to the extent these assets are allocated to cover the insurance liabilities. The various elements of the LAT are further discussed below.

Best estimate
The best estimate of an insurance contract is the net present value of the projected cash flows of benefits and expenses, less the net present value of premiums. These cash flows are estimated using realistic, 'best estimate', assumptions in relation to mortality, longevity, lapse rate, expense and inflation. The best estimate assumptions regarding mortality and longevity include recent trend assumptions for life expectancy in the Netherlands, as provided by the Dutch Koninklijk Actuarieel Genootschap (Actuarial Association). The best estimate includes the intrinsic value and the time value of financial options and guarantees (TVOG) and is calculated using stochastic techniques.

Where applicable, the participating features of the insurance contracts, such as profit sharing, are taken into account in the future cash flows. The cash flows are discounted using the Euro swap curve including a credit risk adjustment (CRA), with UFR and volatility adjustment (VA).

In unit-linked contracts, the best estimate equals the fund value of the contract less the net present value of future margins on mortality and expense. Where unit-linked contracts with a guaranteed minimum benefit on expiration are concerned, the best estimate is increased by a TVOG.

Risk margin
The risk margin is determined for each homogeneous risk group using the CoC method. For life a CoC rate of 6% (2021: 6%) is used. a.s.r. uses the latest standard Solvency II model, to quantify the risks. The risks that are incorporated in the risk margin are: insurances risks, counterparty default risk related to reinsurance and operational risk. A projection of expected future risks is made and all these risks are projected into the future. The total risk for every future year is determined based on correlations between the risks described in the Solvency II standard model. The projected total risk for every year is multiplied by a cost of capital charge and discounted at the balance sheet date.

Options embedded in insurance contracts
Options embedded in insurance contracts are not stated separately. They are treated in the same way as the host contract. These options are recognised in the adequacy test, taking into consideration both the intrinsic and the time value.

K. Liabilities arising from insurance contracts on behalf of policyholders
Liabilities arising from insurance contracts for the account and risk of policyholders mainly concern unit-linked contracts.

An investment unit is a share in an investment fund that a.s.r. acquires on behalf of the policyholders using net premiums paid by the policyholders. The gain upon maturity of the contract is equal to the current value of the investment units of the fund in question. The current value of an investment unit (unit value) reflects the fair value of the financial assets held by a.s.r.'s investment funds divided by the number of units.

The fair value of the financial liabilities is obtained by multiplying the number of units attributed to each contract holder at the end of the reporting period by the unit value on the same date. Allowance is also made for liabilities arising from technical insurance risks (death, occupational disability).

Some unit-linked contracts include guaranteed benefits at maturity. To cover these guarantees, an additional obligation is recognised in the balance sheet that depends on the current fund value and the level of the guarantee. Actuarial assumptions about future fund developments and mortality are taken into account in the determination this obligation.

Liabilities arising from insurance contracts on behalf of policyholders also include obligations in connection with savings pools and group pension contracts, with policyholders bearing the investment risk. These liabilities also include a provision for compensation of possible high cost of the unit linked insurance contracts, as agreed in 2008 with the consumer organisations. The additional compensation related to the unit linked insurance contracts for the past has been included in the insurance liability and is therefore included in the investment portfolio. In addition, there is still a provision for compensation for claimants and compassionate and supportive policy 'flankerend beleid'.

For the LAT relating to the liabilities arising from insurance contracts on behalf of policyholders see accounting policy J.

L. Liabilities arising from investment contracts

Investment contracts comprise investment contracts on behalf of policyholders that bear no insurance risk and for which the actual return on investments allocated to the contract is passed on to the policyholder. Investment contract liabilities are recognised when the contract is entered into and is derecognised when the contact expires, is discharged, cancelled or substantially modified.

M. Employee benefits (IAS 19)

Pension obligations

a.s.r. has with effect 2021, defined contribution (DC) plans for all its employees, including employees that are employed by entities that operate in the Distribution and Service segment. For these DC plans, a.s.r. pays contributions to privately administered pension insurance plans with ASR Levensverzekering N.V. (hereafter a.s.r. life) on a contractual basis. a.s.r. life recognises these contracts as insurance contracts. They are accounted for in accordance with liabilities arising from insurance contracts (accounting policy J).

a.s.r. has no further payment obligations to the employees once the contributions have been paid. The contributions are recognised as operating expenses in the income statement during the period the services are rendered. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

In addition, a number of defined benefit (DB) plans for own employees exist, which ended at the end of 2020, and were left non-contributory. The defined benefit obligation continues to exist. The plans are schemes under which employees are awarded pension benefits upon retirement, usually dependent on one or more factors, such as years of service and compensation. The defined benefit obligation is calculated at each reporting date by independent actuaries.

The liability in respect of DB plans is the present value of the defined benefit obligation at the balance sheet date, less the fair value of the plan assets where the pension plans are insured by third parties.

a.s.r. life administers most of the post-employment benefit plans and holds the investments that are intended to cover the employee benefit obligation. These investments do not qualify as plan assets in the consolidated financial statements under IFRS.

Pension obligations are calculated using the projected unit credit method. Inherent to this method is the application of actuarial assumptions for discount rates, future salary increases and bonuses, mortality rates and consumer price indices. The assumptions are updated and checked at each reporting date, based on available market data. The assumptions and reports were reviewed by Risk Management.

Actuarial assumptions may differ from actual results due to changes in market conditions, economic trends, mortality trends and other assumptions. Any change in these assumptions can have a significant impact on the defined benefit obligation and future pension costs.

Changes in the expected actuarial assumptions and differences with the actual actuarial outcomes are recognised in the actuarial gains and losses included in other comprehensive income (component of total equity).

When employee benefit plans are modified and when no further obligations exist, a gain or loss, resulting from the changes are recognised directly in the income statement. Consistent with the calculation of a gain or loss on a plan amendment, a.s.r. will use updated actuarial assumptions to determine the current service cost and net interest for the remainder of the annual reporting period upon the time of such amendment. The effect of the asset ceiling, if applicable, is disregarded when calculating the gain or loss on any settlement of the plan.

The financing cost related to employee benefits is recognised in interest expense. The current service costs are included in operating expenses.

Other long-term employee benefits

Plans that offer benefits for long-service (leave), but do not qualify as a post-employment benefit plan, such as jubilee benefits, are measured at present value using the projected unit credit method and changes are recognised directly in the income statement.

Other post-retirements obligations

a.s.r. offers post-employment benefit plans, such as arrangement for mortgage loans at a discount (fixed amount, reference date December 2017). The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting methodology that is similar to that for DB plans.

Vacation entitlements
A liability is formed for the vacation days which have not been taken at year-end.

N. Acquisitions (Business combinations)
Acquisitions are accounted for according to the acquisition method, with the cost of the acquisitions being allocated to the fair value of the acquired identifiable assets, liabilities and contingent liabilities. Goodwill, being the difference between the cost of the acquisition and a.s.r.'s interest in the fair value of the acquired identifiable assets, liabilities and contingent liabilities on the acquisition date, is capitalised as an intangible asset. Any gain as a result of a purchase is recognised directly in the statement of profit or loss. Any change, in the fair value of acquired assets and liabilities at the acquisition date, determined within one year after acquisition, is recognised as an adjustment charged to goodwill in case of a preliminary valuation. Adjustments that occur after a period of one year are recognised in the income statement.

Adjustments to the purchase price that are contingent on future events, and to the extent that these are not already included in the purchase price, are included in the purchase price of the acquisition at the time the adjustment is likely and can be measured reliably.

Where applicable in the notes to the financial statements the acquisitions are recognised in the changes in the composition of the group.

6.3.5 Other accounting policies

O. Basis for consolidation - subsidiaries
The consolidated financial statements include the financial statements of a.s.r. and its subsidiaries. Subsidiaries are those entities (which may include deemed separate entities, the so-called silos and investments on behalf of policyholders) over which a.s.r. has control. Control exists when a.s.r. is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. This is the case if more than half of the voting rights may be exercised or if a.s.r. has control in any other manner. Subsidiaries are fully consolidated from the date on which control is acquired by a.s.r. and are deconsolidated when control ceases to exist.

A subsidiary's assets, liabilities and contingent liabilities are measured at fair value on the acquisition date and are subsequently accounted for in accordance with a.s.r.'s accounting policies, which are consistent with IFRS.

Non-controlling interests are initially stated at their proportionate share in the fair value of the net assets on the acquisition date and are subsequently adjusted for the non-controlling interest in changes in the subsidiary's equity.

Intragroup transactions
Intragroup balances and transactions between consolidated group companies are eliminated. Gains and losses on transactions between a.s.r. and associates and joint ventures are eliminated to the extent of a.s.r.'s interest in these entities.

P. Product classification
Insurance contracts are defined as contracts under which a.s.r. accepts significant insurance risk from policyholders by agreeing to compensate policyholders if a specified uncertain future event adversely affects the policyholder. These contracts are considered insurance contracts throughout the remaining term to maturity, irrespective of when the insured event occurs. In addition, these contracts can also transfer FR.

a.s.r. offers non-life insurance contracts and life insurance contracts.

Non-life insurance contracts
Non-life insurance contracts are contracts that provide cover that is not related to the life or death of insured persons. These insurance contracts are classified into the following categories: Disability, Health, P&C (motor, fire and liability) and Other.

Life insurance contracts
Life insurance contracts (in cash) include savings-linked mortgages, annuities, term insurance policies, savings contracts and funeral insurance contracts. In addition to non-participating life insurance contracts, the insurance portfolio also includes:
- Individual and group participating contracts;
- Individual contracts with DPF (see accounting policy J);
- Group contracts with segregated pools with return on investment guarantees.

Life insurance contracts on behalf of policyholders
Claims from these life insurance contracts are directly linked to the underlying investments. The investment risk and return are borne fully for policyholders (see accounting policy K). Life insurance contracts for the account and risk of policyholders generally consist of contracts where premiums, after deduction of costs and risk premium, are invested in unit-linked funds. For some individual contracts, a.s.r. guarantees returns on unit-linked investment funds. In addition, group contracts with segregated pools are classified as life insurance contracts on behalf of policyholders.

Q. Segment information
At organisational level, a.s.r.'s operations have been divided into five operating segments. The main segments are the Non-life and Life segment that include all insurance activities. The non-insurance activities are presented as three separate segments being the Asset Management, Distribution and Services and Holding and Other segment. There is a clear difference between the risk and return profiles of these five segments.

Intersegment transactions or transfers are conducted at arm's length conditions. For detailed information per segment, see chapter 6.4.

R. Transaction date and settlement date

All purchases and sales of financial instruments, which have to be settled in accordance with standard market conventions, are recognised at the transaction date, which is the date on which a.s.r. becomes party to the contractual stipulations of the instrument. Any purchases and sales other than those requiring delivery within the time frame established by regulations or market conventions are accounted for as forward transactions until the time of settlement. See accounting policy I.

S. Securities lending

a.s.r. participates in securities lending transactions, whereby collateral is received in the form of securities or cash. Cash received as collateral is recognised in the balance sheet and a corresponding liability is recognised as liabilities arising from securities lending in 'Due to banks'. Securities lent remain on the balance sheet. Securities received as collateral are not recognised in the balance sheet.

T. Statement of cash flows

The statement of cash flows classifies cash flows by operating activities, investing activities and financing activities. Cash flows denominated in foreign currencies are converted at the exchange rates applicable on the transaction date.

Cash flows from operating activities are reported using the indirect method. Cash flows from operating activities include result before tax, adjustments for gains and losses that did not result in income and payments in the same financial year, adjustments for movements in provisions, and accrued and deferred items.

The statement of cash flows recognises interest received and paid, and dividends received within cash flows from operating activities. Cash flows from purchasing and selling investments and investment property are included in cash flows from operating activities on a net basis. Dividends paid are recognised within cash flows from financing activities.

U. Property, plant and equipment

Property held for own use and plant

Property held for own use and plant, comprise of land, office buildings, wind farms and solar parks, are measured at fair value (revaluation model) based on annual valuations. The valuation are conducted by external independent valuators with adequate professional expertise and experience in the specific location and categories of properties or plant.

They are subsequently measured at fair value, including any unrealised fair value changes in equity, taking into account any deferred tax liabilities. For the method of determining the fair value reference is made to accounting policy B for investment property and plant.

Increase in the fair value exceeding the cost price is added to the revaluation reserve in shareholders' equity, less deferred taxes. Decreases in the fair value that offset previous increases of the same asset, are charged against the revaluation reserve. The revaluation reserve cannot be negative. All other decreases in fair value are accounted for in the income statement. Increases that reverse a revaluation decrease on the same asset previously recognised in net result are recognised in the income statement.

Buildings, wind farms and solar parks are depreciated using the straight-line method based on expected useful life, taking into account their fair value amount, the residual value from the time when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The useful life of buildings is assessed annually for every individual component (component approach).

Property and plant classified into components and their maximum life

Components	Useful life (expressed in years)
Land	n.a.
Shell	50
Outer layer	30
Wind turbines	25
Solar panels	25
Systems	20
Fittings and fixtures	15

Repair and maintenance costs are charged to the income statement in the period in which they are incurred. Expenses incurred after the acquisition of an asset are capitalised if it is probable that the future economic benefits will flow to a.s.r. and the cost of the asset can be measured reliably.

Upon the sale of a property or plant, the part of the revaluation reserve related to the sold property or plant, within equity, is transferred to 'other reserves' and is not reclassified to the income statement. Therefore annually a transfer is also made from the revaluation reserve related to 'other reserves' in line with the depreciation recognised in the income statement for the revalued portion.

Equipment

Equipment is recognised at cost, less accumulated depreciation and/or any accumulated impairment losses. Cost corresponds with the cash paid or the fair value of the consideration given to acquire the asset.

Equipment is depreciated over its useful life, which is determined individually (usually between three and five years). Repair and maintenance costs are charged to the income statement in the period in which they are incurred. Expenses incurred after the acquisition of an asset are capitalised if it is probable that the future economic benefits will flow to a.s.r. and the cost of the asset can be measured reliably.

Accounting for borrowing costs attributable to the construction of property, plant and equipment is the same as accounting for borrowing costs attributable to investment property. For details, see accounting policy D.

Right-of-use assets

Right-of-use assets are recognised for lease contracts for which a.s.r. is the lessee. For more information reference is made to accounting policy BB.

V. Associates and joint ventures

Associates

Associates are entities over which a.s.r. has significant influence on operating and financial contracts, without having control. Generally, associates are accounted for using the equity method from the date at which a.s.r. acquires significant influence until the date at which such influence ceases. This means that associates are initially recognised at cost, including any goodwill paid. This value is subsequently adjusted to take account of a.s.r.'s share of the associate's comprehensive income. Comprehensive income is adjusted in accordance with the accounting principles used by a.s.r.

Losses are accounted for until the carrying amount of the investment has reached zero. Further provisions are recognised only to the extent that a.s.r. has incurred legal or constructive obligations concerning these associates.

If objective evidence of impairment exists, associates are tested for impairment and, if necessary, written down.

When the application of the equity method produces information that is not relevant to the investors, a.s.r. may use the exemption of IAS 28 to measure the investments in those associates at fair value through profit or loss in accordance with IAS 39. a.s.r. applies fair value measurement for investments in real estate equity funds and mortgage equity funds, over which a.s.r. has significant influence.

Joint ventures

Joint ventures are contractual arrangements whereby a.s.r. and one or more parties undertake an economic activity that is subject to joint control. Joint control exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

These interests are accounted for using the equity method as applied to associates. The interests are recognised in the financial statements from the date on which a.s.r. first obtains joint control until the date that this joint control ceases.

If objective evidence of impairment exists, joint ventures are tested for impairment and, if necessary an impairment is recognised in the income statement.

Joint operations

a.s.r. has a limited number of non-material joint operations. These are recognised in relation to a.s.r.'s interest in the joint operation's individual balance sheet and income statement items.

W. Reinsurance contracts

Contracts that transfer a significant insurance risk from a.s.r. to third parties are accounted for as reinsurance contracts, and are classified as outgoing reinsurance.

The amounts that can be collected from reinsurers are estimated using a method that is in line with the reinsurance contract and the method for determining liabilities arising from reinsurance contracts.

Assets arising from reinsurance contracts are recognised under reinsurance contracts, except for current receivables from reinsurers, which are included under loans and receivables.

At each reporting date, a.s.r. assesses whether objective evidence of impairment exists. If a reinsurance asset is impaired, its carrying amount is reduced to its recoverable amount.

X. Other assets

Other assets include accrued investment and interest income, property developments, tax assets and accrued assets.

Property developments consist of property under development commissioned by third parties. Development property is measured at cost including any incremental costs (if a.s.r. expects to recover those costs), directly related costs to the contract (i.e. labour, materials, allocation of directly related costs, payments to subcontractors) and construction period interest, less any invoiced instalments and impairments.

Revenue on property development is primarily accounted for at the moment the property is sold. This is a performance obligation satisfied at a point in time. The point in time is the moment a customer obtains control of the promised asset.

Property developments which are sold can have guarantees (such as rent guarantees or construction guarantees), which may give rise to a separate performance obligation.

Y. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, cash collateral and other short-term highly liquid investments that are not subject to a significant risk of changes in value. Cash and cash equivalents are measured at fair value through profit or loss.

Z. Equity

Share capital and share premium reserve

The share capital disclosed in the balance sheet consists of issued and fully paid-up ordinary shares. The share premium reserve comprises additional paid-in capital in excess of the par value of the shares.

Reserve for unrealised gains and losses

This reserve consists of:

- Unrealised gains and losses from assets available for sale net of tax and taking account of adjustments due to shadow accounting (see accounting policy J);
- The share of unrealised gains and losses of associates and joint ventures held by a.s.r. (see accounting policy V);
- Unrealised change in value of property for own use (see accounting policy U);
- Reserve for discretionary participation features (see accounting policy J);
- Reserve for exchange rate differences arising from assets available for sale.

Actuarial gains and losses

Actuarial gains and losses result from the post-employment benefit pension plans (see accounting policy M).

Retained earnings

Retained earnings also include other reserves.

Other equity instruments

This item represents the par value of the other equity instruments. Costs directly attributable to the equity issue and the tax impact thereof are recognised in retained earnings.

Treasury shares

Treasury shares are a.s.r.'s own ordinary shares that have been issued and subsequently reacquired by a.s.r. Treasury shares are deducted from equity, regardless of the objective of the transaction. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the instruments. If sold, the difference between the carrying amount and the proceeds is reflected in retained earnings. The consideration paid or received is recognised directly in shareholders' equity. All treasury shares are eliminated in the calculation of earnings per share and dividend per ordinary share.

Treasury shares are either required as part of the share buy-back programme, or acquired and resold as part of the employee share purchase plan, see chapter 6.7.6.

Non-controlling interest

The non-controlling interest relates to the equity in a consolidated subsidiary not attributable, directly or indirectly, to a.s.r. (see accounting policy O).

Dividends on ordinary share capital

Dividends on ordinary shares are recognised as a liability and recognised in equity when they are approved by a.s.r.'s shareholders. Interim dividends are recognised in equity when they are paid.

Dividends for the year that are approved after the reporting date are treated as an event after the reporting date.

Discretionary interest on other equity instruments

Discretionary interest on other equity instruments is recognised in equity upon payment. The related income tax on these equity instruments is recognised in the income statement.

AA. Financing

Financing includes borrowings, due to customers, due to banks, subordinated liabilities and other financial liabilities. On initial recognition, debt instruments and other loans are stated at fair value, net of transaction costs incurred. Subsequent valuation is at amortised cost. Any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Lease liabilities are included under borrowings and measured in accordance with accounting policy BB.

BB. Leasing

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. For contracts that contain a lease component and one or more additional lease or non-lease components a.s.r. applies the practical expedient not to separate non-lease components from lease components.

At the commencement date of the lease, a.s.r. recognises a right-of-use asset and a lease liability. The right-of-use asset comprises the amount of the lease liability at initial measurement. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date. For vehicles, the lease payments are discounted using the interest rate implicit in the lease. For other leases a.s.r.'s incremental borrowing rate is used.

Subsequently, the right-of-use asset is valued at cost less any cumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The lease liability is increased with interest accrued and reduced for lease payments made. When applicable the lease liability is remeasured for changes in future payments resulting from a change in index or lease term.

The right-of-use assets are presented under property, plant and equipment. The lease liabilities are presented under borrowings.

CC. Insurance premiums

Non-life insurance premiums

Non-life insurance premiums are accounted for in the period in which they are earned. As indicated in accounting policy J, invoiced but not yet earned premiums are included under liabilities arising from insurance contracts.

Life insurance premiums

Life insurance premiums relating to life insurance contracts are recognised as income when received from policyholders. Liabilities arising from insurance contracts are recognised based on estimated future benefits and expenses, and charged to the income statement. These expenses are recorded within 'insurance claims and benefits'. Therefore, in accordance with the matching principle, the profits are realised over the estimated term of the contracts.

DD. Investment income

Investment income primarily comprises interest income, dividends on equities and rentals from investment property.

Interest income

Interest income for all interest-bearing instruments is recognised using the effective interest method, including all transaction costs incurred and share premium / discount. When a receivable is impaired, its carrying amount is reduced to the recoverable amount, i.e. estimated future cash flows discounted at the original effective interest rate of the instrument.

Dividends

Dividend income is recognised in the income statement when a right to receive payment is established.

Rental income

Rental income from investment property is allocated to the period to which they relate.

EE. Realised gains and losses

Realised gains and losses include proceeds from the disposal of financial assets available for sale, associates and joint ventures and loans and receivables.

With respect to financial assets available for sale, realised gains or losses comprise:

- The proceeds from the sale or disposal of an asset or liability less the amortised cost of the asset or liability sold;
- Impairments previously recognised (except for equity instruments).

Any unrealised gains and losses previously recorded in equity (the difference between the carrying amount and amortised cost) are recognised in the income statement.

FF. Fair value gains and losses

Fair value gains and losses include realised and unrealised changes in the value of financial assets at fair value through profit or loss, derivatives and investment property held at fair value. With respect to derivatives, this is based on the fair value excluding accrued interest (clean fair value).

GG. Result on investments on behalf of policyholders

Investments on behalf of policyholders are measured at fair value through profit or loss. Any changes in value are recognised in result on investments on behalf of policyholders. This also includes interest income and dividends received on investments on behalf of policyholders.

HH. Result on investments related to investment contracts

Investments related to investment contracts are measured at fair value through profit or loss. Any changes in value are recognised in result on investments related to investment contracts. This also includes interest income and dividends received.

II. Fee and commission income

Determining the revenue to be recognised from fee and commission income relating to contracts with customers is based on a 5-step model:
Step 1 – Identifying the contract
Step 2 – Identify the performance obligation
Step 3 – Determining the transaction price
Step 4 – Allocating the transaction price to performance obligations
Step 5 – Recognising revenue when the performance obligation is satisfied.

A contract with a customer generally explicitly states the goods or services that a.s.r. promises to transfer to a customer. The transaction price is the amount of consideration to which a.s.r. expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. a.s.r. allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which a.s.r. expects to be entitled in exchange for transferring the promised goods or services to the customer.

a.s.r. satisfies its performance obligation by transferring control of a good or service over time and as a result recognises revenue over time. a.s.r. determined that the output method is the best method in measuring progress of the related services because the selected measure reflects best the services for which control has transferred to the customer. a.s.r. recognises revenue on the basis of the time elapsed relative to the total term of performing the service.

Fee and commission income relates mainly to asset management, Distribution and services, investment contracts and reinsurance fees. These items are recognised as income in the period in which the services are performed. The asset management fees are periodically charged to the fund (or individual) customer for which the services were performed. The reinsurance and distribution and services fees are invoiced regularly with normal commercial payment terms.

JJ. Insurance claims and benefits

This item includes changes in liabilities arising from insurance contracts (see accounting policy J) and the related benefits. Expenses associated with contracts on behalf of policyholders relate to changes in liabilities arising from insurance contracts on behalf of policyholders, including the benefits charged to the liabilities.

KK. Operating expenses

This item relates to expenses associated with a.s.r.'s operations that are directly attributable to the reporting period, such as marketing costs, ICT expenses, consulting fees, business accommodation expenses, cost of temporary employees, and depreciation charges. Personnel expenses are mainly comprised of salaries, social security contributions and pension costs.

LL. Commission expenses

This mainly relates to commissions paid. Commission paid to acquire insurance contracts are charged to the income statement, generally within one year.

MM. Impairments

An asset is impaired when its carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement as soon as they are identified. For details, see the relevant items of chapter 6.3.4 as mentioned earlier.

NN. Income tax expense

Income tax is based on result before tax, after any adjustments for previous periods and changes in deferred tax assets and liabilities using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Income tax is recognised in the period in which the income was earned.

Deferred taxes in respect of revalued assets and liabilities, whose value adjustments were directly credited or charged to equity, are taken to equity and, upon realisation, included in the income statement together with the value adjustments.

OO. Solvency II

In accordance with the Solvency II regulations (2009/138/EG art. 75 - 86), Solvency II figures are based on fair value.

Fair value measurement is based on the same fair value hierarchy described in the IFRS accounting policies (see accounting policy B).

Most important adjustments in the balance sheet, compared to IFRS, are the valuation of the (savings-linked) mortgage loans-portfolio and the liabilities arising from insurance contracts (including the risk margin). Basis of Solvency II Eligible own funds (EOF) is the excess of assets over liabilities, adjusted with some specific EOF-items (subordinated liabilities which classify as EOF under Solvency II and foreseeable dividend). The Solvency Capital Requirement (SCR) of a.s.r. is based on the standard model, including the calculation of the Loss Absorbing Capacity of Deferred Tax (LAC DT). The LAC DT methodology is reviewed and properly documented. Usage of the models is agreed upon with DNB.

The Solvency II ratio externally reported by a.s.r. is excluding financial institutions.

6.4 Group structure and segment information

6.4.1 Group structure

The a.s.r. group comprises a number of operating and holding companies.

ASR Nederland N.V.

- ASR Ziektekosten-verzekeringen N.V.
  - ASR Basis Ziektekosten-verzekeringen N.V.[1]
  - ASR Aanvullende Ziektekosten-verzekeringen N.V.[1]
  - ASR Wlz-uitvoerder B.V.
- ASR Schade-verzekering N.V.[1]
- ASR Levens-verzekering N.V.[2]
  - ASR Infrastructure Renewables B.V.
- ASR Vermogensbeheer N.V.[3]
- *(through D&S Holding B.V.)*
  - PoliService B.V.[3]
  - Van Kampen Groep Holding B.V.[3]
  - As part of Van Kampen Groep Holding B.V.: Van Kampen Geld B.V.[3]
  - As part of D&S Participaties B.V.: Assurantiekantoor Lodewijk B.V.[3], Van Helvoort Assuradeuren B.V.[3], Van Helvoort Registermakelaars in Assurantiën B.V.[3]
  - As part of Dutch ID B.V.: Felison Assuradeuren B.V.[3] and Boval Assurantiën B.V.[3]
  - Supergarant Verzekeringen B.V.[3], and through Certitudo Investments B.V.: ZZP Nederland Verzekeringen B.V.[3] and Bedrijfsartsengroep Holding B.V.
  - Anac, All-Finance Nederland Advies-Combinatie B.V.[3] and Anac Verzekeringen B.V.[3]
- *(through ASR Deelnemingen N.V.)*
  - ASR Real Estate B.V.[3]
  - ASR Vastgoed Projecten B.V.
  - Corins B.V.[3]
  - ASR Vitaliteit & Preventieve Diensten B.V.
  - ASR Premiepensioeninstelling N.V.[3]
- ASR Vooruit B.V.[3]

1 Registered non-life insurance companies.
2 Registered life insurance companies.
3 Other Wft registered companies.

Segment information

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

Insurance activities

Insurance entities are entities that accept the transfer of insurance risks from policyholders. The Non-life segment consists of non-life insurance entities and their subsidiaries. These non-life insurance entities offer Non-life insurance contracts such as disability insurance and property and casualty insurance. The Life segment comprises the life insurance entity and its subsidiaries. This 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. (a.s.r. PPI, 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. See chapter 6.7.9 for a list of principal group companies and associates in the relevant segments.

Other activities

The other activities consist of:

- The Asset Management segment involves all activities related to asset management including investment property management. These activities include amongst others ASR Vermogensbeheer N.V., ASR 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 other 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); and
- 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 to the consolidated balance sheet and the consolidated income statement are separately presented in chapter 6.4.2 and 6.4.3.

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 consolidated financial statements (see chapter 6.3). 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 as defined in chapter 6.10.

6.4.2 Segmented balance sheet

Segmented balance sheet

As at 31 December 2022	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	78	116	41	183	-	-	418
Property, plant and equipment	-	637	-	13	238	-209	679
Investment property	49	616	-	-	-	-	664
Associates and joint ventures at equity method	-	3	-	9	66	-	79
Investments	6,077	17,459	-	-	5,295	-3,193	25,640
Investments on behalf of policyholders	-	9,912	-	-	-	-	9,912
Investments related to investment contracts	-	2,000	-	-	-	-	2,000
Loans and receivables	2,394	14,938	19	50	132	-361	17,171
Derivatives	185	5,240	-	-	3	-	5,428
Deferred tax assets	-	283	-	-	-	-164	119
Reinsurance contracts	212	145	-	-	-	-	357
Other assets	140	646	29	15	-	-2	828
Cash and cash equivalents	262	1,720	85	46	132	-	2,245
Total assets	**9,397**	**53,715**	**174**	**317**	**5,865**	**-3,929**	**65,539**

As at 31 December 2022	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Equity attributable to holders of equity instruments	1,698	4,663	150	46	360	-192	6,726
Non-controlling interests	4	22	-	-	1	-	27
Total equity	**1,702**	**4,685**	**150**	**46**	**361**	**-192**	**6,753**
Subordinated liabilities	71	-	-	-	1,980	-71	1,980
Liabilities arising from insurance contracts	7,027	25,184	-	-	-	-2,579	29,633
Liabilities arising from insurance contracts on behalf of policyholders	-	13,007	-	-	-	-	13,007
Liabilities arising from investment contracts	-	2,000	-	-	-	-	2,000
Employee benefits	-	-	-	-	2,742	-	2,742
Provisions	1	13	-	-	4	-	18
Borrowings	-	199	-	199	307	-491	214
Derivatives	315	5,208	-	-	-	-	5,523
Deferred tax liabilities	82	-	6	9	134	-231	-
Due to customers	108	679	-	21	-	-338	471
Due to banks	21	2,163	-	-	78	-	2,262
Other liabilities	70	576	18	41	260	-28	938
Total liabilities	**7,695**	**49,030**	**24**	**271**	**5,504**	**-3,737**	**58,787**
Total equity and liabilities	**9,397**	**53,715**	**174**	**317**	**5,865**	**-3,929**	**65,539**
Additions to							
Intangible assets	-	1	6	18	-	-	25
Property and equipment	-	169	-	5	5	-	179
Total additions	**-**	**170**	**6**	**22**	**5**	**-**	**204**

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**

As at 31 December 2021	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
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 and equipment	-	370	-	3	14	-	387
Total additions	**-**	**440**	**28**	**27**	**14**	**-**	**508**

6.4.3 Segmented income statement and operating result

Segmented income statement and operating result

2022	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Gross written premiums	4,276	1,952	-	-	-	-187	6,041
Change in provision for unearned premiums	-4	-	-	-	-	-	-4
Gross insurance premiums	**4,272**	**1,952**	**-**	**-**	**-**	**-187**	**6,037**
Reinsurance premiums	-113	-1	-	-	-	-	-114
Net insurance premiums	**4,159**	**1,951**	**-**	**-**		**-187**	**5,923**
Investment income	195	1,523	-	1	111	-97	1,732
Realised gains and losses	-34	-335	-	-	3	78	-288
Fair value gains and losses	-76	154	-	-	-3	-38	38
Result on investments on behalf of policyholders	-	-1,943	-	-	-	-	-1,943
Result on investments related to investment contracts	-	-351	-	-	-	-	-351
Fee and commission income	24	19	201	122	-	-118	247
Other income	1	127	-	1	15	-	144
Share of result of associates and joint ventures	-	-	-	1	-3	-	-3
Total income	**4,269**	**1,145**	**201**	**124**	**123**	**-362**	**5,500**
Insurance claims and benefits	-3,290	180	-	-	-	126	-2,984
Insurance claims and benefits recovered from reinsurers	63	1	-	-	-	-	64
Net insurance claims and benefits	**-3,227**	**181**	**-**	**-**		**126**	**-2,919**

2022	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Changes in liabilities arising from investment contracts	-	351	-	-	-	-	351
Operating expenses	-286	-182	-115	-102	-146	52	-779
Restructuring provision expenses	-3	1	-	-	-1	-	-4
Commission expenses	-602	-20	-29	-	-	62	-589
Impairments	-36	-76	-	-	17	-	-95
Interest expense	-24	-337	-	-2	-62	-21	-447
Other expenses	-4	-40	-18	-5	-34	12	-90
Total expenses	**-955**	**-303**	**-163**	**-110**	**-226**	**104**	**-1,652**
Result before tax	**87**	**1,023**	**38**	**15**	**-103**	**-131**	**929**
Income tax (expense) / gain	-14	-245	-10	-4	34	34	-204
Net result	**73**	**779**	**28**	**11**	**-68**	**-97**	**725**
Attributable to:							
Non-controlling interests	-	1	-	-	-9	-	-8
- Shareholders of the parent	73	778	28	10	-107	-97	685
- Holders of other equity instruments	-	-	-	-	48	-	48
Result attributable to holders of equity instruments	**73**	**778**	**28**	**10**	**-59**	**-97**	**733**

Operating result

2022	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Result before tax	**87**	**1,023**	**38**	**15**	**-103**	**-131**	**929**
minus: investment related	-127	187	-	-	18	-1	78
minus: incidentals	-112	68	-1	-11	-	-132	-188
Operating result	**325**	**768**	**39**	**25**	**-120**	**2**	**1,039**

In 2022, incidentals are mainly related to strengthening of Non-life provisions due to the 10% increase of the legal minimum wage as of 1 January 2023 (€ -91 million for the 8% extra increase on top of the 2% normally provisioned), results of the employee benefit pension scheme, amortisations of VOBA on the acquisitions of Loyalis and Veherex (see chapter 6.5.1), M&A costs related to the business combination of a.s.r. and Aegon Nederland N.V., project costs for the implementation of IFRS 17 and IFRS 9 and start-up costs for innovations.

For more information see chapter 6.10.

Impairments

2022		Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Associates and joint ventures	Impairment	-	-	-	-	-1	-	-1
	Reversal	-	-	-	-	-	-	-
Investments	Impairment	-35	-98	-	-	-	-	-133
	Reversal	-	23	-	-	-	-	23
Loans and receivables	Impairment	-8	-2	-	-	-	-	-10
	Reversal	6	2	-	-	19	-	27
Total impairments	**Impairment**	**-43**	**-101**	**-**	**-**	**-1**	**-**	**-145**
	Reversal	**7**	**24**	**-**	**-**	**19**	**-**	**50**
	Total	**-36**	**-76**	**-**	**-**	**17**	**-**	**-95**

Segmented income statement and operating result

2021	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Gross written premiums	4,124	1,893	-	-	-	-157	5,859
Change in provision for unearned premiums	16	-	-	-	-	-	16
Gross insurance premiums	**4,140**	**1,893**	**-**	**-**	**-**	**-157**	**5,875**
Reinsurance premiums	-98	-1	-	-	-	-	-99
Net insurance premiums	**4,042**	**1,892**	**-**	**-**	**-**	**-157**	**5,777**
Investment income	142	1,422	-	-	10	-4	1,571
Realised gains and losses	45	422	-	-	34	-11	490
Fair value gains and losses	16	94	-	-	-2	2	110
Result on investments on behalf of policyholders	-	1,636	-	-	-	-	1,636
Result on investments related to investment contracts	-	185	-	-	-	-	185
Fee and commission income	23	12	161	117	-	-110	204
Other income	1	23	-	2	32	-2	56
Share of result of associates and joint ventures	-	1	-	1	7	-	9
Total income	**4,269**	**5,688**	**161**	**119**	**81**	**-283**	**10,036**
Insurance claims and benefits	-3,079	-3,986	-	-	-	219	-6,846
Insurance claims and benefits recovered from reinsurers	23	7	-	-	-	-	29
Net insurance claims and benefits	**-3,056**	**-3,980**	**-**	**-**	**-**	**219**	**-6,817**

2021	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Changes in liabilities arising from investment contracts	-	-185	-	-	-	-	-185
Operating expenses	-269	-173	-102	-94	-137	51	-725
Restructuring provision expenses	-3	-1	-	-	-	-	-4
Commission expenses	-564	-19	-	-	-	57	-526
Impairments	-1	-13	-	-9	-	-	-22
Interest expense	-15	-293	-1	-1	-9	-43	-362
Other expenses	-4	-43	-23	-6	-126	16	-186
Total expenses	**-856**	**-727**	**-125**	**-110**	**-272**	**80**	**-2,010**
Result before tax	**357**	**981**	**36**	**10**	**-191**	**16**	**1,209**
Income tax (expense) / gain	-88	-230	-9	-5	65	-3	-270
Net result	**269**	**751**	**27**	**5**	**-126**	**13**	**939**
Attributable to:							
Non-controlling interests	-	1	-	-	-4	-	-3
- Shareholders of the parent	269	750	27	5	-170	13	894
- Holders of other equity instruments	-	-	-	-	48	-	48
Result attributable to holders of equity instruments	**269**	**750**	**27**	**5**	**-122**	**13**	**942**

Operating result

2021	Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Result before tax	**357**	**981**	**36**	**10**	**-191**	**16**	**1,209**
minus: investment related	57	217	-	-	32	-3	303
minus: incidentals	-22	11	-	-18	-93	18	-104
Operating result	**322**	**754**	**36**	**28**	**-131**	**1**	**1,009**

In 2021, incidentals are mainly related to results of the employee benefit pension scheme, amortisations of VOBA on the acquisitions of Loyalis and Veherex (see chapter 6.5.1), project costs for the implementation of IFRS 17 and IFRS 9 and start-up costs for innovations.

Starting from 2022, the inflation linked value changes are classified as non-operating result. The comparative 2021 figures for the operating result of Non-life and Life have been adjusted accordingly for respectively € -3 million and € -9 million.

Impairments

2021		Non-life	Life	Asset Management	Distribution and Services	Holding and Other	Eliminations	Total
Intangible assets	Impairment	-	-	-	-9	-	-	-9
	Reversal	-	-	-	-	-	-	-
Investments	Impairment	-3	-12	-	-	-	-	-16
	Reversal	3	-	-	-	-	-	3
Loans and receivables	Impairment	-13	-2	-	-	-	-	-15
	Reversal	12	2	-	-	-	-	14
Total impairments	**Impairment**	**-16**	**-15**	**-**	**-9**	**-**	**-**	**-40**
	Reversal	**15**	**2**	**-**	**-**	**-**	**-**	**17**
	Total	**-1**	**-13**	**-**	**-9**	**-**	**-**	**-22**

6.4.4 Non-life ratios

Non-life combined ratio

	2022	2021
Claims ratio	74.0%	73.7%
Commission ratio	13.9%	13.3%
Expense ratio	6.7%	6.5%
Combined ratio	**94.6%**	**93.6%**

Non-life combined ratio per business line

	2022	2021
Property & Casualty (P&C)	93.9%	91.9%
Disability	89.3%	91.6%
P&C and Disability	91.7%	91.8%
Health	100.8%	96.2%

The COR increased to 94.6% (2021: 93.6%) due to the increased COR's of the Health and P&C product lines as outlined below. The non-life business mix shifted, with growth in Disability and P&C and contraction in Health. This resulted in an increase in the commission ratio and expense ratio.

In P&C, the COR amounted to 93.9% (2021: 91.9%). Despite the increase of 2%-points, the combined ratio and underlying business performance remained strong. 2021 was impacted positively by COVID-19 restrictions, partly offset by the July floods and reserve strengthening. This year, weather related calamities (the ‘triple storm’ in February) and large claims had a higher impact than last year, and the level of claims rose due to increased traffic intensity as lockdown measures were lifted.

In Disability, the COR amounted to 89.3% (2021: 91.6%). The COR improved by 2.3%-point mainly due to improved underwriting results in Individual Disability and Sickness leave. The impact of the 8% extra increase of the minimum wage to a total of 10% was excluded from the COR. The COR including this impact amounted to 95.6%. (+6.2%-points).

The COR of Health deteriorated by 4.6%-points to 100.8%. In 2021, Health benefited from government support related to COVID-19 and an extraordinary inflow of customers. This year, a net outflow in combination with unfavorable claims experience, resulted in an increase of the COR. In addition, due to a large inflow in customers (to be insured in 2023), acquisition costs were taken into account in 2022, leading to an impact of 0.8%-points on the COR.

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

Claims, commission and expenses

	2022	2021
Net insurance premiums Non-life	4,159	4,042
Net insurance claims and benefits	-3,227	-3,056
Adjustments:		
- Interest accrual on provisions (Disability)	72	74
- Compensation capital gains (Disability)	-11	-6
- Prudence margin (Health)	-5	8
- Incidental	91	0
Total adjustments	**147**	**75**
Net insurance claims and benefits (after adjustments)	**-3,080**	**-2,981**
Fee and commission income	24	23
Commission expenses	-602	-564
Commission expenses - Investment related	1	3
Commission	**-577**	**-538**
Operating expenses	-286	-269
Corrections made for investment charges	8	6
Operational expenses (after adjustments)	**-278**	**-263**

The adjustment for incidental items in the table above refers to the strengthening of Disability provisions related to the 10% increase of the legal minimum wage as of 1 January 2023.

6.4.5 Acquisitions

See accounting policy N.

Acquisitions 2022

Wind farms Jaap Rodenburg, Nieuwe Hemweg and Strekdammen and solar park Pesse

In 2022, ASR Infrastructure Renewables B.V. completed the acquisitions of the assets and liabilities of wind farm Jaap Rodenburg, wind farm Nieuwe Hemweg, wind farm Strekdammen and solar park Pesse for a total consideration of € 50 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 a.s.r. consolidated financial statements from the acquisition dates.

Fair values of the assets and liabilities acquired on acquisition date

	Acquisition date balance sheet based on fair value
Property, plant and equipment	154
Current assets	2
Total assets	**156**
Non current liabilities	91
Current liabilities	16
Total liabilities	**106**
Net assets and liabilities	**50**

No cash and cash equivalents were acquired.

The a.s.r. Solvency II ratio is not significantly impacted as a result of the acquisition.

Aegon Nederland

In October 2022, a.s.r. announced the intended business combination between a.s.r. and Aegon Nederland N.V. by acquiring the shares of Aegon Nederland N.V. for a total consideration of € 4.9 billion. The consideration will be paid out in newly issued ordinary shares to Aegon N.V. (29.99% interest in a.s.r. post-transaction) and a cash consideration of € 2.5 billion which was funded through existing surplus capital, by offering 13.805.720 new ordinary shares (see chapter 6.5.13.1) and the issuance of a Tier 2 subordinated liability of € 1.0 billion in November 2022 (see chapter 6.5.14). The cash component was reduced by € 0.3 billion compensating for the additional 5.9 million shares to be issued to Aegon N.V. following an adjustment mechanism in relation to the issuance of the accelerated bookbuild offering shares.

At 17 January 2023, shareholders approved the business combination of a.s.r. and Aegon Nederland N.V. The transaction is further subject to approval of the Dutch Central Bank, the European Central Bank and the Dutch Authority for Consumers and Markets. a.s.r. and Aegon N.V. are working closely together to comply with the conditions for the completion of the transaction.

The acquisition of Aegon Nederland N.V. is expected to be completed in the second half of 2023 and has not been recognised in the 2022 financial statements.

Other acquisitions

ASR Real Estate B.V. acquired the assets and liabilities of a consultancy company as of 1 May 2022. In addition, VKG acquired a distribution and services company as of 1 July 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 2021. On 29 March 2022, Brand New Day IORP changed its name to ASR Premiepensioeninstelling N.V. (a.s.r. PPI).

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 Group Holding B.V. acquired an entity in the Distribution and Services segment and established the final acquisition balance sheet in 2022.

6.5 Notes to the consolidated balance sheet

6.5.1 Intangible assets

See accounting policy C.

Intangible assets

	31 December 2022	31 December 2021
Goodwill	234	224
Value of business acquired (VOBA)	96	119
Other intangible assets	89	86
Total intangible assets	**418**	**428**

Intangible assets

	2022				2021
	Goodwill	VOBA	Other intangible assets	Total 2022	Total 2021
Cost price	234	532	143	909	1,011
Accumulated amortisation and impairments	-	-437	-54	-491	-582
At 31 December	**234**	**96**	**89**	**418**	**428**
At 1 January	224	119	86	428	345
Acquisition	-	-	11	11	1
Amortisation and impairments	-	-23	-11	-34	-41
Transfer	-	-	-1	-2	-
Changes in composition of the group	10	-	4	15	124
At 31 December	**234**	**96**	**89**	**418**	**428**

Goodwill

For the purpose of impairment testing, goodwill is allocated to the CGU's of the relevant operating segment.

Goodwill allocation per segment

	31 December 2022	31 December 2021
Non-life	13	13
Life	43	43
Asset Management	35	35
Distribution and Services	142	132
Total Goodwill	**234**	**224**

Goodwill has an indefinite useful life and is not amortised. a.s.r. performs an impairment test annually, or more frequently if events or circumstances warrant so, to ascertain whether goodwill has been subject to impairment.

The results of the annual goodwill impairment test are as follows:

Segment Non-life

The result of the goodwill impairment test, using updated multiples and discount rates, shows an excess recoverable value over the book value. As a result, a second step was not necessary and there is no significant exposure of goodwill impairment for sensitivities in the underlying assumptions. No goodwill impairment was recognised.

Segment Life

The outcome of the goodwill impairment test step 1, using updated price to book trading multiples of various international peers and discount rates, shows a slight excess book value over the recoverable value. It was therefore decided to perform a step 2 impairment test using a dividend discount model. The main assumptions used in this internal value-in-use model are:

- The future cash flows are based on the specific portfolio characteristics and expected market developments for the life insurance market in which the CGU operates.
- To reflect the long-term character of the life insurance business, the expected decrease of the SCR and own funds projections are used to extrapolate cash flow projections up to 100 years.
- The lower limit solvency target is used to calculate future dividends, which are discounted with a 9.24% discount rate (cost of equity).

The second step of the impairment test showed an excess recoverable amount over the book value of the CGU and subsequently no goodwill impairment was recognised.

Segment Asset Management

The result of the goodwill impairment test, using the multiples methodology, shows an excess recoverable value over the book value. As a result, a second step was not necessary and there is no significant exposure of goodwill impairment for sensitivities in the underlying assumptions. No goodwill impairment was recognised.

Segment Distribution and Services

The goodwill impairment test was conducted at the CGU's within the segment Distribution and Services segment. The outcomes of the goodwill tests on step 1 showed that the differences between the recoverable amounts and the carrying values is sufficient to support the amounts of goodwill allocated to the CGU's.

In light of the goodwill impairment last year it was decided to perform a step 2 impairment test in order to determine a recoverable amount in a manner that better addresses the specific characteristics of this CGU. The CGU's operating activities concern those of a distribution partner and service provider. In step 2, future cash flows are based on expected market developments and past experience and on the long-term characteristics of the markets in which the CGU operates. The main assumptions used in this internal value-in-use model are:

- Annual organic future growth of portfolio without impact of potential acquisitions;
- Growth rate used to extrapolate cash flow projections beyond the most recent forecast projections leading to a terminal value of 0.5%;
- Discount rate (post-tax) 6.9% (2021: 5.1%).

The second step of the impairment test showed an excess recoverable amount over the book value of the CGU and subsequently no goodwill impairment was recognised.

Value of Business Acquired (VOBA)

VOBA mainly relates to the acquisition of Amersfoortse Stad Rotterdam (€ 48 million), the acquisition of Loyalis (€ 42 million) and the acquisition of Veherex (€ 6 million).

Other intangible assets

The other intangible assets mainly relate to Real estate, Loyalis, a.s.r. PPI and D&S Holding and concern trade names, distribution relationships and customer relationships. The other intangible assets are amortised on a straight-line basis over their useful life, which is determined individually (between 5 and 20 years). The amortisation charges on other intangible assets are recorded in the operating expenses, see chapter 6.6.8.

6.5.2 Property, plant and equipment

See accounting policies U and BB.

Property, plant and equipment

	31 December 2022	31 December 2021
Land and buildings for own use	115	145
Plant	480	332
Equipment	24	25
Property, plant and equipment owned	**618**	**502**
Vehicles	8	10
Land	46	37
Other	7	7
Right-of-use assets	**61**	**54**
Total property, plant and equipment	**679**	**556**

Changes in property, plant and equipment

	Land and buildings held for own use	Plant	Equipment	Right-of-use assets	Total 2022	Total 2021
At 1 January	145	332	25	54	556	198
Additions	-	157	6	16	179	386
Transfer to Investment property	-18	-	-	-	-18	-
Depreciation	-5	-18	-6	-8	-37	-19
Revaluations through profit or loss	-	-5	-	-	-5	-
Revaluations through equity	-8	21	-	-	13	-7
Other changes	-	-7	-	-1	-9	-2
Changes in the composition of the group	-	-	-	-	-	1
At 31 December	**115**	**480**	**24**	**61**	**679**	**556**
Gross carrying amount as at 31 December	222	498	58	81	859	705
Accumulated depreciation as at 31 December	-108	-18	-34	-20	-180	-149
Net carrying value as at 31 December	**115**	**480**	**24**	**61**	**679**	**556**
Revaluation surplus						
At 1 January	38	-	-	-	38	45
Revaluation in the year	-8	21	-	-	13	-7
At 31 December	**30**	**21**	**-**	**-**	**50**	**38**

Additions mainly relate to the acquisition of wind farms Jaap Rodenburg, Nieuwe Hemweg and Strekdammen and solar park Pesse as part of the strategy to invest more in renewable energy, see chapter 6.4.5.

Depreciation of land and buildings held for own use, equipment and right-of-use assets is recorded in the operating expenses, see chapter 6.6.8. Depreciation of plant is recorded in the other expenses, see chapter 6.6.11.

The fair values of land and buildings for own use and plant are based on external valuations and is disclosed in chapter 6.7.1.3.

Property, plant and equipment consists mainly of assets expected to have a useful life of more than one year after the balance sheet date.

6.5.3 Investment property

See accounting policy D.

Changes in investment property

	2022	2021
At 1 January	2,052	1,973
Changes in value of investments, realised/unrealised gains and losses:		
- Fair value gains and losses	122	91
Purchases	59	53
Issues	3	1
Disposals	-159	-63
Transferred from property and equipment	18	-
Transfer between investment property and investments	-	-2
Transfer of real estate equity funds to investments	-1,431	-
At 31 December	**664**	**2,052**

Investment property is leased to third parties and is diversified over the rural, residential, offices and retail sectors and over property under development in the Netherlands. The significant inputs are the net initial yield and market rental value, see chapter 6.7.1.

Purchases in 2022 mainly relates to acquisitions of rural property (€ 30 million) and offices (€ 29 million). Disposals relates to the disposal of rural property (€ 55 million) and the sale of shares in ASR Dutch Farmland Fund (ASR DFLF) to third parties (€ 103 million). As a result a.s.r. lost control of ASR DFLF. The transfer of real estate equity funds (€ 1,431 million) to investments relates to the transfer of ASR DFLF to investments, see chapter 6.5.5.2.

Rental income is recognised as investment income, see chapter 6.6.2. In 2022, rentals amounted to € 58 million (2021: € 64 million). The rental income decreased due to the transfer of real estate equity funds to investments.

Direct operating expenses arising from investment property amounted to € 9 million (2021: € 10 million). Given the overall low vacancy rate, virtually all direct operating expenses relate to investment property generating rental income. Direct operating expenses of investment property are classified as other expenses, see chapter 6.6.11 .

Investment property consists mainly of assets expected to be recovered after more than one year after the balance sheet date.

6.5.4 Associates and joint ventures

See accounting policy V.

Associates and joint ventures

	Interest	31 December 2022	31 December 2021
At equity method			
Associates and joint ventures	ranging between 10 % and 50 %	79	102
At fair value through profit or loss			
Real estate equity funds	ranging between 30 % and 95 %	3,557	1,817
Mortgage equity funds	ranging between 5 % and 20 %	684	781
Other equity funds	ranging between 1 % and 10 %	66	-

The real estate equity funds increased mainly due to the addition of ASR DFLF. During 2022, a.s.r. lost control of ASR DFLF as a result of the entry of third party participants in ASR DFLF.

The real estate equity funds consists of the ASR Dutch Mobility Office Fund (ASR DMOF), ASR Dutch Prime Retail Fund (ASR DPRF), ASR Dutch Core Residential Fund (ASR DCRF) and ASR DFLF. The mortgage equity funds consists of the ASR Mortgage Fund (ASR MF). The other equity funds consists of two equity funds from a.s.r. PPI. The interests in these funds are classified and presented as an investment at fair value through profit or loss. For more information, see chapter 6.5.5 and 6.7.1.

Investments in associates and joint ventures generally have a duration of more than one year after the balance sheet date.

Changes in associates and joint ventures at equity method

	2022	2021
At 1 January	102	101
Acquisitions	-	6
Disposal	-	-13
Share of profit/(loss)	-3	9
Impairments	-1	-
Dividend	-21	-2
Other changes	2	-
At 31 December	**79**	**102**

Some participating interests in which a.s.r. has an interest of less than 20% qualify as associates, because a.s.r. has significant influence as a result of contractual agreements. a.s.r. also has interests of 50% or more in associates at fair value through profit or loss. a.s.r. has no control over these entities as the ability to direct the relevant activities is limited by contractual agreements and therefore does not consolidate these entities.

The information disclosed in the tables below is based on the most recent financial information available from the associates and joint ventures. This is primarily based on the investee's financial statements and their accounting policies. If these policies differ from a.s.r.'s accounting policies, carrying amounts in a.s.r.'s consolidated financial statements have been changed to be in line with a.s.r.'s policies.

Financial information available from the associates and joint ventures

	31 December 2022					31 December 2021				
	Associates and joint ventures at equity method	Real estate equity funds	Mortgage equity funds	Other equity funds	Total	Associates and joint ventures at equity method	Real estate equity funds	Mortgage equity funds	Other equity funds	Total
Total assets	318	6,021	7,885	4,124	18,348	376	4,019	8,168	-	12,563
Total liabilities	161	295	113	-	568	163	264	100	-	527
Total income	194	211	-1,679	-668	-1,942	197	171	240	-	607
Result	-8	241	-1,714	-670	-2,151	20	266	208	-	494
Total comprehensive income	-8	241	-1,714	-670	-2,150	20	266	208	-	494

The increase in assets and liabilities of the real estate equity funds relates mainly to the addition of ASR DFLF.

The total assets of the real estate equity funds consist primarily of investment property, € 5,777 million (2021: € 3,766 million). The total assets of the mortgage equity funds consist primarily of mortgages, € 7,708 million (2021: € 7,991 million) and € 4,101 million of the total assets of the other equity funds consists of equities.

The interest in the real estate equity funds are as follows:

Interest in real estate equity funds

	31 December 2022	31 December 2021
ASR DPRF	625	625
ASR DCRF	1,066	1,079
ASR DMOF	138	113
ASR DFLF	1,728	-
Total	**3,557**	**1,817**

6.5.5 Investments

See accounting policy E.

Investments

	31 December 2022	31 December 2021
Available for sale	20,900	30,333
At fair value through profit or loss	4,740	3,216
	25,640	**33,550**

For changes in investments available for sale and changes in investments at fair value through profit or loss see chapter 6.5.5.1 and chapter 6.5.5.2 respectively.

Breakdown of investments

	31 December 2022			31 December 2021		
	Available for sale	Fair value through profit or loss	Total	Available for sale	Fair value through profit or loss	Total
Fixed income investments						
Government bonds	9,227	-	9,227	14,149	-	14,149
Corporate bonds	7,188	-	7,188	10,827	-	10,827
Asset-backed securities	416	-	416	530	-	530
Preference shares	289	-	289	311	-	311
Rural property contracts	-	-	-	-	215	215
Equities and similar investments						
Equities	3,471	82	3,553	4,111	18	4,129
Real estate equity funds	-	3,974	3,974	-	2,202	2,202
Mortgage equity funds	303	684	987	398	781	1,179
Other participating interests	6	-	6	7	-	7
Total investments	**20,900**	**4,740**	**25,640**	**30,333**	**3,216**	**33,550**

In 2022, government bonds decreased to € 9,227 million (2021: € 14,149 million) mostly due to negative revaluations due to increasing interest rates and the disposal of government bonds. Cash collateral received on derivative instruments was reinvested into government bonds, cash collateral decreased due to increasing interest rates, therefore government bonds were sold. For more information regarding cash collateral received see chapter 6.5.21.

The equities consist primarily of listed equities and investments in investment funds. Equities decreased mainly as a result of negative revaluations.

Real estate equity funds increased mainly due to the addition of ASR DFLF. During 2022, a.s.r. lost control of ASR DFLF when external participants invested in ASR DFLF. The rural property contracts are held by ASR DFLF, and therefore transferred to real estate equity funds.

For the real estate equity funds and mortgage equity funds for which a.s.r. has significant influence, being ASR DMOF, ASR DPRF, ASR DCRF, ASR DFLF and ASR MF, the exemption of IAS 28 was used, thereby measuring the investments at fair value through profit or loss and presenting them as a separate category within the investments at fair value through profit or loss. For a breakdown of the real estate equity funds ASR DMOF, ASR DPRF, ASR DCRF and ASR DFLF and ASR MF see chapter 6.5.4.

All investments at fair value through profit or loss are designated as such by a.s.r. upon initial recognition. For more detailed information about the fair value valuation of the investments, see chapter 6.7.1.

Based on their contractual maturity, an amount of € 13,868 million (2021: € 21,400 million) of fixed income investments is expected to be recovered after more than one year after the balance sheet date. For assets without a contractual maturity date, it is expected that they will be recovered after more than one year after the balance sheet date.

6.5.5.1 Investments available for sale

Changes in investments available for sale

	2022	2021
At 1 January	30,333	33,774
Purchases	10,583	13,516
Repayments	-2,229	-6,658
Disposal	-12,614	-9,805
Realised gains and losses through profit or loss	-222	429
Revaluation recognised in equity	-4,918	-845
(Reversals of) Impairments	-110	-13
Amortisation	23	-110
Exchange rate differences	54	46
Other changes	-1	-
At 31 December	**20,900**	**30,333**

a.s.r. has bonds amounting to € 3.237 million (2021: € 3,524 million) and cash amounting to € 600 million (2021: € 1,000 million) (see chapter 6.5.12) that have been transferred, but do not qualify for derecognition. The majority of these investments are part of a securities lending programme whereby the investments are lent in exchange for a fee with collateral obtained as a security. The collateral furnished as security representing a fair value of € 4,914 million (2021: € 5,383 million) consists of mortgage loans and corporate and government bonds. See accounting policy S about securities lending.

Impairment of investments available for sale

Changes in impairments of investments available for sale

	2022	2021
At 1 January	-300	-354
Increase in impairments through profit or loss	-133	-16
Reversal of impairments through profit or loss	23	3
Reversal of impairments due to disposal	43	68
Other	-7	-
At 31 December	**-374**	**-300**

The increase in impairments through profit or loss is related to impairments on equities and investment funds. The reversal of impairments through profit or loss relates to government bonds. The reversal of impairments due to disposal is mainly related to equities.

6.5.5.2 Investments at fair value through profit or loss

Changes in investments at fair value through profit or loss

	2022	2021
At 1 January	3,216	2,825
Purchases	455	336
Disposal	-222	-64
Revaluation through profit or loss	-167	117
Net transfer of real estate equity funds	1,457	-
Other changes	-	2
At 31 December	**4,740**	**3,216**

The net transfer of real estate equity funds relates to ASR DFLF. During 2022, a.s.r. lost control of ASR DFLF as a result of the entry of third party participants in ASR DFLF.

6.5.6 Investments on behalf of policyholders

See accounting policy F.

Investments on behalf of policyholders at fair value through profit or loss

	31 December 2022	31 December 2021
Government bonds	1,526	1,954
Corporate bonds	1,386	1,100
Equities	6,504	7,950
Real estate equity funds	170	249
Mortgage equity funds	252	234
Derivatives	-	6
Cash and cash equivalents	9	18
Other investments	66	64
Total investments on behalf of policyholders at fair value through profit or loss	**9,912**	**11,574**

Changes in investments on behalf of policyholders at fair value through profit or loss

	2022	2021
At 1 January	11,574	10,154
Purchases	1,101	1,125
Disposal	-805	-1,237
Revaluation through profit or loss	-1,946	1,629
Other changes	-12	-98
At 31 December	**9,912**	**11,574**

Investments on behalf of policyholders are managed on behalf of policyholders on a fair value basis. Although individual instruments may (or may not) have a maturity depending on their nature, this does not impact the liquidity position of a.s.r.

6.5.7 Investments related to investment contracts

See accounting policy G.

Investments related to investment contracts

	31 December 2022	31 December 2021
Government bonds	261	-
Corporate bonds	149	-
Equities	1,449	1,794
Real estate equity funds	97	119
Cash and cash equivalents	37	39
Other investments	6	-
Total investments related to investment contracts	**2,000**	**1,952**

Changes in investments related to investment contracts

	2022	2021
At 1 January	1,952	-
Purchases	2,419	355
Disposal	-2,024	-110
Revaluation through profit or loss	-351	175
Changes in the composition of the group	-	1,524
Other changes	5	9
At 31 December	**2,000**	**1,952**

The purchases and disposals increased mainly due to the sale of € 1.878 million of investment funds owed by a.s.r. PPI and managed by BND Vermogensbeheer N.V. and the purchase of € 1.878 million investment funds owed by a.s.r. PPI and now managed by ASR Vermogensbeheer N.V.

Investments related to investment contracts are managed on behalf of contract holders on a fair value basis. Although individual instruments may (or may not) have a maturity depending on their nature, this does not impact the liquidity position of a.s.r.

6.5.8 Loans and receivables

See accounting policy H.

Loans and receivables measured at amortised cost

	31 December 2022	31 December 2021
Government and public sector	221	223
Mortgage loans	10,370	9,991
Other loans	1,723	1,253
Total due from customers	**12,314**	**11,468**
Impairments		
Specific credit risks	-7	-7
Due from customers	**12,307**	**11,461**
Due from credit institutions - Interest bearing deposits	36	139
Due from credit institutions - Loans and advances	2,628	2,797
Due from credit institutions - Other	1,632	91
Total due from credit institutions	**4,296**	**3,027**
Impairments		
Specific credit risks	-37	-56
Due from credit institutions	**4,259**	**2,971**
Due from policyholders	133	75
Due from intermediaries	65	89
Reinsurance receivables	63	83
Due from Health Insurance Fund	70	148
Other receivables	301	459
Total trade and other receivables	**632**	**853**
Impairments		
Specific credit risks	-27	-25
IBNR	-	-1
Trade and other receivables	**605**	**827**
Total loans and receivables	**17,171**	**15,259**

The total amount due from credit institutions of € 4,296 million (2021: € 3,027 million) mainly increased due to paid cash collateral. Total due from credit institutions consists for € 2,233 million (2021: € 2,462 million) of savings-linked mortgage loans.

The claim related to cash collateral paid on derivative instruments, included in total due from credit institutions, amounts to € 1,632 million (2021: € 91 million).

Based on their contractual maturity, an amount of € 15,023 million (2021: € 14,368 million) of the loans and receivables is expected to be recovered after more than one year after the balance sheet date.

For information regarding the fair value, see chapter 6.7.1.2.

Changes in impairments of loans and receivables

	2022	2021
At 1 January	-89	-90
Increase in impairment through profit and loss	-10	-15
Reversal of impairment through profit and loss	27	14
Reversal of impairment due to disposal	1	2
Other	-	1
At 31 December	**-71**	**-89**

6.5.9 Derivatives

See accounting policy I.

Derivatives consist primarily of derivatives used to hedge interest rate movements. Changes in the fair value of derivatives at fair value through profit or loss are recorded in ‘fair value gains and losses’, see chapter 6.6.4.

a.s.r. trades both cleared and non-cleared derivatives on the basis of standardised contracts and exchanges cash variation margin with its counterparties. The derivatives are valued daily and cash collateral is exchanged to reflect the change in mark-to-market of the derivatives. Because of this periodic margining process, counterparty risk on derivatives is negligible.

In addition to the above variation margin obligations, there is also an initial margin obligation for central cleared derivatives which further reduces the risk of a.s.r. and its counterparties that they cannot fulfil their obligations.

Notional amounts are not recognised as assets or liabilities in the balance sheet, however notional amounts are used in determining the fair value of the derivatives. Notional amounts do not reflect the potential gain or loss on a derivative transaction.

Derivatives

	31 December 2022			31 December 2021		
	Asset	Liability	Notional amount	Asset	Liability	Notional amount
Foreign exchange contracts	80	29	2,924	25	78	3,873
Interest rate contracts						
- Swaps	4,782	5,494	72,854	5,870	678	62,006
- Options	275	-	2,781	237	-	2,867
- Futures	215	-	1,176	37	3	939
Inflation linked swaps	44	-	290	14	-	235
Equity index contracts	31	-	643	28	-	802
Total	**5,428**	**5,523**	**80,667**	**6,212**	**759**	**70,723**

The derivatives do not include the derivatives on behalf of policyholders (2022: nil, 2021: € 6 million).

Derivatives assets decreased and derivatives liabilities increased primarily as a result of negative revaluations due to increasing interest rates.

In addition to the use of swaps and options a.s.r. manages interest rate risk by using bond forwards, included in futures.

The notional amounts of both receiver and payer swaps are included in the total notional amounts of foreign exchange contracts.

The fair value of interest rate contracts is calculated by first determining the cash flows of the floating leg based on the Euribor-curve corresponding the interest reset period (3 months, 6 months or 12 months) of the swap. Then the net present value of the floating and fixed leg is determined by discounting the cash flows. As part of global industry efforts around benchmark reform, Central Clearing Counterparties (CCPs) have switched the overnight cost of funding collateral and discounting on all cleared EUR-denominated products to euro short-term (€STR) in July 2020, for USD-denominated derivatives to Secured Overnight Financing Rate in October 2020, and GBP-denominated derivatives to Sterling Overnight Index Average in December 2021. In the second half of 2021, all bilateral derivative agreements have been amended to reference the relevant Alternative Reference Rates.

The fair value of the interest rate contracts using the above valuation method form the basis for the amount of collateral that is exchanged between a.s.r. and its counterparties in accordance with the underlying contracts. For more information see chapter 6.8 on risk management.

Of the derivatives € 5,237 million assets (2021: € 6,121 million) and € 5,485 million liabilities (2021: € 658 million) is expected to be recovered respectively settled more than one year after the balance sheet date.

Transition

Throughout the world, a transition is taking place from interbank offered rates (IBORs) to alternative benchmarks. In the EU, the transition to alternative interest-rate benchmarks is governed by the Benchmark Regulation (BMR). Pursuant to the BMR, IBOR based contracts need to be amended to reference alternative rates or to be provided with a fallback option.

The transition away from IBORs is mainly affecting a.s.r.'s derivative book, which is measured at fair value through profit or loss. Although most references under these derivatives remain BMR compliant, the Cash Collateral Interest Rate, and consequently discount rates, have required amendments towards Alternative Reference Rates (ARRs).

During 2020 and 2021, all contracts referencing IBORs have been amended to reflect ARRs, with the exception of USD Libor Referenced Interest Rate Swaps, which are expected to remain BMR Compliant until June 2023. A project team has been formed in order to effectively manage the transition from IBORs to ARRs, and mitigating any adverse operational and/or financial impact. As at 31 December 2022, the transition from USD Libor References towards its respective ARRs is still outstanding and is expected to be finished well in advance of its cessation in June 2023. The following table provides details related to a.s.r.'s exposure to USD Libor References at the end of 2022.

Interest rate benchmark transition

31 December 2022	Non-derivative financial assets - carrying value	Non-derivative financial liabilities - carrying value	Derivatives - notional amount
USD LIBOR (3 months)	28	-	258
USD LIBOR (6 months)	81	-	-
	109	**-**	**258**

6.5.10 Deferred taxes

Deferred taxes

	31 December 2022	31 December 2021
Deferred tax assets	119	-
Deferred tax liabilities	-	69
Net Deferred tax	**119**	**-69**

Deferred taxes are formed for differences between the carrying amount of assets and liabilities and their tax base at the enacted tax rate, taking into account tax-exempt components. The current tax rate is 25.8% (2021: 25.0%). The deferred taxes are calculated with the enacted tax rate for 2023 of 25.8%.

Deferred tax assets and liabilities are expected to be recovered after more than one year after the balance sheet date.

Changes in deferred taxes

	1 January 2022	Changes recognised in profit or loss	Changes recognised in other comprehensive income	Changes in composition of the group	31 December 2022
Derivatives	-1,332	1,525	-	-	193
Investments	-861	-546	1,205	-	-203
Investment property	-400	324	-5	5	-76
Property, plant and equipment	-16	1	2	-	-13
Intangible assets	-51	8	-	-	-44
Liabilities arising from insurance contracts	2,552	-1,693	-459	-	400
Employee benefits	171	11	-308	-	-127
Amounts received in advance	-1	-1	-	-	-3
Fiscal reserves	-187	105	-	-	-82
Other	57	17	-	-	74
Gross deferred tax	**-69**	**-251**	**434**	**6**	**119**
Write-down of deferred tax assets	-	-	-	-	-
Net deferred tax	**-69**	**-251**	**434**	**6**	**119**

Changes in deferred taxes

	1 January 2021	Changes recognised in profit or loss	Changes recognised in other comprehensive income	Changes recognised other	Changes in composition of the group	31 December 2021
Derivatives	-1,893	561	-	-	-	-1,332
Investments	-1,031	-55	224	-	-	-861
Investment property	-352	-45	-	-3	-	-400
Property, plant and equipment	-10	1	2	-9	-	-16
Intangible assets	-48	6	-	-	-9	-51
Liabilities arising from insurance contracts	3,414	-559	-303	-	-	2,552
Employee benefits	226	-5	-51	-	-	171
Amounts received in advance	1	-2	-	-	-	-1
Fiscal reserves	-170	-17	-	-	-	-187
Other	39	7	-	11	-	57
Gross deferred tax	**177**	**-108**	**-128**	**-2**	**-9**	**-69**
Write-down of deferred tax assets	**-**	-	-	-	-	**-**
Net deferred tax	**177**	**-108**	**-128**	**-2**	**-9**	**-69**

In 2021, changes recognised other related to the acquisition of wind farm Wieringermeer.

6.5.11 Other assets

See accounting policy X.

Composition of other assets

	31 December 2022	31 December 2021
Accrued investment and interest income	529	465
Prepaid costs and other non-financial assets	148	134
Property developments	30	31
Taxes receivable	120	-
Total other assets	**828**	**631**

Prepaid costs and other non-financial assets includes prepaid commissions for non-life insurance.

An amount of € 778 million (2021: € 582 million) of other assets is expected to be recovered less than or equal to one year after the balance sheet date.

6.5.12 **Cash and cash equivalents**

See accounting policy Y.

Cash and cash equivalents

	31 December 2022	31 December 2021
Due from banks	1,645	1,306
Due from banks falling due within three months	600	1,000
Total cash and cash equivalents	**2,245**	**2,306**

a.s.r. has cash amounting to € 600 million (2021: € 1,000 million) that has been received as part of a securities lending programme, but does not qualify for derecognition. For more information see chapter 6.5.5.1. All other cash and cash equivalents are freely available.

The cash components include € 249 million (2021: € 1,892 million) related to cash collateral received on derivative instruments and is managed separately from other cash equivalents. The decrease in these cash components was caused by the decrease in value of derivatives, as a result of which collateral was refunded.

The claim related to cash collateral paid on derivative instruments is included in the amount loans and receivables, see chapter 6.5.8. Debt related to cash collateral on derivatives instruments is included in the amount due to banks, see chapter 6.5.21.

Interest expenses on cash collateral is mainly based on €STR (2021: EONIA/€STR).

6.5.13 **Equity**

See accounting policy Z.

6.5.13.1 Share capital

Share capital

	31 December 2022		31 December 2021	
	Number of Shares (in millions)	Amounts (in € millions)	Number of Shares (in millions)	Amounts (in € millions)
Ordinary shares				
- Authorised capital; par value of € 0.16	325	52	325	52
- Of which unsubscribed	175	28	187	30
Subscribed and paid-up capital	**150**	**24**	**138**	**22**
Preference shares				
- Authorised capital; par value of € 0.16	325	52	325	52
- Of which unsubscribed	325	52	325	52
Subscribed and paid-up capital	-	-	-	-

The share capital increased as a result of issued share capital to finance the intended business combination of a.s.r. and Aegon Nederland N.V.

6.5.13.2 Share premium reserve

The share premium reserve increased by € 577 million due to issued share capital to finance the intended business combination of a.s.r. and Aegon Nederland N.V. (€ 591 million) and the cancellation of 2,036 thousand treasury shares (€ -14 million), as approved at the AGM in May 2022, see chapter 6.5.13.5.

6.5.13.3 Unrealised gains and losses recorded in equity

Unrealised gains and losses recorded in equity

	31 December 2022			31 December 2021		
	Investments available for sale	Revaluation of property in own use	Total	Investments available for sale	Revaluation of property in own use	Total
Gross unrealised gains and losses	-1,844	50	-1,794	3,074	38	3,112
Related tax	526	-13	513	-679	-10	-688
Shadow accounting	503	-	503	-1,257	-	-1,257
Tax related to shadow accounting	-130	-	-130	324	-	324
Unrealised gains and losses related to segregated investment pools	-19	-	-19	-40	-	-40
Tax related to segregated investment pool	5	-	5	10	-	10
Total unrealised gains and losses recorded in equity	**-959**	**37**	**-922**	**1,433**	**28**	**1,461**

6.5.13.4 Actuarial gains and losses

The balance of actuarial gains and losses related to the pension obligation increased by € 887 million after tax and € 1195 million before tax (2021: increased by € 198 million after tax and € 249 million before tax). The increase is mainly due to an increase in the discount rate (see chapter 6.5.17).

6.5.13.5 Treasury shares

As part of the employee share purchase plan a.s.r. sold 124 thousand shares for an amount of € 4,06 million. The employee share purchase plan led to a decrease of € 0.2 million in retained earnings. For more information on the employee share purchase plan, see chapter 6.7.6.

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

In the AGM in May 2022 the resolution was adopted to cancel the 2,036 thousand shares which were acquired in 2021. The cancellation was effected in August 2022.

The amount of treasury shares held at year-end of € 79 million (2021: € 83 million) represents 1,903 thousand (2021: 2,264 thousand) treasury shares.

6.5.13.6 Other equity instruments

Other equity instruments

	2022	2021	Coupon date	First possible redemption date
Hybrid Tier 2 instrument 5% fixed interest	497	497	Annually with effect from 30 September 2015	30 September 2024
Restricted Tier 1 instrument 4.625% fixed interest	507	507	Semi-annually with effect from 19 April 2018	19 October 2027
Total other equity instruments	**1,004**	**1,004**		

The Tier 1 and Tier 2 instruments bear discretionary interest and have no maturity date, but can be redeemed at the option of a.s.r. on any coupon due date from the above mentioned possible redemption date.

The Tier 1 and Tier 2 instruments have subordination provisions, rank junior to all other liabilities and senior to only shareholders' equity. The conditions of the securities contain certain provisions for optional and required coupon payment deferral and mandatory coupon payment events.

The coupon payments in respect of the Tier 1 and Tier 2 instruments are deductible for tax purposes.

Distributed amounts to holders of equity instruments as discretionary interest

	2022	2021
Hybrid Tier 2 instrument 5% fixed interest	25	25
Restricted Tier 1 instrument 4.625% fixed interest	23	23
Total distributed amounts	**48**	**48**

The Tier 1 and Tier 2 instruments are classified as equity as there is no requirement to settle the obligation in cash or another financial asset or to exchange financial assets or financial liabilities under conditions that are potentially unfavourable for a.s.r.

6.5.13.7 Earnings per share

Basic earnings per share at year end

	2022	2021
Net result attributable to holders of ordinary shares for calculating the earnings per ordinary share	**685**	**894**
Weighted average number of ordinary shares in issue	137,004,580	136,260,472
Basic earnings per ordinary share (in euros)	**5.00**	**6.56**

Diluted earnings per share at year end

	2022	2021
Net result	685	894
- effect of Restricted Tier 1 capital instrument	17	17
Adjusted net result attributable to holders of ordinary shares for calculating the diluted earnings per ordinary share	**702**	**911**
Weighted average number of ordinary shares in issue	137,004,580	136,260,472
Weighted average number of ordinary shares resulting from conversion of bonds Restricted Tier 1	21,645,022	21,645,022
Weighted average number of shares used to calculate the diluted earnings per ordinary share	**158,649,601**	**157,905,493**
Diluted earnings per ordinary share (in euros)	**4.42**	**5.77**

Net result in the table is after tax and non-controlling interests.

For additional information related to net result, see chapter 6.2.2.

6.5.14 Subordinated liabilities

See accounting policy AA.

Subordinated liabilities

	Nominal amount	Carrying value 2022	Carrying value 2021
Hybrid Tier 2 instrument 5.125% fixed interest	500	499	498
Hybrid Tier 2 instrument 3.375% fixed interest	500	495	494
Hybrid Tier 2 instrument 7.000% fixed interest	1,000	987	-
Total subordinated liabilities	**2,000**	**1,980**	**992**

In 2015, a.s.r. issued € 500 million subordinated liabilities in the form of Tier 2 notes, first callable on 29 September 2025, and maturing on 29 September 2045. The coupon is fixed at 5.125% and paid annually on 29 September with a step up at the first call date.

In 2019 a.s.r. issued € 500 million subordinated liabilities in the form of Tier 2 notes. The Tier 2 notes have a maturity date of 2049 and are first callable 3 months before the first reset date of 2 May 2029. The coupon is fixed at 3.375% and paid annually on 2 May. After the reset date the interest is calculated based on the 5 Year Mid Swap Rate plus a margin of 4.00 per cent and updated once every five years.

On 22 November 2022 a.s.r. issued € 1 billion subordinated liabilities to partially finance the intended business combination with Aegon Nederland N.V., see chapter 6.4.5. As of the moment the business combination is completed the subordinated liabilities will qualify as a Tier 2 instrument. These Tier 2 notes have an M&A call clause, which gives a.s.r. the option to redeem the Tier 2 notes early if the acquisition of Aegon Nederland N.V. does not take place within 12 months or will not take place at all. The Tier 2 notes have a maturity date of 2043 and are first callable on 7 December 2033. The coupon is fixed at 7.000% and paid annually on 7 December.

These Tier 2 notes are subordinated and ranking equally without any preference amongst themselves and (a) junior to the claims of all senior creditors of a.s.r., (b) equally with any parity obligations and (c) in priority to claims in respect of (i) any equity securities and (ii) any junior obligations.

The subordinated liabilities are classified as liabilities given the obligation to settle the loans and pay the coupon. The subordinated liabilities issued in 2015 and 2019 are considered Tier 2 own funds for regulatory purposes. The subordinated liabilities issued in 2022 will be considered Tier 2 own funds for regulatory purposes as of the moment the business combination with Aegon Nederland is completed.

6.5.15 Insurance liabilities

See accounting policies J, K, P and W.

6.5.15.1 Liabilities arising from insurance contracts

Insurance contracts with retained exposure

	Gross		Of which reinsurance	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Provision for unearned premiums	310	307	4	8
Provision for claims (including IBNR)	6,716	6,744	208	256
Non-life insurance contracts	**7,027**	**7,050**	**212**	**263**
Life insurance contracts excluding own pension contracts	22,606	30,747	145	154
Total liabilities arising from insurance contracts	**29,633**	**37,797**	**357**	**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	4	-16	-3	-11
Provision for unearned premiums as at 31 December	**310**	**307**	**4**	**8**
Provision for claims (including IBNR)				
At 1 January	6,744	6,522	256	307
Claims paid	-2,866	-2,595	-112	-73
Changes in provision for claims	3,276	3,064	63	23
Changes in shadow accounting through equity	-159	-179	0	0
Changes in shadow accounting through income	-278	-67	0	0
Provision for claims (including IBNR) as at 31 December	**6,716**	**6,744**	**208**	**256**
Non-life insurance contracts as at 31 December	**7,027**	**7,050**	**212**	**263**

Gross provisions for claims

	31 December 2022	31 December 2021
Claims reported	4,229	4,516
IBNR	2,487	2,228
Total provisions for claims	**6,716**	**6,744**

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	668	696	0	0
Regular interest added	566	566	3	3
Realised gains and losses	-303	263	0	0
Amortisation of realised gains	-279	-313	0	0
Benefits	-1,475	-1,622	-9	-11
Technical result	-96	-69	-3	3
Release of cost recovery	-118	-124	0	0
Changes in shadow accounting through equity	-1,600	-1,081	0	0
Changes in shadow accounting through income	-5,489	-2,183	0	0
Other changes	-13	0	0	0
At 31 December	**22,610**	**30,748**	**147**	**156**
Interest margin participation to be written down				
At 1 January	-13	-11	-2	-2
Write-down recognised in profit or loss	2	1	0	0
Other changes	-2	-3	0	0
At 31 December	**-13**	**-13**	**-2**	**-2**
Provision for discretionary profit sharing, bonusses and discounts				
At 1 January	12	12	0	0
Profit sharing, bonuses and discounts granted in the financial year	-2	0	0	0
At 31 December	**10**	**12**	**0**	**0**
Total life insurance contracts at 31 December	**22,606**	**30,747**	**145**	**154**

In accordance with a.s.r.'s accounting policy, the LAT is performed and the 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). The insurance liabilities are deemed to be adequate following the performance of the LAT taking into account the UFR of 3.45% for 2022 (2021: 3.60%). The changes in shadow accounting through equity in the amount of € -1,600 million include a reversal of shadow accounting related to instruments with a revaluation reserve amount below cost for an amount of € 1,433 million. See accounting policy A.

In 2022, technical result increased, reflecting a positive impact of further optimisation of the strategic asset mix in the investment portfolio including renewable energy investments. Furthermore, mortality results increased compared to 2021, partly due to excess mortality in some portfolios. Disability result in pensions also improved, partly due to an improved estimation of claims. This was partly offset by a sharp decline in equity markets and considerably higher interest rates, resulting in strengthened provisions for unit linked liabilities with guarantees by € 39 million.

6.5.15.2 Claims development table, Non-life

The table below is a ten-year summary of movements in gross cumulative claims in connection with the Non-life portfolio for the period from 2013 to 2022.

Ten-year summary of changes in gross cumulative claims

31 December 2022	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Claims year Total
At year end											
1st claim year	2,109	2,020	2,067	2,256	2,275	2,383	2,453	2,652	3,065	3,356	
2014	2,061										
2015	2,047	1,962									
2016	2,043	1,965	2,026								
2017	2,057	1,955	2,057	2,271							
2018	2,051	1,948	2,066	2,315	2,322						
2019	2,037	1,938	2,055	2,299	2,382	2,375					
2020	2,019	1,913	2,050	2,318	2,387	2,452	2,471				
2021	2,002	1,898	2,030	2,297	2,354	2,513	2,536	2,628			
2022	2,006	1,889	2,019	2,269	2,328	2,494	2,539	2,659	3,063		
Gross claims as at 31 December 2022	**2,006**	**1,889**	**2,019**	**2,269**	**2,328**	**2,494**	**2,539**	**2,659**	**3,063**	**3,356**	
Cumulative gross paid claims	1,824	1,712	1,787	1,971	1,966	1,986	1,928	1,920	2,116	1,481	
Gross outstanding claims liabilities (including IBNR)	**182**	**178**	**232**	**298**	**362**	**508**	**610**	**739**	**948**	**1,876**	**5,931**
Claims liabilities prior years											839
Shadow accounting											-54
Total claim liabilities											**6,716**

Ten-year summary of changes in gross cumulative claims

31 December 2021	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Claims year Total
At year end:											
1st claims year	2,213	2,109	2,020	2,067	2,256	2,275	2,383	2,453	2,652	3,065	
2013	2,121										
2014	2,127	2,061									
2015	2,110	2,047	1,962								
2016	2,111	2,043	1,965	2,026							
2017	2,124	2,057	1,955	2,057	2,271						
2018	2,109	2,051	1,948	2,066	2,315	2,322					
2019	2,091	2,037	1,938	2,055	2,299	2,382	2,375				
2020	2,088	2,019	1,913	2,050	2,318	2,387	2,452	2,471			
2021	2,098	2,002	1,898	2,030	2,297	2,354	2,513	2,536	2,628		
Gross claims as at 31 December 2021	**2,098**	**2,002**	**1,898**	**2,030**	**2,297**	**2,354**	**2,513**	**2,536**	**2,628**	**3,065**	
Cumulative gross paid claims	1,902	1,796	1,683	1,748	1,929	1,909	1,913	1,842	1,785	1,366	
Gross outstanding claims liabilities (including IBNR)	**196**	**206**	**215**	**281**	**368**	**445**	**601**	**693**	**842**	**1,699**	**5,546**
Claims liabilities prior years											803
Shadow accounting											394
Total claim liabilities											**6,744**

For the acquired entities gross claims in the claims development table includes claims from the original date of the claim.

6.5.15.3 Liabilities arising from insurance contracts on behalf of policyholders

Changes in liabilities arising from insurance contracts on behalf of policyholders

	2022	2021
At 1 January	14,566	13,137
Premiums received	1,098	1,042
Interest added	85	85
Benefits	-842	-1,362
Effect of fair value changes related to financial assets	-1,939	1,636
Technical result	31	24
Release of cost recovery	-69	-75
Other changes	76	80
At 31 December	**13,007**	**14,566**

At year-end 2022, the liabilities included a guarantee provision for a carrying amount of € 84 million (2021: € 46 million) and a provision related to unit-linked insurance contracts and pension contracts for a carrying amount of € 42 million (2021: € 43 million). These provisions relate to compensation for the cost of these contracts.

An amount of € 119 million (2021: € 89 million) of the liabilities arising from insurance contracts on behalf of policyholders is related to the a.s.r. DC pension plans.

Other changes relates to the transfer of insurance contracts to insurance contracts on behalf of policyholders due to new product features provided.

Liabilities arising from insurance contracts on behalf of policyholders also include liabilities where conversions and switches have occurred in the insurance contract administration. The insurance contract still meets the definition of and continues to be classified as an insurance contract on behalf of policyholders and therefore continues to be included in the insurance contracts on behalf of policyholders administration. However, as a result of the conversion and switches, liabilities arising from insurance contracts on behalf of policyholders amounting to € 2,999 million (2021: € 2,919 million) are, in the classification and subsequent presentation, not backed directly with investments on behalf of policyholders. The related investments are included and presented in investments (available for sale) and loans and receivables.

6.5.16 **Liabilities arising from investment contracts**

See accounting policy L.

Liabilities arising from investment contracts

	2022	2021
At 1 January	1,952	-
Gross premiums and deposits	447	279
Withdrawals	-42	-31
Effect of fair value changes related to financial assets	-351	175
Interest credited	-	10
Changes in the composition of the group	-	1,524
Other changes	-5	-4
At 31 December	**2,000**	**1,952**

6.5.17 Employee benefits

See accounting policy M.

Employee benefits

	31 December 2022	31 December 2021
Post-employment benefits pensions	2,722	3,990
Post-employment benefits other than pensions	7	9
Post-employment benefit obligation	**2,730**	**3,999**
Other long-term employee benefits	12	14
Total	**2,742**	**4,013**

Costs of post-employment and other long-term employee benefits

	2022	2021
Post-employment benefits pensions	-97	-80
Post-employment benefits other than pensions	-	-
Total	**-97**	**-80**
Other long term employee benefits	-1	-
Cost of post-employment and other long-term employee benefits	**-99**	**-80**

The costs of the post-employment benefits pensions relate to the current DC pension plan of a.s.r., the previous DB plans of a.s.r., plus the DC plans of the other group companies.

An amount of € 2,609 million (2021: € 3,880 million) of the employee benefits is expected to be settled more than twelve months after the balance sheet date.

6.5.17.1 Post-employment benefits pensions

a.s.r. has a number of DC and DB post-employment benefit plans for its employees and former employees. The majority of employees are formally employed by a.s.r. A limited amount of employees are employed by other group companies. The pension plans of other group companies are disclosed in a separate section in this chapter.

a.s.r. life, an insurance company and a group entity, is the insurer of the majority of the post-employment benefit plans, being both the DC plans as well as the DB plans. As this company holds the separated investments that are meant to cover the employee benefit obligation for the DB plans, they do not qualify as plan assets in accordance with IAS 19 and are therefore included in financial assets.

a.s.r. employees

The costs of the post-employment benefits pensions relate to the DC pension plan of a.s.r., the previous 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 recognised expenses for the DC plan in 2022 amounts to € 54 million (2021: € 50 million).

All pension build up for existing and new employees as of 1 January 2021 are included in the post-employment DC plans. All employees who commenced service between 1 January 2006 and 31 December 2020 are included in one post-employment DB plan ('Basic plan'). All other employees remain active within the existing plan at the date of first employment. Previous plans for former employees are also still active.

The post-employment DB en DC plans for employees that are employed by a.s.r. are insured by a.s.r. life.

The methods and techniques used to calculate the DB obligations are based on IAS 19 requirements and calculated by an independent actuary.

The benefits under these plans are dependent on factors such as years of service and compensation. Pension obligations are determined using mortality tables, the rate of employee turnover, wage drift and economic assumptions for factors such as inflation, and the discount rate.

As no contributions are paid into the ended DB pension scheme no accrual rate and pensionable salary and minimum franchise is required for this scheme.

- The DB pension scheme had a retirement age of 68 years.
- The DB scheme was based on average-salary pension; and

- Future inflation indexation is conditional.

Other group companies employees

The other group companies, which are entities operating in the Distribution and Services segment, have DC plans, insured with a.s.r. life. The recognised expenses for these DC plans in 2022 amounts to € 5 million (2021: € 5 million).

Net defined benefit liability

Defined benefit obligation for all the above mentioned plans

	2022	2021
Net defined benefit liability at 1 January	**3,990**	**4,228**
Included in income statement		
Interest cost	33	17
Past service cost	1	93
Other	-1	-
Total	**33**	**111**
Remeasurement of liabilities included in OCI		
Discount rate change	-1,222	-325
Other assumptions change	31	-12
Experience adjustments	-3	88
Total	**-1,194**	**-249**
Benefits	-107	-101
Transfer	-	2
Net defined benefit liability at 31 December	**2,722**	**3,990**
At 31 December		
Defined benefit obligation	2,722	3,990
Fair value of plan assets	-	-
Net defined benefit liability	2,722	3,990

Employees account for 20% (2021: 25%) of the DB obligation, 52% (2021: 41%) of the DB obligation relates to former employees currently receiving pension benefits, 25% (2021: 31%) of the DB obligation relates to deferred pensioners and 3% (2021: 3%) of the DB obligation relates to other members.

The discount rate was 3.67% at 31 December 2022 (31 December 2021: 0.90%), resulting in a € 1,259 million decrease (2021: € 338 million decrease) in the DB obligation.

As per 31 December 2022 the duration of the DB obligation was 14 years (2021: 18 years).

The past service cost of € 1 million pre-tax (2021: € 93 million) relates to developments in relation to the ended DB plan of a.s.r.

The change in other assumptions amounts to € 31 million (2021: € -12 million) primarily due to a change in indexation percentage of former employees.

Experience adjustments are actuarial gains and losses that have arisen due to differences between actuarial assumptions. The following table provides information about experience adjustments with respect to qualifying plan assets and the DB obligation:

Experience adjustments

(in € thousands)	2022	2021
Experience adjustments to qualifying investments, gain (loss)	-	-
As % of qualifying investments as at 31 December	0.0%	0.0%
Experienced adjustments to defined benefit obligation, loss (gain)	3,020	-87,948
As a % of liabilities as at 31 December	-0.1%	2.2%

Assumptions

The principal actuarial assumptions and parameters at year-end

	2022	2021
Discount rate	3.7%	0.9%
Indexation % employees	n.a.	2.2%
Indexation % former employees	n.a.	2.2%
Mortality (years)	19.9	19.7

In the calculation of the DB obligation the:
- Discount rate is based on an internal curve for high quality corporate bonds;
- Most recent mortality table 'AG Prognosetafel 2022' is used, in combination with a.s.r. specific experience factors for the pension portfolio;

- As from 2022 the indexation amount in the DB obligation is no longer derived from the indexation parameter and estimated period of indexation; instead, the fair values of the separate accounts to fund future indexation are added to the DB obligation.

The sensitivity of the above actuarial assumptions to feasible possible changes at the reporting date to one of the relevant actuarial assumptions whilst other assumption remain constant, would have affected the DB obligation by the amounts shown below:

Sensitivity of actuarial assumptions

	Increase	Decrease
Discount rate (1% movement)	-287	360
Future mortality (1 year movement)	-69	68

Non-qualifying plan assets

The portfolio of global investments (non-qualifying assets) held by a.s.r. life to cover the employee benefit expense of the DB plans can be broken down as follows:

Breakdown of global investments held by a.s.r. life

	31 December 2022	31 December 2021
Equities	18.0%	17.9%
Fixed-interest securities	73.2%	74.4%
Real estate	6.3%	5.3%
Cash	0.3%	0.2%
Other	2.1%	2.2%

For the non-qualifying assets backing the post-employment benefit plans, a.s.r. has drawn up general guidelines for the asset mix based on criteria such as geographical location and ratings. To ensure the investment guidelines remain in line with the conditions of the post-employment benefit obligations, a.s.r. regularly performs Asset Liability Management studies. Transactions in the non-qualifying assets are done within the guidelines. As the post-employment benefit plans are a liability on group level, the underlying insurance and market risks are in scope of a.s.r.'s risk policies (see chapter 6.8). The overall interest-rate risk of the group is managed using interest-rate swaps and swaptions. a.s.r. life manages the interest rate risk through an overlay interest hedging strategy using swaps and swaptions for the company as a whole (see chapter 6.8.3). The swaps and swaptions are not specifically allocated to the a.s.r. post-employment benefit plans. Therefore the (un)realised gains and losses from swaps and swaptions as a whole are accounted for in liabilities arising from insurance contracts, in accordance with the shadow accounting policy, whereas the impact of changes in interest rates on the provisioning for employee benefits based on IAS19 is part of actuarial gains and losses that are recognised in equity (see chapter 6.5.13.3).

The non-qualifying assets, which are managed by a group company, are not presented as part of the net DB obligation. At year-end 2022, the fair value of these assets amounted to € 2,424 million (2021: € 2,651 million) including the separate accounts to fund future inflation indexation amounting to € 372 million (2021: € 192 million), which partly comprise the agreed additional funds in 2022. As mentioned above, the swaps and swaptions have not been allocated directly to the post-employment benefit obligations; neither are they included as part of the fair value of the non-qualifying assets managed by the group company. As of 1 January 2023, the non-qualifying plan assets also cease to be allocated to the a.s.r. DB plan as all profit sharing has ended and the assets will be included in the general account investments going forward.

As the assets do not qualify as qualifying assets, investment income from these assets has therefore not been included in the above figures but is recognised as investment income separately. Actual investment returns for 2022 amounted to € 33 million (2021: € 81 million), which includes the investment income on the separate account to fund future inflation indexation amounting to € 5 million (2021: € 14 million). These returns have been recognised in investment income (see chapter 6.6.2).

The separate account to fund future inflation indexation is utilised to fund the future inflation indexation for the employees and former employees included in the a.s.r. post-employment benefit plans. As such this has been included in the assumption used in calculating the DB obligation.

6.5.17.2 Post-employment benefits other than pensions

The other post-employment benefits plans consist of personnel arrangements for financial products (such as mortgages and health insurance), which remain in place after retirement.

Changes in the defined benefit obligation

	2022	2021
Defined benefit obligation at 1 january	**9**	**10**
Included in income statement		
Other	-	-
Total	**0**	**0**
Remeasurement of liabilities included in OCI		
Discount rate change	-1	-
Other assumptions change	-	-
Total	**-1**	**0**
Benefits	-1	-1
Defined benefit obligation at 31 December	**7**	**9**

Experience adjustments are actuarial gains and losses that have arisen due to differences between actuarial assumptions. The following table provides information about experience adjustments with respect to the DB obligation:

Experience adjustments to defined benefit obligation

(in € thousands)	2022	2021
Experience adjustments to defined benefit obligation, loss (gain)	1,272	385
As a % of liabilities as at 31 December	17.8%	4.2%

Principal actuarial assumptions and parameters at year-end

	2022	2021
Discount rate	3.7%	0.6%

In accordance with a.s.r.'s policy, discounts on employee mortgages have been fixated in amounts granted on the reference date December 2017.

In the calculation of the DB obligation the:
- Discount rate is based on an internal curve for high quality corporate bonds;
- Most recent mortality table 'AG Prognosetafel 2022' is used, in combination with a.s.r. specific experience factors for the pension portfolio.

The sensitivity of the above actuarial assumptions to feasible possible changes at the reporting date to one of the relevant actuarial assumptions whilst other assumption remain constant, would have affected the DB obligation by the amounts of € 1 million increase (2021: € 1 million increase) or € 1 million decrease (2021: € 1 million decrease) as a result of a movement of the discount rate by 1%.

6.5.17.3 Other long-term employee benefits

Other long-term employee benefits consist of the employer's share of liabilities arising from long-term services, such as jubilee benefits.

Changes in other long-term employee benefits

	2022	2021
Net liability as at 1 January	**14**	**15**
Total expenses	-2	-
Actuarial gains and losses	1	-
Other	-1	-1
Net liability as at 31 December	**12**	**14**

Underlying assumptions

	31 December 2022	31 December 2021
Discount rate	3.7%	0.5%
Salary increases	3.4%	2.2%
Expected remaining service years	8.2	8.1

6.5.18 Provisions

Changes in provisions

	2022	2021
At 1 January	24	24
Additional foreseen amounts	3	11
Reversal of unused amounts	-3	-4
Usages in course of year	-6	-14
Acquisitions from third parties	3	-
Other	-3	7
At 31 December	**18**	**24**

The provisions were created for:
- VAT and legal issues;
- Dismantling costs wind turbines;
- Employee restructuring expenses;
- Retention of disability risk instead of insuring it with UWV (Employed Persons Insurance Administration Agency); and
- Other expenses.

The provision for VAT and legal issues is based on best estimates available at year-end, making allowance for expert opinions.

The provisions for employee restructuring are based on arrangements agreed in the Collective Bargaining Agreement, restructuring plans, and on decisions made by a.s.r.'s management.

The timing of the outflow of resources related to these provisions is uncertain because of the unpredictability of the outcome and the time required for the settlement of disputes.

An amount of € 7 million (2021: € 11 million) of the provisions is expected to be settled within twelve months after the balance sheet date.

6.5.19 Borrowings

See accounting policies AA and BB.

Borrowings

	31 December 2022	31 December 2021
Loans	152	137
Lease liabilities	62	55
Total Borrowings	**214**	**192**

As at year-end, borrowings had the following terms to maturity:

Maturity of borrowings

	31 December 2022	31 December 2021
Maturity - Falling due within 1 year	20	9
Maturity - Falling due between 1 and 5 years	61	58
Maturity - Falling due after 5 years	134	124
Maturity Borrowings	**214**	**192**

Borrowings increased mainly due to the acquisition of wind farm Strekdammen, which was partially financed by a loan of € 19 million. At year-end 2022, the fair value of borrowings was € 214 million (2021: € 192 million). For information regarding the fair value, see chapter 6.7.1.2. The average interest rate payable on loans was 1.40% (2021: 0.59%). The average incremental borrowing rate on the lease liabilities was 1.48% (2021: 1.63%).

6.5.20 Due to customers

See accounting policy AA.

Amounts due to customers

	31 December 2022	31 December 2021
Debts to policyholders, agents and intermediaries	462	561
Debt to reinsurers	8	12
Total due to customers	**471**	**573**

For information regarding the fair value, see chapter 6.7.1.2.

An amount of € 20 million (2021: € 44 million) of due to customers is expected to be settled more than twelve months after balance sheet date.

6.5.21 Due to banks

See accounting policy AA.

The amounts due to banks decreased from € 5,741 million to € 2,262 million primarily as a result of the decrease in liability recognised for cash collateral received under ISDAs (International Swaps and Derivatives Association) and Client Clearing Agreements (CCA) concluded with counterparties (see chapter 6.5.12). There is no significant difference between the carrying amount and the fair value of these liabilities (see chapter 6.7.1.2). The average interest rate for the cash collateral received in 2022 is -0.01% and based on €STR (2021: -0.48% (EONIA / €STR)).

€ 450 million (2021 : nil) of cash on the balance sheet has been borrowed by entering into repurchase agreements. The asset recognised for cash collateral paid on repurchase agreements is presented under loans and receivables. The liability recognised for cash collateral received on repurchase agreements is presented under due to banks. The entire amount due to banks is expected to be settled less than or equal to twelve months after the balance sheet date.

a.s.r.'s unsecured Revolving Credit Facility (RCF) amounts to € 400 million (2021: € 400 million). The RCF can be used for multiple purposes including investment purposes, balance sheet management and short-term cash flow management. As per the year-end 2022 the RCF is undrawn and fully available.

The entire amount of the due to banks is expected to be settled less than or equal to twelve months after the balance sheet date.

6.5.22 Other liabilities

See accounting policy AA.

Other liabilities

	31 December 2022	31 December 2021
Financial liabilities		
Accrued Interest	188	93
Trade payables	12	15
Non-financial liabilities		
Deferred income	112	110
Short-term employee benefits	21	26
Tax payable	-	129
Other non-financial liabilities	605	605
Total other liabilities	**938**	**976**

The other non-financial liabilities of € 605 million (2021: € 605 million) consist, amongst others, of payables, accruals related to investments and construction depots for housing mortgages.

There is no difference between the carrying value of other liabilities and their fair value (see chapter 6.7.1.2).

An amount of € 20 million (2021: € 24 million) of the other liabilities is expected to be settled more than one year after the balance sheet date.

6.6 Notes to the consolidated income statement

6.6.1 Gross insurance premiums

See accounting policy CC.

Composition of gross insurance premiums

	2022	2021
Non-life insurance contracts – gross earned premiums	**4,270**	**4,138**
Life insurance contracts retained exposure	668	696
Life insurance contracts on behalf of policyholders	1,098	1,042
Total life insurance contracts	**1,767**	**1,738**
Total gross insurance premiums	**6,037**	**5,875**

The table below provides an overview of total gross earned non-life insurance premiums.

Gross insurance premiums Non-life

	2022	2021
Gross premiums written	4,274	4,121
Changes in provisions for unearned premiums	-4	16
Gross insurance premiums	**4,270**	**4,138**

Non-recurring and regular life insurance premiums

	2022	2021
Retained exposure Group		
Non-recurring premiums written	135	129
Periodic premiums written	104	112
Group total	**239**	**242**
Retained exposure Individual		
Non-recurring premiums written	18	20
Periodic premiums written	411	434
Individual total	**429**	**454**
Total contracts retained exposure	**668**	**696**
On behalf of policyholders Group		
Non-recurring premiums written	214	194
Periodic premiums written	766	661
Group total	**980**	**855**
On behalf of policyholders Individual		
Non-recurring premiums written	2	55
Periodic premiums written	116	133
Individual total	**118**	**187**
Total contracts on behalf of policyholders	**1,098**	**1,042**
Total life insurance contracts	**1,767**	**1,738**

A total amount of € 187 million (2021: € 157 million) has been eliminated in the consolidation process and is therefore not included in the gross insurance premiums. This relates to the a.s.r. post-employment benefit plans of € 174 million (2021: € 140 million), investment fees of € 11 million (2021: € 15 million) and disability premiums of € 2 million (2021: € 2 million).

6.6.2 Investment income

See accounting policy DD.

Breakdown of investment income per category

	2022	2021
Interest income from receivables due from credit institutions	99	110
Interest income from investments	371	331
Interest income from amounts due from customers	325	278
Interest income from derivatives	660	574
Other interest income	41	54
Interest income	**1,497**	**1,347**
Dividend on equities	82	78
Dividend on real estate equity funds	71	58
Dividend on mortgage equity funds	22	21
Rentals from investment property	58	64
Other investment income	3	3
Dividend and other investment income	**236**	**224**
Total Investment income	**1,732**	**1,571**

The effective interest method has been applied to an amount of € 789 million (2021: € 715 million) of the interest income from financial assets not classified at fair value through profit or loss. Included within interest income is € 3 million (2021: € 4 million) of interest received on impaired fixed-income securities.

6.6.3 Realised gains and losses

See accounting policy EE.

Realised gains and losses per category

	2022	2021
Associates and joint ventures at equity method		
- Realised gains	-	33
Investments available for sale		
Fixed-Income securities		
- Realised gains	173	261
- Realised losses	-548	-10
Equities		
- Realised gains	223	186
- Realised losses	-70	-9
Loans and receivables		
- Realised gains	5	28
- Realised losses	-71	-
Total realised gains and losses	**-288**	**490**

The realised result on fixed-income securities is lower due to the sale of government bonds and other debt securities in an increasing interest rate environment. The realised result on loans and receivables are lower due to the sale of mortgages in an increasing interest rate environment.

The disposal of fixed-income securities, including loans and receivables, results in a reversal of impairments of € 1 million (2021: € 57 million).

6.6.4 Fair value gains and losses

See accounting policy FF.

Fair value gains and losses per category

	2022	2021
Realised gains and losses on derivatives	-185	-46
Unrealised gains and losses on derivatives	-5,554	-2,358
Gains and losses on investment property and property for own use	117	91
Financial assets at fair value through profit or loss	-106	172
Additions to insurance liabilities due to shadow accounting	5,767	2,250
Total fair value gains and losses	**38**	**110**

All changes in fair value presented here are changes to the so-called 'clean fair value'. This is the fair value net of accrued interest recognised in interest income and expense.

The unrealised losses on derivatives are due to increasing interest rates, most of these are shadowed and added to insurance liabilities, see chapter 6.5.15.

6.6.5 Fee and commission income

See accounting policy II.

Fee and commission income

	2022	2021
Asset management for third parties	102	96
Commission on reinsurance	24	23
Other fee and commission income	122	84
Total fee and commission income	**247**	**204**

Other fee and commission income increased mainly due to an increase in fees received from the real estate equity funds and a.s.r. PPI.

6.6.6 Other income

Other income

	2022	2021
Proceeds from sales of property developments	11	32
Revenues generated by wind farms and solar parks	88	4
Other income	46	20
Total other income	**144**	**56**

Revenues generated by wind farms and solar parks increased due to higher energy prices and the acquisitions of wind farms and solar parks in 2021 and 2022, see chapter 6.4.5.

6.6.7 Net insurance claims and benefits

See accounting policy JJ.

Net insurance claims and benefits

	2022	2021
Total Non-life and Life		
Insurance claims and benefits	-2,984	-6,846
Insurance claims and benefits recovered from reinsurers	64	29
Net insurance claims and benefits	**-2,919**	**-6,817**
Non-life		
Claims paid	-2,866	-2,595
Changes in provision for outstanding claims	-410	-469
Amortisation of VOBA	-14	-14
Insurance claims and benefits	**-3,290**	**-3,079**
Insurance claims and benefits recovered from reinsurers	63	23
Net insurance claims and benefits, Non-life	**-3,227**	**-3,056**
Life		
Claims paid	-2,317	-2,983
Changes in liabilities arising from insurance contracts	1,008	592
Changes in liabilities arising from insurance contracts on behalf of policyholders	1,624	-1,368
Amortisation of VOBA	-9	-8
Insurance claims and benefits	**306**	**-3,768**
Insurance claims and benefits recovered from reinsurers	1	7
Net insurance claims and benefits, Life	**307**	**-3,761**

Non-life insurance claims and benefits increased roughly in line with the growth of premiums earned, excluding exceptional provision strengthening and weather related calamities.

In 2022, disability provisions were strengthened (impact € 91 million) due to the 10% increase in the legal minimum wage as at 1 January 2023 as a result of the exceptionally high level of inflation. In February 2022, the Netherlands were confronted with severe storms (Dudley, Eunice and Franklin) and heavy rainfalls which caused significant damage. The additional damage claimed was € 39 million after reinsurance. In July 2021, floods in the southern part of the Netherlands had a € 20 million impact.

In Non-life there was an ongoing normalisation of claims following the abolishment of the COVID-19 restrictions.

The decrease of life claims paid reflects fewer claims paid from expirations and redemptions.

6.6.8 Operating expenses

See accounting policy KK.

Operating expenses

	2022	2021
Salaries and wages	-316	-292
Social security contributions	-41	-37
Employee benefit charges	-61	-58
Employee discounts	-3	-3
Other short-term employee benefits	-11	-6
Total cost of internal staff	**-432**	**-396**
Cost of external staff	-98	-83
Consultancy costs and fees	-111	-110
Marketing, advertising and public relations expenses	-22	-20
Technology and system costs	-71	-63
Amortisation of other intangible assets	-11	-10
Depreciation of property, plant and equipment	-17	-19
Other operating expenses	-17	-24
Total other operating expenses	**-347**	**-329**
Total operating expenses	**-779**	**-725**

The increase in total operating expenses is primarily a result of various acquisitions (see chapter 6.4.5), organic growth, and a one-off payment to employees originating from the new collective labor agreement.

Other operating expenses include travel and subsistence, telephone and personnel training expenses.

Segmentation of a.s.r.'s internal workforce

Segments	2022	2021
Non-life	1,541	1,508
Life	488	493
Asset Management	409	373
Distribution and Services	745	706
Holding and Other	1,130	1,075
Total workforce in FTE	**4,313**	**4,155**

The increase of a.s.r.'s total internal work force is mainly the result of organic growth.

Employees related to administrative activities and overhead are allocated to segment Holding and Other.

6.6.9 Impairments

See accounting policy MM.

Summary of impairments

	2022	2021
Intangible assets	-	-9
Associates and joint ventures	-1	-
Investments available for sale	-110	-13
Loans and receivables	17	-1
Total impairments	**-95**	**-22**

Changes in impairments of investments available for sale

	2022	2021
Equities	-133	-16
Reversal of impairments on bonds	23	-
Reversal of impairments on collateralised debt obligations	-	3
Total changes in impairments of investments available for sale	**-110**	**-13**

The impairment on intangible assets in 2021 is related to the partial impairment of goodwill in the Distribution and Services segment (€ -9 million).

The increase of impairments on equities available for sale is partly due to a decrease of share prices on the stock market, partly due to revaluations of participations in fixed income and mortgage funds driven by increasing market interest rates.

6.6.10 Interest expense

Breakdown of the interest expense

	2022	2021
Interest on employee benefits	-36	-20
Interest on derivatives	-315	-253
Interest owed to banks	-36	-38
Interest on subordinated liabilities	-51	-44
Interest on borrowings	-3	-1
Other interest expenses	-6	-6
Total interest expense	**-447**	**-362**

Included within interest owed to banks is an amount of € 24 million (2021: € 31 million) relating to negative interest paid on cash and cash equivalents.

6.6.11 Other expenses

Other expenses

	2022	2021
Costs associated with sale of development property	-33	-26
Operation expenses of investment property	-9	-10
Operation expenses of wind and solar farms	-24	-
Other expenses	-23	-149
Total other expenses	**-90**	**-186**

The costs associated with sale of development property of € 33 million (2021: € 26 million) mainly concerns the cost price of residential property sold.

The decrease of € 126 million in other expenses relates for € 90 million to the reassessment of the past service costs related to the defined benefit obligation in 2021 (2022: nil), see chapter 6.5.17.1, and the change in the provision for irrecoverable claims relating to negative interest surplus on pension portfolio in 2021 of € 24 million (2022: nil).

6.6.12 Income tax (expense) / gain

See accounting policy NN.

Income tax (expense) / gain

	2022	2021
Current taxes for the current period	39	-188
Current taxes referring to previous periods	9	26
Total current tax	**47**	**-162**
Deferred taxes arising from current period	-251	-105
Deferred taxes arising from changes in tax rates	-	-3
Total deferred tax	**-251**	**-108**
Income tax (expense) / gain	**-204**	**-270**

The expected income tax expense is determined by applying the tax rate in the Netherlands to the result before tax. In 2022, this rate was 25.8% (2021: 25.0%). The enacted tax rate for 2023 will be 25.8%.

The table below shows a reconciliation of the expected income tax expense with the actual income tax expense.

Reconciliation of expected income tax (expense) / gain with the actual income tax (expense) / gain

	2022	2021
Result before tax	929	1,209
Current tax rates	-25.8%	-25.0%
Expected income tax (expense) / gain	**-240**	**-302**
Effects of:		
Tax-exempt interest	3	3
Tax on interest on other equity instruments	12	12
Tax-exempt dividends	5	5
Tax-exempt capital gains	24	12
Changes in impairments	-3	-2
Adjustments for taxes due on previous financial years	-	5
Other effects	-6	-3
Total Income tax (expense) / gain	**-204**	**-270**

The result is almost entirely earned and taxable in the Netherlands.

The effective income tax rate is 22.0% (2021: 22.4%).

6.7 Other notes

6.7.1 Fair value of assets and liabilities

6.7.1.1 Financial assets and liabilities measured at fair value

See accounting policy B.

Breakdown of financial assets measured at fair value

31 December 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	9,002	203	22	9,227
Corporate bonds	7,067	115	6	7,188
Asset-backed securities	6	-	409	416
Preference shares	-	284	5	289
Equities	2,434	705	333	3,471
Mortgage equity funds	-	-	303	303
Other participating interests	6	-	-	6
	18,515	**1,308**	**1,077**	**20,900**
Investments at fair value through profit or loss				
Equities	75	-	7	82
Real estate equity funds	-	-	3,974	3,974
Mortgage equity funds	-	-	684	684
	75	**-**	**4,665**	**4,740**

31 December 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
Investments on behalf of policyholders				
Government bonds	1,526	-	-	1,526
Corporate bonds	1,386	-	-	1,386
Equities	6,504	-	-	6,504
Real estate equity funds	170	-	-	170
Mortgage equity funds	-	-	252	252
Cash and cash equivalents	9	-	-	9
Other investments	62	4	-	66
	9,657	**3**	**252**	**9,912**
Investments related to investment contracts				
Government bonds	261	-	-	261
Corporate bonds	149	-	-	149
Equities	1,449	-	-	1,449
Real estate equity funds	97	-	-	97
Cash and cash equivalents	37	-	-	37
Other investments	6	-	-	6
	2,000	**-**	**-**	**2,000**

31 December 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
Derivatives				
Foreign exchange contracts	-	80	-	80
Interest rate contracts				
- Swaps	-	4,782	-	4,782
- Options	-	275	-	275
- Futures	102	113	-	215
Inflation linked swaps	-	44	-	44
Equity index contracts	31	-	-	31
	133	**5,294**	**-**	**5,428**
Cash and cash equivalents	2,245	-	-	2,245
Total financial assets	**32,626**	**6,605**	**5,993**	**45,224**

Breakdown of financial liabilities measured at fair value

31 December 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	2,000	-	-	2,000
Derivatives				
Foreign exchange contracts	-	29	-	29
Interest rate contracts				
- Swaps	-	5,494	-	5,494
	-	**5,523**	**-**	**5,523**
Total financial liabilities	**2,000**	**5,523**	**-**	**7,523**

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**

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
Investments on behalf of policyholders				
Government bonds	1,954	-	-	1,954
Corporate bonds	1,100	-	-	1,100
Derivatives	-	6	-	6
Equities	7,950	-	-	7,950
Real estate equity funds	249	-	-	249
Mortgage equity funds	-	-	234	234
Cash and cash equivalents	18	-	-	18
Other investments	60	4	-	64
	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**

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
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**

Cash and cash equivalents are classified as level 1 when not subject to restrictions.

Reclassification between categories

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	35	**85**
Level 2: Fair value based on observable market data	-	-	-	**-**
Level 3: Fair value not based on observable market data	-	-	-	**-**

Fixed income funds are adjusted from level 1 to level 2 (€ 50 million) and from level 1 to level 3 (€ 35 million). Those movements are based on decreased observability of the inputs during the period.

Reclassification between categories

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 respectively on increased and decreased observability of the inputs during the period.

The following two tables show the movement in financial assets measured at fair value including investment on behalf of policyholders and investment property that are categorised within level 3.

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	-2	37
- Recognised in Other comprehensive income (unrealised gains and losses)	-83	20
Purchases	129	407
Repayments	-53	-80
Disposal	-206	-190
Amortisation	-	-1
Impairments	13	1
Reclassification of investments from/to level 3 valuation technique	35	-36
At 31 December	**1,077**	**1,243**

Changes in financial assets 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	-216	121
Purchases	420	565
Disposal	-184	-21
Reclassification of investments from/to level 3 valuation technique	-	-2
Net transfer of real estate equity funds	1,457	-
Other	-	2
At 31 December	**4,916**	**3,439**
Total revaluations of investments, held at end of period, recognised in the income statement	**-189**	**122**

The net transfer of real estate equity funds relates to ASR DFLF. During 2022, a.s.r. lost control of ASR DFLF as a result of the entry of third party participants in ASR DFLF. The net transferred amount consists of € 1,703 million reclassification of investment property and rural property contracts included in ASR DFLF, minus € 246 million rural property contracts already included in financial assets Level 3.

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 available for sale 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, including 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 € 33 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 6.7.1.2 for the main non-observable inputs.

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.

Unobservable and observable inputs used in determination of fair value

31 December 2022								Change in theoretical rental value		
	Fair value	Valuation technique	Gross	Gross theoretical rental value (€)	Gross	Gross yield (%)	Change in yield	-5%	0%	5%
Investments at fair value through profit or loss										
Real estate equity funds associates	3,557	DCF		110,918,322		3.1%	-5%	-	187	374
							0%	-178	-	178
							5%	-339	-169	-
Real estate equity funds third parties	417									
Total real estate equity funds	**3,974**									

Unobservable and observable inputs used in determination of fair value

31 December 2021								Change in theoretical rental value		
	Fair value	Valuation technique	Gross	Gross theoretical rental value (€)	Gross	Gross yield (%)	Change in yield	-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**									

6.7.1.2 Financial assets and liabilities not measured at fair value

The breakdown of the fair values of financial assets and liabilities not measured at fair value, and for which the fair value is disclosed in accordance with the level of fair value hierarchy, as explained in accounting policy B, is as follows:

Breakdown of financial assets and liabilities not measured at fair value

31 December 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	-	1,904	9,053	10,957	12,307
Due from credit institutions	1,659	2,667	-	4,327	4,259
Trade and other receivables	-	605	-	605	605
Total financial assets	**1,659**	**5,176**	**9,053**	**15,889**	**17,171**
Financial liabilities					
Subordinated liabilities	-	1,925	-	1,925	1,980
Borrowings	-	152	62	214	214
Due to customers	-	471	-	471	471
Due to banks	2,187	75	-	2,262	2,262
Other financial liabilities	188	12	-	200	200
Total financial liabilities	**2,375**	**2,634**	**62**	**5,071**	**5,127**

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**

The amounts due from credit institutions and amounts due to banks that are classified as level 1 primarily comprise of respectively cash collateral paid on derivative instruments and cash collateral received. The accrued interest included in other financial liabilities follows the classification of the underlying assets. Level 2 category financial assets relates primarily to the receivable due from credit institutions for savings-linked mortgage loans amounting to a fair value of € 2,319 million (2021: € 3,124 million).

The mortgage loan portfolio is classified as level 3 'not measured on the basis of market observable market data'. 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 on 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.

The mortgage loan portfolio consists of high quality mortgages with a relatively fixed return, limited impairments and arrears (see chapter 6.5.8). The mortgage loan portfolio consists only of Dutch mortgages with a limited counterparty default risk in line with the strategic investment plan (see chapter 6.8.4).

6.7.1.3 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, as explained in accounting policy B, is as follows:

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

	Fair value based on quoted prices in an active market	Fair value based on observable market data	Fair value not based on observable market data	
31 December 2022	Level 1	Level 2	Level 3	Total fair value
Investment property	-	-	664	664
Land and buildings for own use	-	-	115	115
Plant	-	-	480	480
Total	**-**	**-**	**1,259**	**1,259**

	Fair value based on quoted prices in an active market	Fair value based on observable market data	Fair value not based on observable market data	
31 December 2021	Level 1	Level 2	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 property portfolio is classified as level 3 'not measured on the basis of market observable market data'. Non-observable market inputs are used in the valuation methods, in addition to the observable market inputs. The fair value measurement is based on valuations by independent professional appraisers. These valuations have been performed for the entire portfolio of investment property, buildings for own use and plants. Independent professional appraisers use reference transactions of comparable properties, in combination with the DCF and income capitalisation method, to determine the fair value of the property or plant. The reference transactions of comparable objects of the property portfolio are generally based on observable data consisting of the land register 'Kadaster' and the rural land price monitor as published by the Dutch Government 'Grondprijsmonitor' in an active property market.

The significant unobservable and observable inputs to the Level 3 values of plant are the energy prices and the discount rate. An increase (decrease) of the discount rate will lead to a lower (higher) fair value measurement.

The property has a relatively fixed return. The property portfolio is well diversified and consists of residential, retail, offices and rural property, throughout the Netherlands. The retail portfolio focusses on high street locations with relative low vacancy rates. The following table shows a breakdown of the fair value and vacancy rates of the portfolio of investment property.

Breakdown of investment property

	Fair value		Vacancy rate	
	31 December 2022	31 December 2021	2022	2021
Retail	159	161	3.1%	5.0%
Residential	1	1	-	-
Rural	202	1,625	-	-
Offices	290	241	8.4%	8.2%
Property under development	-	12	-	100.0%
Parking	13	12	-	-
Total	**664**	**2,052**	**3.5%**	**2.9%**

In 2022, € 1,430 million of rural investment property included in ASR DFLF was transferred to investments in real estate equity funds, see chapter 6.5.5.2. During 2022, a.s.r. lost control of ASR DFLF as a result of the entry of third party participants in ASR DFLF.

The movements in investment property and plant measured at fair value (recurring basis) that are categorised within level 3 are presented in chapter 6.5.2 and 6.5.3.

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.

Unobservable and observable inputs used in determination of fair value

31 December 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	159	DCF	total	11,340,229	mean	7.1%	-5%	-	8	17
			max	1,641,470	max	9.6%	0%	-8	-	8
			min	14,940	min	3.7%	5%	-15	-8	-
Residential	1	DCF	total	76,600	mean	7.9%	-5%	-	-	-
			max	76,600	max	7.9%	0%	-	-	-
			min	76,600	min	7.9%	5%	-	-	-
Rural	202	DCF	total	4,754,747	mean	2.4%	-5%	-	11	21
			max	1,776,687	max	3.8%	0%	-10	-	10
			min	500	min	0.5%	5%	-19	-10	-
Offices	290	DCF	total	19,406,800	mean	6.7%	-5%	-	15	30
			max	5,280,212	max	9.8%	0%	-14	-	14
			min	52,513	min	4.4%	5%	-28	-14	-
Property under development	-									
Parking	13									
Land and buildings for own use	**115**	DCF	total	8,273,071	mean	7.5%	-5%	-	6	12
			max	8,273,071	max	7.5%	0%	-5	-	5
			min	8,273,071	min	7.5%	5%	-10	-5	-
Plant	**480**									
Total	**1,259**									

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**									

6.7.2 Offsetting of financial assets and liabilities

The following tables include information about rights to offset and the related arrangements. The amounts included consist of all recognised financial instruments that are presented net in the balance sheet under the IFRS-EU offsetting requirements (legal right to offset and intention to settle on a net basis) and amounts presented gross in the balance sheet but subject to enforceable master netting arrangements or similar arrangements.

Offsetting financial instruments

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related amounts not set off in the statement of financial position: Financial instruments	Cash Collateral received (excluding surplus)	Net amount
31 December 2022						
- Derivatives	5,389	-	5,389	3,829	1,560	-
Total financial assets	**5,389**	**-**	**5,389**	**3,829**	**1,560**	**-**
31 December 2021						
- Derivatives	6,212	-	6,212	743	5,469	-
Total financial assets	**6,212**	**-**	**6,212**	**743**	**5,469**	**-**

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related amounts not set off in the statement of financial position: Financial instruments	Cash Collateral pledged (excluding surplus)	Net amount
31 December 2022						
- Derivatives	5,523	-	5,523	3,829	1,632	62
Total financial liabilities	**5,523**	**-**	**5,523**	**3,829**	**1,632**	**62**
31 December 2021						
- Derivatives	759	-	759	743	16	-
Total financial liabilities	**759**	**-**	**759**	**743**	**16**	**-**

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

In compliance with the deferral option IFRS 9 under IFRS 4, a.s.r. conducted a solely payments of principal and interest (SPPI) test on the financial assets.

For the purpose of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time – e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (e.g. liquidity risk) and costs (e.g. administrative costs), as well as a profit margin that is consistent with a basic lending arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

In assessing whether the contractual cash flows are solely payments of principal and interest, a.s.r. considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, a.s.r. considers the following:
- Variable interest rates;
- Prepayment features;
- Term extension features;
- Contingent events; and
- Terms that limit a.s.r.'s claim to cash flows from specified assets – e.g. non-recourse asset arrangements.

Fair value of financial assets based on SPPI test results

Amounts in € millions	Fair value at 31 December 2022[1]	Carrying amount at 31 December 2022	Fair value movement 2022	Fair value at 31 December 2021[1]	Carrying amount at 31 December 2021	Fair value movement 2021
Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest:						
Trade and other receivables	605	605	-222	827	827	-3
Other financial assets	142	142	18	124	124	-24
	747	**747**	**-204**	**952**	**952**	**-26**
Other financial assets[2]						
Government bonds	9,227	9,227	-4,922	14,149	14,149	-3,241
Corporate bonds	7,188	7,188	-3,639	10,827	10,827	-990
Rural property contracts	-	-	-215	215	215	72
Asset-backed securities	416	416	-115	530	530	126
Preference shares	289	289	-22	311	311	-5
Derivatives	5,428	5,428	-784	6,212	6,212	-2,956
Equities and other participating interest	3,560	3,560	-576	4,136	4,136	620
Real estate equity funds	3,974	3,974	1,772	2,202	2,202	173
Mortgage equity funds	987	987	-192	1,179	1,179	196
Other financial assets	527	527	63	464	464	-50
Investments on behalf of policyholders	9,912	9,912	-1,662	11,574	11,574	1,420
Investments related to investment contracts	2,000	2,000	48	1,952	1,952	1,952
Due from customers	10,957	12,307	-1,252	12,209	11,461	2,722
Due from credit institutions	4,327	4,259	645	3,682	2,971	-2,100
Cash and cash equivalents	2,245	2,245	-61	2,306	2,306	-557
	61,034	**62,317**	**-10,914**	**71,948**	**70,489**	**-2,618**
Total financial assets	**61,781**	**63,064**	**-11,118**	**72,900**	**71,441**	**-2,644**

1 The carrying value of the trade and other receivables is regarded as a good approximation of the fair value, as these assets have a short-term nature.
2 Other financial assets include the financial assets that fall into the business model held for trading and managed on a fair value basis or those financial assets with contractual terms that do not give rise on specified dates to cash flows that are solely payments of principal and interest.

The fair value movement relates to the revaluations during the year of the financial assets; total movement less the net additions.

Credit risk exposure for financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest

	Gross carrying amount at 31 December 2022	Gross carrying amount at 31 December 2021
Credit risk rating		
AA	54	89
A	9	6
Not rated	712	883
Total financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest	**775**	**978**

The credit risk of the assets not rated (trade and other receivables and other financial assets), is considered low. For more detailed information about the credit risks of a.s.r., see chapter 6.8.3 and chapter 6.8.4.

Fair value of financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest without low credit risk

	Fair value at 31 December 2022	Gross carrying amount at 31 December 2022	Fair value at 31 December 2021	Gross carrying amount at 31 December 2021
Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest:				
Trade and other receivables	472	500	585	611
Total fair value of financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest without low credit risk	**472**	**500**	**585**	**611**

6.7.4 Related party transactions

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

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

The remuneration of the key personnel is disclosed in chapter 6.7.5.

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

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

- Associates;
- Joint ventures.

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

	Associates	Joint ventures	Total
2022			
Balance sheet items with related parties as at 31 December			
Loans and receivables	37	8	45
Other liabilities	176	-	176
Transactions in the income statement for the financial year			
Fee and commission income	74	-	74
Fee and commission expenses	1	-	1

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

	Associates	Joint ventures	Total
2021			
Balance sheet items with related parties as at 31 December			
Loans and receivables	21	12	33
Other liabilities	177	-	177
Transactions in the income statement for the financial year			
Fee and commission income	57	-	57
Fee and commission expenses	1	-	1

No provisions for impairments have been recognised on the loans and receivables for the years 2022 and 2021.

The members of the EB and the Business Executive Committee (BEC) have mortgage loans with a.s.r. amounting to respectively € 435 thousand (2021: € 495 thousand) and € 1,099 thousand (2021: € 596 thousand). The mortgages have been issued subject to normal employee conditions. The employee conditions include limits and thresholds to the amounts that qualify for a personnel interest-rate discount. For mortgage loans higher than € 340 thousand arm's length conditions apply. The average interest rate on the mortgage loans (for members EB and BEC) is 2.6% (2021: 2.4%). In 2022, the mortgage loans of EB members were settled for an amount of € 61 thousand (2021: € 61 thousand) and for BEC members for an amount of € 13 thousand (2021: € 79 thousand).

6.7.5 Key management personnel remuneration

Transactions with key management personnel (EB, BEC members and SB) are transactions with related parties. Additional information on the remuneration of members of the EB and SB is disclosed in the remuneration report; see chapter 5.3.

Annual remuneration key management personnel

Amounts in € thousands	Executive board	BEC members[1]	Supervisory board	Total 2022	Executive board[2]	BEC members[1]	Supervisory board[3]	Total 2021
Fixed compensation								
Base salary	2,388	3,080	190	5,658	2,279	2,247	205	4,730
Fees	-	-	88	88	-	-	88	88
Fringe benefits[4]	55	177	-	232	44	128	-	172
Variable compensation								
One-year variable	-	-	-	-	-	-	-	-
Multi-year variable	-	-	-	-	-	-	-	-
Other								
Extraordinary items	-	-	-	-	-	-	-	-
Pension expense[5]	489	677	-	1,165	473	486	-	959
Total remuneration	**2,932**	**3,933**	**278**	**7,143**	**2,796**	**2,861**	**292**	**5,949**

In the table above, 'Executive Board' refers to the three members of the EB as at 31 December 2022. The three members of the EB are also members of the BEC. In the table above, 'BEC' refers to the nine (2021: eight) members of the BEC as at 31 December 2022, i.e. those members that are not also member of the EB in the table above.

6.7.6 Employee share purchase plan

a.s.r. has an employee share purchase plan (ESPP or 'the plan') in place. a.s.r. employees are thereby given the opportunity to acquire a.s.r. shares at a discount. a.s.r. can suspend or withdraw the plan at any time. There is no option under the plan for either a.s.r. or the employee to settle in cash or other assets. Therefore the plan is an equity-settled share-based payments plan.

1 Four directors joined the BEC and three directors left the BEC in 2022. In 2021 four directors joined the BEC. The remuneration figures reflect a partial year as a member of the BEC.
2 Ewout Hollegien was appointed as CFO and member of the EB of a.s.r. on 1 December 2021. Annemiek van Melick stepped down as member of the EB of a.s.r. on 12 October 2021. The remuneration figures for 2021 reflect a partial year as a member of the EB
3 Remuneration as a SB member of a.s.r. and remuneration as a committee chair or member of the SB of a.s.r. PPI or SB of ASR Basis / Aanvullende Ziektekostenverzekeringen N.V. J.G. Wijn was appointed as chair of the SB on 19 May 2021. C. van der Pol left the SB as of 19 May 2021. The remuneration figures for 2021 reflect a partial year as a member of the SB.
4 Variations arise as a result of the fiscal treatment of lease vehicles depending on the price and private use of the car, personal allowance and social security.
5 The annual pension expenditure is based on a premium table. Further changes in the cost of pension benefits are mainly due to the impact of age. The pension costs include DC pensions based on maximum pensionable salary cap, compensation for the maximum pensionable salary cap (to be used for pensions at the employees' discretion), and VPL.

The members of the EB are required to participate in the plan by investing a predetermined part of their renumeration in a.s.r. shares. Other employees participate voluntarily.

Under the terms of the plan the granting and vesting is predefined. The grant date of the plan is the moment the employee registers to participate in the plan. The shares vest immediately on the transaction date when cash is received from the employee, unconditionally, subject only to a post-vesting transfer restriction of five years. Otherwise, there are no specific restrictions to the share (i.e. voting power, dividend restrictions).

The employees purchase the shares at a discount of 18.5%. The fair value of the a.s.r. share with a lock-up of five years at the grant date equals the purchased price by the employee. The ESPP has an impact on equity through the adjustment in the treasury shares and retained earnings. See chapter 6.5.13.5 Treasury shares for more information.

The number of shares purchased by employees during the reporting period was 124 thousand for an amount of € 4.06 million (2021: 126 thousand for an amount of € 3.77 million).

6.7.7 **Contingent liabilities and assets**

6.7.7.1 General claims and disputes

The group is a respondent in a number of claims, disputes and legal proceedings arising from the normal conduct of business.

Provisions are formed for such occurrences if, in management's opinion and after consultation with its legal advisors, a.s.r. is likely to have to make payments and the payable amount can be estimated with sufficient reliability. The costs of the compensation scheme 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 (see chapter 6.5.15) and legal provisions (see chapter 6.5.18).

Dutch insurers see an increase in insurance policies complaints / claims based on grounds other than the cost compensation. Current and possible future legal proceedings could have a substantial financial and reputational impact. However it is not possible at this time to make reliable estimates of the number of expected proceedings, possible future precedents and the financial impact of current and possible future proceedings. Currently there are no indications that such a provision would be necessary for a.s.r.

As for other claims and legal proceedings, against a.s.r. known to management (and for which, in accordance with the defined principles, no provision has been formed), management believes, after having sought expert advice, that these claims have no chance of success, or that a.s.r. can successfully mount a defense against them, or that the outcome of the proceedings is unlikely to result in a significant loss for a.s.r.

6.7.7.2 Unit-Linked Products (beleggingsverzekeringen)

Background

Since the end of 2006, individual unit-linked life insurance products (beleggingsverzekeringen) have received negative attention in the Dutch media, from the Dutch Parliament, the AFM, consumers and consumer protection organisations. Elements of unit-linked policies are being challenged or may be challenged on multiple legal grounds. The criticism and scrutiny on unit-linked life insurance products led to the introduction of compensation schemes by Dutch insurance companies that have offered unit-linked products. In 2008, a.s.r. reached an outline agreement with two main consumer protection organisations to offer compensation to unit-linked policyholders in case the cost charge and/or risk premium charge exceeds a defined maximum. A full agreement on implementation of the compensation scheme was reached in 2012. The total recognised cumulative financial costs relating to the compensation scheme for Individual life in a.s.r.'s income statement until 2022 was € 1,026 million. This includes, amongst other things, compensation paid, amortisation of surrender penalties and costs relating to improved product offerings. The remaining provision in the balance sheet at 31 December 2022 is solely available to cover potential additional compensation (schrijnende gevallen) and costs relating to the compensation scheme. On the basis of this agreement, a.s.r. offered consumers additional measures such as alternative products and less costly investment funds. In addition to the compensation scheme, a.s.r. has implemented additional measures (flankerend beleid), including the ten best in class principles as formulated by the Dutch Minister of Finance. On 17 July 2015, the Dutch Ministry of Finance published an Order in Council (Algemene Maatregel van Bestuur), pursuant to which insurance companies can be sanctioned if they do not meet the compulsory targets set for approaching policyholders of unit-linked life insurances and prompting them to review their existing policies.

The agreement with the two consumer protection organisations and additional measures are not binding for policyholders. Consequently, neither the implementation of the compensation schemes nor the additional measures offered by a.s.r. prevent individual policyholders from initiating legal proceedings against a.s.r. and making claims for damages.

Legal proceedings

a.s.r. is subject to a limited number of legal proceedings initiated by individual unit-linked policyholders, in most cases represented by claims organisations. While to date fewer than 10 cases are pending before Dutch courts and courts of appeal and fewer than 100 cases are pending before the Financial Services Complaints Board ("FSCB") (the Dispute Committee as well as the Committee of Appeal of the FSCB), there is no assurance that further proceedings will not be brought against a.s.r. in the future. Future legal proceedings regarding unit-linked life insurance policies might be brought upon a.s.r. by consumers individually, by consumer organisations acting on their behalf or in the form of a collective action. Furthermore, there is an ongoing lobby by consumer protection organisations, such as the Consumentenbond and Stichting Geldbelangen, to continuously gain media attention for unit-linked life insurance policies. These organisations argue, amongst other things, that consumers did not receive sufficient compensation based on the compensation scheme.

a.s.r. is currently subject to three collective actions. The claims are all based on similar grounds and have been rejected by a.s.r. and a.s.r. defends itself in these legal proceedings. The timing and outcome of these collective actions is currently uncertain.

In June 2016, Woekerpolis.nl initiated a collective action, requesting the Midden-Nederland District Court to declare that a.s.r. has sold products in the market which were defective in various respects (e.g. lack of transparency regarding cost charges and other product characteristics, and risks against which the insurer had failed to warn, such as substantial stock depreciations, inability to realise the projected final policy value, unrealistic capital projections due to the difference between geometric and arithmetic returns, and general terms and conditions governing costs which Woekerpolis.nl considered unfair). In its judgement of 6 February 2019, the court rejected all claims regarding transparency of costs and risks. Only with regard to the claim relating to administrative costs ("administratiekosten") that are calculated in ABC Spaarplan in case of high premiums, the court decided that this is unlawful. On 16 April 2019 a.s.r. received a notice of appeal from the Vereniging Woekerpolis.nl. Subsequently, the Vereniging Woekerpolis.nl has submitted its statement of appeal at the High Court of Arnhem Leeuwarden on 3 March 2020. The statement of response by a.s.r. has been deferred by the Court of Appeal. Main reason for this deferral lies with the developments regarding the preliminary questions from the High Court of the Hague towards the Supreme Court in the proceedings (Collective Action) between Woekerpolis.nl and another Dutch insurer.

In March 2017, the Consumentenbond also initiated a collective action against a.s.r. based on similar grounds to that initiated by Woekerpolis.nl. In its judgement dated 11 March 2020 the Court dismissed all claims of ConsumentenBond against a.s.r. On 8 June 2020 a.s.r. received a notice of appeal from the Consumentenbond.

In December 2019, claim organisation Wakkerpolis initiated a collective action against a.s.r. Although the claim from Wakkerpolis is largely based on similar grounds as the other two collective actions, it primarily concentrates on the lack of transparency of cost charges. In a decision on 23 November 2022 the Court rejected all claims regarding transparency of costs and risks and concluded that the products sold by a.s.r. cannot be considered as defective. Based on the contractual information provided by a.s.r., the Court is of the opinion that a.s.r. has complied with its information obligations.

Risk profile and contingent liability unit-linked life insurance products

The prolonged political, regulatory and public attention focused on unit-linked life insurance policies continues. Elements of unit-linked life insurance policies of a.s.r. are being challenged on multiple legal grounds in current, and may be challenged in future, legal proceedings. There is a risk that one or more of the current and/or future claims and/or allegations will succeed. To date, a number of rulings regarding unit-linked life insurance products in specific cases have been issued by the FSCB and courts (of appeal) in the Netherlands against a.s.r. and other insurers. In these proceedings, different (legal) approaches have been taken to come to a ruling. The outcomes of these rulings are diverse. Because the book of policies of a.s.r. dates back many years, contains of a variety of products with different features and conditions and because of the fact that rulings are diverse, no reliable estimation can be made regarding the timing and the outcome of the current and future legal proceedings brought against a.s.r. and other insurance companies.

The total costs related to compensation for unit-linked insurance contracts as described above, 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 (see chapter 6.5.15). 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.

6.7.7.3 Obligations and guarantees

Investment obligations for an amount of € 102 million (2021: € 128 million) have been assumed / issued for investment property.

Investment obligations and guarantees for a total amount of € 16 million (2021: € 21 million) have been issued, for real estate development projects and the acquisition of property. Those guarantees were issued by principals for the execution of projects for the benefit of clients.

The Dutch guarantee fund for motorised traffic has a latent claim on all insurers offering legal liability products. In line with the advise of the guarantee fund a.s.r.'s contingent liability is € 10 million (2021: € 10 million).

a.s.r. also had irrevocable facilities of € 391 million (2021: € 1,123 million) which mainly relate to mortgage offers issued. a.s.r. had no other guarantees at year-end 2022 (2021: € 1 million).

6.7.7.4 Expected future lease payments

The following table sets out the expected future lease payments for investment property and plant, showing the undiscounted lease payments to be received after the reporting date.

Expected minimum future lease payments on non-cancellable investment property lease and plant

	31 December 2022	31 December 2021
To be received within 1 year	33	59
To be received between 1 and 2 years	29	44
To be received between 2 and 3 years	25	41
To be received between 3 and 4 years	21	38
To be received between 4 and 5 years	17	34
To be received after 5 years	89	396
Total undiscounted lease payments	**214**	**613**

The investments properties, in retail, residential, offices and rural markets are leased to third parties, consisting of various lease terms in a range between shorter than one year and undetermined period with competitive rents mostly indexed to consumer prices. The plants are leased to third parties with lease terms longer than ten years.

The strong decline in future lease payments is related to the reclassification of ASR DFLF to investments, see chapter 6.5.3.

6.7.7.5 Contingent considerations in acquisitions

The consideration paid for Veherex by a.s.r. non-life includes a contingent consideration with a remaining fair value of € 2,8 million to be paid over a remaining period of two years. Of this amount, € 1,4 million is expected to be paid no later than one year after the balance sheet date, the remaining € 1,4 million no later than two years after the balance sheet date.

6.7.8 Events after the balance sheet date

At the Extraordinary General Meeting of Shareholders held at 17 January 2023, a.s.r.'s shareholders approved the acquisition by a.s.r. of the shares of Aegon Nederland and thereby the combination of the two businesses. For more information about the acquisition see chapter 6.4.5.

6.7.9 List of principal group companies and associates

List of principal group companies and associates

Company	Equity interest	Rate of control	Seat	Segment
ASR Aanvullende Ziektekostenverzekeringen N.V.[1]	100.00	100.00	Utrecht	Non-life
ASR Basis Ziektekostenverzekeringen N.V.[1]	100.00	100.00	Utrecht	Non-life
ASR Schadeverzekering N.V.[1]	100.00	100.00	Utrecht	Non-life
ASR Wlz-uitvoerder B.V.	100.00	100.00	Utrecht	Non-life
ASR Ziektekostenverzekeringen N.V.[2]	100.00	100.00	Utrecht	Non-life
ASR Infrastructure Renewables B.V.	100.00	100.00	Utrecht	Life
ASR Levensverzekering N.V.[1]	100.00	100.00	Utrecht	Life
ASR Utrecht Real Estate Investments Netherlands B.V.	100.00	100.00	Amsterdam	Life
ASR Premiepensioeninstelling N.V.[3]	100.00	100.00	Amsterdam	Life
ASR Financieringen B.V.[2]	100.00	100.00	Utrecht	Asset Management
ASR Hypotheken B.V.[2]	100.00	100.00	Utrecht	Asset Management
ASR Real Estate B.V.[2,3]	100.00	100.00	Utrecht	Asset Management
ASR Vermogensbeheer N.V.[2,3]	100.00	100.00	Utrecht	Asset Management
Anac Verzekeringen B.V.[3]	100.00	100.00	Eindhoven	Distribution & Services
Anac, All-Finance Nederland Advies-Combinatie B.V.[3]	100.00	100.00	Eindhoven	Distribution & Services
ASR Vitaliteit & Preventieve Diensten B.V.	100.00	100.00	Utrecht	Distribution & Services
Assurantiekantoor Lodewijk B.V.[3]	100.00	100.00	Wezep	Distribution & Services
Bedrijfsartsengroep Holding B.V.	100.00	100.00	Heerenveen	Distribution & Services
Boval Assurantiën B.V.[3]	100.00	100.00	Velserbroek	Distribution & Services
Corins B.V.[3]	100.00	100.00	Amsterdam	Distribution & Services
Dutch ID B.V.	100.00	100.00	Velserbroek	Distribution & Services
Felison Assuradeuren B.V.[3]	100.00	100.00	Velserbroek	Distribution & Services
Van Helvoort Assuradeuren B.V.[3]	100.00	100.00	Gemert	Distribution & Services
Van Helvoort Registermakelaars in Assurantiën B.V.[3]	100.00	100.00	Gemert	Distribution & Services
PoliService B.V.[3]	100.00	100.00	Hardinxveld-Giessendam	Distribution & Services
Supergarant Verzekeringen B.V.[3]	100.00	100.00	Leidschendam	Distribution & Services
Van Kampen Geld B.V.[3]	100.00	100.00	Hoorn	Distribution & Services
Van Kampen Groep Holding B.V.[3]	100.00	100.00	Hoorn	Distribution & Services
ZZP Nederland Verzekeringen B.V.[3]	100.00	100.00	Groningen	Distribution & Services

1 Registered insurance companies
2 These are companies for which a statement of joint and several liability under section 403, Book 2 of the Dutch Civil Code has been issued.
3 Other Wft registered companies

Company	Equity interest	Rate of control	Seat	Segment
D&S Holding B.V.[1]	100.00	100.00	Velserbroek	Distribution & Services
D&S Participaties B.V.[1]	100.00	100.00	Velserbroek	Distribution & Services
Administratie- en Adviesbureau voor Belegging en Krediet (A.B.K.) B.V.[1]	100.00	100.00	Amersfoort	Holding & Other
ASAM N.V.[1]	100.00	100.00	Utrecht	Holding & Other
ASR Betalingscentrum B.V.[1]	100.00	100.00	Utrecht	Holding & Other
ASR Deelnemingen N.V.[1]	100.00	100.00	Utrecht	Holding & Other
ASR Nederland N.V.	100.00	100.00	Utrecht	Holding & Other
ASR Service Maatschappij N.V.[1]	100.00	100.00	Rotterdam	Holding & Other
ASR Vastgoed Projecten B.V.	100.00	100.00	Utrecht	Holding & Other
ASR Vooruit B.V.[2]	100.00	100.00	Utrecht	Holding & Other
Servicemaatschappij "De Hoofdpoort" N.V.[1]	100.00	100.00	Utrecht	Holding & Other

The principal group companies and associates are located in the Netherlands.

For notes to equity interests in associates and joint ventures, see chapter 6.5.4. The list of equity interests which are required under Sections 379 and 414, Book 2 of the Dutch Civil Code has been filed with the Trade Register of the Chamber of Commerce in Utrecht.

6.7.10 Profit appropriation

The EB will propose to the AGM to distribute a final dividend of € 254 million in dividend on ordinary shares for 2022. Including the interim dividend of € 131 million the total dividends to shareholder amounted to € 386 million. The remaining result will be transferred to retained earnings in accordance with Article 37 of the Articles of Association of a.s.r.

1 These are companies for which a statement of joint and several liability under section 403, Book 2 of the Dutch Civil Code has been issued.
2 Other Wft registered companies

6.8 Risk management

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

6.8.1 Risk management system

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

6.8.1.1 Risk Management Framework

The figure below is the RM framework as applied by a.s.r.

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

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

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

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

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

Risk policies and procedures:
Risk policies and procedures contain at least:
- Define the risk categories and the methods to measure the risks;
- Outline how each relevant category, risk area and any potential aggregation of risk is managed;
- Describe the connection with the overall solvency needs assessment as identified in the ORSA, the regulatory capital requirements and the risk tolerances;
- Provide specific risk tolerances and limits within all relevant risk categories in line with the risk appetite statements;
- Describe the frequency and content of regular stress tests and the circumstances that would warrant ad-hoc stress tests.

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

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

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

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

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

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

The statements are evaluated yearly to maintain alignment with the strategy. The NFR statements have been strengthened in 2022, but not materially changed. FR statements have not been changed at a.s.r. group level.

Risk appetite statement ASR Nederland N.V. 2022

1	ASR Nederland N.V. places long-term value creation at the forefront of its (strategic) operations and ensures that all stakeholders' interests are met in a balanced and sustainable way.	NFR
2	ASR Nederland N.V. acts in a sustainable and (socially) responsible manner.	NFR
3	ASR Nederland N.V. focuses on customer and has effective and controlled (business) processes, whereby the customer data quality is in order.	NFR
4	ASR Nederland N.V. has reliable financial reports, whereby IFRS and Solvency II data quality is in order.	NFR
5	ASR Nederland N.V. manages its internal and external outsourcing in a controlled and effective way.	NFR
6	ASR Nederland N.V. processes information safely (in accordance with availability, confidentiality and integrity requirements) and is cyber threat resilient.	NFR
7	ASR Nederland N.V. has controlled projects (in terms of timeliness, budget and/ or quality).	NFR
8	ASR Nederland N.V. and those working for or on behalf of a.s.r. act in accordance with applicable laws and regulations, self-regulation, and ethical and internal standards. a.s.r. meets the legitimate expectations and interests of its stakeholders and puts the customer's interests at the heart of its proposition. a.s.r. therefore provides products and services that are cost-efficient, useful, safe and understandable for customers, distribution partners, society and a.s.r. itself. Acting with integrity protects and strengthens a.s.r.'s reputation.	NFR
9	ASR Nederland N.V. has a minimum SCR ratio of 120%.	FR
10	ASR Nederland N.V. remains within the bandwidth of periodically reassessed market risk budgets.	FR
11	ASR Group (including ASR Nederland N.V., ASR Levensverzekering N.V. and ASR Schadeverzekering N.V.) has at least a single A rating and therefore holds an AA rating in accordance with the S&P Capital Model.	FR
12	ASR Nederland N.V. assesses the amount of dividend payments against the current and expected future solvency ratio and economic outlook. Dividend payments are in line with the conditions laid down in the capital and dividend policy of ASR Nederland N.V.	FR
13	ASR Nederland N.V. has a maximum financial leverage ratio of 40%. Financial leverage ratio = Debt / (Debt + Equity).	FR
14	ASR Nederland N.V. has a maximum double leverage ratio of 135%.Double leverage ratio = Total value of associates / (equity attributable to shareholders + hybrids and subordinated liabilities).	FR
15	ASR Nederland N.V. has a minimum interest coverage ratio of between 4 and 8. Interest coverage ratio = EBIT operational / interest expense.	FR
16	a. ASR Nederland N.V. is capable of releasing liquidities worth up to € 1 billion over a 1-month period following stress. b. ASR Nederland N.V. remains capable of meeting its collateral requirements in the event of an (instant) increase of 3% interest rate.	FR
17	ASR Nederland N.V. generates a robust and high-quality operational ROE, i.e. pursues an overall ROE > 12% and seeks an ROE > 10% for individual investment decisions, where in exceptional cases an ROE > 8% is accepted.	FR
18	ASR Nederland N.V. (excl. ASR Ziektekosten) has a maximum combined ratio of 99%.	FR
19	ASR Nederland N.V. has a total SCR market risk which will be a maximum of 50% of the total risk.	FR

Risk strategy aims to ensure that management decisions lead to a risk profile that remains within the risk limits. The risk strategy entails all processes to identifying, measuring and managing risks and opportunities. Through a combined top-down and bottom-up Strategic Risk Analysis (SRA) approach, the most important strategic risks are identified. The main strategic risks are translated into 'risk priorities' and 'emerging risks' at group level and are monitored throughout the year. Important changes in risk priorities and emerging risks are reported to the a.s.r. risk committee and the Audit & Risk Committee. Output from the SRA, combined with the risk appetite statements, provides insight into the strategic risk profile of a.s.r. and underlying legal entities. The entire risk profile is monitored in the relevant risk committees.

6.8.1.1.2 Risk governance

a.s.r.'s risk governance can be described by:
- risk ownership;
- the implemented three lines of defence model and associated (clear delimitation of) tasks and responsibilities of key function holders; and
- the risk committee structure to ensure adequate decision making.

Risk ownership

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

Three lines of defence

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

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

Positioning of key functions

Within the risk governance, the key functions (compliance, risk, actuarial and audit) are organised in accordance with Solvency II regulation. They play an important role as countervailing power of management in the decision-making process. The four key functions are independently positioned within a.s.r. In all the risk committees one or more key functions participate. None of the functions has voting rights in the committees, in order to remain fully independent as countervailing power. All functions have direct communication lines with the EB and can escalate to the chairman of the Audit & Risk Committee of the SB. Furthermore, the key functions have regular meetings with the supervisors of the Dutch Central Bank (DNB) and / or The Dutch Authority for the Financial Markets (AFM).

Group Risk Management

GRM is responsible for the execution of the RM function (RMF) and the Actuarial Function (AF). The department is led by the CRO, which is also the RMF holder. GRM consists of the following sub-departments:

- Enterprise Risk Management;
- Financial Risk Management;
- Model Validation.

As of 1 January 2023, Business Risk Management (BRM) will be hierarchically part of GRM. An important goal for this change is to realise a future proof and efficient RM organisation (regarding the organisation, processes and the execution of non financial risk management) taking into account the impact of the intended acquisition of Aegon Nederland. For the implementation a maximum period of 2-3 years is expected.

Enterprise Risk Management

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

Financial Risk Management

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

Model Validation

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

Compliance

Compliance is responsible for the execution of the compliance function. An important task of Compliance is to be the countervailing power to the EB and other management in managing compliance risks for a.s.r.

and its subsidiaries. The mission of the compliance function is to enhance and ensure a controlled and sound business operation.

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

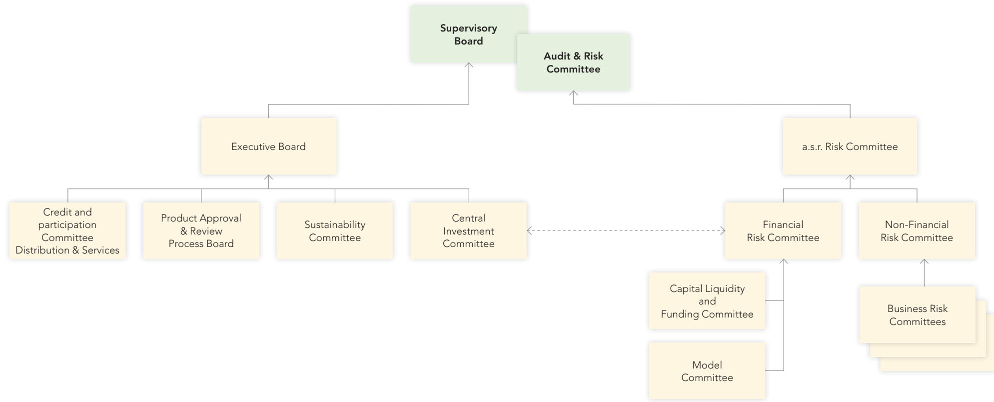
Audit

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

Risk committee structure

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

Risk committee structure



Audit & Risk Committee

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

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

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

a.s.r. risk committee

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

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

Non-Financial Risk Committee
The Non-Financial Risk Committee (NFRC) discusses, advises and decides upon non-financial risk policies. The most relevant non-financial risk policies are approved by the a.s.r. risk committee. The NFRC monitors that non-financial risks are managed adequately and monitors that the risk profile stays within the agreed risk limits. If the risk profile exceeds the limits, the NFRC takes mitigating actions. The NFRC reports to the a.s.r. risk committee. The NFRC is chaired by a member of the EB.

Financial Risk Committee
The Financial Risk Committee (FRC) discusses, advises and decides upon financial risk policies. The most relevant financial risk policies are approved by the a.s.r. risk committee. The FRC monitors that financial risks are managed adequately and monitors that the risk profile stays within the agreed risk limits. If the risk profile exceeds the limits, the NFR takes mitigating actions. The FRC reports to the a.s.r. risk committee. The Chairman of the FRC is the CFO.

Capital, Liquidity and Funding Committee
The Capital, Liquidity and Funding Committee (CLFC) is a subcommittee of the FRC. As such, the CLFC prepares and assesses the technical analysis of capital, liquidity and funding positions, rating policy, rating model reporting, and treasury activities. The Chairman of the CLFC is the Director of Group Asset Management.

Model Committee
The model committee (MC) is a subcommittee of the FRC and is responsible for the execution and update of the model validation policy and the approval of validation of existing or newly developed models. The MC receives all required information for the validation of models (e.g. model documentation and validation reports) prepared by Model Validation (MV) that assures the quality of the validation process. The chairman of the MC is the Director of Finance, Risk and Performance Management (FRPM).

Business Risk Committees
The business lines manage and control their risk profile through the Business Risk Committees (BRC). The BRC's monitor that the risk profile of the business lines stays within the risk appetite, limits and targets, as formulated by the EB. The BRC reports to the FRC and the NFRC. The Chairman of the BRC is the Managing Director of the business line.

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

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

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

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

Adherence to this policy is ensured by the three lines of defence risk governance model. With a new Central Data Office and a Data Quality Improvement Programme, additional measures are taken to increase maturity in data management practices.

The preparatory body or department checks the assumptions made and the plausibility of the results and ensures coordination with relevant parties. When a preparatory body has established that the information is reliable and complete, it approves and formally submits the document(s) to a risk committee.

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

a.s.r.'s information security policy is based on market standards, like ISO 2700x, COBIT 2019, NIST Cybersecurity framework, SOC2 principles, PCI DSS, COSO, BS 25999, ISO 31000, ITIL. These standards describes best practices for the implementation of information security.

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

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

6.8.1.1.4 **Risk policies and procedures**

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

6.8.1.1.5 **Risk culture**

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

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

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

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

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

6.8.1.1.6 **Risk management process**

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

Identifying

Management should endeavour to identify all possible risks that may impact the strategic, tactical and operational objectives of a.s.r., ranging from the larger and / or more significant risks posed on the overall business, down to the smaller risks associated with individual projects or smaller business lines. Risk

1 Based on COSO ERM en ISO 31000.

identification comprises of the process of identifying and describing risk sources, events, and the causes and effects of those events.

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

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

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

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

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

6.8.1.2 a.s.r.'s risk categories
a.s.r. is exposed to a variety of risks. There are six main risk categories that a.s.r. recognises, as described below. In addition, a.s.r. recognises sustainability risks arising from environmental, social or governance (ESG) events or conditions. These risks can be financial and non-financial and can be both strategic and operational. This means that all six main risk categories that a.s.r. recognises can be affected by sustainability risks. In chapter 4.9.2 Climate change a.s.r. briefly describes how a.s.r. identifies, measures and manages climate risks and opportunities for its business.

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

Market risk
The risk of changes in values caused by market prices or volatility of market prices differing from their expected values. The following types of market risk are distinguished:
- Interest rate risk
- Equity risk
- Property risk
- Spread risk
- Currency risk
- Concentration risk / market concentration risk

Counterparty default risk
Counterparty default risk is the risk of losses due to the unexpected failure to pay or credit rating downgrade of counterparties and debtors. Counterparty default risk exists in respect of the following counterparties:
- Reinsurers
- Consumers
- Intermediaries
- Counterparties that offer cash facilities
- Counterparties with which derivatives contracts have been concluded
- Healthcare providers
- Zorginstituut Nederland

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

Operational risk
Operational risk is the risk of losses caused by weak or failing internal procedures, weaknesses in the action taken by personnel, weaknesses in systems or because of external events. The following subcategories of operational risk are used:
- Sustainability
- Business process
- Financial reporting
- Outsourcing
- Information technology
- Project risks

Strategic risk
Strategic risk is the risk of a.s.r. or its business lines failing to achieve the objectives due to incorrect decision-making, incorrect implementation and / or an inadequate response to changes in the environment. Such changes may arise in the following areas:
- Macro-economic
- Climate change and energy transition
- Cyber security
- Pandemics
- Regulation
- Biodiversity
- Social tensions
- Geopolitical instability

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

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

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

Physical risks are mainly associated with the Non-life portfolio. With life and health insurance, the impact is mainly in the longer term and not quantified in the ORSA horizon of 5 years. Transition risks apply in particular to investments and financing. The ORSA assesses the overall solvency needs of a.s.r. in the context of the strategic plans making allowance for the current and expected solvency positions, the risk appetite and solvency targets. The scenario analysis for transition risks is performed by considering the proposal from the SAA 2021 also under the three climate scenarios. The dynamically managed market risk budgets are resilient to the climate impact with regard to the development of the SII ratio over the coming 20 years. Physical risks (a major storm and major flood) are assessed in the ORSA combined business scenario's for the Non-life portfolio.

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

Technical provisions
The net impact of climate change on the current Solvency II Technical Provisions or SCR estimation is considered to be limited. A qualitative assessment has been performed in 2022 by the Actuarial Function and discussed with the product lines. For the Life and Pension business the impact of climate change on life expectancy is considered to be limited. Increased inflation caused by social or geopolitical factors is adequately valued in the liabilities. The Non-life business is characterised by a short contract boundary, most premiums can therefore yearly be adjusted to the gradually impact of climate change.

The Group Business Actuary performed a portfolio assessment of the impact of sustainability factors (ESG). Bases on the portfolio characteristics and product features the potential adverse effect on the value of liabilities has been assessed.

Based on both the assessments a.s.r. does not consider ESG to have impact on the method or results of current Solvency II Technical Provisions or SCR estimation. The ESG risks are expected to be within the limits of the Solvency II Capital Requirement. In addition an assessment of the impact of sustainability factors to the prudential risks has been started in 2022. This will be finalised in 2023 and embedded in the regular risk management cycle. So far this analysis confirms the limited net impact.

Reference is made to chapter 4.9.2 Climate change for more information how a.s.r. identifies, measures and manages climate risks and opportunities for its business.

6.8.2 Insurance risk

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

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

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

a.s.r. measures its risks based on the standard model as prescribed by the Solvency II regime. The Solvency Capital Requirement (SCR) for each insurance risk is determined as the change in own funds caused by a predetermined shock which is calibrated to a 1-in-200-year event. The basis for these calculations are the Solvency II technical provisions which are calculated as the sum of a best estimate and a risk margin.

The insurance risk arising from the insurance portfolios of a.s.r. is as follows:

Insurance risk - required capital

	31 December 2022	31 December 2021
Life insurance risk	1,313	1,584
Health insurance risk	1,243	1,213
Non-life insurance risk	609	591
Total excluding diversification between insurance risks	**3,166**	**3,388**

The Life insurance risk decreased as a result of the increase of the interest rates and the development of the insured population. The Health and Non life insurance risk increased as a result of update of the non economic assumptions, acquisition of the VVT contract and the growth of the insured population.

Solvency II sensitivities

a.s.r. has assessed the impact of various sensitivities on the solvency ratio. The sensitivities as at 31 December 2022 and 2021, expressed as impact on the group solvency ratio (in percentage points) are as follows:

Solvency II sensitivities - insurance risks

Effect on:	Available capital		Required capital		Ratio	
Type of risk (%-points)	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Expenses +10%	-6	-5	-2	-1	-8	-7
Mortality rates, all products -5%	-3	-4	-1	-	-4	-5
Lapse rates -10%	-	-	-1	-	-	-

Solvency II sensitivities - explanation

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

The table above shows that the SCR sensitivities in 2022 are (almost) similar to the sensitivities of 2021. The impact on the ratio is the opposite if a reversed scenario is taken into account.

In accordance with a.s.r.'s accounting policy, the LAT is performed at the Segment Life level (for the consolidated financial statements of a.s.r.) and at that level the 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). Further details are disclosed in paragraph 6.5.15 of the Annual report.

6.8.2.1 Life Insurance risk

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

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

The SCR for Life insurance risks is determined on the level of model points. A model point is a group of policies with equal characteristics and used as a subset of a homogeneous risk group. The model points are sufficiently homogeneous and therefore netting between positive and negative risks is not material.

The following Life insurance risks are involved:

Mortality risk
Mortality risk is associated with (re)insurance obligations, such as endowment or term assurance policies, where a payment or payments are made in case of the policyholder's death during the contract term. The increase in mortality rates is applied to (re)insurance obligations which are contingent on mortality risk. The required capital for this risk is calculated as the change in own funds of a permanent increase of mortality rates by 15% for all ages and each policy.

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

Disability-morbidity risk
Morbidity or disability risk is associated with all types of insurance compensating or reimbursing losses (e.g. loss of income, adverse changes in the best estimate of the liabilities) caused by changes in the morbidity or disability rates. Solvency II prescribes a 35% increase in disability rates for the first year, 25% for subsequent years, combined with a decrease in recovery rates of 20%. However for the Life portfolio, disability and recovery rates are not modelled because of the limited impact and risk. Instead an experience percentage substitutes the role of these rates in the model. The disability-morbidity risk is calculated on policy level by increasing the experience percentage with 25%.

Lapse risk
Lapse risk is the risk of losses (or adverse changes in the best estimate of the liabilities) due to an unanticipated (higher or lower) rate of policy lapses, terminations, changes to paid-up status (cessation of premium payment) and surrenders. The effect of the lapse risk is equal to the highest result of a permanent increase in lapse rates of 50%, a permanent decrease in lapse rates of 50% or a mass lapse event (70% of insurance policies in collective pension funds or 40% of the remaining insurance policies). The lapse shocks are only applied to portfolios where this leads to a higher best estimate.

Especially in the case of funeral policies the netting of positive and negative risks within model points can be considerable for policies that can be surrendered (completely ending the policy, with payment of surrender value) in the case of the mass lapse. In most cases, the shock scenario for determining the SCR for mass lapse for funeral policies consists of an immediate shock of 40% with respect to the continuation of premium payment (mass 'pup'-scenario). This is mostly in line with policy conditions. The mass pup treatment in the funeral portfolio for mass lapse risk reduces the netting of positive and negative risks to a level that is not material.

Expense risk
A calculation is made of the effect on own funds of a permanent increase in costs used for determining the best estimate. For investment costs only an increase of 10% applies, since there is no inflation component in the method used to project investment costs in the best estimate liability. Both the internally and externally managed investment costs are involved in this scenario.

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

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

Employee benefits
Until 31 December 2020, a.s.r. offered its employees post-employment defined benefit (DB) plans. As of 1 January 2021 a.s.r. offers its employees a defined contribution (DC) plan. This DC plan has been agreed for the period 1 January 2021 until 31 December 2025. The existing DB plan has ended and will not be renewed. The accrued pensions (until 1 January 2021) will remain guaranteed at a.s.r. life and are not transferred to the DC plan. The plan amendments are recognised directly through profit of loss.

The accrued benefits under the DB plans are insured with a.s.r. life, an insurance company within the group. Though the liability of the DB plans is classified as employee benefits on the balance sheet and determined according to IFRS principles, the required capitals for the Life insurance risks are fully taken into account and based on Solvency II principles. The risk margin at a.s.r. group level equals the sum of risk margins of all underlying OTSOs. No correction is made for the elimination of post-employment benefit plans for a.s.r.'s employees with a.s.r. life.

Accrued employee pensions from the old pension scheme can be indexed for the longer term. For this purpose, a.s.r. established, in agreement with the trade unions, a long-term indexation fund of € 240 million. Both the return and the investment risk is entirely for the employees. This agreement concerns old accrued pension rights and is therefore only relevant for employees who joined before 1 January 2021. Also part of the agreement is the termination of the profit-sharing scheme at the end of 2022.

The DC plan is classified as a DC plan according to IAS19 and is not accommodated in a separate entity. a.s.r. bears risks associated with death and disability and concerning the option the employees have of purchasing a guaranteed entitlement directly out of the DC. These risks are limited and will be accounted for according to IAS19.

Other information

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

The table below summarises the required capital for abovementioned life insurance risks based on the standard model after application of Loss Absorbing Capacity of Technical Provisions (LAC TP). The impact of LAC TP decreased in 2022 to € 49 million (2021: € 99 million).

Life insurance risk - required capital

	31 December 2022	31 December 2021
Mortality risk	216	238
Longevity risk	784	1,166
Disability-morbidity risk	18	3
Lapse risk	406	260
Expense risk	506	612
Revision risk	-	-
Catastrophe risk (subtotal)	139	76
Diversification (negative)	-756	-770
Life insurance risk	**1,313**	**1,584**

The decrease of the required capital in 2022 was mainly the result of the increase of the interest rates.

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

Life portfolio - technical provisions per segment

	31 December 2022	31 December 2021
Insurance with profit participation		
Best estimate	10,573	15,216
Risk margin	589	880
Technical provision	**11,162**	**16,096**
Other life insurance		
Best estimate	12,859	17,300
Risk margin	580	916
Technical provision	**13,439**	**18,217**
Index-linked and unit-linked insurance		
Best estimate	10,173	11,846
Risk margin	62	89
Technical provision	**10,235**	**11,935**
Total		
Best estimate	33,604	44,362
Risk margin	1,231	1,886
Technical provision	**34,836**	**46,247**

In 2022 the technical provisions decreased with € 11,411 million, this was mainly caused by increased interest rates, run-off of the portfolio and the decrease of the unit linked value.

6.8.2.1.1 Managing Life insurance risk

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

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

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

Reinsurance

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

In order to optimise its balance sheet risks, a.s.r. entered into a reinsurance agreement with Legal and General Re in 2015. The share of Legal and General Re is on behalf of a specific buy-out portfolio. The total share of the reinsurances for a.s.r. amounts to € 125 million per 31 December 2022.

6.8.2.2 Health insurance risk and Non-life insurance risk

6.8.2.2.1 Health insurance risk

The Health insurance portfolio of a.s.r. is diverse. The portfolio can be divided into two main product types:

- SLT Health portfolio (Similar to Life Techniques) Income Protection, which can be divided into:
  - Individual Disability (Zelfstandigen)
  - Group Disability (WIA)
- NSLT Health portfolio (Not Similar to Life Techniques), which can be divided into:
  - Income Protection (Sickness, and Individual and Group Accident)
  - Medical Expenses (Basic and Supplementary)

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

The Health insurance portfolio of a.s.r. contains the following insurance risks:

- SLT Health risk
  - This risk is applicable to the SLT Health portfolio. The calculation is scenario-based. The scenarios are similar to the scenarios that are used to calculate the Life insurance risk.
- NSLT Health risk
  - This risk is applicable to the NSLT Health portfolio. The calculation is factor-based. The risk is calculated similarly to the Non-life insurance risk.
- Health Catastrophe risk
  - This risk is applicable to the entire Health portfolio. The calculation is scenario-based.

SLT Health Risk

Mortality risk

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

Longevity risk

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

Disability-morbidity risk

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

Expense risk

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

Revision risk

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

Lapse risk

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

Future management action

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

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

NSLT Health Risk

NSLT Premium and reserve risk

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

The NSLT Premium and reserve risk can be split into the following insurance risks:

- Medical Expense
  - A health catastrophe for the NSLT Health portfolio is an unexpected future event with a duration of one year. The risk is determined ultimo year. The amount of catastrophe risk is apparent from the number of insured and parameters for mass accident scenario and pandemic scenario that have been approved by DNB in consultation with Health Insurers Netherlands. Accident concentration is not applicable for NSLT Health. The catastrophe risk has a projection of one year (T) following from the contract boundary of one year in accordance with the Dutch Health Insurance Act. After year T the risk is 'zero'. Catastrophe risk for a.s.r. health supplementary equals zero because these contracts have a maximum compensation for claims.
- Income Protection
  - This component is calculated for policies for which an increase in mortality rates or morbidity rates or disability rates leads to an increase in the best estimate. There are three scenarios, which are calculated for all NSLT Health and portfolios.

NSLT lapse risk

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

Health catastrophe risk

Mass accident scenario

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

Accident concentration scenario

In this scenario, an accident takes place on site, with the most of our insured at the same location. The risk is that 10% of those present are killed, 3.5% are permanently disabled, 16.5% are disabled for 12 months and 30% need medical attention. In 2020 and 2021, due to COVID-19 most employees of a.s.r. worked at home, therefore the input of this scenario changed. In 2022 due to hybrid working this was roughly comparable.

Pandemic scenario

In this scenario, there is a pandemic, which causes 1% of those affected to be hospitalised and 20% to see a local practitioner. This is the scenario related to the standard model, in which the COVID-19 impact is not reflected.

Health insurance risk - required capital

	31 December 2022	31 December 2021
Health SLT	964	977
Health Non-SLT	404	347
Catastrophe Risk (subtotal)	83	78
Diversification (negative)	-208	-189
Health (Total)	**1,243**	**1,213**
Mortality risk	-	-
Longevity risk	52	50
Disability-morbidity risk	779	781
Expense risk	135	157
Revision risk	205	233
Lapse risk	270	228
Diversification (negative)	-478	-472
Health SLT (subtotal)	**964**	**977**
Medical expenses insurance and proportional reinsurance	155	129
Income protection insurance and proportional reinsurance	303	264
Diversification (negative)	-55	-46
Health Non-SLT (subtotal)	**404**	**347**
Mass accident risk	28	28
Accident concentration risk	66	62
Pandemic risk	41	39
Diversification (negative)	-53	-50
Catastrophe risk (subtotal)	**83**	**78**

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

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

SLT Health portfolio - technical provisions per segment

	31 December 2022	31 December 2021
Best estimate	3,389	4,152
Risk margin	371	481
Technical provision	**3,760**	**4,633**

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

NSLT Health portfolio - technical provisions per segment

	31 December 2022	31 December 2021
Best estimate	526	564
Risk margin	54	47
Technical provision	**579**	**611**

6.8.2.2.2 Non-life insurance risk

Non-life Insurance risk can be broken down into:
- Premium and reserve risk
- Non-life catastrophe risk
- Lapse risk

Premium- and reserve risk

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

Non-life Catastrophe Risk Module

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

The reinsurance program of 2023 has changed due to a hardened reinsurance market, which has the most impact on natural catastrophe risk.

Lapse risk

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

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

Non-life insurance risk - required capital

	31 December 2022	31 December 2021
Premium and reserve risk	548	552
Lapse risk	52	52
Catastrophe risk	159	107
Diversification (negative)	-149	-121
Non-life insurance risk	**609**	**591**
Natural catastrophe risk	132	74
Man-made catastrophe risk	86	75
Other non-life catastrophe risk	20	20
Diversification (negative)	-79	-62
Catastrophe risk (subtotal)	**159**	**107**

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

Non-life portfolio - technical provisions per segment

	31 December 2022	31 December 2021
Best estimate	1,479	1,538
Risk margin	88	97
Technical provision	**1,567**	**1,634**

6.8.2.2.3 Managing Health and Non-life insurance risk

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

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

Claims frequency, size of claim and inflation

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

Handling time

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

Benefit and claims handling costs

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

Disability risk
Disability risk is controlled by means of regular evaluation of historical claims patterns, expected future developments and price adjustments. Disability risk is mitigated by a.s.r. through underwriting criteria and a proactive reintegration policy. a.s.r. also mitigates its disability risk through suitable reinsurance.

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

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

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

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

6.8.3 Market risk

Market risk is the risk of potential losses due to adverse movements in financial market variables. Exposure to market risk is measured by the impact of movements in financial variables such as equity prices, interest rates and property prices. The various types of market risk which are discussed in this chapter, are:
- interest rate risk
- equity risk
- property risk
- currency risk
- spread risk
- concentration risk

Market risk reports are submitted to the FRC at least once a month. Key reports on market risk include the Solvency II and economic capital report, the interest rate risk report and the report on risk budgets related to the strategic asset mix.

A summary of sensitivities to market risks for the regulatory solvency, total equity and profit for the year is presented in the tables below. The first table summarises the required capital for market risks based on the standard model:

Market risk - required capital

	31 December 2022	31 December 2021
Interest rate	155	550
Equity	821	1,194
Property	1,068	1,125
Currency	135	120
Spread	876	1,118
Concentration	-	-
Diversification (negative)	-575	-692
Total	**2,481**	**3,416**

The main market risks of a.s.r. are equity, property and spread risk. The market risks are within the bandwidth of the risk budgets, which are based on the strategic asset allocation study. Market risk decreased mainly driven by higher interest rates, decreasing equity and spread risk.

The value of investment funds at year-end 2022 was € 6,823 million (2021: € 5,307 million). a.s.r. applies the look through approach for investment funds to assess the market risk.

The interest rate risk is the maximum loss of (i) an upward shock or (ii) a downward shock of the yield curve. Per 2022 the upward shock is dominant, whereas per 2021 the downward shock was dominant.

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

Solvency II sensitivities
The Solvency II SCR is a Value at Risk-measure. Therefore, Solvency II ratio sensitivities are disclosed as the alternative analysis, instead of IFRS sensitivities, as permitted by IFRS. The sensitivities of the solvency ratio as at 31 December 2022, expressed as the impact on the group solvency ratio (in percentage points) are as 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 31 December 2022.

Solvency II sensitivities - market risks

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

Solvency II sensitivities - explanation

Risk	Scenario
Interest rate risk - UFR 3.2%	Measured as the impact of a lower UFR. For the valuation of liabilities, the extrapolation to the UFR of 3.2% after the last liquid point of 20 years remained unchanged. The impact on available capital, required capital and ratio relates to a comparison with a solvency ratio measured at a UFR 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 10 bps (2021: +11 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: +19bps) based on reference portfolio.
Inflation risk	Measured as the impact of a 30 bps parallel increase of the inflation rates (EUSWI-curve). The extrapolation of the UFI remains unchanged.

6.8.3.1 Interest rate risk

Interest rate risk is the risk that the value of assets, liabilities or financial instruments will change due to fluctuations in interest rates. Many insurance products are exposed to interest rate risk; the value of the products is closely related to the applicable interest rate curve. The interest rate risk of insurance products depends on the term to maturity, interest rate guarantees and profit-sharing features. Life insurance contracts are particularly sensitive to interest rate risk. The required capital for interest rate risk is determined by calculating the impact on the available capital due to changes in the yield curve. Both assets and liabilities are taken into account. The interest rate risk is the maximum loss of (i) an upward shock or (ii) a downward shock of the yield curve according to the prescribed methodology. a.s.r. applies a look through approach for investment funds to assess the interest rate risk.

The interest rate risk is calculated by a relative shock up- and downward shock of the risk-free (basis) yield curve.
All adjustments (credit spread, volatility adjustment) on this yield curve are considered constant. The yield curve is extrapolated to the UFR. The yield curve after shock is not extrapolated again to the UFR.

The used shocks vary by maturity and the absolute shocks are higher for shorter maturities (descending: 75% to 20% and ascending: -70% to -20%):
- the yield curve up shock contains a minimum shock of 100bps;
- the yield curve after the downward shock is limited to zero (no negative interest rates);
- the yield curves of all currencies are shocked simultaneously.

Interest rate risk - required capital

	31 December 2022	31 December 2021
SCR interest rate risk up	-155	-239
SCR interest rate risk down	-46	-550
SCR interest rate risk	**155**	**550**

In 2022 the interest rate risk decreased due to the increase in interest rates.

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

Solvency II sensitivities - interest rate

Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
UFR 3.2%	-4	-8	-	-1	-4	-9
Interest rate +1% (2022 incl. UFR 3.45% / 2021 incl. UFR 3.6%)	-5	-7	-3	+18	-8	+10
Interest rate -1% (2022 incl. UFR 3.45% / 2021 incl. UFR 3.6%)	+1	+7	-15	-13	-13	-7
Interest steepening +10 bps	-1	-3	-	-	-1	-3
Volatility Adjustment -10bp	-7	-9	-3	-2	-11	-10

Interest rate risk is managed by aligning fixed-income investments to the profile of the liabilities. Among other instruments, swaptions and interest rate swaps are used for hedging the specific interest rate risk arising from interest rate guarantees and profitsharing features in life insurance products.

An interest rate risk policy is in place for a.s.r. Group as well as for the registered insurance companies. All interest rate- sensitive balance sheet items are in scope, including the employee benefit obligations of the Group. The interest rate sensitivity of solvency ratio should not exceed the pre-defined limit. In addition, the exposure to interest rate risk or various term buckets is subject to maximum amounts.

6.8.3.2 Equity risk

The equity risk depends on the total exposure to equities. Both assets and liabilities are taken into account, as well as the put options on equities. In order to maintain a good understanding of the actual equity risk, a.s.r. applies the look-through approach for investment funds to assess the equity risk. The required capital for equity risk is determined by calculating the impact on the available capital due to an immediate drop in share prices. Both assets and liabilities are taken into account. Stocks listed in regulated markets in countries in the EEA or OECD are shocked by 39% together with the symmetric adjustment of the equity capital charge (type I). Stocks in countries that are not members of the EEA or OECD, unlisted equities, alternative investments, or investment funds in which the look-through principle is not possible, are shocked by 49% together with the symmetric adjustment of the equity capital charge (type II). Investments of a strategic nature are shocked by 22%. The equity capital of the renewable investments qualifying as an infrastructure investment (e.g. wind farm Wieringermeer) is shocked by the 30% infrastructure equity charge.

a.s.r. applied the transitional measure for equity risk for shares, which came to an end at 31 December 2022.

Equity risk - required capital

	31 December 2022	31 December 2021
SCR equity risk - required capital	821	1,194

In 2022 the equity risk decreased with € 373 million, mainly due to lower share prices which leads to a lower SCR equity risk, both driven by a decreased exposure to equities and a lower risk charge as a result of the symmetric adjustment. Furthermore, the SCR equity risk slightly increased due to the run-off of the transitional measure of equity risk.

Solvency II sensitivities - equity prices

Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Equity prices -20%	-11	-11	+15	+18	+3	+6

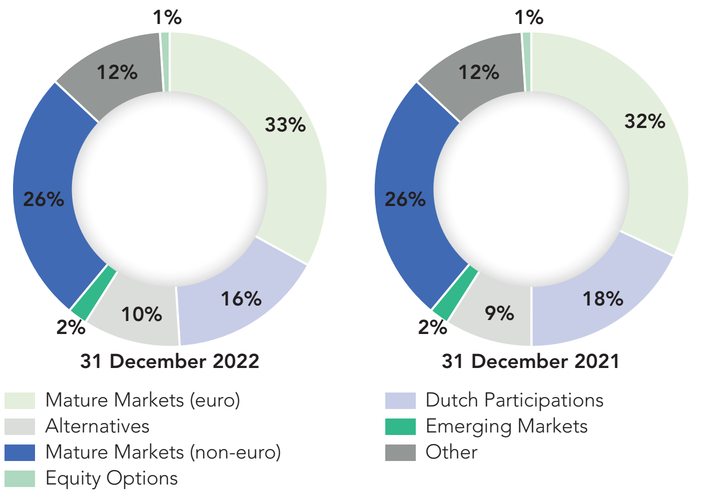
Composition of equity portfolio

The fair value of equities and similar investments at year-end 2022 was € 2,604 million (2021: € 3,259 million). The decrease in 2022 was mainly due to the negative returns on the equity markets.

The equities are diversified across the Netherlands (including participating interests), other European countries and the United States. A limited part of the portfolio consists of investments in emerging markets and alternatives. A portfolio of put options with a value of € 31 million is in place to mitigate the equity risk.

The table below shows the exposure of the equity portfolio to different categories. The total value is including the equities in externally managed funds. The category Other contains the investments of ASR infrastructure Renewables (AIR) in windmill - and solarparks which are in scope of 'Qualifying infrastructure equities other than corporate' (€ 251 million). In 2022 the investments in renewables increased, however the exposure in 'Qualifying infrastructures equities other than corporate' decreased due to methodology change. In 2022 the net asset value of AIR is in scope of SCR equity risk instead of the underlying investments.

Composition equity portfolio



6.8.3.3 Property risk

The property risk depends on the total exposure to real estate. In order to maintain a good understanding of the actual property risk, a.s.r. applies the look through approach for investment funds to assess the property risk.

The required capital for property risk is determined by calculating the impact on the available capital due to an immediate drop in property prices by 25%. Both assets and liabilities are taken into account. The product Agrarische Impact Erfpacht (AIE) has effectively a lower charge (average of 6.5%) due to the underlying risk mitigating characteristics of this product.

Property risk - required capital

	31 December 2022	31 December 2021
SCR property risk - required capital	1,068	1,125

a.s.r. applies look through approach for participations which activities are primarily real estate investments.

The SCR real estate risk decreased with € 57 million in 2022. The real estate exposure decreased due to (i) transactions and improved look through data of property funds and (ii) higher property prices. Futhermore, the average SCR charge of AIE decreased from 10.8% to 6.5%. As a result of these effects, the required capital for property risk decreased with € 35 million. The increased impact of LAC TP caused a decrease of € 22 million.

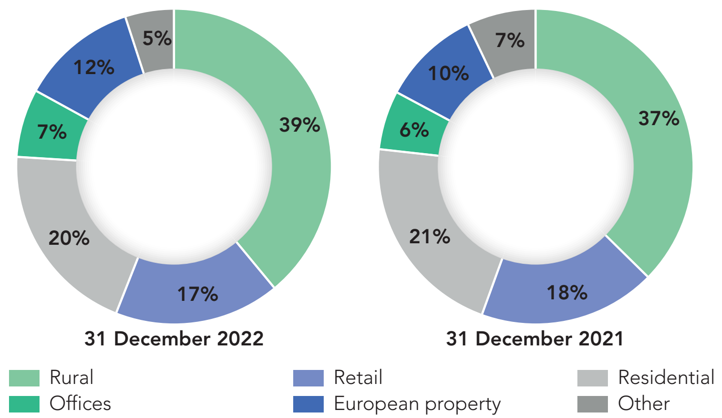
The sensitivity of the solvency ratio to changes in property value is monitored on a monthly basis. Sensitivity of regulatory solvency (Solvency II) to changes in property prices is shown in the following table.

Solvency II sensitivities - property values

Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Property values -10%	-10	-9	+4	+4	-6	-6

The property risk depends on the total exposure to property, which includes both property investments and property held for own use. The fair value of property was € 5,001 million at year-end 2022 (2021: € 5,031 million). The decrease in 2022 (approximately € 30 million) was a result of both transactions (approximately € -50 million) improved look through data of property funds (approximately € -115 million) and increases in property prices (approximately € 135 million).

Composition property portfolio



6.8.3.4 Currency risk

Currency risk measures the impact of losses related to changes in currency exchange rates. The table below provides an overview of all currencies with exposure on liabilities and the currencies with the largest exposures. a.s.r. has currency risk to insurance products in American dollars (USD), Australian dollars (AUD) and Great British Pound (GBP).

In 2021 a.s.r. implemented a new hedge policy for currency risk. For different investment categories a.s.r. has defined a target hedge ratio. The required capital for currency risk is determined by calculating the impact on the available capital due to a change in exchange rates. Both assets and liabilities are taken into account and a look-through approach is applied for investment funds. For each currency the maximum loss due to an upward and a downward shock of 25% is determined except for a small number of currencies where lower shocks are applied (a.o. Danish crown).

Currency risk - required capital

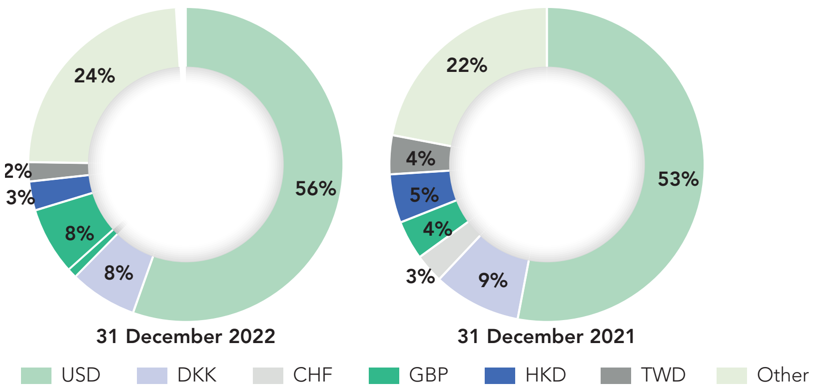
	31 December 2022	31 December 2021
SCR currency risk - required capital	135	120

In 2022 the SCR currency risk has increased with € 15 million. The main reason for this increase is the reduction of the target hedge ratio for USD credits and Emerging Market Debt.

Specification currencies with largest exposure

The exposure to USD has increased due to the reduction of the target hedge ratio for USD credits and Emerging Market Debt.

Composition currency portfolio



The total foreign exchange exposure at year-end 2022 was € 573 million (2021: € 506 million).

6.8.3.5 Spread risk

Spread risk arises from the sensitivity of the value of assets and liabilities to changes in the level of credit spreads on the relevant risk-free interest rates. a.s.r. has a policy of maintaining a well-diversified high-quality investment grade portfolio while avoiding large risk concentrations. Going forward, the volatility in spreads will continue to have possible short-term effects on the market value of the fixed income portfolio. In the long run, the credit spreads are expected to be realised and to contribute to the growth of the own funds. The required capital for spread risk is determined by calculating the impact on the available capital due to the volatility of credit spreads over the term structure of the risk-free rate.

The required capital for spread risk is equal to the sum of the capital requirements for bonds, structured products and credit derivatives. The capital requirement depends on (i) the market value, (ii) the modified duration and (iii) the credit quality category.

Spread risk - required capital

	31 December 2022	31 December 2021
SCR spread risk - required capital	876	1,118

The SCR spread risk decreased in 2022 due to (i) the increased interest rates, which results in lower bond values and (ii) the run off of the bond portfolio, which resulted in lower durations and therefore lower spread risk.

The sensitivity to spread risk is measured as the impact of an increase of spread on loans and corporate bonds of 75 bps. The VA is based on a reference portfolio. An increase of 75 bps of the spreads on loans and corporate bonds within the reference portfolio leads to an increase of the VA with 18 bps in 2022 (2021: 19 bps). The credit spread sensitivity decreased from +20 to +11.

Solvency II sensitivities - spread risk

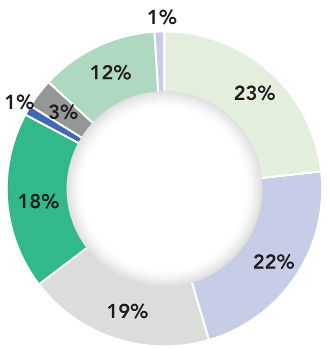
Effect on:	Available capital		Required capital		Ratio	
Scenario (%-point)	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Spread +75bps/(2022: VA +18bps/2021: VA +19bps)	+10	+15	+1	+5	+11	+20

Composition of fixed income portfolio

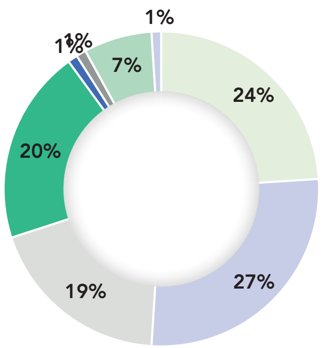
Spread risk is managed on a portfolio basis within limits and risk budgets established by the relevant risk committees. Where relevant, credit ratings provided by the external rating agencies are used to determine risk budgets and monitor limits. A limited number of fixed-income investments do not have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

The following tables provide a detailed breakdown of the fixed-income exposure by (i) rating class and (ii) sector. Assets in scope of spread risk are, by definition, not in scope of counterparty default risk. The total exposure of assets in scope of spread risk is € 20,653 million (2021: € 28,562 million). The portfolio composition is similar to 2021.

Composition fixed income portfolio by sector



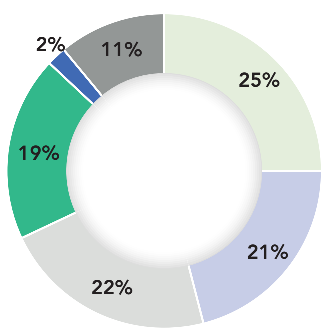
31 December 2022



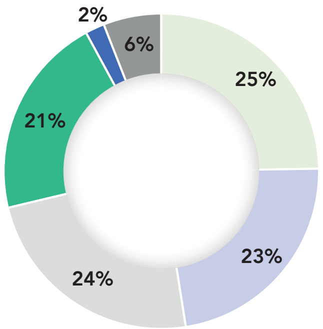
31 December 2021

Government core
Financials
Structured instruments
Loans
Government non core
Corporates
Deposits
Preference Shares

Composition fixed income portfolio by rating



31 December 2022



31 December 2021

AAA AA A BBB Lower than BBB Not rated

6.8.3.6 Market risk concentrations

Concentrations of market risk constitute an additional risk to an insurer. Concentration risk is the concentration of exposures to the same counterparty. Other possible concentrations (region, country, etc.) are not in scope. The capital requirement for concentration risk is determined in three steps:

1. determine the exposure above threshold. The threshold depends on the credit quality of the counterparty;
2. calculation of the capital requirement for each counterparty, based on a specified factor depending on the credit quality;
3. aggregation of individual capital requirements for the various counterparties.

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

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

The required capital for market risk concentrations is nil as per year-end 2022 (2021: nil).

6.8.4 **Counterparty default risk**

Counterparty default risk reflects possible losses due to unexpected default or deterioration in the credit standing of counterparties and debtors. Counterparty default risk affects several types of assets:

- mortgages
- savings-linked mortgage loans
- derivatives
- reinsurance
- receivables
- cash and deposits

Assets that are in scope of spread risk are, by definition, not in scope of counterparty default risk and vice versa. The Solvency II regime makes a distinction between two types of exposures:

- Type 1: These counterparties generally have a rating (reinsurance, derivatives, current account balances, deposits with ceding companies and issued guarantee (letter of credit). The exposures are not diversified.
- Type 2: These counterparties are normally unrated (receivables from intermediaries and policyholders, mortgages with private individuals or SMEs). The exposures are generally diversified.

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

Counterparty default risk - required capital

	31 December 2022	31 December 2021
Type 1	103	113
Type 2	138	289
Diversification (negative)	-15	-21
Total	**226**	**381**

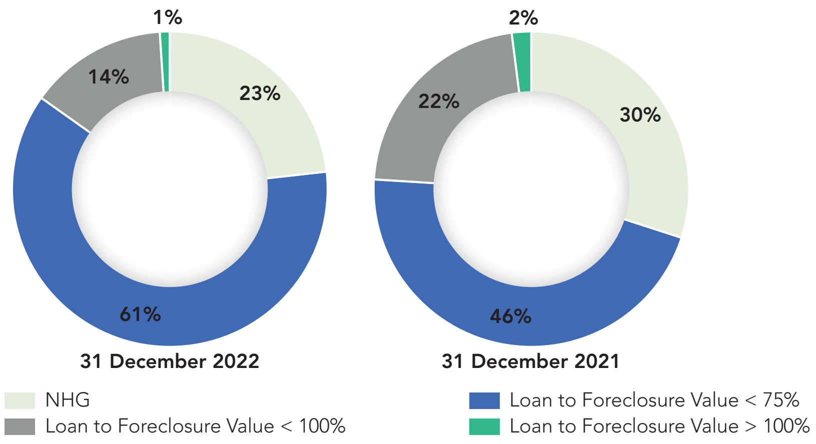
The Counterparty default risk type 1 has decreased due to the decrease in derivatives exposure, which is the results of the change in SCR interest rate risk. The SCR interest rate shock scenario Up is dominant per year-end 2022, while end of 2021 the opposite applied. If an IRS disappears because of a default, this results in a reduction of SCR interest Up. In 2021 the opposite was true, SCR interest Down increased.

The Counterparty default risk type 2 has decreased due to the decreased exposure of the mortgage portfolio. This is driven by the quarterly revaluation of the underlying property and the increase of interest rates. The total counterparty risk has decreased by € 155 million.

6.8.4.1 Mortgages

Mortgages are granted for the account and risk of third parties and for a.s.r.'s own account. The a.s.r. portfolio consists only of Dutch mortgages with a limited counterparty default risk. The fair value of a.s.r.'s mortgage portfolio was € 9,534 million at year-end 2022 (2021: € 11,181 million). The decrease in value is driven by a lower market value of the mortgages (due to the increase of interest rates) and positive revaluations of the underlying property.

Composition mortgage portfolio



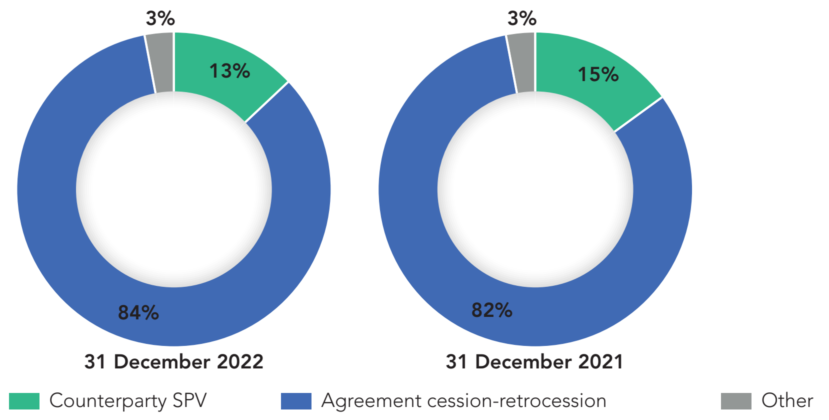
The Loan-to-Value ratio is based on the value of the mortgage according to Solvency II principals with respect to the a.s.r. calculated collateral. The percentage of mortgages which are in arrears for over three months has increased from 0.02% in December 2021 to 0.03% in December 2022.

6.8.4.2 Savings-linked mortgage loans

The counterparty default risk of the savings-linked mortgage loans ('Spaarlossen') depends on the counterparty. For 13% of the portfolio, the counterparties are Special Purpose Vehicles. The risk is limited due to the robust quality of the mortgages in the Special Purpose Vehicles in combination with the tranching. a.s.r. has a cession-retrocession agreement with the counterparty for 84% of the portfolio, for which the risk is limited. Effectively, a.s.r. recognises the underlying receivable from the counterparty (or in the case of insolvency of the counterparty the mortgage loans transfers as collateral), mitigating the counterparty default risk of the savings-linked mortgage loans.

On September 1, 2021 DNB issued the Q&A and Good Practices document on the treatment of saving mortgages and in December, the Dutch Association of Insurers shared its additional guidance on this subject. These documents provide further requirements and guidelines on the valuation, risk calculations and balance sheet classification. Saving deposits without collateral agreement are considered in the SCR Spread Risk Module. The saving deposits with collateral are treated in the Counterparty Risk Module. Furthermore the collateralised deposits are split in two: a) the outstanding part and corresponding interest are considered in the SCR Counterparty risk type 2 (zero risk); b) the future premiums and corresponding interest are treated as the uncollateralised derivative contract of SCR Counterparty Risk Type 1.

Composition savings-linked mortgage loans portfolio



Please note that due to a methodology change, the composition of the savings-linked mortgage loans portfolio for 2021 has been adjusted.

6.8.4.3 Derivatives

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

6.8.4.4 Reinsurance

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

The table above shows the exposure to reinsurers per rating. The total exposure to reinsurers at year-end 2022 was € 309 million (2021: € 419 million).

Composition reinsurance counterparties by rating

	31 December 2022	31 December 2021
AAA	0%	0%
AA	86%	93%
A	14%	6%
NR	0%	1%
Total	**100%**	**100%**

6.8.4.5 Receivables

The receivables decreased to € 632 million in 2022 (2021: € 853 million), mainly driven by lower other receivables and lower receivables from Health insurance fund. The receivables of Policyholders increased due to the new VVT-contract. The composition of the receivables is presented in the table below.

Composition receivables

	31 December 2022	31 December 2021
Policyholders	133	75
Intermediaries	65	89
Reinsurance receivables	63	83
Health insurance fund	70	148
Other	301	459
Total	**632**	**853**

6.8.4.6 Cash and cash equivalents

The current accounts on the balance sheet amounted € 1,756 million in 2022 (2021: € 1,517 million).

Composition cash accounts by rating

	31 December 2022	31 December 2021
AAA	0	0
AA	0	0
A	1,744	1,489
Lower than A	11	28
Total	**1,756**	**1,517**

a.s.r. has no deposits in scope of counterparty default risk.

6.8.5 Liquidity risk

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

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

Due to rising interest rates in 2022, a.s.r. experienced liquidity outflow as a result of cash variation margin outflow related to the ISDA/CSA- and Clearing agreements of derivatives. The cash outflow was financed by returning earlier received cash collateral to counterparties. As at 31 December 2022 a.s.r. remained a net receiver of cash collateral. Other sources of liquidity risk are (unexpected) lapses in the insurance portfolios and catastrophe risk. a.s.r. monitors its liquidity risk via different risk reporting and monitoring processes including cash management reports, cash flow forecasts and liquidity dashboards in which liquidity outflows are calculated for different stress scenarios. For long-term liquidity management purposes, liquidity is also taken into account in the asset allocation process.

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

In managing the liquidity risk from financial liabilities, a.s.r. relies on holding liquid assets comprising cash and cash equivalents and investment grade securities for which there is an active and liquid market. These assets can be readily sold or lend to meet liquidity requirements. As at 31 December 2022, a.s.r. had cash (€ 1,546 million), short-term secured deposits (€ 700 million) and liquid government bonds (€ 9,309 million).

The following table shows the contractual undiscounted cash flows of the insurance liabilities based on Solvency II. All other line items as well as the total carrying value are based on IFRS principles.

The insurance liabilities include the impact of expected lapses and mortality as well as non profit sharing cash flows. Profit sharing cash flows of insurance liabilities are not taken into account, nor are equities, property and swaptions. Since the portfolio of a.s.r. PPI is fully consolidated, an extra line-item relating to liabilities arising from investment contracts, is included. Furthermore, cash flows of the pension benefit obligations are taken into account.

Contractual cash flows

	Payable on demand	< 1 years	1-5 years	5-10 years	> 10 years	Carrying value
31 December 2022						
Insurance liabilities	-	5,234	10,236	9,845	34,294	42,639
Liabilities arising from investment contracts	-	11	95	225	1,669	2,000
Pension Benefit Obligation	-	64	540	725	3,594	2,722
Derivatives liabilities	-	360	2,608	2,006	1,310	5,523
Financial liabilities	2,219	1,064	215	74	2,088	5,639
Future interest payments	-	90	450	563	1,390	-
Total	**2,219**	**6,822**	**14,144**	**13,438**	**44,345**	**58,523**

	Payable on demand	< 1 years	1-5 years	5-10 years	> 10 years	Carrying value
31 December 2021						
Insurance liabilities	-	5,240	10,134	9,722	33,335	52,404
Liabilities arising from investment contracts	-	12	89	227	1,624	1,952
Pension Benefit Obligation	-	54	468	638	3,288	3,990
Derivatives liabilities	-	230	183	185	293	759
Financial liabilities	6,155	597	250	67	1,060	8,117
Future interest payments	-	27	177	218	664	-
Total	**6,155**	**6,159**	**11,301**	**11,056**	**40,264**	**67,223**

When the amount payable is not fixed the amount reported is determined by reference to the conditions existing at the reporting date.

Financial liabilities payable on demand include the liability recognised for cash collateral received under ISDAs, concluded with counterparties. The related cash collateral received is recognised as cash and cash equivalents, and not part of the liquidity risk exposure table.

6.8.6 **Operational risk**

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

Operational risk - required capital

	31 December 2022	31 December 2021
SCR operational risk - required capital	200	249

The SCR for operational risk amounts to € 200 million at the end of 2022 (2021: € 249 million) and is determined with the standard formula under Solvency II. The operational risk is based on the basic SCR, the volumes of premiums and technical provisions, and the amount of expenses.

Operational risk slightly lower mainly as a result of driven by lower best estimate liabilities due to the increased interest rates in 2022.

6.8.7 **Strategic and operational risk management**

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

6.8.7.1 Strategic Risk Management

Strategic risk management aims to identify and manage the most significant risks that may impact a.s.r.'s strategic objectives. Subsequently, the aim is to identify and analyse the risk profile as a whole, including risk interdependencies. The process of strategic risk analysis (SRA) is designed to identify, measure, manage, monitor, report and evaluate those risks that are of strategic importance to a.s.r.:

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

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

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

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

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

Climate change
One of the areas within Strategic Risk Management concerns climate change. For a.s.r., climate change is a direct and indirect risk, both to its assets and liabilities. In chapter 4.7.3 Identified risks and 4.9.2 Climate change, the relevant climate related risks for a.s.r. are discussed including how these risks are managed. Climate change related risks have had no direct impact on the valuation in the current accounting and disclosures of a.s.r.'s assets and liabilities.

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

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

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

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

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

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

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

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

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

Business Continuity Management
Operational management can be disrupted significantly by unforeseen circumstances or calamities which could ultimately disrupt the execution of critical and operational processes. Business Continuity Management enables a.s.r. to resume its daily business with limited interruptions and to react quickly and effectively during such situations.

Critical processes and activities and the tools necessary to use for these processes are identified during the Business Impact Analysis. The factors that can threaten the availability of those tools necessary for the critical processes are identified in the Threat Analysis.

a.s.r. defines a crisis as: one or more product lines are (in danger of being) disrupted in their operations, due to a calamity, or when there is a reputational threat. In order to manage the crisis, and to be able to react timely, efficiently and effectively, a.s.r. has set up a crisis organisation.

There is a central crisis team led by a member of the board. Each business line has their own crisis team led by the director of the business line. The continuity of activities and the systems supporting critical activities are regularly tested and crisis teams are trained annually. The objective of the training is to give the teams insights in how they function during emergencies and to help them perform their duties more effectively during such situations. Some important training scenarios used are scenarios that include cyber threats.

Preparatory Crisis Plan

On 1 January 2019 Dutch legislation entered into force that addresses the recovery and settlement of insurance companies ('Wet herstel en afwikkeling van verzekeraars' in Dutch). The objective is that insurance companies and supervisors are better prepared against a crisis and that insurance companies can recover from a crisis without government aid. a.s.r. is obliged to have a Preparatory Crisis Plan ('Voorbereidend Crisisplan' in Dutch) in place that has been approved by DNB. In 2021 a.s.r. established its Preparatory Crisis Plan. a.s.r.'s Preparatory Crisis Plan helps to be prepared and supports the organisation in various scenarios of extreme financial stress. The Preparatory Crisis Plan describes and quantifies the measures that can be applied to handle a crisis situation and to resume business. These measures are tested in the scenario analysis, in which the effects of each recovery measure on a.s.r.'s financial position (solvency and liquidity) are quantified. The required preparations for implementing the measures, their implementation time and effectiveness, potential obstacles, impact on clients and operational effects are also assessed. The main purpose of the Preparatory Crisis Plan is to increase the chances of early intervention in the event of a financial crisis situation and to further guarantee that the interest of clients and other stakeholders are protected.

Reasonable assurance and model validation

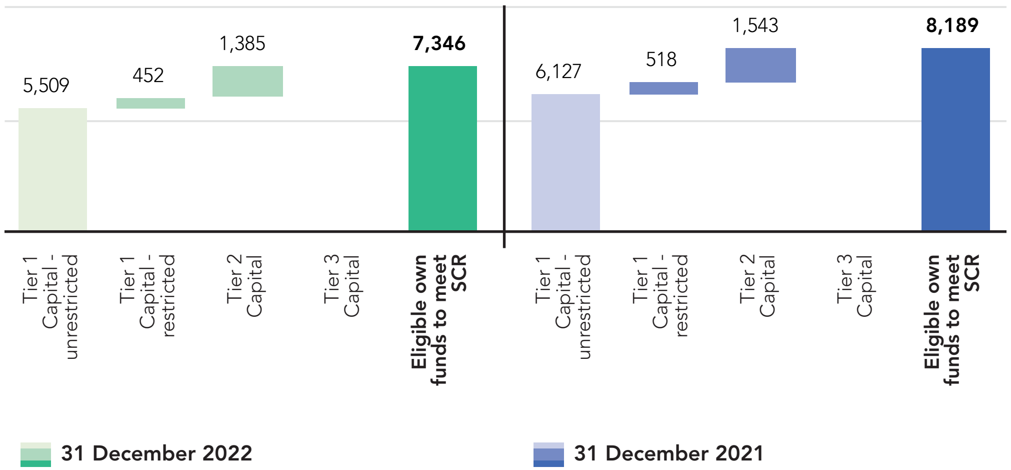
a.s.r. aims to obtain reasonable assurance regarding the adequacy and accuracy of the outcomes of models that are used to provide best estimate values and solvency capital requirements. To this end, multiple instruments are applied, including model validation. Two times a year a model inventory is performed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

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

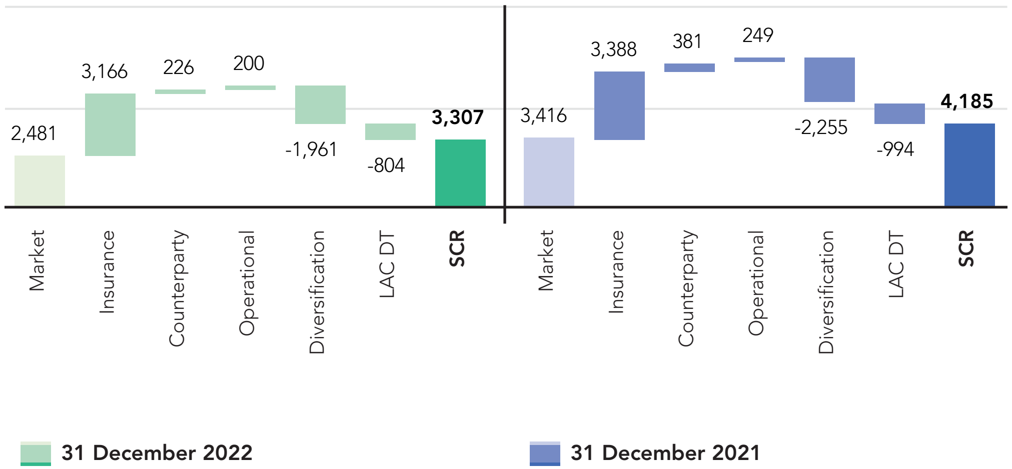
6.9 Capital management

Key figures

Eligible own funds



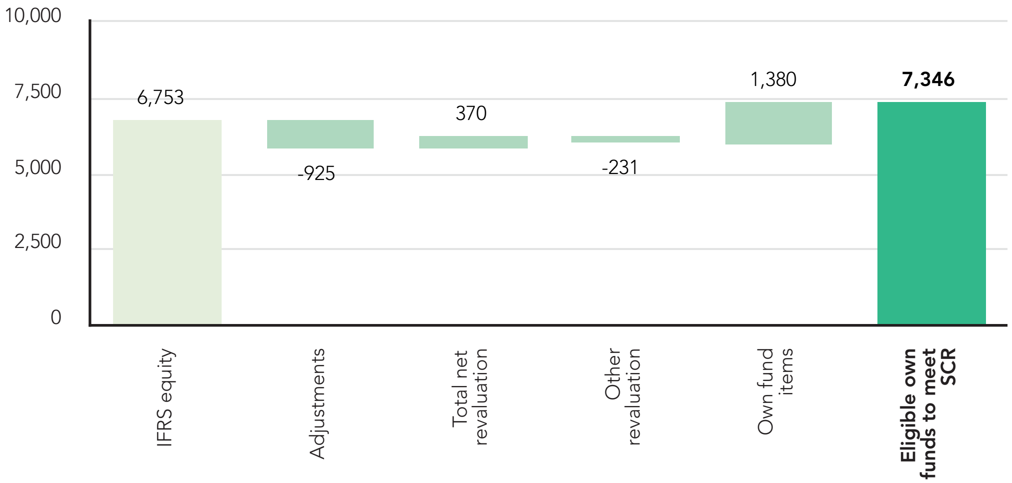
SCR



The solvency ratio stood at 222% as at 31 December 2022 after distribution of the proposed dividend and the proceeds of the € 0.6 billion share issue and is based on the standard formula as a result of € 7,346 million EOF and € 3,307 million SCR.

The decrease of EOF was mainly driven by interest and spread developments and decreasing stock markets partially offset by organic capital creation and an increasing VA. The decrease of required was mainly the result of the development of market risks (interest, equity and spread).

Reconciliation total equity IFRS vs EOF Solvency II



The table above presents the reconciliation of IFRS equity to the solvency II as per 31 December 2022. The main differences between the IFRS equity and EOF Solvency II are:

- Adjustment of other equity instruments (the other equity instruments excludes any discretionary interest);
- Total net revaluation of assets, such as loans and mortgages, and revaluation of the technical provisions;
- Other revaluations mainly elimination of goodwill;
- Own fund items, for example addition of subordinated liabilities, other equity instruments (excluding any discretionary interest), foreseeable dividend and valuation difference of financial institutions.

6.9.1 Capital management objectives

Management

Overall capital management is administered at group level. a.s.r. currently intends to consider investing capital above the management target Solvency II ratio (calculated based on the 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

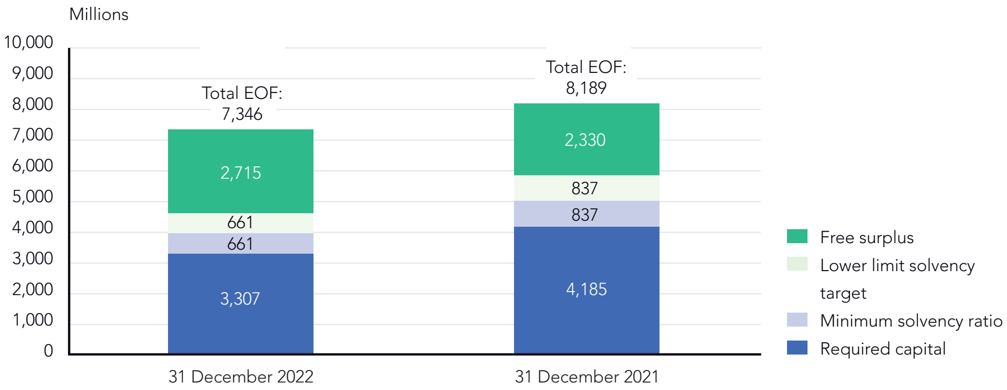
The group is committed to maintain a strong capital position in order to be a robust and sustainable insurer for its policyholders and other stakeholders. The objective is to maintain a solvency ratio well above the minimum levels as defined in the risk appetite statements and above the relevant management 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%. The solvency ratio stood at 222% at 31 December 2022 after final dividend and proceeds of the share issue, which was comfortably above the internal requirement of 120% and the management threshold level of 160%.

In accordance with a.s.r.'s dividend policy, the liquidity of the underlying entities is not taken into account for the liquidity position of the group. However, the capital is recognised in the capital position of the group, since a.s.r. has the ability to realise the capital of this OTSO, for example by selling the entity. Specifically regarding a.s.r. health basic in 2022, no dividend or capital withdrawals have taken place.

The table below shows how the eligible own funds of a.s.r. relate to the different capital targets.

Market value own funds under SCR



6.9.2 **Solvency ratio and a.s.r. ratings**

Capital requirement
The required capital stood at € 3,307 million per 31 December 2022 (2021: € 4,185 million). The required capital (before diversification) consists for 2022 € 2,481 million out of market risk and the insurance risk amounted to € 3,166 million.

a.s.r.'s Solvency II ratio, including financial institutions, complied during 2022 with the applicable externally imposed capital requirement. The capital requirements of the financial institutions fall under a different sectoral supervision regime.

The table below presents the solvency ratio at group level as at the date indicated.

Eligible own funds to meet the SCR

	31 December 2022	31 December 2021
Eligible Own Funds Solvency II	7,346	8,189
Required capital	3,307	4,185
Solvency II ratio excluding Financial Institutions	**222%**	**196%**
Eligible Own Funds Solvency II	7,441	8,270
Required capital	3,360	4,233
Solvency II ratio including Financial Institutions	**221%**	**195%**

The Solvency II ratio stood at 222% (excluding financial institutions) as at 31 December 2022 (2021: 196%). The Solvency II ratio including financial institutions stood at 221% as at 31 December 2022 (2021: 195%). The Solvency II ratios presented are not final until filed with the regulators.

Under Solvency II it is permitted to reduce the required capital with the mitigating tax effects resulting from a 1-in-200-year loss (Shock loss). There is a mitigating tax effect to the extent that the Shock loss (BSCR + Operational risk) is deductible for tax purposes and can be compensated with taxable profits. This positive tax effect can only be taken into account when sufficiently substantiated ('more likely than not'). a.s.r. included a beneficial effect on its solvency ratio(s) due to the application of the LAC DT. The LAC DT benefit was € 804 million at year-end 2022.

Relevant regulation and current guidance (Delegated Regulation, Level 3 guidelines, Dutch Central Bank Q&A's and IAS12) is taken into account in the development of the LAC DT methodology.

a.s.r. uses an advanced model for the LAC DT of both a.s.r. life and a.s.r. non-life and a 'basic' model for a.s.r. health basic and supplementary. In the advanced model future fiscal profits are used to underpin the LAC DT, while in the basic model no future profits are used. Both models are and will be updated in case constrained by additional guidance or legislation provided.

The a.s.r. solvency ratio does not include any contingent liability potentially arising from any of the current and / or future legal proceedings in relation to unit-linked insurance contracts or for other products sold, issued or advised on by a.s.r.'s insurance subsidiaries in the past, the reason being that it is impossible at this time to make reliable estimates because the book of policies of a.s.r. dates back many years, contains of a variety of products with different features and conditions and because of the fact that rulings are diverse.

On 22 September 2021 the European Commission published its proposal for the revision of Solvency II. It consists of various changes to the Solvency II framework, affecting most notably the liability discount curve, the risk margin and the volatility adjustment (VA). In July 2022, the Council reached an agreement on their common position. The Parliament has tabled many amendments and will vote on their final position in early 2023. The next step then is for the European Parliament, the Council to negotiate the final legislative texts of the revision of Solvency II. It is expected that the changes will come into effect in 2025 at the earliest and that some measures will include a phase-in period. Quantitative impact of the EC proposal has been analysed and appears to be more favourable compared to the earlier EIOPA advice, but a conclusion is only possible after specifications have been finalised.

Standard & Poor's confirmed the single A rating of a.s.r., a.s.r. Life and a.s.r. Non-life on 9 September 2022 and on 27 October 2022 for a.s.r. including Aegon Nederland.

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

CCR: counterparty credit rating
FSR: financial strength rating

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

6.9.3 Additional information

1. Mergers and Acquisitions

On 31 March 2022, a.s.r. announced the acquisition of Sweco Capital Consultants, to be effective from 1 May 2022. With the acquisition, a.s.r.'s Real Estate Investment Manager strengthens is position in real estate and infrastructure investments. The acquisition will add to a.s.r.'s ambition to develop into a full-service real estate investment manager.

2. Capital Market transactions

As part of the funding for the Aegon transaction, on 22 November 2022 a.s.r. issued a € 1 billion subordinated Tier 2 capital instrument ("Tier 2 Notes"). The Tier 2 Notes are priced at 430 basis points over the 11 year EUR mid-swap rate, with a fixed rate coupon of 7%. The Tier 2 Notes have a scheduled maturity date in 2043 and are first callable at a.s.r.'s discretion in 2033. As the issue is specifically earmarked to fund the Aegon transaction, the Tier 2 Notes are not included in the Solvency position.

On 27 October 2022, the date of the announcement of the Aegon transaction, a.s.r. issued € 593.6 million capital by way of an accelerated bookbuild offering of 13,805,720 new ordinary shares in the Company with a nominal value of € 0.16 per ordinary share. The new shares have been placed at a price of € 43.00 per new share.

3. Share buyback programme

Following the additional capital distributions of € 75 million per annum in 2020 and 2021, a.s.r. made a further capital distribution of € 75 million in 2022 between 24 February 2022 and 24 May 2022. In total, 1.798.472 ordinary shares a.s.r. were repurchased at an average price of € 41.70 per share.

Upon announcement of the Aegon transaction, a.s.r. announced that the share buy back programme would be halted, in line with policy. a.s.r.'s capital management states that any additional capital distribution shall be considered in the light of opportunities for larger acquisitions and will be conditional upon our Solvency II ratio (based on the standard formula) to remain above 175% (lowered from 180%), as a.s.r. aims to maintain a robust balance sheet. Any additional distribution will be financed from the available OCC, taking into account the regular dividend, room for potential bolt-on acquisitions and re-risking.

4. Dividend

a.s.r. has proposed a total dividend per share of € 2.70 over the full year 2022 (2021: € 2.42 per share). Taking into account the interim dividend of € 0.98 per share, the final dividend amounts to € 1.72 per share. The final dividend amounts to € 254.4 million based on the number of shares per 31 December 2022. Upon announcement of the Aegon transaction, a.s.r. communicated that the progressive dividend policy will be increased to mid to high single digit annual growth until 2025.

5. Deferred tax asset / liabilities

In accordance with the Delegated Regulation and the recommendations of DNB, netting on de balance sheet is only allowed with same tax authority and with same timing. Based on this netting principles, a.s.r. group contains a DTA and a DTL on the balance sheet. For tiering principles the split in DTA and DTL is not applicable.

6.10 Operating result

a.s.r. manages its business primarily using operational key performance indicators (KPIs). The operating result is the KPI covering the overall profitability of the business. Furthermore, a.s.r. uses other operational measures such as the COR, the life operating expenses as well as the availability and creation of capital, based on the Solvency II standard formula, as key figures in business decision making (see chapter 6.9).

The operating result is managed and presented at the consolidated a.s.r. and at a segment level (see chapter 6.4.3) and is also the key profitability indicator at business line level. The operating result is an inclusive measure covering all result components that can be influenced by the regular business. As such the operating result is the single bottom line performance indicator covering the performance of the business.

As a.s.r. applies shadow accounting and realised gains and loss accounting under IFRS 4, to ensure that insurance liabilities are adequate and to ensure that capital gains or losses on assets backing the insurance liabilities are allocated to the insurance liabilities, the operating result only differentiates from the IFRS result on items which are not directly related to its business. The capital gains on assets backing the insurance liabilities are allocated to the technical provisions and are released into the (operating) result over time. The operating result therefore reflects all investment related components that can be influenced by the business, as included in the IFRS result, but does not include any impairments on financial instruments, nor capital gains and fair value changes on the assets not backing the insurance liabilities (mostly equity and real estate investments).

It is current market practice for insurers to use an operating result to measure the underlying business performance, however the various current operating result definitions in the market seem to diverge. The a.s.r. operating result definition has limited deviations from the IFRS result. Following the implementation of IFRS 17 the operating result definitions need to be revised which may provide the opportunity to enhance the comparability of the operating result definition in the market.

Definition of 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 and for the following:

i. Investment related: investment income of an incidental nature (including capital gains and losses, impairments, fair value changes and inflation linked value changes of bonds) 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;
ii. Incidental items:
    i. Model- and methodological changes of a fundamental nature;
    ii. Results of non-core operations;
    iii. Non-recurring or one-off items related to the ongoing business; and
    iv. 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 the own pension arrangements and expenses related to M&A activities and start-ups.

Starting from 2022 the inflation linked value changes of bonds are classified as non-operating result. These are added under the header 'investment related'. Also in line with the a.s.r. accounting manual, the non-recurring or one-off items related to the ongoing business are included in the definition above; since 2022, this includes the impact of the increase of minimum wages due to government intervention as a result of high inflation.
The RoE, which is based on the operating result, is defined as:

i. The operating result adjusted for hybrid expenses and the applicable tax divided by
ii. The IFRS equity adjusted for unrealised capital gains reserve and equity components of non-core activities.

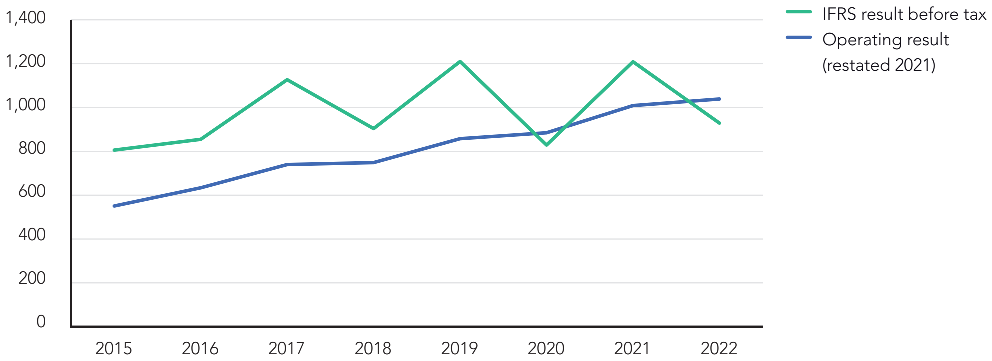
Historical comparison

a.s.r. introduced the operating result in 2015 prior to the IPO. The operating result has since been the KPI for managing the profitability of the business. The eight-year comparison of the IFRS result and the operating result shows that the IFRS result for the year is more prone to volatility. In every year except 2020 and 2022 the IFRS result has exceeded the operating result. In 2020 and 2022, the operating result was higher than the IFRS result.

In 2022, indirect investment income decreased (€ -226 million), mostly driven by lower, but still positive, revaluations on real estate and lower realised results on fixed income securities. Impairments on investments increased by € 67 million, related to decreasing equity prices on the stock markets and negative revaluations of participations in fixed income and mortgage funds driven by increasing market interest rates, see chapter 6.5.5 and 6.6.9.

In addition, the impact of incidentals was more negative in 2022 compared to 2021, see below.

The development of the operating results shows a steady increase as the business has grown.



Reconciliation of IFRS result for the year to operating result

The reconciliation of the IFRS result for the year to the operating result is presented as follows:

IFRS result to operating result

	2022	2021
Result before tax	929	1,209
minus: investment related	78	303
minus: incidentals	-188	-104
Operating result	**1,039**	**1,009**

Starting from 2022 the inflation linked value changes are classified as non-operating result. The comparative figures 'investment related' in 2021 have been adjusted accordingly for an amount of € 12 million.

Indirect investment income amounted to € 78 million, a decrease of € 226 million compared to 2021. The decrease is due to market developments as outlined above. Indirect investment income consists of € -288 million realised gains and losses (2021: € 490 million), € 38 million fair value gains and losses (2021: € 110 million), € -95 million impairments (2021: € -22 million), € 303 million realised gains and losses release from insurance liabilities (2021: € -263 million addition), € 58 million inflation linked value changes included in investment income (2021: € 12 million) and € 61 million other adjustments mainly to prevent doublecounting with own pension scheme results under incidentals (2021: € -23 million). See respective notes for further information on the movements between 2021 and 2022.

Incidentals decreased by € 84 million to € -188 million. This was primarily driven by strengthening of Disability provisions related to the 10% increase of the legal minimum wage as of 1 January 2023 (€ -91 million). In 2022, incidentals also comprise results of the employee benefit pension scheme, revaluations of property development operations, regulatory project implementation costs (IFRS 17 and IFRS 9), amortisation of intangibles identified in business combinations (VOBA, other intangible assets), M&A costs related to the business combination of a.s.r. and Aegon Nederland N.V. and start-up costs for innovations.

6.11 **Company** financial statements

6.11.1 **Company balance sheet**

Company balance sheet

(in € millions and before profit appropriation)	Note	31 December 2022	31 December 2021
Non-current assets			
Intangible assets	6.11.3.2	35	38
Property and equipment	6.11.3.3	219	229
Subsidiaries	6.11.3.4	6,265	8,293
Investments	6.11.3.5	2,039	502
Loans to group companies	6.11.3.6	71	45
Loans and deposits	6.11.3.7	-	20
Derivatives		3	-
Deferred tax assets	6.11.3.8	-	62
Total non-current assets		**8,633**	**9,191**
Current assets			
Other receivables	6.11.3.9	3,363	3,587
Cash and cash equivalents	6.11.3.10	104	18
Total current assets		**3,468**	**3,605**
Total assets		**12,101**	**12,796**
Equity			
Share capital	6.11.3.11	24	22
Share premium reserve	6.11.3.11	1,533	956
Legal reserves	6.11.3.11	27	2,445
Actuarial gains and losses	6.11.3.11	-168	-1,055
Retained earnings	6.11.3.11	3,783	3,247
Treasury shares	6.11.3.11	-79	-83

(in € millions and before profit appropriation)	Note	31 December 2022	31 December 2021
Net result for the year		*732*	*942*
Less: interim dividend		*-131*	*-111*
Unappropriated result	6.11.3.11	601	830
Equity attributable to shareholders		**5,722**	**6,363**
Other equity instruments	6.11.3.11	1,004	1,004
Equity attributable to holders of equity instruments		**6,726**	**7,367**
Provisions			
Employee benefits	6.11.3.12	2,742	4,013
Other provisions	6.11.3.13	3	8
Total provisions		**2,745**	**4,021**
Long-term liabilities			
Subordinated liabilities	6.11.3.14	1,980	992
Borrowings	6.11.3.15	226	234
Deferred tax liabilities	6.11.3.8	130	-
Total long-term liabilities		**2,336**	**1,226**
Current liabilities			
Due to banks	6.11.3.16	78	105
Other liabilities	6.11.3.17	216	77
Total current liabilities		**294**	**182**
Total equity and liabilities		**12,101**	**12,796**

The numbers following the line items refer to the relevant chapters in the notes to the company financial statements.

6.11.2 **Company income statement**

Company income statement

(in € millions)	Note	2022	2021
Operating expenses	6.11.3.18	-141	-135
Impairments	6.11.3.7	19	-
Other expenses	6.11.3.19	-1	-99
Restructuring provision expenses		-1	-
Other income		4	-
Income from subsidiaries and investments			
Share of result in subsidiaries	6.11.3.4	777	1,109
Investment income	6.11.3.20	106	51
Realised gains and losses		3	-
Fair value gains and losses		-3	-2
Interest expense	6.11.3.21	-61	-51
Result before tax		**702**	**874**
Income tax (expense) / gain		30	68
Net result		**732**	**942**

The share of result in subsidiaries is non-taxable as a result of the participation exemption under Dutch tax law.

6.11.3 **Notes to the company financial statements**

6.11.3.1 Accounting policies

The company financial statements are prepared in accordance with Title 9, Book 2 of the Dutch Civil Code. The consolidated financial statements of a.s.r. for 2022 have been prepared in accordance with IFRS – including the IAS and Interpretations – as adopted by the EU (EU-IFRS), and with part 9 of the book of the Dutch Civil Code. In accordance with Section 362(8), Book 2 of the Dutch Civil Code, the same accounting policies for the recognition and measurement of assets and liabilities and determination of results applied to the company financial statements are applied to the consolidated financial statements.

Investments in group companies are recognised, using the equity method, in accordance with the accounting policies used in a.s.r.'s consolidated financial statements whereby the goodwill, if any, is presented separately. The share of profit of group companies is reported in conformity with the accounting policies used in a.s.r.'s consolidated financial statements.

Lease contracts are disclosed using IFRS 16 based on the option under RJ 292.1.

Unless stated otherwise, all amounts presented in these financial statements are in millions of €. Calculations in the tables are made using unrounded figures. As a result rounding differences can occur.

6.11.3.2 Intangible assets

Intangible assets

	2022	2021
Goodwill	17	17
Intangible assets	17	21
Total intangible assets	**35**	**38**

The goodwill relates to the acquisition of BNG Vermogensbeheer in 2016 (€ 4 million) and to the acquisition of Generali in 2018 (€ 13 million). No impairments were deemed necessary. For more information see chapter 6.5.1.

The change in the amount of intangible assets relates to amortisation which is presented in the operating expenses.

6.11.3.3 Property and equipment

Property and equipment

	2022	2021
Right-of-use assets:		
Land and buildings owned by subsidiary	209	216
Vehicles	7	10
Other	3	3
Total property and equipment	**219**	**229**

The right-of-use assets includes property and equipment that is leased by a.s.r. Land and buildings owned by subsidiary relates mainly to the a.s.r. head office, which is owned by a.s.r. life.

Changes in property and equipment

	2022	2021
At 1 January	229	272
Additions	2	3
Depreciation	-11	-12
Remeasurement	-	-33
Impairments	-	-
Other changes	-	-1
At 31 December	**219**	**229**
Gross carrying amount as at 31 December	259	260
Accumulated depreciation as at 31 December	-40	-31
Accumulated impairments as at 31 December	-	-
Net carrying value as at 31 December	**219**	**229**

Depreciation of property and equipment is recorded in the operating expenses (see chapter 6.11.3.19).

6.11.3.4 Subsidiaries

Subsidiaries

	2022	2021
At 1 January	8,293	7,572
Additions	39	4
Share of result	777	1,109
Dividend received	-753	-683
Revaluations	-2,091	318
Other changes	-	-27
At 31 December	**6,265**	**8,293**

The decrease in revaluations is mainly due to unrealised losses in a.s.r. life and a.s.r. non-life.

6.11.3.5 Investments

The investments consists of cash invested in government bonds with a maturity of less than one year to optimise the Solvency II ratio, see chapter 6.11.3.10.

6.11.3.6 Loans to group companies

Loans to group companies

	2022	2021
At 1 January	45	41
Issues	26	9
Repayments	-	-5
At 31 December	**71**	**45**

The loans to group companies are € 71 million (2021: € 45 million) which are expected to be settled more than one year after the balance sheet date and an average interest rate of 5.90% (2021: 5.14%).

Interest income on loans to group companies amounts to € 2 million (2021: € 2 million).

6.11.3.7 Loans and deposits

Loans and deposits

	2022	2021
At 1 January	20	18
Issues	-	1
Repayments	-1	-
Impairments	19	-
Other changes	-38	1
At 31 December	**-**	**20**

An impairment in due from banks was reversed. Other changes mainly relates to the sale of a loan to a.s.r. life.

6.11.3.8 Deferred tax assets

The deferred tax assets mainly arises from the difference in commercial and fiscal valuation of employee benefits (including the assets resulting from the insurance contracts, which are administrated by a.s.r. life) amounting to € -130 million (2021: € 170 million). The deferred tax of the equalisation reserve amounts nil, due to the release of the equalisation reserve in 2022 (2021: € 108 million).

6.11.3.9 Other receivables

The other receivables includes receivables from group companies, which include the receivable with respect to non-qualifying plan assets (see chapter 6.5.17) administered by a.s.r. life amounting to € 3,193 million (2021: € 3,308 million). The plan assets administered by a.s.r. life include the separate account to fund future inflation indexation amounting to € 372 million as at 31 December 2022 (2021: € 192 million). The remaining portion of the receivables from group companies is payable on demand.

6.11.3.10 Cash and cash equivalents

In 2022, cash is invested in short-term government bonds, see chapter 6.11.3.5.

Cash and cash equivalents are fully and freely available.

6.11.3.11 Equity

Equity

	Share capital	Share premium reserve	Legal reserves	Actuarial gains and losses	Retained earnings	Treasury shares	Unappropriated result	Other equity instruments	Equity
At 1 January 2022	22	956	2,445	-1,055	3,247	-83	830	1,004	7,366
Appropriation of the result previous year	-	-	-	-	830	-	-830	-	-
Net result for the year	-	-	-	-	-	-	732	-	732
Dividend paid	-	-	-	-	-214	-	-131	-	-346
Remeasurement of post-employment benefit obligation	-	-	-	887	-	-	-	-	887
Unrealised change in value	-	-	-2,091	-	-292	-	-	-	-2,383
Change in reserves required by law	-	-	-327	-	327	-	-	-	-
Discretionary interest on other equity instruments	-	-	-	-	-48	-	-	-	-48
Treasury shares acquired (-) / sold	-	-	-	-	-0	-71	-	-	-71
Increase (decrease) in capital	2	577	-	-	-68	75	-	-	586
Other movements	-	-	-	-	1	-	-	-	1
At 31 December 2022	**24**	**1,533**	**27**	**-168**	**3,783**	**-79**	**601**	**1,004**	**6,725**

	Share capital	Share premium reserve	Legal reserves	Actuarial gains and losses	Retained earnings	Treasury shares	Unappropriated result	Other equity instruments	Equity
At 1 January 2021	23	976	1,995	-1,253	3,099	-82	552	1,004	6,313
Appropriation of the result previous year	-	-	-	-	552	-	-552	-	-
Net result for the year	-	-	-	-	-	-	942	-	942
Dividend paid	-	-	-	-	-174	-	-111	-	-285
Remeasurement of post-employment benefit obligation	-	-	-	198	-	-	-	-	198
Unrealised change in value	-	-	318	-	7	-	-	-	325
Change in reserves required by law	-	-	133	-	-133	-	-	-	-
Discretionary interest on other equity instruments	-	-	-	-	-48	-	-	-	-48
Treasury shares acquired (-) / sold	-	-	-	-	-1	-78	-	-	-79
Increase (decrease) in capital	-	-20	-	-	-57	78	-	-	-
Other movements	-	-	-	-	1	-	-	-	1
At 31 December 2021	**22**	**956**	**2,445**	**-1,055**	**3,247**	**-83**	**830**	**1,004**	**7,366**

Share capital

For a breakdown of the share capital, see chapter 6.5.13.1.

Legal reserves

The legal reserves relate to the revaluation of investments in group companies. The legal reserves are maintained in relation to the (not yet received as dividend) share in the result (and other additions to equity) of group companies accounted for using the equity method since initial recognition reduced with the amount of dividend that a.s.r. is able to distribute without restrictions. The legal reserves are not freely distributable. See chapter 6.9 for more information on the regulatory restrictions.

Other equity instruments

The other equity instruments relate to two (2021: two) different hybrid Tier 1 and Tier 2 instruments classified as equity, see chapter 6.5.13.6.

Freely distributable items

The part of equity attributable to shareholders that is available for dividend distributions is limited by the Dutch Civil Code and the Dutch Supervisory Rules and Regulations (Solvency II requirements). The distribution of capital is restricted in accordance with the Dutch Civil Code for share capital and statutory reserves. The Solvency II requirements stipulate that a.s.r. must maintain a minimum amount of capital.

The freely distributable items is based on the lowest outcome of the restrictions from the Dutch Civil Code and the Solvency II requirements. This is further explained in the table below:

Distributable items

	2022	2021
Equity attributable to shareholders	5,722	6,363
Non distributable items		
- Share capital[1]	24	22
- Legal reserves	27	2,445
Distributable items based on the Dutch Civil Code	**5,671**	**3,896**
Reserves available for financial supervision purposes	7,441	8,270
Solvency II requirement under the Financial Supervision Act	3,360	4,233
Distributable items based on the Solvency II requirements	**4,081**	**4,037**
Freely distributable items (lower of the values above)	**4,081**	**3,896**

For more information on Solvency II capital management objectives see chapter 6.9.1.

6.11.3.12 Employee benefits

Employee benefits can be broken down as follows (see chapter 6.5.17 for further details):

Employee benefits

	2022	2021
Post-employment benefits pensions	2,722	3,990
Post-employment benefits other than pensions	7	9
Post-employment benefit obligation	**2,730**	**3,999**
Other long-term employee benefits	12	14
Total	**2,742**	**4,013**

1 Less the nominal value of treasury shares if applicable

6.11.3.13 Other provisions

Changes in provisions

	2022	2021
At 1 January	8	18
Additional provisions	4	4
Reversal of unused amounts	-2	-1
Utilised in course of year	-6	-13
At 31 December	**3**	**8**

Provisions primarily relate to provisions for employee restructuring and retained disability risk.

The timing of the outflow of resources related to these provisions is uncertain because of the unpredictability of the outcome and time required for the settlement of disputes.

An amount of € 3 million (2021: € 8 million) of the provisions is expected to be settled within twelve months after the balance sheet date.

6.11.3.14 Subordinated liabilities

For information regarding the subordinated liabilities see chapter 6.5.14.

6.11.3.15 Borrowings

Borrowings

	2022	2021
Lease liabilities	226	234
Total borrowings	**226**	**234**

The lease liabilities consist primarily (€ 216 million, 2021: € 221 million) of the lease of the a.s.r. head office from a.s.r. life. The interest rate for the lease of the head office is 1.5% (2021: 1.5%). The maturity of this contract is 33 years, which includes the total of five extension options of five years each.

An amount of € 12 million (2021: € 13 million) of the lease liabilities is expected to be settled within twelve months after the balance sheet date.

6.11.3.16 Due to banks

In 2022 due to banks amounted to € 78 million (2021: € 105 million). The entire amount of due to banks is expected to be settled less than or equal to one year after the balance sheet date.

6.11.3.17 Other liabilities

Other liabilities

	2022	2021
Accrued interest	26	19
Short-term employee benefits	16	20
Tax payables	131	-
Other liabilities	44	38
Total other liabilities	**216**	**77**

The carrying amount of other liabilities is a good approximation of their fair value.

6.11.3.18 Operating expenses

The operating expenses of € 141 million (2021: € 135 million) are operating expenses relating to holding activities. The increase in the operating expenses is mainly a result of an increase in staff expenses. See chapter 6.6.8 for the total operating expenses of the group. Operating expenses also include depreciation of the right-of-use assets owned by subsidiaries of € 11 million (2021: € 12 million).

6.11.3.19 Other expenses

The decrease of € 98 million relates for € 90 million to the reassessment of the past service costs related to the defined benefit obligation in 2021 (2022: € nil), see chapter 6.5.17.1.

6.11.3.20 Investment income

The investment income of € 106 million (2021: € 51 million) mainly increased as a result from an increase in interest income relating to the employee benefits obligation allocated to the Holding.

6.11.3.21 Interest expense

The interest expense relates primarily to the interest on subordinated liabilities, interest on employee benefits, interest owed to credit institutions and to the interest on the lease liabilities.

6.11.3.22 Auditor's fees

The following fees for the financial years have been charged by KPMG Accountants N.V. to a.s.r., its subsidiaries and other consolidated entities, on an accrual basis.

Auditor's fee

Amounts in € thousands	2022	2021
Audit of the financial statements	6,548	5,635
Other audit engagements	1,324	829
Total audit fees	**7,872**	**6,464**

Fees for audit engagements include fees paid for the audit of the consolidated and company financial statements, quarterly reports and other reports.

In the above mentioned years no fees were paid for tax-related advisory services to KPMG Accountants N.V. and no fees were paid to other KPMG networks, other than KPMG Accountants N.V.

6.11.3.23 Related parties

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

The group regularly enters into transactions with related parties during the conduct of its business. These transactions mainly involve loans, deposits and commissions, and are conducted on terms equivalent to those that prevail in arm's length transactions. These disclosures related to these transactions are included in the relevant note in the company financial statements and in the consolidated financial statements (see primarily chapters 6.7.4 and 6.7.9).

The remuneration of the EB and SB members of a.s.r. is disclosed in chapter 6.7.5.

6.11.3.24 Contingent liabilities

Joint and several liability

a.s.r. forms a fiscal unity for corporate income tax and VAT with nearly all of its subsidiaries. The company and its subsidiaries that form part of the fiscal unity are jointly and separately liable for taxation payable by the fiscal entity.

A statement of joint and several liability under section 403, Book 2 of the Dutch Civil Code has been issued by a.s.r. for the companies identified in chapter 6.7.9.

Investment obligations and guarantees

As in 2021, a.s.r. has issued no investment obligations or guarantees to third parties.

Utrecht, 21 March 2023

Executive Board
Jos Baeten
Ewout Hollegien
Ingrid de Swart

Supervisory Board
Joop Wijn
Herman Hintzen
Sonja Barendregt
Gisella van Vollenhoven
Gerard van Olphen

7

Additional information

The annex provides more detailed information about a.s.r., this annual report and the opinions of the external auditor.

Independent auditor's report

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

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of ASR Nederland N.V. ('the Group' or 'ASR Nederland N.V.') as at 31 December 2022 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of ASR Nederland N.V. as at 31 December 2022 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the financial statements 2022 of ASR Nederland N.V. based in Utrecht. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

1. the consolidated balance sheet as at 31 December 2022;
2. the following consolidated statements for 2022: the income statement, the 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.

The company financial statements comprise:

1. the company balance sheet as at 31 December 2022;

2 the company income statement for 2022; and

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

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' 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 designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud and non-compliance with laws and regulations, going concern, climate-related risks and the key audit matters was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

Information in support of our opinion

Summary

Materiality
– Materiality of EUR 40 million, based on average result before tax over the last three years (approx. 4%), in line with 2021.

Group audit
– 95% of result before tax
– 97% of total assets
– 96% of equity

Fraud/Noclar, Going concern and Climate-related risks

- Fraud & Non-compliance with laws and regulations (Noclar): we have identified management override of controls as presumed fraud risk.
- Going concern related risks: no going concern risks identified.
- Climate-related risks: we have considered the impact of climate-related risks on the financial statements and described our approach and observations in the section 'Audit response to climate-related risks'.

Key audit matters

- Valuation of liabilities arising from insurance contracts (including shadow accounting) and Liability Adequacy Test (LAT)
- Valuation of hard-to-value assets
- Unit-linked exposure
- Solvency II disclosure

Opinion

- Unqualified

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 40 million (2021: EUR 40 million). The materiality is determined with reference to the average result before tax over the past three years and amounts to approximately 4% (2021: 4%). We consider result before tax as the most appropriate benchmark based on our assessment of the general information needs of users of the financial statements of listed financial institutions predominantly active in the insurance business. We believe that result before tax is a relevant metric for the assessment of the financial performance of the Group. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit & Risk Committee of the Supervisory Board that uncorrected misstatements in excess of EUR 2 million identified during our audit would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

ASR Nederland N.V. is a Dutch insurance company at the head of a group of components. The financial information of this group is included in the financial statements of ASR Nederland N.V.

The Group is structured along five segments: Non-life, Life, Asset Management, Distribution and Services and lastly Holding and Other, some of which comprising of multiple legal entities.

Because we are ultimately responsible for the audit opinion, we are responsible for directing, supervising and performing the group audit. In this respect, we have determined the nature and extent of the audit procedures to be carried out by component auditors.

Our group audit mainly focused on significant components and resulted in a coverage of 95% (of total result before tax). These significant components are either individually financially significant due to their relative size within the Group or because we have assigned a significant risk of material misstatement to one or more account balances of the component.

We sent audit instructions to all component auditors, covering significant areas including the relevant risks of material misstatements and set out the information required to be reported to the group audit team. All components in scope for group reporting purposes are audited by KPMG Netherlands.

The group audit team has set component materiality levels, which ranged from EUR 4 million to EUR 34 million, based on the mix of size and risk profile of the components within the Group.

For all components in the scope of the group audit, we held video calls and/or physical meetings with the auditors of the components. During these calls/meetings, the planning, risk assessment, procedures performed, findings and observations reported to the group auditor were discussed in more detail and any additional work deemed necessary by the group audit team was then performed. As originally planned for these components, we performed file reviews.

The consolidation of the Group, the disclosures in the financial statements and certain centralized processes and accounting matters are audited by the group audit team. The centralized processes and accounting matters on which the group audit team performed audit procedures include, but are not limited to, assessment of the use of the going concern assumption, acquired and divested companies and businesses, the goodwill impairment test, equity, employee benefits, operating expenses, other expenses, certain elements of the risk and capital management disclosures, corporate income tax for the fiscal unity and legal proceedings.

For the residual population not in scope, we performed analytical procedures in order to corroborate that our scoping remained appropriate throughout the audit. Performing the procedures mentioned above at group components, together with additional procedures at group level, enabled us to obtain sufficient and appropriate audit evidence about the group’s financial information to provide an opinion on the financial statements.

The audit coverage as stated in the section Summary can be further specified as follows:

Result before tax		
90%	5%	5%
Audit of the complete reporting package	Audit of specific Items	Specified audit procedures
Total assets		
92%	5%	3%
Audit of the complete reporting package	Audit of specific items	Specified audit procedures
Total equity		
93%	3%	4%
Audit of the complete reporting package	Audit of specific items	Specified audit procedures

Audit response to the risk of fraud and non-compliance with laws and regulations

In paragraphs 3.5, 4.7, 4.8 and 6.8.7.2 of the annual report, the Executive Board describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations, and the Supervisory Board reflects on this in chapter 5.2.2.

As part of our audit, we have gained insights into ASR Nederland N.V. and its business environment, and assessed the design and implementation and, where considered appropriate, tested the operating effectiveness of the Group’s risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Group’s code of conduct, whistleblowing procedures, incidents register and its procedures to investigate indications of possible fraud and non-compliance. Furthermore, we performed relevant inquiries with the Executive Board and the Audit & Risk Committee of the Supervisory Board and other relevant functions, such as Internal Audit, Legal, Group Compliance, Group Risk Management and business line CFROs. As part of our audit procedures, we:

- assessed the systematic integrity risk analyses (SIRA) performed by operational risk management in the business units and coordinated by group risk management;
- assessed other positions held by the Executive Board members and the Business Executive Committee members (BEC) and paid special attention to procedures and governance in view of possible conflicts of interest;
- evaluated internal compliance reports on indications of possible fraud and non-compliance and the follow-up by management;
- evaluated, with respect to the risk of bribery and corruption, the Group’s controls and procedures, such as due-diligence procedures on third parties, also taking into account the compliance plan and monitoring actions on Customer Due Diligence. We considered the possibility of fraudulent or corrupt payments made through third parties;
- assessed matters reported on the incident register/whistleblowing and complaint procedures within ASR Nederland N.V. and results of management's investigation of such matters;
- inspected correspondence with De Nederlandsche Bank (DNB) and Autoriteit Financiële Markten (AFM); and
- evaluated legal confirmation letters.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to ASR Nederland N.V.

ASR Nederland N.V. is subject to many laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognized or disclosures in the financial statements, or both, for instances through the imposition of fines or litigation. We identified the following areas as those most likely to have such an indirect effect:

- Wet op het financieel toezicht (Wft) (including the European Solvency II directives);
- regulation related to financial and economic crime (FEC), including Wwft.

We evaluated, with the support of our forensics specialists, the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

The above did not lead to the identification of other risks then the presumed fraud risk of management override of controls.

We assessed the presumed fraud risk on revenue recognition as irrelevant, as we consider the likelihood remote that a material error results from fraud other than originating from management override of controls, which is covered by the risk described below.

Management override of controls (a presumed fraud risk)

— Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, such as: estimates related to valuation of liabilities arising from insurance contracts, the related liability adequacy test, Solvency II disclosures, and the valuation of hard-to-value assets, particularly the valuation of less liquid Level 3 assets.

— Responses:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks, such as processes related to journal entries and estimates. Where we considered whether there would be an opportunity for fraud, we performed supplemental detailed risk-based testing.
- We performed data analysis of high-risk journal entries and evaluated key estimates and judgments for bias by ASR Nederland N.V., including retrospective reviews of prior years' estimates. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including testing of transactions against source information.

— We incorporated elements of unpredictability in our audit, for example, by performing specific audit procedures on cash positions of components not-in scope of our group audit.

We refer to the key audit matters that provide information of our approach related to areas of higher risk due to accounting estimates where management makes significant judgements.

We communicated our risk assessment, audit responses and results to the Executive Board and the Audit & Risk Committee of the Supervisory Board. Our audit procedures did not reveal indications and/or reasonable suspicions of fraud and non-compliance that are considered material for our audit.

Audit response to going concern

As explained in chapter 6.1.1 of the annual report, the Executive Board has performed its going concern assessment and has not identified any significant going concern risks. To assess the Executives Board's assessment, we have performed, inter alia, the following procedures:

— We considered the Executive Board's assessment of the going concern risks, including the all relevant information of which we are aware as a result of our audit.

- We assessed whether the scenarios included in the Own Risk Solvency Assessment (ORSA) and Prepatory Crisis Plan that were submitted to DNB and other regulatory correspondence indicate a significant going concern risk.
- We analysed the Group's financial position and Solvency II ratio as at year-end and compared it to internal minimum capital requirements as set by the Executive Board, the previous financial year and sensitivities of the regulatory capital position in terms of indicators that could identify significant going concern risks.
- We evaluated whether the Executive Board's assessment of going concern, including the Solvency II ratio and sensitivities of the regulatory capital position, is adequately disclosed in the risk management paragraph 6.8 of the financial statements.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's going concern assessment.

Audit response to climate-related risks

The Executive Board is responsible for preparing the financial statements in accordance with the applicable financial reporting framework, including considering whether the implications from climate change risks and commitments have been appropriately accounted for and disclosed.

ASR Nederland N.V. has set out its commitments and ambitions relating to climate change in the annual report in paragraph 4.9.2. As announced in ASR Nederland N.V's first Climate Report published in March 2022, this includes the commitment to reduce the carbon footprint of the investment portfolios for own account by 65% in 2030 compared to 2015, to ensure that the insurance portfolio is climate neutral by 2050 and to reduce the carbon footprint of its own operations by 50% in 2025 compared to 2018 and to become net-zero by 2050.

Climate change represents a key risk for ASR Nederland N.V. through which they are exposed via both sides of the balance sheet: through the valuation of investments on the asset side and insurance exposures on the liability side.

Paragraph 4.9.2 of the annual report 'Climate Change' provides an overview of ASR Nederland N.V.'s approach to identify and assess climate change risks. Climate change risks are also covered in note 6.8.7.1 'Strategic Risk Management' of the financial statements. The Executive Board described the climate related risk and conclude that climate related risks have limited impact on the accounts and its disclosures.

We have performed a risk assessment of the potential impact of climate change on the 2022 accounts and disclosures, including significant judgements and estimates in the financial statements to determine whether the financial statements are free from material misstatement.

In doing this we performed the following:

- we have made inquiries of the Executive Board and Risk Management personnel from both the first and second line of defence to understand the extent of the potential impact of climate change risk on the financial statements;
- we have evaluated climate related fraud risk factors where none has been identified;
- we inspected minutes and other documentation (such as the Strategic Asset Allocation study and the ORSA) as well as external communications by ASR Nederland N.V regarding significant climate related commitments, strategies and plans made by the Executive Board;
- in performing our procedures we involved our own climate risk experts to challenge our risk assessment.

Based on the procedures performed, we consider that climate change risks have no material impact on the 2022 financial statements under the requirements of the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code and no material impact on our key audit matters.

We audited note 6.8.1.3. and note 6.8.7.1 of the financial statements and assess the climate change related disclosures as adequate.

Furthermore, we have read the disclosure of climate change related information in the annual report and considered material consistency with the annual accounts based on our knowledge obtained through our audit of the annual accounts or otherwise.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Executive Board and the Audit & Risk Committee of the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

Valuation of liabilities arising from insurance contracts (including shadow accounting) and Liability Adequacy Test (LAT)

Description

ASR Nederland N.V. has liabilities arising from insurance contracts of EUR 43 billion representing 73% of its total liabilities. The valuation of liabilities arising from insurance contracts involves judgement over uncertain future outcomes, mainly the ultimate settlement value of long-term liabilities, both in the liabilities arising from insurance contracts as reported in the balance sheet and in the LAT.

ASR Nederland N.V. applies shadow accounting in its financial reporting as disclosed in note 6.5.15. In 2022, triggered by increasing interest rates, ASR Nederland N.V. enhanced the application of shadow accounting. This is disclosed as a change in accounting estimate in note 6.3.4.A. Shadow accounting is complex, requires judgement regarding results and changes in revaluation reserves in equity that apply for shadow accounting and has a significant impact on the liabilities arising from insurance contracts and equity.

ASR Nederland N.V. performs the LAT in order to confirm that the liabilities arising from insurance contracts, are adequate in the context of the expected future cash flows.

Various economic and non-economic assumptions are being used to estimate these long-term liabilities in the LAT. The assumptions for life contracts used relate mainly to risks regarding interest, mortality, longevity, lapse and expense and for non-life contracts these are interest, disability, recovery rates, mortality, ultimate claims estimation and expenses. Additionally, the valuation of the liabilities arising from insurance contracts is affected by and sensitive to government regulations, in particular regarding the claims from workers' compensations insurance (WGA-ER), the increase of the legal minimum wage and in the healthcare insurance domain.

ASR Nederland N.V. has based the LAT on Solvency II guidance. This includes the application of the Solvency II discount rate including the UFR that has a significant impact on the LAT as disclosed in note 6.5.15.1.

Given the financial significance, the level of complexity and the level of judgement required, we considered the valuation of the liabilities arising from insurance contracts including shadow accounting and the LAT a key audit matter.

Our response

Our audit approach included testing the design and implementation of internal controls around the valuation of the liabilities arising from insurance contracts (including shadow accounting) and the LAT, as well as substantive audit procedures.

Our procedures over internal controls focused on controls around the adequacy and reliability of data, the governance and controls around assumption setting, validation and implementation of models and the review procedures performed on the LAT by the second line actuarial department.

With the assistance of our own actuarial specialists, the substantive audit procedures we performed included:

— assessment of the appropriateness of assumptions used in the valuation of the liabilities arising from insurance contracts by reference to company and industry data and expectations of future investment returns, future longevity, disability, claims development, recovery rate assumptions and expense developments. We performed specific procedures in response to the impact of long COVID-19 effects and the increase of legal minimum wage on estimates for the Non-Life and Health insurance contracts and the related IBNR for disability for certain pension products;

— assessment of the change in accounting estimate in relation to the application of shadow accounting as disclosed by management in note 6.3.4.A. We have assessed if the underlying trigger for the change (increase in interest rates) in light of the purpose of the application of shadow accounting meets the requirements to qualify for a change in accounting estimate. We have verified the reliability of the impact from the change in accounting estimate and the appropriateness of the disclosure of the impact;

— assessment of the appropriateness of the data, assumptions and methodologies applied in the LAT. We performed specific procedures in response to the changes in the mortality tables published by The Royal Dutch Actuarial Association on 13 September 2022, changes in disability assumption, the inflation assumption, the cost assumptions (which became more important due to inflation), impact of new implemented models and the impact of market developments on guarantees;

— analysis of developments in actuarial results (which includes retrospective review by comparing the expected cashflows in the prior year estimate with current-year actuals) and movements in the liabilities arising from insurance contracts and the LAT during the year for each of the insurance entities and corroborative inquiries with management and the second line actuarial department in that regard;

— testing of the eligibility of investments and the (un)realized results on the investments for shadow accounting. Furthermore, we tested the application of shadow accounting by inspecting the reconciliations of the (un)realized results of the investments with the investment administration, assessing the calculation and the accounting of the related shadow accounting adjustment in the liabilities arising from insurance contracts;

— assessing of the adequacy of the disclosures.

Our observation

Overall, we found management's assumptions reasonable and the valuation of the liabilities arising from insurance contracts acceptable.

We determined that the Group applied shadow accounting (including the accounting for realized results) in accordance with its accounting policy.

We also found the notes on the liabilities arising from insurance contracts in note 6.3.4, 6.5.15 and 6.5.17.1 (in relation to the overlay interest hedging strategy and impact on shadow accounting for the own pension plan) to be adequate.

Valuation of hard-to-value assets

Description

ASR Nederland N.V. invests in various categories of investments, of which 76% (2021: 86%) are carried at fair value in the balance sheet. These consist of financial assets and liabilities measured at fair value as disclosed in note 6.7.1.1 and property as disclosed in note 6.7.1.3. (including land and buildings for own use and plant).

Additionally, the fair value of investments not carried at fair value is separately disclosed in note 6.7.1.2. The fair values are relevant for the Solvency II Own Funds.

32% (2021: 28%) of the fair value of the investments are classified as Level 3 investments (fair value not based on observable market data).

Fair value measurement, especially the valuation of less liquid Level 3 assets, can be subjective and involves management judgement in relation to valuation techniques and assumptions. For these illiquid investments, estimation uncertainty can be high, especially due to the significant inflation increases in 2022. This causes increased market volatility for certain asset classes and in particular for property investments, real estate equity funds and mortgage equity funds. We also paid specific attention to the valuation of the mortgage portfolio. Additionally, the fair value of the wind and solar farms (which is accounted under property) became more financially significant in 2022.

Given the financial significance and the increased level of judgement required, we considered the valuation of hard-to-value assets a key audit matter.

Our response

With the assistance of our valuation specialists, we performed the following procedures:

- assessment of ASR Nederland N.V.'s governance, processes and design and implementation of internal controls with respect to the valuation of hard to value assets;
- assessment of valuation models used and the (internal) validation thereof, for the determination of the fair value of the mortgage portfolio. We performed audit procedures on the fair value of the mortgage portfolio and tested the source data and determined an acceptable fair value range for the mortgage portfolio;
- we discussed and challenged the assumptions (e.g. energy prices and discount rate) and models used by management. We tested the assumptions against available market data; we challenged management's valuation of the plants by reviewing the documentation provided by them and we have compared the valuations with available external market data;

- assessment of management’s response on the impact of higher inflation rates related to increased valuation uncertainty for property investments, real estate equity funds and mortgage equity funds;
- inspection of documentation and held discussions with management’s internal and external experts regarding their judgements and resulting valuations in relation to real estate;
- we carried out a retrospective review of prior-year estimates, e.g. by reconciliation of valuations to financial statements of investments or comparison to sales results;
- we performed substantive audit procedures on selected high-risk property investments. This selection is based on the relative size of the objects within their respective asset class, development of the fair value in the year and was aimed at an appropriate spread over regions and appraisers specifically for the rural investments. We discussed and challenged the assumptions and models used by the external appraisers. We tested their assumptions of discount rates and gross investment yields against available market data and object specific underlying data such as (market) rent levels, occupancy rates and contract renewals; we challenged management’s valuation of real estate equity funds and mortgage equity funds by reviewing the documentation provided by the external fund managers and we compared the movements in valuations with available external market data;
- assessing of the adequacy of the disclosures. This includes notes 6.7.1.1, 6.7.1.2 and 6.7.1.3 on fair value measurement and the market risk disclosure in note 6.8.3 as this note includes sensitivity analysis on the valuation uncertainties that exist on 31 December 2022.

Our observation

We found management’s assumptions for the valuation of hard-to-value assets (property, property investments, real estate equity funds, mortgage equity funds and the mortgage portfolio) reasonable and the valuation acceptable. We also found the fair value and property disclosures to be adequate.

Unit-linked exposure

Description

Holders of unit-linked products sold in the Netherlands, or consumer protection organizations on their behalf, have filed claims or initiated legal proceedings against ASR Nederland N.V. and may continue to do so. A negative outcome of such claims and proceedings, settlements or any other actions to the benefit of the customers by other insurers or sector-wide measures, may affect the (legal) position of ASR Nederland N.V. and could result in substantial financial losses for the Group relating to the compensation. Management assessed the financial consequences of these legal proceedings under both the EU-IFRS and the Solvency II reporting framework and concluded that these cannot be reliably measured, estimated and/or quantified at this point. We refer to note 6.7.7.2.

Due to the potential significance and management judgement that is required to assess the developments relevant to these claims and proceedings, we considered this a key audit matter.

Our response

Our audit procedures primarily consisted of the following:

- assessment of ASR Nederland N.V.'s governance, processes and design and implementation of internal controls with respect to the unit-linked exposure;
- inspection of the legal and complaints documentation and inquiries about the unit-linked exposures with management and head of legal. These procedures took into account ASR Nederland N.V.'s specific developments as well as broader market developments, including verdicts issued in 2022 and up to the date of this audit opinion;
- obtaining a legal letter of the external lawyer that is engaged by ASR Nederland N.V. in relation to the defense in the so-called collective cases (Woekerpolis.nl, Consumentenbond and Wakkerpolis). We assessed the professional competency, capability and objectivity of this external lawyer. We used the lawyer's letter to obtain external confirmation of management's judgements regarding the related (collective) exposures;
- assessment of the recognition and measurement requirements to establish provisions under ASR Nederland N.V.'s EU-IFRS accounting principles and the Solvency II framework for the calculation of the Solvency II ratio;
- evaluation of the unit-linked disclosure in note 6.7.7.2 Unit Linked Products (beleggings-verzekeringen) of the financial statements, where we focused on adequacy of the disclosure of the related risks and management's judgements.

Our observation

Overall, we found management's assessment that the financial consequences of unit-linked exposure cannot be reliably measured and therefore no provision is recognised in the 31 December 2022 balance sheet (for both EU-IFRS and Solvency II), to be sufficiently substantiated.

We considered the disclosure of the exposure in note 6.7.7.2, which describes the related risks and management judgements in compliance with the relevant accounting requirements, to be adequate.

Solvency II disclosure

Description

Solvency II information is considered to be an important addition to the information provided on an EU-IFRS basis. The Own Funds and Solvency Capital Requirement (SCR) are the main metrics of the Solvency II prudential reporting framework. The determination of the Solvency II ratio as well as the disclosed sensitivity of the Solvency II ratio is complex and highly judgemental and is based on assumptions which are affected by (future) economic, demographic and regulatory conditions. The assumptions used relate to risks regarding interest, mortality, longevity, morbidity, catastrophe, lapse and expense as well as the diversification between these risks. The calculations also take into consideration taxation after shock (loss absorbing capacity of deferred tax).

Disclosure of the determination of the metrics, changes in the models and assumptions (including the use of the Volatility Adjustment and Ultimate Forward Rate) as well as the sensitivity applied are considered relevant information for understanding the Solvency II metrics.

Given the importance of this legislation for ASR Nederland N.V. and complexity of the application and estimates to determine the Solvency II ratio, we determined the reliability and adequacy of the Solvency II disclosure to be a key audit matter.

Our response

We obtained an understanding of the ASR Nederland N.V.'s application and implementation of the Solvency II directive. In designing our audit approach we have set a separate materiality for the audit of the Solvency II capital position. The materiality level applied is EUR 75 million.

We have assessed the design and implementation of the internal controls over the Solvency II calculations, including the model validation and assumption approval processes and management review controls.

These internal controls covered, among other things:

- whether the calculations of the Best Estimate Liability (BEL), Own Funds and SCR were accurate and prepared in accordance with the Solvency II directive;
- the appropriateness of economic and non-economic assumptions used for the calculations of the BEL, Own Funds and SCR, based on market observable data, company and industry data, comparison of judgements made to current and emerging market practice;
- the adequacy of the quantitative and qualitative disclosures including disclosure on interpretation of legislation and related uncertainty. In this context we also tested the design and implementation of internal controls over the preparation of the Solvency II sensitivity disclosures;

- the functioning of the Solvency II key functions on risk management and actuarial. In this context we performed corroborative inquiry with the Actuarial Function Holder and Risk Management Function Holder on their reports. This includes the Actuarial Function Holder report 2022, which sets out conclusions on the reliability and adequacy of the technical provisions as at 31 December 2022 under Solvency II.

Based on the outcome of our assessment of the effectiveness of the internal controls, we performed, among other things, the following substantive procedures:

- verifying the accuracy of the calculations of the BEL to determine Own Funds for selected balance sheet items, using our own actuarial specialists;
- assessing the appropriateness of evidence used and judgement applied in assumption setting for both the BEL and the SCR. This included the evaluation of the substantiation of the loss-absorbing capacity of deferred tax, the assessment of the change in estimate of mortgages and the evaluation of the substantiation of the methodology change of the SCR exposure for renewables (wind and solar farms);
- verifying the consolidation of the Solvency II reporting by the Group's components, taking into account the Solvency II-specific requirements for consolidation that deviate from EU-IFRS;
- analysing the outcome of the internally prepared calculations and analysis of the movements in the Solvency II capital position during the year and sensitivities as at 31 December 2022 and discussing the outcome with the Group's actuaries;
- verifying the reconciliation between the IFRS equity to the Solvency II Own Funds. This includes reconciliation of input used for Own Funds with other fair value disclosures in the financial statements. Furthermore, this includes the assessment of the accounting for foreseeable dividends under Solvency II which differs from IFRS;
- verifying that the Solvency II disclosure refers to the fact that the Solvency II ratio is not final until filed with the regulator, DNB. We refer to note 6.9.2.

Our observation

Overall, we found that the calculations of the Solvency II Own Funds and SCR in the risk and capital management disclosures are acceptable in the context of the financial statements. We refer to notes 6.8 and 6.9 of the financial statements.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and

— contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and other information.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Executive Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the General Meeting of Shareholders as auditor of ASR Nederland N.V. on 22 May 2019, as of the audit for the year 2020 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

European Single Electronic Format (ESEF)

ASR Nederland N.V. has prepared its annual report in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by ASR Nederland N.V. complies in all material respects with the RTS on ESEF.

The Executive Board is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby the Executive Board combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF. We performed our examination in accordance with Dutch law, including Dutch Standard 3950N ’Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument’ (assurance engagements relating to compliance with criteria for digital reporting). Our examination included among others things:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
    - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
    - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Executive Board and the Supervisory Board for the financial statements

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Board is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In that respect the Executive Board, under supervision of the Supervisory Board, is responsible for the prevention and detection of fraud and non-compliance with laws and regulations, including determining measures to resolve the consequences of it and to prevent recurrence.

As part of the preparation of the financial statements, the Executive Board is responsible for assessing ASR Nederland N.V.’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the financial statements going concern basis of accounting unless the Executive Board either intends to liquidate ASR Nederland N.V. or to cease operations, or has no realistic alternative but to do so. The Executive Board should disclose events and circumstances that may cast significant doubt on the Group’s ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the ASR Nederland N.V.'s financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is located at the website of de 'Koninklijke Nederlandse Beroepsorganisatie van Accountants' (NBA, Royal Netherlands Institute of Chartered Accountants) at www.nba.nl\ENG_beursgenoteerd_01. This description forms part of our auditor's report.

Utrecht, 21 March 2023

KPMG Accountants N.V.

A.J.H. Reijns RA

Assurance report of the independent auditor

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

Our opinion and conclusion

We have:

- audited the data for the key performance indicators: Relational Net Promoter Score (NPS-r), Sustainable reputation, Impact investments, Carbon footprint of portfolio for own account in % reduction compared to baseline year 2015 , Employee Engagement and 23, by management selected, HR related indicators which are specifically indicated as part of reasonable assurance in the notes of chapter '7.5 Facts and figures' (hereafter: ‘the Non-financial KPIs’); and
- reviewed the non-financial information in the chapters '2 About a.s.r.', '3 Sustainable value creation', '4.1 ASR Nederland N.V.' up to and including '4.6 Holding and Other', '4.9.2 Climate change', '4.9.3 Carbon footprint own operations’ and '7.5 Facts and figures' up to and including '7.11 TCFD recommended disclosures' (hereafter: ‘the Non-financial information’)

included in the 2022 Annual Report (hereafter: ‘the Annual report’) of ASR Nederland N.V. based in Utrecht, the Netherlands.

An audit is aimed at obtaining a reasonable level of assurance. A review is aimed at obtaining a limited level of assurance.

In our opinion the Non-financial KPIs and the Non-financial information are prepared, in all material respects, in accordance with the reporting criteria as described in the chapters '7.6 About this report' and '7.8 Glossary' of the Annual report.

Furthermore, based on our procedures performed, nothing has come to our attention that causes us to believe that the Non-financial KPIs and the Non-financial information are not prepared, in all material respects, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (‘GRI’) and supplemental reporting criteria as described in the chapters '7.6 About this report' and '7.8 Glossary' of the Annual report.

Basis for our opinion and conclusion

We have performed our audit of the Non-financial KPIs and review of the Non-financial information in accordance with Dutch law, including Dutch Standard 3000A ’Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). Our responsibilities in this regard are further described in the section ‘Our responsibilities’ 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). Furthermore, we have complied with the ‘Verordening gedrags- en beroepsregels accountants’ (VGBA, Dutch Code of Ethics).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Non-financial KPIs and our conclusion about the Non-financial information.

Reporting criteria

The Non-financial KPIs and the Non-financial information need to be read and understood together with the reporting criteria. ASR Nederland N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable laws and regulations related to reporting.

The reporting criteria used for the preparation of the Non-financial KPIs and the Non-financial information are the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) and the supplemental reporting criteria as disclosed in the chapters ‘7.6: About this report’ and ‘7.8: Glossary’ of the Annual report.

Our key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Sustainability Information. We have communicated the key audit matter to the Executive Board and the Supervisory Board. The key audit matter is not a comprehensive reflection of all matters discussed.

This key audit matter was addressed in the context of our audit of the Sustainability Information as a whole and we do not provide a separate opinion on this matter.

The sustainability indicator on ASR Nederland N.V.’s reduction of the carbon footprint of portfolio for own account was determined to be a key audit matter as the assessment is inherently subject to assumptions and management judgement due to data quality limitations of external sources, whereas the determination of other important sustainability indicators require such judgement to a lesser extent.

Reduction of the carbon footprint of portfolio for own account

Description

ASR Nederland N.V. reports on the reduction of the carbon footprint of portfolio for own account, which is a non-financial target regarding the carbon footprint that shows the percentage of the scope 1 and 2 CO2-eq reduction of ASR Nederland N.V.'s internally managed assets under management (AuM) for the own account of ASR Nederland N.V., relative to the baseline year 2015. The reduction of the carbon footprint of portfolio for own account was significant to our audit since we identified that it serves as a material indicator for ASR Nederland N.V. to report on the environmental impact of its activities and because of the carbon footprint data used for reporting is inherently subject to assumptions and judgement due to data quality limitations of external sources.

Our response

We obtained an understanding of the reporting process, the applicable definitions and reporting criteria and we have evaluated the design and implementation of relevant internal controls. We inquired ASR Nederland N.V.'s staff members involved in the reporting process for the carbon footprint of portfolio for own account to understand the application of the definitions and reporting criteria and we challenged the underlying evidence, such as the reliability of data used and expert opinions on methodologies used for the estimates of carbon emissions. Finally, we assessed whether the reporting criteria, assumptions, definitions and data quality are adequately disclosed in the Annual report.

Our observation

We consider that the definitions and criteria for the carbon footprint of portfolio for own account as described in ASR Nederland N.V.'s reporting criteria, as disclosed in the section 'Carbon footprint of portfolio for own account' included in chapter '7.6 About this report' of the Annual Report are appropriately applied and that the assumptions are adequately explained, including information on the data quality of the carbon footprint. We also consider the disclosure on the reduction of the carbon footprint of portfolio for own account as being adequate.

Limitations to the scope of our review

The Non-financial information includes prospective information such as ambitions, strategy, plans, expectations and risk assessments. Inherent to prospective information, the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Non-financial information.

The references to external sources or websites in the Non-financial information are not part of the Annual report as reviewed by us. Therefore, we do not provide assurance on this information.

Responsibilities of the Executive Board and the Supervisory Board

The Executive Board of ASR Nederland N.V. is responsible for the preparation of the Non-financial KPIs and the Non-financial information in accordance with the reporting criteria as included in the section ‘Reporting criteria’ of the Annual report, including the identification of stakeholders and the definition of material matters. The choices made by Executive Board of ASR Nederland N.V. regarding the scope of the Annual report and the reporting policy are summarized in the chapters 7.6, 7.8, 7.9, and 7.10 of the Annual report.

Furthermore, the Executive Board is also responsible for such internal control as it determines is necessary to enable the preparation of the Non-financial KPIs and the Non-financial information are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the reporting process of ASR Nederland N.V.

Auditor’s responsibilities

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

Our audit on the Non-financial KPIs has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material misstatements, whether due to fraud or error.

Our procedures to obtain the limited level of assurance for the Non-financial information, vary in nature and timing from, and are less in extent, than procedures performed for a reasonable assurance engagement. These procedures are mainly aimed to determine the plausibility of information. The level of assurance obtained in review engagements with a limited level of assurance is therefore substantially less than the assurance obtained in audit engagements.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this information. The materiality affects the nature, timing and extent of our assurance procedures and the evaluation of the effect of identified misstatements on our opinion.

We apply the ‘Nadere Voorschriften Kwaliteitssystemen’ (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the assurance engagement, in accordance with the Dutch Standard 3000A, ethical requirements and independence requirements.

Our assurance procedures for the Non-financial KPIs and the Non-financial information included among others:

- performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of ASR Nederland N.V.;
- evaluating the appropriateness of the reporting criteria used and their consistent application. This includes the evaluation of the results of the stakeholders' dialogue and the reasonableness of estimates made by management;
- obtaining an understanding of the reporting processes for the Non-financial KPIs and information, including obtaining a general understanding of internal control;
- identifying areas of the Non-financial KPIs and the Non-financial information with a higher risk of misleading or unbalanced information or material misstatements, whether due to fraud or error;
- designing and performing further assurance procedures aimed at determining the plausibility of the Non-financial KPIs and Non-financial information responsive to this risk analysis. These procedures included among others:
  - interviewing management and relevant staff at corporate level responsible for the non-financial strategy, policy and results;
  - interviewing relevant staff responsible for providing the information for, carrying out internal control procedures on, and consolidating the data in the Non-financial KPIs and Non-financial information;
  - obtaining assurance information that the Non-financial KPIs and Non-financial information reconciles with underlying records of ASR Nederland N.V.;
  - reviewing, on a limited test basis, relevant internal and external documentation;
  - performing an analytical review of the data and trends.
- evaluating the consistency of the Non-financial KPIs and the Non-financial information with the information in the Annual report which is not included in the scope of our review;

- evaluating the overall presentation, structure and content of the Non-financial KPIs and the Non-financial information;
- evaluating whether the Non-financial information as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

Additionally, our audit of the Non-financial KPIs included, on top of the above, among others the following procedures:

- obtaining an understanding of internal control relevant to the examination in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ASR Nederland N.V.'s internal control;
- testing the design, implementation and where possible operating effectiveness of internal controls for the Non-financial KPIs;
- designing and performing further assurance procedures on the data supporting the Non-financial KPIs, such as sampling and validating data with appropriate supporting evidence.

We have communicated with the Executive Board and the Supervisory Board regarding, among other matters, the planned scope and timing of the review and audit, and significant findings that we identified during our review and audit.

Utrecht, 21 March 2023

KPMG Accountants N.V.

A.J.H. Reijns RA

7.3 Provisions of the Articles of Association regarding profit appropriation

Articles 35, 36 and 37 of the Articles of Association:

Distributions – General
Article 35

35.1 A distribution can only be made to the extent that the Company's equity exceeds the Non-Distributable Equity

35.2 The Executive Board (EB) may resolve to make interim distributions, provided that it appears from interim accounts to be prepared in accordance with Section 2:105(4) of the Dutch Civil Code that the requirement referred to in Article 35.1 has been met and, if it concerns an interim distribution of profits, taking into account the order of priority described in Article 37.1.

35.3 Subject to Article 19.10, the EB may adopt, and amend from time to time, a dividend and reservation policy for the Company. Amendments to such a policy shall be discussed in the General Meeting.

35.4 The preferred shares do not carry any entitlement to distributions other than as described in Articles 12.2, 37.1 and 38.3.

35.5 Distributions on ordinary shares shall be made in proportion to the aggregate nominal value of those ordinary shares. Distributions on preferred shares (or to the former holders of preferred shares) shall be paid in proportion to the amounts paid up (or formerly paid up) on those preferred shares.

35.6 The parties entitled to a distribution shall be the relevant shareholders, usufructuaries and pledgees, as the case may be, at a date to be determined by the EB for that purpose. This date shall not be earlier than the date on which the distribution was announced.

35.7 The General Meeting may resolve, subject to Article 31.1, that all or part of such a distribution, instead of being made in cash, shall be made in the form of shares in the Company's capital or in the form of the Company's assets.

35.8 A distribution shall be payable no later than thirty days after the date on which such distribution was declared, unless the EB sets a different date. If it concerns a distribution in cash, such distribution shall be payable in such currency as determined by the EB.

35.9 A claim for payment of a distribution shall lapse after five years have expired after the distribution was declared.

35.10 For the purpose of calculating any distribution, shares held by the Company in its own capital shall not be taken into account. No distribution shall be made to the Company in respect of shares held by it.

Distributions – Reserves
Article 36

36.1 All reserves maintained by the Company shall be attached exclusively to the ordinary shares. The Company shall not attach any reserve to the preferred shares.

36.2 Subject to Article 31.1, the General Meeting is authorised to resolve to make a distribution from the Company's reserves.

36.3 Without prejudice to Articles 36.4 and 37.2, distributions from a reserve shall be made exclusively to the holders of ordinary shares.

36.4 The EB may resolve to charge amounts to be paid up on any class of shares against the Company's reserves, irrespective of whether those shares are issued to existing shareholders.

Distributions – Profits
Article 37

37.1 Subject to Article 35.1, the profits shown in the Company's annual accounts in respect of a financial year shall be appropriated as follows, and in the following order of priority:

a. To the extent that any preferred shares have been cancelled without the payment described in Article 12.2 paragraph b. having been made in full on those preferred shares and without any such deficit subsequently having been paid in full as described in this Article 37.1 or Article 37.2, any such deficit shall be paid to those who held those preferred shares immediately before such cancellation became effective;
b. To the extent that any Preferred Distribution (or part thereof) in relation to previous financial years has not yet been paid in full as described in this Article 37.1 or Article 37.2, any such deficit shall be paid on the preferred shares;

a. The Preferred Distribution shall be paid on the preferred shares in respect of the financial year to which the annual accounts pertain;
b. Subject to Article 19.10, the EB shall determine which part of the remaining profits shall be added to the Company's reserves; and
c. Any remaining profits shall be at the disposal of the General Meeting for distribution to the holders of ordinary shares

37.2 To the extent that the distributions described in Article 37.1 paragraphs a. through c. (or any part thereof) cannot be paid out of the profits shown in the annual accounts, the deficit shall be paid out of the Company's reserves, subject to Articles 35.1 and 35.2.

37.3 Without prejudice to Article 35.1, a distribution of profits shall be made only after the adoption of the annual accounts that show that such distribution is allowed.

7.4 Report of the Stichting Continuïteit ASR Nederland

For information purposes only
Stichting Continuïteit ASR Nederland (the Foundation) was established on 26 May 2016. The Foundation has been established under Dutch law. Its objectives are to promote and protect the interests of a.s.r., its business and its stakeholders, and to counter possible influences that might threaten the continuity, independence, strategy and/or identity of a.s.r. or its business to such an extent that these could be considered contrary to the aforementioned interests.

a.s.r. has granted a call option to the Foundation under an agreement dated 27 May 2016; this agreement outlines the conditions under which the call option can be exercised. The call option is a continuous and repeatedly exercisable right, pursuant to which the Foundation is entitled to subscribe for preference shares, up to the lower of (a) the total number of shares that form a.s.r.'s issued capital at the time when the call option is exercised, less the number of preference shares already held by the Foundation at that time (if any) and less one, or (b) the maximum number of preference shares that may be issued under the authorised share capital as shown by the Articles of Association of a.s.r. at the time when the call option is exercised. The Foundation has the right to exercise the call option at any time, either fully or in part. The exercise price for preference shares issuable under the call option is equal to 25% of the nominal amount of those preference shares.

The call option is continuous in nature and can be exercised repeatedly and on more than one occasion, each time that the Foundation considers, or reasonably expects, there to be an act that is, in the opinion of the Foundation, materially contrary to the interests of a.s.r., its business or its stakeholders, which may include the following (to the extent materially contrary to the aforementioned interests), (i) the announcement of a public offer for shares in the capital of a.s.r., or the legitimate expectation that such a public offer will be announced, without agreement on the offer having been reached with a.s.r. or the offer being supported by a.s.r., and (ii) an activist shareholder (or group of activist shareholders acting in concert) in a.s.r. directly or indirectly representing at least 25% of the ordinary shares forming part of a.s.r.'s issued share capital.

Ultimately after the Foundation has held preference shares for a period of 20 months (or for such longer period as the Foundation deems appropriate given the facts and circumstances at hand), the Foundation may request, by means of a notice to that effect, that a.s.r. considers submitting, as soon as practicable, a proposal to the General Meeting for a resolution to cancel all preference shares. a.s.r. is free to propose such a resolution without this being requested by the Foundation if non-cancellation of the preference shares in a timely manner were to result in the Foundation being required to make a mandatory public offer in respect of a.s.r. In addition, if and when a.s.r. has issued preference shares to the Foundation, a.s.r. will convene a General Meeting, to be held within 20 months following such issuance, for the purpose of adopting a resolution on the cancellation of all such preference shares.

The Foundation has not exercised the call option and did not acquire any preference shares during the year under review.

The Foundation has an independent board. The membership of the Board of the Foundation is as follows:
- Mr H.J. Hazewinkel (chair);
- Mr A.A.M. Deterink;
- Ms M.E. Groothuis.

The Board of the Foundation had two meetings in 2022, of which one was an online call. The matters discussed included the full-year 2021 results of a.s.r., the execution of a.s.r.'s strategy, the financing of a.s.r., acquisitions and divestments made by a.s.r. including the business combination with Aegon Nederland N.V., the impact that COVID-19 has had on a.s.r., other developments in the markets in which a.s.r. operates and the general course of affairs at a.s.r. At these meetings, a representative of the EB of a.s.r. provided the Board of the Foundation with information on the developments within a.s.r. and the relationship with its stakeholders. The Board of the Foundation also monitored the developments of a.s.r. outside of its Board meetings, for instance through occasional contacts with the EB and the receipt of press releases issued by a.s.r.

The Foundation is an independent legal entity for the purpose of Section 5:71(1)(c) of the Dutch Financial Markets Supervision Act.

Utrecht, the Netherlands, 21 March 2023

Stichting Continuïteit ASR Nederland
Mr H.J. Hazewinkel (chair)
Mr A.A.M. Deterink
Ms M.E. Groothuis

7.5 Facts and figures

Financial indicators

Key figures

	2022	2021	2020	2019	2018
Operating result (€ million)	1,039	1.009	885	858	749
IFRS net result (€ million)	733	942	657	972	669
Operating return on equity (%)	12.8	16.3	15.3	15.1	14.3
IFRS return on equity (%)	11.3	15.3	11.7	19.1	13.7
Solvency II ratio (standard formula) (%)	222	196	199	194	197
Dividend per share (€)	2.70	2.42	2.04	1.90	1.74
Total dividend (€ million)	386	329	282	267	245
Share buyback (€ million)	75	75	75	13	-
Total equity (€ million)	6,753	7,385	6,313	6,093	5,479
Total equity attributable to shareholders (€ million)	6,722	6,363	5,309	5,089	4,478
Gross written premiums (€ million)	6,041	5.859	5,276	4,666	4,459
New business Life segment (APE) (€ million)	127	151	124	159	119
Operating expenses (€ million)	-779	-725	-701	- 656	- 601
Combined ratio (Non-life segment) (%)	91.7	91.8	93.6	93.5	95.7
Credit rating (S&P)	A	A	A	A	A
Organic capital creation (€ million)	653	594	500	501[1]	372
Interest coverage ratio (%)	9.9	13.8	9.5	12.9	10.9

1 Restated based on new definition.

Customer-related indicators

Net Promoter Score (NPS-c)

-100 to +100	2022	2021	2020	2019	2018
a.s.r.	**51**	**49**	**49**	**44**	**42**
P&C	59	59	58	51	47
Disability (incl. Loyalis)	65	60	58	46	45
Health	49	49	49	43	39
Pensions	57	52	56	52	47
Individual life	49	38	40	42	37
Funeral	50	47	47	40	41
Mortgages	39	43	40	NA	NA

Complaints settled

In numbers	2022	2021	2020	2019	2018
Upheld	2,856	3,482	3,306	3,213	2,935
Rejected	2,193	2,348	2,082	2,163	2,092
Total complaints settled	**5,049**	**5,830**	**5,388**	**5,376**	**5,027**

Complaints handled

In numbers	2022	2021	2020	2019	2018
Yes, fully	1,216	1,600	1,431	1,322	1,148
No, not fully but follow-up is clear to me	293	314	250	292	238
No, not fully and the follow-up is unclear to me	107	126	107	103	104
Total complaints handled	**1,616**	**2,040**	**1,788**	**1,717**	**1,490**

Incidents lack of integrity

In numbers	2022	2021	2020	2019	2018
Employees	10	5	4	9	14
Advisors and suppliers	58	50	45	32	21
Total incidents lack of integrity	**68**	**55**	**49**	**41**	**35**

Violations measures taken

In numbers	2022	2021	2020	2019	2018
Address behaviour	-	1	3	4	1
Written warning	4	3	1	1	10
Dismissal	2	1	-	4	3

Complaints relating to customer privacy

In numbers	2022	2021	2020	2019	2018
Complaints received from third parties	41	91	89	58	85
Complaints received from regulatory bodies[1]	-	3	2	-	2

Data leaks

In numbers	2022	2021	2020	2019	2018
Notifications of data leaks to the Dutch Data Protection Authority	41	43	14	19	58

Human Resources indicators

FTEs

(in numbers, per 31 December)	2022	2021	2020	2019	2018
Non-life	1,541	1,508	1,524	1,460	1,319
Life	488	493	464	460	443
Asset Management	409	363	347	330	339
Distribution and Services	745	706	680	573	503
Holding and Other	1,130	1,086	1,027	1,084	1,079
Total full-time equivalents internal	**4,313**	**4,155**	**4,042**	**3,906**	**3,683**
% of all a.s.r. employees working from the Utrecht location (FTE)	92%	92%	91%	90%	95%

1 The complaints received from regulatory bodies are also included in the figure reported for complaints received from third parties.

Part-time employees

(in numbers)	2022	2021	2020	2019	2018
Female	1,203	1,151	1,069	949	925
Male	573	576	520	449	530
Total number of part-time employees	**1,776**	**1,727**	**1,589**	**1,398**	**1,455**

Full-time employees

(in numbers)	2022	2021	2020	2019	2018
Female	552	514	479	510	409
Male	1,636	1,623	1,618	1,675	1,544
Total number of full-time employees	**2,188**	**2,137**	**2,097**	**2,185**	**1,953**

Contracts of indefinite duration

(in numbers)	2022	2021	2020	2019	2018
Female	1,513	1,460	1,363	1,303	1,210
Male	1,966	1,994	1,949	1,970	1,952
Total number of indefinite duration contracts	**3,479**	**3,454**	**3,312**	**3,273**	**3,162**

Contracts of definite duration

(in numbers)	2022	2021	2020	2019	2018
Female	242	205	185	156	124
Male	243	205	189	154	122
Total number of definite duration contracts	**485**	**410**	**374**	**310**	**246**

Gross average hourly wages split by gender

(in €)	31 December 2022		31 December 2021		31 December 2020		31 December 2019		31 December 2018	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Executive Board[1]	334	346	296	313	277	337[2]	269	288	191	223
Senior management	125	124	118	115	107	106	101	101	91	98
Management excluding sr. and jr. management	61	68	57	63	57	61	55	59	54	56
Junior management	41	41	37	38	35	37	34	35	32	36
Other employees	26	30	25	28	24	28	23	27	22	26

Employee compensation

In € million	2022	2021	2020	2019	2018
Salaries and wages	309	292	273	257	248

Pay ratio[3]

(in units below)	2022	2021	2020[4]	2020 (reported)	2019
Annual total compensation for the highest-paid individual (€)[5]	1,215,000	1,108,000	1,420,000	824,000	1,145,000
Average annual total compensation for all employees (€)	106,000	100,000	102,000	62,000	98,000
Average Pay ratio (%)	11.5	11.0	13.9	13.3	11.7
Median annual total compensation for all employees (€)	100,000				
Median Pay ratio (%)[6]	12.1				

1 The figures for the EB include CEO's compensation.
2 Excluding CEO's compensation, the male average hourly wage of the EB would not be applicable as a.s.r. does not have male EB members.
3 In 2021, the calculation method of the pay ratio was changed in accordance with the Dutch Corporate Governance Code. The new calculation method is based on: i) The total annual remuneration of the CEO includes all remuneration components (such as fixed remuneration, variable remuneration in cash (bonus), the share-based part of the remuneration, social contributions, pension, expense allowance, etc.), as included in the (consolidated) financial statements on an IFRS basis. ii) The average annual remuneration of the employees is determined by dividing the total wage costs in the financial year (as included in the (consolidated) financial statements on an IFRS basis) by the average number of FTEs during the financial year. iii) Pro rato must be taken into account when hiring external employees, insofar as they are hired for at least three months during the financial year.
4 The pay-ratio of 2020 excluding the extraordinary items is in accordance with the new calculation method 12.38.
5 The annual total compensation for the highest-paid individual is less high in 2021 because of the new defined contribution plan started from 1 January 2021. All employees participate in the defined contribution plan. The annual pension expenditure is based on a premium table.
6 As of 2022, a.s.r. reports on the median pay ratio in order to comply with GRI 2-21 and in anticipation of the CSRD.

Average years of service

(in years)	2022	2021	2020	2019	2018
Female	11.5	11.8	12.2	12.7	13.1
Male	14.5	14.8	15.8	16.4	16.6
Difference	**3.0**	**3.0**	**3.6**	**3.7**	**3.5**

Breakdown gender diversity

(in % female / male)	2022	2021	2020	2019	2018
Supervisory Board	40 / 60	40 / 60	33 / 67	33 / 67	40 / 60
Executive Board	33 / 67	33 / 67	67 / 33	33 / 67	25 / 75
Senior management	22 / 78	25 / 75	28 / 72	25 / 75	29 / 71
Management excluding sr. and jr. management	23 / 77	23 / 77	22 / 78	21 / 79	20 / 80
Junior management	34 / 66	37 / 63	34 / 66	35 / 65	31 / 69
Other employees	46 / 54	44 / 56	43 / 57	42 / 58	40 / 60
Total employees	44 / 56	43 / 57	42 / 58	41 / 59	39 / 61

Diversity of governance bodies and management

(in numbers female / male)	31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Supervisory Board					
Female	2	2	2	2	2
Male	3	3	4	4	3
Total Supervisory Board	**5**	**5**	**6**	**6**	**5**
Executive Board					
Female	1	1	2	1	1
Male	2	2	1	2	3
Total Executive Board	**3**	**3**	**3**	**3**	**4**
Senior management					
Female	4	4	5	5	6
Male	14	12	13	15	15
Total senior management	**18**	**16**	**18**	**20**	**21**
Management excl. senior and junior management					
Female	40	38	35	33	26
Male	136	130	127	124	108

(in numbers female / male)	31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Total management excl. senior and junior management	**176**	**168**	**162**	**157**	**134**
Junior management (first level of management)					
Female	49	59	56	54	51
Male	94	99	107	102	113
Total junior management (first level of management)	**143**	**158**	**163**	**156**	**164**
Other employees					
Female	1,661	1,563	1,450	1,366	1,301
Male	1,963	1,956	1,890	1,881	1,948
Total other employees	**3,624**	**3,519**	**3,340**	**3,247**	**3,249**

Diversity of governance bodies and management

in % (female / male)	31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Supervisory Board 30-50 years					
Female		-	17	17	-
Male		-	-	-	-
Supervisory Board > 50 years					
Female	40	40	17	17	40
Male	60	60	66	66	60
Total Supervisory Board	**100**	**100**	**100**	**100**	**100**
Executive Board 30-50 years					
Female		-	33	-	-
Male	33	33	-	33	50
Executive Board > 50 years					
Female	33	33	33	33	25
Male	33	33	33	33	25
Total Executive Board	**100**	**100**	**100**	**100**	**100**
Senior management 30-50 years					
Female	11	19	17	15	24
Male	17	19	22	20	33
Senior management > 50 years					
Female	11	6	11	10	5
Male	61	56	50	55	38
Total senior management	**100**	**100**	**100**	**100**	**100**
Management excl. senior and junior management < 30 years					
Female		-	-	-	-
Male		-	-	1	-
Management excl. senior and junior management 30-50 years					
Female	16	17	17	15	13
Male	41	43	45	42	57
Management excl. senior and junior management > 50 years					
Female	6	5	4	6	6
Male	36	34	33	36	24
Total management excl. senior and junior management	**100**	**100**	**100**	**100**	**100**

in % (female / male)	31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Junior management (first level of management) < 30 years					
Female		2	1	-	1
Male	1	1	1	1	1
Junior management (first level of management) 30-50 years					
Female	20	24	23	24	21
Male	38	37	37	35	36
Junior management (first level of management) > 50 years					
Female	15	11	11	11	9
Male	27	25	28	30	32
Total junior management (first level of management)	**100**	**100**	**100**	**100**	**100**
Other employees < 30 years					
Female	6	6	6	6	5
Male	6	6	5	5	5
Other employees 30-50 years					
Female	25	26	25	24	24
Male	25	26	28	26	27
Other employees > 50 years					
Female	14	13	11	13	11
Male	23	24	25	27	27
Total other employees	**100**	**100**	**100**	**100**	**100**

Relative score for employee engagement in Denison scan compared to the benchmark

In percentile (0-100)	2022	2021	2020	2019	2018
a.s.r.	88	91	89	77	76

Participation desk

(in numbers)	2022	2021	2020	2019	2018
Employees employed through the Participation desk	44	46	37	35	29

Absenteeism rates[1]

(in %)	2022	2021	2020	2019	2018
Female	5.3	4.6	4.5	5.4	5.5
Male	3.4	3.0	3.1	3.2	2.9
Total absentee rate	**4.2**	**3.7**	**3.6**	**4.0**	**3.8**

Nil absenteeism

(in %)	2022	2021	2020	2019	2018
Nil absenteeism	50	63	63	54	56

Collective labour agreement

(in %)	2022	2021	2020	2019	2018
Employees covered by CLA	100	99.5	99.4	99.3	99.3

Grievances

In numbers	2022	2021	2020	2019	2018
Grievances relating to labour practices	-	-	1	1	1

Training and development

(unit specified below)	2022	2021	2020	2019	2018
Total spending on training and development (€ million)	5.4	4.4	4.6	6.0	6.6
Equivalent working time spent on training (€ million)	875	736			
Training spending per FTE that followed (€)	1,479	1,255	1,314	1,815	2,110
Human capital return on investment (%)	13	14	13	12	12
Average days of training per employee that followed training	0.8	0.8			
Employees took part in at least one targeted training session (%)	63	64	45	58	44

1 Excluding maternity leave.

Employee development training

(in numbers)	2022	2021	2020	2019	2018
Employees have completed job-related training	2,523	2,457	1,725	1,912	1,512
Employees took part in one of the development programmes	168	302	382	534	719
Employees followed a workshop on sustainable employability	366	326	391	343	792
Employees have completed an individual coaching programme	325	284	296	487	486
Employees were given guidance in the context of redundancy	41	86	85	157	154

Employee turnover

(in %)	2022	2021	2020	2019	2018
Voluntary employee turnover	7.1	3.7	2.9	3.7	4.9
Involuntary employee turnover	3.5	5.4	7.1	6.5	8.0
Total employee turnover	**10.7**	**9.1**	**10.0**	**10.2**	**12.9**

Vacancies filled

(in numbers)	2022	2021	2020	2019	2018
By internal candidates	277	327	199	256	208
By external candidates	443	323	265	224	184
Total number of vacancies filled	**720**	**650**	**464**	**480**	**392**

Vacancies filled

(in %)	2022	2021	2020	2019	2018
By internal candidates	38	50	43	53	53
By external candidates	62	50	57	47	47
Total percentage of vacancies filled	**100**	**100**	**100**	**100**	**100**

Ethical workshops and dilemma sessions

In numbers	2022	2021	2020	2019	2018
Ethical workshops and dilemma sessions	10	8	6	10	5

Responsible investor indicators

Asset management

	2022	2021	2020	2019	2018
Assets under management in SRI funds and mandates (end of period) (in %)	100	100	100	100	100
Impact investments (€ billion)	2,850	2,754	1,696	0.927	0.346

Engagement dialogues

In numbers	2022	2021	2020	2019	2018
Participation in engagement dialogues via Robeco	9	9	15	9	9
Participation in engagement dialogues via Hermes	557	-	-	-	-
Participation in engagement dialogues on specific topics	20	23	14	13	12
Participation in engagement on fossil fuel strategy	13	NA	NA	NA	NA

Screened companies excluded due to

In numbers	2022	2021	2020	2019	2018
Human rights violations	4	4	7	7	6
Labour rights violations	1	0	2	3	2
Environmental violations	10	10	8	7	13
Armaments	90	118	124	153	100
Tobacco	19	18	19	16	15
Gambling	75	54	52	49	44
Coal-mining	39	90	8	10	47
Tar sands and shale oil	-	-	8	5	4
Coal-fired electricity generation	54	38	11	13	NA
Nuclear energy-related activities	14	11	10	8	9
Unconventional oil and gas	58	72	NA	NA	NA
Total number of exclusions[1]	**364**	**415**	**249**	**271**	**240**

1 Includes doublecounts due to the fact that some companies are excluded on more than one criteria.

GRESB Real Estate and Debt Assessment Scores

0-100	2022	2021	2020	2019	2018
ASR Dutch Core Residential Fund	90	88	84	84	80
ASR Dutch Prime Retail Fund	93	83	78	76	72
ASR Dutch Mobility Office Fund	91	92	84	77	70
ASR Dutch Science Park Fund	87	72	NA	NA	NA

Investor community indicators

Shares

(in numbers)	31 December 2022	31 December 2021	31 December 2020	31 December 2019	31 December 2018
Authorised capital	325,000,000	325,000,000	350,000,000	350,000,000	350,000,000
Issued share capital	149,827,056	138,057,204	141,000,000	141,000,000	141,000,000
Own shares held by a.s.r.	1,902,772	2,263,812	3,071,697	251,201	-
Outstanding shares	147,924,284	135,793,392	137,928,303	140,748,799	141,000,000

Dividend history

(in €)	2022	2021	2020	2019	2018
Dividend (in millions)	385	329	282	267	245
Dividend per share	2.70	2.42	2.04	1.90	1.74

Dividend per share

(in €)	2022	2021	2020	2019	2018
Interim dividend	0.98	0.82	0.76	0.70	0.65
Final dividend	1.72	1.60	1.28	1.20	1.09
Total dividend	**2.70**	**2.42**	**2.04**	**1.90**	**1.74**

Share price performance

(in €)	2022	2021	2020	2019	2018
Starting price as at 1 January	40.50	32.85	33.36	34.58	34.31
Highest closing price	45.99	40.98	37.66	39.91	42.18
Lowest closing price	34.65	31.92	18.46	30.30	33.70
Closing price as at 31 December	44.35	40.50	32.85	33.36	34.58
Market cap as at 31 December (€ million)	6.560	5.500	4.531	4.695	4.876
Average daily volume shares (numbers)	497,953	463,387	635,603	422,419	474,054

Shareholder return

(in %, including dividend reinvested)	2022	2021	2020	2019	2018
Shareholder return including dividend reinvested in a.s.r. shares	16.3	30.4	5.1	1.8	7.1
Euronext AMX Index	-11.1	18.5	5.0	42.6	-19.0
Euronext AEX Index	-11.4	30.5	5.5	28.5	-7.4
STOXX Europe 600 insurance Index	5.6	21.1	-8.9	30.8	-5.7

Environmental indicators

Emissions of investments own account

	2022		2021		2015[1]
Category of carbon emissions	in %[2]	tCO_2eq / €1bln	in %[2]	tCO_2eq / €1bln	tCO_2eq / €1bln
Asset Management					
Equity	66.4	45.7	72.4	37.5	136
Credits	76.8	50.6	74.8	55.0	217.9
Sovereigns	57.2	69.0	40.5	96.0	161.3
	67.8	**59.2**	**59.7**	**74.2**	**184**
Real estate	**-17.0**	**152.0**	**-18.6**	**154.0**	**-**
Mortgages	**62.6**	**7.7**	**58.1**	**8.6**	**20.6**
ASR Nederland	**65.2**	**54.3**	**56.6**	**67.8**	**141.8**

Energy consumption

	2022	2021	2020	2019	2018
Energy (in kWh)	8,424,604	8,403,718	7,211,643	8,431,307	8,461,661
- Wind electrical energy	4,363,046	4,649,449	4,458,798	5,710,499	5,572,103
- PV electrical energy (solar panels)	917,958	363,369	161,045	152,808	168,758
- WKO (renewable heat and cooling)	3,143,600	3,390,900	2,591,800	2,568,000	2,720,800
Renewable electricity solar panels (%)	21.0	7.8	3.6	2.7	3.0
Natural gas (in m^3)	-	-	-	18,311	43,816

1 The % carbon reduction of investment own assets figure is calculated relative to baseline year 2015. Real estate has been added to the scope since 2019. The impact of the addition of Real estate in 2019 on the % carbon reduction of investment own assets figure has been corrected for using an indexation method. It is noted that Real estate has not contributed to the % carbon reduction of investment own assets realized in the period 2015-2019. This method is consulted with and agreed by the external accountant KPMG.
2 % reduction compared to baseline year. For more details about this non-financial strategic target, refer to 7.6 About this report.

Energy consumption purchased from energy suppliers

(in kWh)	2022	2021	2020	2019	2018
Electricity	4,363,046	4,649,449	4,458,798	5,710,499	5,572,103
Natural gas	-	-	-	178,800	428,056
Total energy consumption (in 1,000 kWh)	4,363	4,649	4,459	5,889	6,000
Energy consumption per m² purchased	47	51	49	63	65
Energy consumption per m² purchased and self produced	92	91	78	94	97

Emissions of own activities[1,2]

	2022		2021		2020		2019		2018	
	in %	tCO_2eq	in %	tCO_2eq	in %	tCO_2eq	in %	tCO_2eq	in %	tCO_2eq
Scope 1										
Fuel and heat	0.1	3	0.2	3	0.3	8	0.5	37	1.1	88
Cooling	1.2	35	2.0	34	1.3	37	0.7	51	0.7	56
Business travel as a result of lease car fleet	24.6	745	43.1	748	40.8	1,113	26.5	2,078	27.0	2,172
	25.9	**783**	**45.2**	**785**	**42.4**	**1,158**	**27.7**	**2,166**	**28.8**	**2,317**
Scope 2[3]										
Electricity	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Scope 3										
Business travel excluding lease car fleet	4.9	148	3.3	57	3.2	87	4.2	329	4.0	322
Commuter travel	65.4	1,984	48.0	833	51.6	1,408	66.0	5,148	65.0	5,229
Waste	3.9	119	3.5	61	2.8	76	2.1	160	2.2	177
	74.2	**2,251**	**54.8**	**951**	**57.6**	**1,571**	**72.3**	**5,638**	**71.2**	**5,727**
Total	**100**	**3,034**	**100**	**1,736**	**100**	**2,728**	**100**	**7,804**	**100**	**8,044**

1 The figures are based on a.s.r.'s head office (91,912 m² gross floor area). The offices in Enschede (1,830 m² gross floor area), Rotterdam (approx.1,000 m² gross floor area of office space and 3,900 m² gross floor area of archives) Heerlen (2.815 m² gross floor area) and Hoorn (3.745 m² gross floor area) are not included.
2 According to the Greenhouse Gas Protocol.
3 Based on the market-based approach.

Commuter travel mobility

(in %)	2022	2021	2020	2019	2018
Car use	60	73	60	59	58
Bicycle use	22	23	21	22	22
Public transport use	18	4	17	16	18
Carpool	0	-	2	3	2
Total	**100**	**100**	**100**	**100**	**100**

Water consumption

(in m^3)	2022	2021	2020	2019	2018
Water usage	12,765	9,261	12,093	18,763	17,212

Waste

(in tonnes)	2022	2021	2020	2019	2018
Waste	122	94	106	220	234

Environmental incidents

(in numbers)	2022	2021	2020	2019	2018
Incidents	-	-	-	-	-

Sustainability ratings

Ratings

	Score low	Score high	2022	2021	2020	2019	2018
Dow Jones Sustainability Index[1]	0	100	84 / #10	86 / #8	82 / #10	73	71
MSCI	CCC	AAA	A	A	BBB	BBB	BB
Sustainalytics ESG Risk Rating	100	0	9.1 / #2	10.0 / #1	14.7 / #5	13.6	NA
Carbon Disclosure Project	D-	A	B	B	C	B	B
Moody's ESG (former: Vigeo Eiris)	0	100	65 / #7	61 / #5	60 / #6	NA	52
ISS Oekom	D-	A+	C+ (prime)	C (prime)	C (prime)	C (prime)	C-
FTSE4Good	0	5	3.9	4.1	4.3	4.9	3.5
Bloomberg Gender Equality Index			included	included	NA	NA	NA
Euronext Vigeo Eiris (Eurozone 120)			included	included	included	included	included
Ethibel Excellence Euro Index			included	included	included	included	included
Dutch Transparency Benchmark (once every two years)	0	100	NA	79,6 / #17	NA	73 / #21	NA
Fair Insurance Guide (Eerlijke Verzekeringswijzer)			#1	#1	#1	#1	#1
VBDO (once every two years)			NA	#3	NA	#2	NA
VBDO Tax Transparency Benchmark	0	35	31 / #5	28 / #6	27 / #4	25 / #10	7 / #19

1 DJSI Europe Index: #7, DJSI World Index: #10

7.6 About this report

Scope

In this integrated Annual Report, a.s.r. provides a transparent overview of its activities and results for the reporting year starting at 1 January 2022 and lasting up to and including 31 December 2022. The financial information in this Annual Report has been consolidated for a.s.r. and all its group entities. All quantitative and qualitative information relates to a.s.r. as a whole, unless a specific business line is explicitly mentioned. The full list of principal group companies and associates can be found in chapter 6.7.9. Due to data not being readily available and limited impact, the figures in chapter 3 is excluding VKG, Dutch ID (Felison and Boval), Corins, SuperGarant, ANAC and Poliservice, unless specified otherwise. Their combined assets account for approximately 0.4% of the total assets.

Standards

The consolidated financial statements of a.s.r. have been prepared in accordance with IFRS – including the IAS and Interpretations – as adopted by the EU, and with the financial reporting requirements included in Title 9, Book 2 of the Dutch Civil Code, where applicable. Pursuant to the options offered by Section 362, Book 2 of the Dutch Civil Code, a.s.r. has prepared its company financial statements in accordance with the same principles as those used for the consolidated financial statements. All amounts quoted in these financial statements are in euros and rounded to the nearest million, unless otherwise indicated. Calculations are made using unrounded figures. As a result rounding differences can occur. The Solvency II figures in this Annual Report are based on the standard formula. In addition to the information in this Annual Report, a.s.r. also publishes a separate Solvency and Financial Condition Report.

a.s.r. prepares the management report in accordance with BW 2:391 and the EU Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings and the Directive 2014/95/EU amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups. The EU Directive reference table is included in chapter 7.12. The management report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. Conform the Integrated Reporting Framework of the IFRS Foundation, the report shows how a.s.r. was able to create sustainable financial and non-financial value in 2022 for all its stakeholders. This report offers an overview of key developments and performance of a.s.r. and shows how a.s.r. deals with key risks, opportunities, and uncertainties. The topics presented are based on a stakeholder dialogue and materiality analysis (chapter 7.9), conducted with the Executive Board and different a.s.r. stakeholders.

The definitions and, if relevant, calculation methods of indicators are explained in this chapter. For the HR indicators ‘Equivalent working time spent on training’ and ‘Average days of training per employee that followed training’, errors have been identified for reporting year 2021. The 2021 figures for these two indicators have therefore been restated. Due to the migration to a new HR system as of 2021, it is not possible to validate the 2018-2020 data. Because of this, the decision is made to not disclose these figures. Refer to section 7.5.

Process

The non-financial figures for this management report are delivered by various staff departments and business segments. For the preparation of the Annual Report, a steering group, a working group, and a review group have been set up to guide the process and review the content. The steering group represents the CEO, the Director Finance, Risk & Performance Management and the Director Corporate Communication. The working group consists of members of the following departments: Compliance, Group Finance & Risk Reporting, Balance & Performance Management, Investor Relations & Ratings, Corporate Communication (including Sustainability), Human Resources, Group Risk Management, Asset Management and the Board Secretary. The review group is represented by directors. Before gathering information and writing the Annual Report, the steering group decided on the structure and key messages of the report. The working group then translated these guidelines into drafts, which were reviewed by a committee of members from the steering, working, and review group. During the reporting process, the review group delivered feedback on the draft Annual Report. The final draft texts of the Annual Report are discussed in the respective meetings of the EB, the SB and the A&RC. Disclosure of the Annual Report is subject to the approval of the EB and the SB.

Audit and assurance of the auditor

The consolidated financial statements 2022 have been audited by a.s.r.’s external auditor, KPMG. KPMG’s audit opinion can be found in chapter 7.1, included in the Annual Report. The information related to the EU Taxonomy Regulation (chapter 4.9.1) and related to the EU Directive on the disclosure on non-financial and diversity information (chapter 7.12) have not been subject to limited or reasonable assurance, but have been subject to COS 720 procedures performed on all 'other information' as disclosed in the audit opinion on the financial statements.

In addition to the financial results, KPMG also performed a review of the non-financial information in this Annual Report. In 2022, the five new strategic KPIs (Carbon footprint of portfolio for own account in % reduction compared to baseline year 2015, Impact investments, relational Net Promoter Score, Sustainable reputation, and Employee Engagement were audited with a reasonable level of assurance. Furthermore, 27 selected HR related indicators were audited with a reasonable level of assurance. All other non-financial information has - as in previous years - been reviewed with a limited level of assurance. KPMG's assurance report can be found in chapter 7.2. The SB, EB and senior management are involved in seeking external assurance for the organisation's non-financial information.

Carbon footprint of portfolio for own account

The non-financial target regarding the carbon footprint shows the percentage of CO_2-eq reduction of a.s.r.'s internally managed assets under management (AuM) for the own account of ASR Nederland N.V., relative to the baseline year 2015 (2019 for Real estate[1]) a.s.r.'s investment portfolio activities related to carbon footprint are divided in three categories: asset management, real estate and mortgages. The carbon footprints published in this report are in CO_2-eq. The valuation method for financial amounts, such as totals that are published, are in line with the method applied for the balance sheet (AuM) in the financial statements. The CO_2-eq per € million AuM is calculated by dividing the total CO_2-eq footprint by the total AuM in € millions as per balance sheet per year-end.

Asset management

For asset management the carbon footprint includes corporate investments and sovereign bonds. For the carbon data, external sources Vigeo Eiris and Eurostat are used. The AuM for the period 2015-2019 is based on the portfolio approach. As of 2020, the AuM is based on the look-through approach. The methodology is aligned with the PCAF methodology.

Real estate

Real estate applies different methodologies to calculate the carbon footprint for buildings and for rural real estate. Scope includes ASR DCRF, ASR DPRF, ASR DMOF, ASR DSPF, ASR DFLF and real estate for own account. The carbon emissions data are derived from external sources Cooltree for buildings and Nutriënten Management Instituut (NMI) for rural real estate. For buildings, the carbon footprint is calculated based on a mix of actual and estimated consumption data and emission factors from electricity and gas. For rural real estate, external knowledge and consultancy organization NMI – specialized in soil quality – determined the CO_2-eq footprint for rural real estate based on scientific research. This research was reviewed by an independent expert from the Wageningen University. The methodology is aligned with the GRESB benchmark.

Mortgages

For mortgages the CO_2-eq figure covers all assets under management of the mortgage portfolio. The figure is calculated based on the average energy usage in kWh and use of cubic metres of natural gas per energy label, building year and type of house. The input data is derived from external sources Netherlands Enterprise Agency (*Rijksdienst voor Ondernemend Nederland*), Calcasa and Statistics Netherlands (*Centraal Bureau voor de Statistiek*). The methodology is aligned with the PCAF methodology.

Baseline calculation

The methodologies to collect, assess and calculate carbon footprint for different asset classes is continually developing and improving. When a newly available methodology is significantly better compared to the current one, it might be appropriate to adopt the new methodology. Additionally, the scope of the reported carbon footprint for a.s.r. might change throughout time. As the carbon footprint strategic target is defined as a percentage reduction relative to baseline year 2015, changes in methodology and/or scope should be corrected for the baseline year. a.s.r. does this using index figures to keep track of percentual reduction of the carbon footprint of its portfolio own account. When a change in methodology and/or scope occurs in a certain year, an index figure equal to the percentage change compared to the baseline year is assigned to the carbon footprint in the old situation. The same index figure is assigned to the carbon footprint calculated using the new methodology and/or scope, and is used to further track progress on the carbon footprint reduction moving forward. This ensures that a change in methodology and/or scope has no impact on the carbon footprint reduction indicator.

Data quality of external sources

To determine the carbon footprint, a.s.r. is partly dependent on the data quality of data providers. To be critical and transparent about the data quality that serves as input for this calculation, a.s.r. follows the

1 The % carbon reduction of investment own assets figure is calculated relative to baseline year 2015. Real estate has been added to the scope since 2019. The impact of the addition of Real estate in 2019 on the % carbon reduction of investment own assets figure has been corrected for using an indexation method. It is noted that Real estate has not contributed to the % carbon reduction of investment own assets realized in the period 2015-2019. This method is consulted with and agreed by the external accountant KPMG.

Data quality external sources for carbon footprint own assets calculation

	31 December 2022		
in %	Carbon footprint – Asset Management	Carbon footprint – Real estate	Carbon footprint - Mortgages
Score 1	41	-	-
Score 2	53	7	-
Score 3	6	-	59
Score 4	1	93	41
Score 5	-	-	-

PCAF scoring methodology to assess the data quality for Asset Management, Real estate and Mortgages. For more details on the scoring methodology, please refer to the PCAF Global Accounting and Reporting Standard for the Financial Industry. The score categories are defined as following:

The table above shows the share of the reported carbon footprint of a.s.r.'s internally managed AuM that falls in each data quality category, as defined by PCAF.

Impact investments

a.s.r. aims to contribute to sustainable development through impact investments in Asset Management, Real estate and Mortgages. The definition for Impact investments is based on the definition given by the Global Impact Investment Network (GIIN), and is as following:

'Investing with the intention of generating a positive, measurable social and/or environmental impact in addition to a financial return'.

The valuation method for financial amounts, such as totals that are published, are in line with the method applied for the balance sheet in the financial statements, unless specified otherwise.

Asset Management

a.s.r. defines impact investments as the following: 'investments in organisations or governments with the intention of generating a positive impact in addition to positive financial returns on a sustainable future for people and the planet'. When a.s.r. selects these investments (e.g. through listed equity (funds), private equity or private debt), the output side of an organisation (products, services) is considered. The input side (ESG policy, initiatives, risk management, etc.) is considered as standard procedure in the selection process of companies and countries according to the SRI policy.

In order to qualify as an impact investment, different types of investments must meet different type of requirements:

In general

- A company or government must comply with the general SRI policy.

Impact companies

- Depending on which theme within Asset Management, different minimum thresholds are required to come from products or services (with a theory of change) that contribute to the SDGs, as defined in the United Nations Principles for Responsible Investments Market Map or another theory of change approved by the a.s.r. ESG Committee.

Impact bonds

- The bond complies with the Green Bond Principles, Climate Bond Principles or Social Bond Principles, and;
- The set-up of the bond and/or the use of proceeds has been reviewed by a third party.

Real estate

In 2021, a.s.r. established one new impact theme, which means there are now three real estate themes through which a.s.r. has an impact on society and that a.s.r. reports on:

1. Affordable housing;
2. Dutch science parks;
3. Renewable energy.

Theme 1. Affordable housing

ASR Dutch Core Residential Fund developed an impact investment strategy that focuses on the addition of affordable dwellings to its portfolio. The Fund reports the total assets under management within the affordable rental price range, which is set between € 764 and € 1.250. The bandwidth of the mid segment rental price is revised yearly based on the Dutch 'liberalisatiegrens' and 'inkomensgrens', as defined by the Ministry of the Interior and Kingdom Relations. The Impact investment classification for affordable housing is based on the initial rent amount.

Theme 2. Dutch science parks

ASR Dutch Science Park Fund makes a positive societal impact by stimulating science parks in the Netherlands, by investing in real estate for the broad range of functions that are needed for science park ecosystems to thrive. To achieve this goals, the Fund partners with (semi) public entities, e.g. universities and local governments, as well-functioning science park ecosystems require both public and private real estate investments. The Fund aims to invest at least 50% of its portfolio in assets with defined impact characteristics.

If at least 50% of the total investment in an object meets the Impact investment criteria, the total investment is classified as Impact investment. The rationale for this is the characteristics of Science park investments, making the share that does not meet the Impact investment criteria a crucial and integral element of the total investment. Without it, the total investment is not possible and no impact is made.

Theme 3. Renewable Energy
ASR Renewables makes Impact investments through acquiring and managing wind farms and a solar farm. So far, the wind turbines and solar panels have a combined capacity of 205 megawatt, which is comparable to the power supply of 220.000 households. Investments in Renewable energy are reported via special purpose vehicles (SPVs) and consolidated on the balance sheet of ASR Nederland taking into account PPA, long-term debt, existing obligations, and necessary permits and obligations. These SPVs are potential Impact investments and are reviewed against the GIIN criteria. If an SPV indeed qualifies as Impact investment, the net year-end equity position of the SPV is reported as Impact investment at fair value.

Mortgages
a.s.r. defines mortgage loans that make a positive contribution to solving one or more problems in the societal (both social and environmental) field as impact investments. And more specifically, where governments and civil society organisations are not sufficiently able to solve certain (persistent) societal issues on their own. The main target is to generate a measurable positive impact on a sustainable future for people and the planet. These investments are visible in (parts of) concrete products and services. Financial return is important, but not the most important. Currently the Verduurzamingshypotheek, het Energy Saving Budget (*Energiebespaar Budget*) and the Energy Savings Facilities (*Energiebesparende Voorzieningen*), which can only be used for housing improvements aimed at sustainability, are in line with this definition and are included in a.s.r.'s impact investment figures. Examples of sustainable housing improvements financed through these products include insulation solutions, solar panels and heat pumps. It is noted that the initial mortgage amount for sustainable housing improvements is reported.

7.7 Abbreviations

Abbreviation	Definition
€STR	Euro Short-Term Rate
A&RC	Audit & Risk Committee
AEX	Amsterdam Exchange Index
AF	Actuarial Function
AFM	Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*)
AGM	Annual General Meeting
AIFM	Alternative Investment Fund Managers
AIFMD	Alternative Investment Fund Managers Directive
AMX	Amsterdam Midcap Index
AuM	Assets under Management
AVB	a.s.r. Asset management
BEC	Business Executive Committee
BMR	Benchmarks Regulation
bps	Basis points
BRC	Business Risk Committee
BVPA	Dutch Association for Public Affairs (*Beroepsvereniging voor Public Affairs*)
CCR	Counterparty Credit Rating (Standard & Poor's)
CDD	Customer Due Diligence
CDP	Carbon Disclosure Project
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
CIS	Central Information System
CJEU	Court of Justice of the European Union
CLA	Collective Labour Agreement
CO_2	Carbon dioxide
CO_2-eq	CO_2 equivalent
CoC	Cost of Capital
COO	Chief Operating Officer
COR	Combined Ratio
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CRO	Chief Risk Officer
CSA	Credit Support Annex
CSM	Contractual service margin
CSP	Concentrated Solar Power
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CTO	Chief Technology Officer
DB	Defined Benefit
DC	Defined Contribution
DCF	Discounted Cash Flow
DEI	Diversity, equity and inclusion
DJSI	S&P Global Dow Jones Sustainability Index
DNB	Dutch Central Bank (*De Nederlandsche Bank*)
DPA	Data Protection Authority
DPF	Discretionary participation features
EB	Executive Board
EC	European Commission
EEA	European Economic Area
EGM	Extraordinary General Meeting
EIOPA	European Insurance and Occupational Pensions Authority
eNPS	Employee Net Promoter Score
EOF	Eligible own funds
EONIA	Euro OverNight Index Average
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESPP	Employee Share Purchase Plan
EU	European Union
EU SFAP	European Sustainable Finance Action Plan
Euribor	Euro Interbank Offered Rate
FR	Financial risk
FRC	Financial Risk Committee
FRM	Financial Risk Management
FRPM	Finance, Risk & Performance Management
FSCB	Financial Services Complaints Board
FTE	Full-Time Equivalent
GBP	Pound Sterling
GBSM	Group Balance Sheet Management
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GHG	Greenhouse gas
GIS	Geographic Information System
GM	General model
GRESB	Global Real Estate Survey Benchmark
GRI	Global Reporting Initiative
GRM	Group Risk Management
GWP	Gross Written Premiums
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBNR	Incurred but not reported
IBOR	Interbank offered rate
ICT	Information and Communications Technology
IDD	Insurance Distribution Directive
IFRS	International Financial Reporting Standards
IFSR	Insurer Financial Strength Rating (Standard & Poor's)
IIRC	International Integrated Reporting Council
IORP	Institution for Occupational Retirement Provision; *Premiepensioeninstelling*
IPO	Initial Public Offering

Abbreviation	Definition
ISDA	International Swaps and Derivatives Association
ISIN	International Securities Identification Number
IT	Information Technology
IU	Investor Update
KNMI	Royal Netherlands Meteorological Institute *(Koninklijk Nederlands Meteorologisch Instituut)*
KPI	Key Performance Indicator
kWh	Kilowatt-hour
LAC DT	Loss-Absorbing Capacity Deferred Tax
LAT	Liability Adequacy Test
LoC	Level of Concern
LTO	Netherlands Agricultural and Horticultural Association (*Land- en Tuinbouw Organisatie Nederland*)
LTV	Loan to Value
M&A	Mergers and Acquisitions
MSCI	Morgan Stanley Capital International
N&ESGC	Nomination & Environmental, Social and Governance Committee
NAB	Netherlands Advisory Board on impact investing
NFR	Non-financial risk
NFRC	Non-Financial Risk Committee
NGO	Non-governmental organisation
NPS	Net Promoter Score
NSR	Dutch Debt Assistance Route (*Nederlandse Schuldhulproute*)
NZIA	Net-Zero Insurance Alliance
OCC	Organic Capital Creation
OCI	Other Comprehensive Income
ORM	Operational Risk Management
ORSA	Own Risk and Solvency Assessment
OTSO	Supervised entity (*Onder toezicht staande onderneming*)
P&C	Property & Casualty
PARP	Product Approval & Review Process
PCAF	Partnership for Carbon Accounting Financials

Abbreviation	Definition
PV	Photovoltaics
PVFCF	Present Value of Future Cash Flows
RAS	Risk Appetite Statements
RC	Remuneration Committee
RCF	Revolving Credit Facility
RMF	Risk Management Framework
ROE	Return on Equity
RVU	Early Retirement Regulation (*Regeling voor vervroegde uittreding*)
S&P	Standard & Poor's
SAA	Strategic Asset Allocation
SaaS	Software as a Service
SB	Supervisory Board
SBB	Share buyback
SBTi	Science-Based Targets initiative
SCR	Solvency Capital Requirement
SDGs	Sustainable Development Goals
SER	Dutch Social and Economic Council (*Sociaal Economische Raad*)
SFDR	Sustainable Finance Disclosure Regulation
SIRA	Systematic integrity risk analysis
SME	Small and medium-sized Enterprises
SPPI	Solely Payment of Principle and Interest
SPV	Special purpose vehicle
SRA	Strategic risk analysis
SRI	Socially Responsible Investment
TCFD	Task Force on Climate-related Financial Disclosures
TVOG	Time value of financial options and guarantees
UFR	Ultimate Forward Rate
UN PRI	United Nations Principles for Responsible Investments
UNGC	United Nations Global Compact
US	United States
USD	United States Dollar
UWV	Employee Insurance Agency
VA	Volatility Adjustment
VAT	Value Added Tax

Abbreviation	Definition
VBDO	Dutch Association of Investors for Sustainable Development (*Vereniging van Beleggers voor Duurzame Ontwikkeling*)
VFA	Variable fee approach
VKG	Van Kampen Groep
VNAB	Insurance Exchange Association (*Vereniging Nederlandse Assurantie Beurs*)
VOBA	Value of Business Acquired
VPL	Act Early retirement and life-course savings scheme (*Wet aanpassing fiscale behandeling Vut/Prepensioen en introductie levensloopregeling*)
WCAG	Web Content Accessibility Guidelines
Wft	*Wet financieel toezicht* (Financial Supervision Act)
WIA	Work and Income according to Labour Capacity Act (*Wet Werk en Inkomen naar Arbeidsvermogen*)

7.8 Glossary

Amortised cost
The amount at which a financial asset or financial liability is measured on initial recognition net of principal repayments, plus or minus accumulated amortisation using the effective interest method or any difference between that initial amount and the amount at maturity, and minus any reduction for impairments or collectability.

Associate
An entity over which a.s.r. has significant influence and which is neither a subsidiary nor an interest in a joint venture.

Basis point
One-hundredth of one percent (0.01%).

Biodiversity and ecosystem services (material topic)
a.s.r. is dependent on biodiversity, partly because it invests in companies with a high or very high dependence on biodiversity. However, biodiversity is diminishing as a result of human actions, caused partly by companies in which a.s.r. invests, that are a.s.r. customer or to which a.s.r. leases land. Loss of species can also lead to a loss of ecosystem services, such as clean water supply, fertile soils and carbon storage, which a.s.r.'s customers and the companies in its investment portfolios use. a.s.r. has therefore signed the Finance for Biodiversity Pledge and is currently working to define the impact of the activities on biodiversity. The method for this is still in development. a.s.r. will determine the relevant KPIs and targets after assessing the impact

Building Research Establishment Environmental Assessment Methodology (BREEAM)
BREEAM, which was first published by the Building Research Establishment (BRE) in 1990, is the world's longest established method for assessing, rating, and certifying the sustainability of buildings.

Carbon dioxide equivalent (CO_2-eq)
Carbon dioxide equivalent (CO_2-eq) is calculated from the global warming potential, which is the heat absorbed by any greenhouse gas in the atmosphere. Meaning that for any gas, it is the mass of CO_2-eq that would warm the earth as much as the mass of that gas.

Claims ratio
The cost of claims, net of reinsurance in Non-life, excluding the internal costs and exclusively commissions paid of handling non-life claims, less interest accrual on reserves, and a margin of prudence for health, expressed as a percentage of net earned premiums.

Clean fair value
The fair value of an asset or liability, excluding the unrealised portion of accrued interest.

Closed books
Closed books are policies that are no longer sold but are still on the books of a life insurance carrier as premium paying policies.

Contributing to financial self-reliance (material topic)
a.s.r. contributes to solidarity and makes risks manageable for customers. This provides peace of mind and gives them the confidence to take new steps in life. The right to an adequate standard of living (including the right to security in the event of unemployment, sickness, disability, widowhood, old age, etc.) is a fundamental human right that a.s.r. has a direct impact on through its insurance products and services. a.s.r. aims to keep or make vulnerable target groups or specific risks insurable. a.s.r. encourages people to make conscious financial choices and a.s.r. thus actively contribute to preventing and resolving financial problems. a.s.r. does this by proactively offering a solution to customers with payment arrears, and by making an active contribution to financial fitness in society. This has a positive impact on both the customers of a.s.r. and on a.s.r. itself, for example through higher customer retention.

Contributing to (sustainable) employability (material topic)
a.s.r. offers disability insurance for individuals and employers and aims for sustainable employability in order to avoid employee churn. Sustainable employability is the capacity of an employee to provide added value for an organisation, now and in the future, and thus to also experience added value themselves. Sustainable employability is also important for a.s.r. as an employer, and the target is therefore to fill as many vacancies as possible internally.

Derivative
A financial instrument with all three of the following characteristics: (a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or

other variable, provided, where a non-financial variable is concerned, the variable is not specific to a party to the contract (sometimes referred to as the underlying); (b) It requires no initial net investment or else an initial net investment which is lower than would be required for other types of contracts that would be expected to have a similar response to changes in market factors and (c) It is settled at a future date.

Developing and promoting sustainable products/ services (material topic)
a.s.r. offers various sustainable products and services in all its business segments, such as sustainable repair and the sustainability mortgage ('Verduurzamingshypotheek'). Offering sustainable products and services enables a.s.r. to contribute towards a sustainable, future-proof society. Furthermore, sustainable products and services increase the appeal of a.s.r. for the growing group of customers that regard sustainability as important. The Sustainable Insurance Policy states that sustainability considerations (such as potential impact on ESG topics) are integrated into the different phases of the product policy.

Discounted cash flow method
A valuation technique whereby expected future cash flows are discounted at a rate that expresses the time value of money and a risk premium that reflects the extra return that investors demand as compensation for the risk that the cash flows may not materialise.

Discretionary Participation Feature
A contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are likely to be a significant portion of the total contractual benefits, the amount or timing of which is contractually at the discretion of the issuer, which are contractually based on the performance of a specified pool of contracts or type of contract, realised and/or unrealised investment returns on a specified pool of assets held by the issuer, or the profit or loss of the company, fund or other entity that issues the contract.

Embedded derivative
A component of a hybrid instrument that also includes a non-derivative host. The host contract may be a bond or equity, a lease, an insurance contract or a contract of purchase and sale.

Emission own activities
Scope 1 emissions are direct emissions from company-owned and controlled resources. Scope 2 emissions are indirect emissions from the generation of purchased energy, from a utility provider. Scope 3 emissions are all indirect emissions - not included in scope 2 - that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Employee benefits
All forms of consideration given by an entity in exchange for service rendered by employees.

Employee contribution
a.s.r.'s employee contribution to local society is measured by the volunteering hours of both a.s.r. employees as well as external employees working on behalf of a.s.r. These hours are non-profit and might include activities of the a.s.r. foundation. This contribution can be done in a team or on an individual basis. For some activities the time is estimated based on a standardised table. Activities include improving financial literacy, being a financial buddy, reading aloud to children, etc., as well as team activities for societal organisations. Employees that are involved in an activity within a domain (Financial self-reliance and Helping by doing) more than once per calender year are considered a double count. And as such only included once in the figure reported for number of employees involved. Volunteering hours also include training hours, travel time and the actual execution of the employee contribution.

Employee turnover
The employee turnover is measured through a percentage which is the total outflow of employees divided by the average number of employees. This figure can be split into voluntary and involuntary turnover.

Engagement (dialogues)
Engagement is a constructive dialogue designed to increase the level of sustainability. a.s.r. uses three types of engagement: (1) influencing, (2) monitoring, and (3) public engagement.

Environmental, social and governance (ESG)
ESG refers to the three main areas of concern that have developed as central factors in measuring the sustainability and ethical impact of an investment in a company. These areas cover a broad set of concerns increasingly included in the non-financial factors that feature in the valuation of investments in equities, property, and corporate and fixed-income bonds. ESG is the catch-all term for the criteria used in what has become known as socially responsible investment.

Expense ratio
Expenses, including the internal costs of handling non-life claims, minus internal investment expenses and restructuring provision expenses, expressed as a percentage of net earned premiums.

Fair value
The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fostering diversity and inclusion (material topic)
a.s.r. is an insurer for people living and working in the Netherlands, and respects the human right to equality and non-discrimination. There is specific attention for insuring (vulnerable) groups, within the limits of its risk appetite and financial targets. a.s.r. also has an impact on this topic as an employer. Via the Diversity policy, a.s.r. aims for a balanced composition of its workforce on the basis of gender, age, religious conviction, physical and mental abilities, background and

orientation. Diversity among employees has a positive impact on a.s.r., because a.s.r. believes that differences make the company stronger and better.

Global Real Estate Survey Benchmark (GRESB)
The GRESB is a benchmark that looks at the sustainability performance of more than 700 institutional investment funds worldwide.

Goodwill
An asset representing the future economic benefits arising from other assets acquired in a business combination which are not individually identified and separately recognised.

Gross written premiums
Total revenues (earned or otherwise) expected to be received for insurance contracts over the life of the contract, including reinsurance premiums.

Hedge accounting
Hedge accounting recognises the offsetting on profit or loss of changes in the fair value of the hedging instrument and the hedged item.

HR related indicators
The definitions of all HR indicators as reported inchapter 3.3 are given below. The scope of the HR indicators is ASR Nederland including contractors and excluding subsidiaries, redundant employees, incapacitated employees and employees employed through the Participation desk (*Participatiedesk*), unless specified otherwise.

Absenteeism rate
Percentage of working hours that employees called in sick compared to the total amount of workable hours according to contact in the reporting period. Maternity leave and pregnancy-related sickness are excluded.

Average days of training per employee
Average days of training (webinars, events, trainings) per employee. Redundant employees and employees employed through the Participation desk are in scope, contractors are out of scope.

Average years of service
Average years an a.s.r. employee is employed at a.s.r. with an a.s.r. contract.

Boter-bij-de-vis
Boter-bij-de-vis is an extra (financial) reward for employees having delivered an outstanding accomplishment outside of his/her ‘normal’ job routines. Contractors are out of scope, employees employed through the Participation desk are in scope.

Breakdown Gender diversity (%)
The proportion (in %) of female / male employed at a.s.r.

Contracts of indefinite and definite duration
Amount of employees having an a.s.r. contract, split by indefinite (no end date) and definite (end date) duration. Contractors are out of scope.

eMood Monitor
The eMood® score measures how employees feel in terms of happiness at work, vitality and productivity. The average of these scores is called the mood of a.s.r. All weekly scores are consolidated in the average score per year.

Employe compensation (salaries and wages)
Employee compensation (salaries and wages) in € million. Total ASR Nederland (including subsidiaries) is in scope.

Employee engagement (Denison)
Employee engagement is measured through the annually performed Denison scan. Employees are asked to fill in a questionnaire on the basis of four drivers of engagement: vision, core values, empowerment and knowledge development. The results are compared with a global benchmark of more than 1,200 large organisations that use the Denison scan.

Employee turnover – voluntary and involuntary
The employee turnover is measured through a percentage which is the total outflow of employees divided by the average number of employees. This figure is split into voluntary and involuntary turnover. Employees employed through the Participation desk are in scope.

Employees covered by CLA (%)
The proportion (in %) of a.s.r. employees that are covered by The Other CLA (“De Andere CAO”). Contractors are out of scope.

Employees employed through the Participation desk
Employees that are employed through the participation desk and qualify for the Dutch Participation Act (*Participatiewet*). Contractors are out of scope, employees employed through the Participation desk are in scope.

eNPS
The eNPS is the extent to which employees would actively recommend a.s.r. as an employer. This is also measured via the Employee Mood Monitor. The eNPS provides a.s.r. an insight in the loyalty and perceived attraction of a.s.r. as an employer.

Equivalent working time spent on training
Equivalent working time spent on training expressed in monetary value based on the average hourly wage. Employees employed through the Participation desk are in scope.

FTE per business line and working from Utrecht office
Total number of FTE and number of FTE working from Utrecht office that have an employment contract of

definite or indefinite duration with a.s.r. or one of its subsidiaries. Contractors are out of scope.

Grievances relating to labour practices
The amount of total received and admissible labour grievances processed by the grievance committee.

Gross average wage
Gross average wage per hour in €, split by gender and per management layer.

Human capital return on investment
The proportion (in %) of a.s.r.'s investment in human capital reflected into net operating profit, corrected for the investment in human capital. Each € invested in human capital results in a certain percentage net operating profit corrected for the investment in human capital. Total ASR Nederland (including subsidiaries) is in scope.

Nil absenteeism rate
Nil absenteeism is the proportion (in %) of employees who have not reported sick during the reporting period.

Parttime and fulltime employees
Fulltime employees are the number of employees that have contract hours of at least 38 hours per week. Parttime employees are the number of employees that have contract hours of less than 38 hours per week.

Pay ratio (incl. highest paid and average)
a.s.r. is transparent concerning the remuneration of the EB. Not only in terms of actual amounts, but also in accordance with the Dutch Corporate Governance Code as compared with the average of the remuneration of the employees at a.s.r. The average pay ratio calculation is the difference expressed in a ratio between the average of the remuneration of the employees at a.s.r. and the highest paid individual at a.s.r.

Pay ratio (incl. highest paid and median)
a.s.r. is transparent concerning the remuneration of the EB. Not only in terms of actual amounts, but also in accordance with the Global Reporting Initiative as compared with the median of the remuneration of the employees at a.s.r. The median pay ratio is the difference expressed in a ratio between the median of the remuneration of the employees at a.s.r. and the highest paid individual at a.s.r. Part-time employees are excluded from the calculation of the ratio because accurate extrapolation to full time employees is not possible through certain loan components.

Total spending on training and development
Total a.s.r. investment in € on training and development programmes.

Training spending per FTE
Total a.s.r. investment in € on training and development programmes divided by the number of FTE.

Vacancies filled internally and externally
Internally filled vacancies are the number of vacancies filled by internal candidates, in absolute numbers and in percentage by dividing by total filled vacancies. Externally filled vacancies are the number of vacancies filled by external candidates, in absolute numbers and in percentage by dividing by total filled vacancies. Redundant employees, incapacitated employees and employees employed through the Participation desk are in scope.

Impairment
The amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The asset's carrying amount is reduced to its fair value and recognised through profit and loss.

Institution for Occupational Retirement Provision (IORP)
IORP is a pension vehicle in the form of a separate legal entity which can operate a DC pension scheme on a separate account basis during the pension accrual phase. When an employee reaches his or her retirement age, the IORP transfers the accrued capital to a pension insurer of the employee's choice to pay the pension benefits. Employers wishing to insure any additional risks (such as survivors' pensions) can do so through an IORP.

Insurance contracts
A contract under which one party (a.s.r.) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

Intangible asset
An identifiable, non-monetary asset without physical substance.

Internal FTE
FTE is a unit of account for the size of a job or total workforce. One FTE is a full working week.

International Financial Reporting Standards (IFRS)
As of 1 January 2005, these standards have been the generally accepted international accounting policies that apply to all listed companies in the EU. They make annual results easier to compare and offer a better understanding of a company's financial position and performance.

International Integrated Reporting Council (IIRC)
The IIRC is a global coalition of regulators, investors, companies, standard setters, the accounting profession, academia and NGOs. The coalition promotes communication about value creation as the next step in the evolution of corporate reporting.

Investment contract
A life insurance contract that transfers FR with no significant insurance risk.

Investment property
Property held to earn rentals or for capital appreciation or both.

Joint venture
A contractual arrangement under which two or more parties undertake an economic activity that is subject to joint control.

Materiality
An aspect is considered material if it is relevant to the stakeholders, has a reasonably estimable economic, environmental, and/or social impact and can have a major impact on the development of a.s.r. The greater the impact of the aspect on both society and a.s.r.'s business operations, results and strategy, the greater its materiality.

Meeting customer needs (material topic)
Customer satisfaction has an impact on customer relations and winning new customers and thereby on the financial performance of a.s.r. a.s.r. therefore aims for continual improvement of its products, services and processes in order to serve customers even better. a.s.r. does this in several ways, including making information and products accessible and transparent assessing the quality and suitability of a product in the PARP review process. a.s.r. is also investing in easily accessible IT platforms. In order to monitor a.s.r.'s performance and improve this where necessary, a.s.r. measures the NPS and uses the Customer Interests Dashboard of the Authority for the Financial Markets (AFM).

Mitigating and adapting to the consequences of climate change (material topic)
Financial institutions such as a.s.r. must increasingly take account of risks associated as a result of climate change, transition policy, technological developments and the transition to a climate-neutral economy. Via its investment portfolio, a.s.r. has a position in companies with a negative impact on climate change and has therefore set an ambitious reduction target. a.s.r. also has a role as a (co-)driver of the transition by making investments that enable the energy transition. a.s.r. also has a role to play in the energy transition as an insurer, by including sustainable elements in products and services of Non-life.

Net Promoter Score (NPS)
The NPS is a management tool that can be used to gauge the customer satisfaction of an organisation's customers. It is an alternative way to measure customer satisfaction. These are mostly focused on advisors. a.s.r. does use the NPS-c and the NPS-r. The NPS-c is performed after customers had been in contact with an employee of a.s.r. by phone. The analysis of the customer relationship via the NPS-r is an extension of the analysis compared to the methodology of the NPS-c which only measured customer satisfaction during contact moments. The group target for the 2019-2021 is based on NPS-c, the group target for 2022-2024 is based on NPS-r.
The following question is asked: how likely are you to recommend a.s.r. to your family, friends and colleagues based on your experience with the a.s.r. employee? Calculation of the NPS: With a score of 9 or 10, the customer is seen as a promoter (recommendation). With a score of 7 or 8, the customer gets the predicate passive. He or she will neither recommend nor discourage the brand. With a score of 0 to 6, the customer will discourage the brand. The NPS term for this is detractor (criticaster). The NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. The NPS scores presented reflect the year end scores.

Non-participating life insurance contracts
In non-participating life insurance contracts, all values relating to the policy (death benefits, cash surrender values, premiums) are usually determined at policy issue, for the life of the contract, and cannot usually be altered after issue.

Notional amount
An amount of currency, number of shares, number of units of weight or volume or other units specified in a derivatives contract.

Operating lease
A lease that does not transfer substantially all the risk and rewards incidental to ownership of an asset.

Operating Return on Equity
A measure of financial performance calculated by dividing the operating result (after hybrid costs and net of taxes) by the average adjusted equity attributable to shareholders for the reporting period.

Option
A financial instrument that conveys the right to buy (call option) or sell (put option) a security at a reference price during a specified time frame.

Organic capital creation (OCC)
The sustainable creation of capital from both the change in the EEOF and the change in the SCR on Solvency II basis. To express the change in SCR in EOF-equivalent terms, the change in SCR is multiplied by the Solvency II ratio. The OCC consists of three elements: (1) Business Capital Generation, (2) Release of Capital and (3) Technical Movements. In this definition, sustainable means: generated by the company on its own account, net of external and one-off effects. This results in a view on the Solvency II figures that is comparable with the definition of the operational result on IFRS basis.

Order in Council
An Order in Council is a decision taken by the Dutch government with respect to statutory provisions.

Pay gap
The unadjusted pay gap, in which we do not correct for type of work, age and work experience but look at all men and women as a whole is calculated as follows: (average gross hourly wage for women - average gross hourly wage for men) / average gross hourly wage for men.

In the adjusted pay gap all factors above are included as correction factor in the calculation.

Pension DB
Defined benefit pension plan is a type of pension plan in which an employer/sponsor promises a specified pension payment, lump-sum, or combination thereof on retirement that depends on an employee's earnings history, tenure of service and age, rather than depending directly on individual investment returns.

Pension DC
A defined contribution plan is a type of retirement plan in which the employer, employee or both make contributions on a regular basis. Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts plus any investment earnings on the money in the account.

Private equity
An asset class consisting of equity securities of companies that are not publicly traded on a stock exchange. The transfer of private equity is strictly regulated. In the absence of a marketplace, any investor looking to sell their stake in a private company personally has to find a buyer.

Provision
A liability of uncertain timing or amount. Provisions are recognised as liabilities if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations (assuming that a reliable estimate can be made).

Real estate funds
ASR Real estate includes several funds, where the following abbreviations are applicable:

- ASR DCRF: Dutch Core Residential Fund
- ASR DPRF: Dutch Prime Retail Fund
- ASR DMOF: Dutch Mobility Office Fund
- ASR DSPF: Dutch Science Park Fund
- ASR DFLF: Dutch Farmland Fund

Recoverable amount
The recoverable amount of an asset or a cash-generating unit is its fair value less costs to sell or its value in use, whichever is higher.

Return on Equity (ROE)
A measure of financial performance calculated by dividing the net result attributable to holders of equity instruments by the average equity attributable to shareholders for the reporting period.

Robust financial framework (material topic)
Customers must be able to rely on a.s.r. being able to always meet its financial commitments. Financial solidity is essential and therefore has the highest priority. The financial position, including solvency, is continually monitored and reports on this are presented to the Executive Board and Supervisory Board.

Securities lending
This refers to the lending of securities by one party to another, with the latter agreeing to return the securities on a specified future date. The borrower usually provides the lender with collateral. Securities lending allows the owner of the securities to generate extra income.

Shadow accounting
Shadow accounting allows a recognised but unrealised gain or loss on an asset to be transferred to insurance liabilities.

Socially Responsible Investment (SRI)
Investing with due regard for ethical standards, policies and procedures, in line with the interests of a.s.r. stakeholders, where the integration of ESG criteria is key. To achieve this a.s.r. uses multiple ESG approaches such as the exclusion of controversial activities, exclusion of companies and countries due to their ethical performance, the engagement dialogue, the integration of ESG assessments in the portfolio construction and impact investments. A detailed description of a.s.r.'s SRI policy is published on www.asrnl.com.

Socially responsible investments (material topic)
Through its investment policy, an insurer has an impact on sustainability caused by companies in the investment portfolio. a.s.r. already decided in 2007 to invest in companies, industries and countries that contribute towards sustainability, on the basis of ethical and sustainability criteria. a.s.r.'s SRI policy includes a strict exclusion policy for controversial activities. As a result of this policy, a.s.r. is recognised as a sustainable investor by various benchmarks and analysts, leading to a greater appeal for ESG oriented investors and customers that regard sustainability as important.

Solvency II
Solvency II is an EU regulatory regime that has been in force in all member states since 1 January 2016. It has introduced a new, harmonised Europe-wide regime for insurance companies and sets regulatory requirements for solvency and risk governance.

Stakeholders
Stakeholders are individuals or organisations that have an interest, of whatever nature, in an organisation. They have a link with its activities, share in its earnings, influence its performance and assess its ESG effects. a.s.r.'s main stakeholder groups are customers, employees, investors and the society as a whole.

Subsidiary
An entity that is controlled by ASR Nederland N.V. (the parent company) or a subsidiary of ASR Nederland N.V.

Supporting vitality (material topic)
Growing attention to health and vitality is partly driven by social trends and issues such as rising health care costs and the increase in the retirement age. COVID-19 has underscored the importance of a health care system that functions well. This has a direct impact on a.s.r. as a disability and health insurance provider. a.s.r. focuses on preventing illness, absenteeism or disability among customers and employees. a.s.r. achieves this, e.g. by offering a.s.r. Vitality and various health programmes aimed at exercise, sleeping well and stress prevention.

Sustainable repair
The Sustainable repair indicator presents claims for P&C that were repaired as a share of total repairable claims. Research by CE Delft shows that the climate impact of repair is three to six times lower than that of replacement.

Sustainable reputation
Sustainable reputation reflects the brand reputation of a.s.r. in the Netherlands in the areas of sustainability, transparency, and reliability. The score is calculated by determining how much % of the respondents give a top 2 score on a 5-point-scale. E.g. a score of 40 means 40% of the respondents give a top 2 score.

Transaction date
The date at which a.s.r. enters into the contractual terms of an instrument.

Value creation model
In chapter 2.4, a.s.r.'s value creation model is given. This model illustrates how a.s.r. perceives the process of achieving sustainable value for its customers, employees, investors, and society. Different types of resources serve as inputs into the business model of a.s.r. The different business activities of a.s.r. use these inputs to create intended outputs and outcomes, and hence added value to our different key stakeholders.

Value in use
Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value Of Business Acquired (VOBA)
The present value of future profits embedded in acquired insurance contracts. VOBA is recognised as an intangible asset and amortised over the effective life of the acquired contracts.

7.9 Materiality analysis and stakeholder dialogue

a.s.r. is in dialogue with stakeholders who influence the organisation both directly and indirectly. The main stakeholder groups of a.s.r. are:
- employees;
- customers;
- advisors;
- civil society organisations;
- government, tax authorities and regulators;
- trade unions;
- media;
- investors;
- suppliers;
- academics;
- peers and business partners.

Strategic, constructive and proactive consultations with all stakeholders are of great importance to a.s.r. a.s.r. does this by means of roadshows, customer or employee surveys, round table sessions, dialogue sessions and participation in sector initiatives. Members of the Executive Board (EB) also regularly engage in dialogue with advisors, shareholders, legislators, politicians and civil society organisations. The purpose of these discussions is to discuss strategic progress, receive feedback on a.s.r.'s contribution to society and discuss developments within the financial sector.

a.s.r. also continuously monitors external trends and developments to determine which topics are most relevant to it and how it can contribute positively to them. Sources used for this purpose include reports by legislative and regulatory bodies, the World Economic Forum and the World Business Council for Sustainable Development. Other sources include scientific research, peer reports and media coverage.

In addition to this continuous stakeholder interaction and trend monitoring, a stakeholder dialogue was held in 2020. This dialogue consisted of two half-day online interactive sessions together with plenary and breakout sessions. Members of the EB attended both plenary and breakout sessions to hear stakeholders' views, answer questions and take part in discussions. a.s.r. carefully selected the stakeholders for this dialogue and ensured a good balance between all stakeholder groups. a.s.r. specifically invited stakeholders with a range of knowledge and experience on different subjects or aspects of the insurance business.

Participants in the stakeholder dialogue were asked to give their views on the strategic dilemmas on which a.s.r. was seeking feedback. The dilemmas focused on the various components of a.s.r.'s business operations: responsible investment policy, products and services and a.s.r.'s own business operations. a.s.r. asked stakeholders in the dialogue for open and honest feedback on various dilemmas, which resulted in highly constructive and frank discussions, with concrete recommendations for a.s.r.

The dilemmas about which a.s.r. requested feedback were linked to the three themes of a.s.r.'s strategic framework for sustainable entrepreneurship: 1. Financial self-sufficiency and inclusiveness, 2. Vitality and (sustainable) employability, 3. Climate change and energy transition (including CO_2-eq reduction and climate adaptation and resilience).

In addition to discussing the dilemmas, the stakeholders present were invited to give feedback on other topics and issues they found relevant, and on a.s.r.'s overall strategy. Part of the dialogue was devoted to helping to define the long-term social role of a.s.r. and what it should look like in the future (2030). Participants were also asked to give their input on the themes and topics most relevant to a.s.r.'s strategy and reporting. This was done with the help of a survey that stakeholders filled in during the dialogue sessions. The results were used to determine the material themes for the 2020 Annual Report. The outcomes of the stakeholder dialogue were also used by the Executive Board and senior management to redefine a.s.r.'s integrated strategy, which focuses on long-term value creation for all stakeholders.

In order to test whether the results of the materiality analysis in 2020 were still up to date, interviews were held with approximately 20 internal and external stakeholders in 2022. The questions specifically asked: What role do you think insurers should play in the transition to a sustainable economy? What do you think a.s.r. should do in the coming years to optimally fulfil this role? Are there any issues or topics which you think are missing (in a.s.r.'s Sustainable Entrepreneurship Strategic Framework) that are material to a.s.r.? Desk research was also carried out on trends and developments in society, in the financial sector, at other insurers and within a.s.r. itself.

Cooperation with stakeholders

a.s.r. works together with peers, social organisations and government agencies to jointly develop policies on sustainability issues and to promote the thorough implementation of such policies. In 2022, a.s.r. was very active in various joint initiatives to raise awareness of sustainability and ESG risks. For example, a.s.r. is an active member of sector initiatives such as the Dutch Agreement for international responsible investment in the insurance sector (the IMVO covenant), DNB's Platformfor Sustainable Finance, UNEP's Net-Zero Insurance Alliance and the Partnership for Carbon Accounting Financials (PCAF).

To spread knowledge and inspire others, a.s.r. actively presents its sustainability approach and sustainability activities in a wide range of events, such as various seminars and meetings organised by parties such as MVO Nederland, the Dutch Association of Insurers, Financial Investigator and the Dutch Fund and Asset Management Association. a.s.r. also organised its own meetings in 2022, such as a workshop for other Dutch insurers on developing sustainable products and services.

Specific stakeholder consultations in 2022

To test whether the results of last year's materiality analysis are still up to date, interviews and meetings with stakeholders took place in 2022. In the process, specific target groups were invited to discuss certain topics in a targeted manner. For example, in June 2022, a.s.r. organised a stakeholder dialogue specifically for young people up to the age of 25, to solicit their views and ideas on climate change. This focused on the question 'what do you think a.s.r. can do more or better on the issue of climate change?'. Thirteen young people took part in this dialogue session, in which, among other things, it emerged that a.s.r. can do more to help customers live more sustainably.

Other target groups we actively sought a dialogue with in 2022 are vulnerable customer groups. Through interviews, a.s.r. spoke with several vulnerable customer groups about, among other things, the degree of accessibility of a.s.r.'s products and services. For example, interviews were held with representatives of low-literate people, people with physical or mental disabilities, people from non-Dutch backgrounds, transgender and non-binary people and people with debts or payment arrears. This revealed that a.s.r. should do more for vulnerable groups to make services accessible to them and to ensure that a.s.r. can respond to their specific circumstances.

Finally, a.s.r. conducted two comprehensive customer surveys in 2022 in which 200 a.s.r Non-life and 366 a.s.r. Care customers were asked about what they expect from an insurer in terms of sustainability, which themes within sustainability they consider most important and what a.s.r. could do more or better in terms of sustainability according to them.

In addition, interviews and workshops were organised with senior managers from all business units in 2022 to discuss with them how a.s.r. can deepen its sustainability strategy by formulating concrete long-term impact goals and activities. Desk research was also carried out in 2022 on trends and developments in society, in the financial sector in general and the insurance sector in particular, and within a.s.r. itself.

Materiality analysis and stakeholder dialogue

Stakeholder group	Type of interaction	Frequency
Customers	• Telephone support • Surveys (e.g. NPS) • Webinars • Social media • Interviews • Stakeholder dialogue	Daily
Advisors	• Telephone support • Surveys (e.g. NPS) • Webinars • Social media • Interviews • Stakeholder dialogue	Daily
Employees	• Performance appraisals • Works Council • Social media • Infonet • Staff meetings • Managerial staff meetings • Information and inspiration sessions • Interviews • Stakeholder dialogue	Daily
Financial market players: shareholders, analysts, banks and rating agency S&P	• Meetings with team Investor Relations and Board members • Conference calls with analysts and (potential) investors • Webinars • Road shows • Corporate presentations • Stakeholder dialogue	Almost daily
Peers and Business partners	• Meetings • Telephone and email • Stakeholder dialogue	Regularly
Regulators and tax authorities	• Meetings with Board members and departments Compliance and Tax • Telephone and email • Stakeholder dialogue	Regularly
Government	• Meetings with Board members, senior management and team Public Affairs • Telephone and email • Stakeholder dialogue	Regularly
Suppliers	• Consultation at strategic (2-4 times per year), tactical (monthly) and operational (daily) level • Stakeholder dialogue	Regularly

Stakeholder group	Type of interaction	Frequency
Media	• Meetings • Telephone and email • Stakeholder dialogue	Almost daily
Trade unions	• Meetings • Telephone and email • Stakeholder dialogue	Quarterly
Social partners and organisations	• Meetings with a.s.r. foundation • Telephone and email • Interviews • Stakeholder dialogue	Regularly
Civil society organisations & interest groups	• Events • Partnerships & memberships • Meetings • Telephone and email • Interviews • Stakeholder dialogue	Regularly

Statement of use
a.s.r. has reported in accordance with the GRI Standards for the period starting on 1 January 2022 and lasting up to and including 31 December 2022.

7.10 GRI content index

GRI 2: General Disclosures 2021

1. The organisation and its reporting practices

GRI		Disclosure Annual Report	Notes
2-1	Organizational details	6.1.1 General information	
2-2	Entities included in the organization's sustainability reporting	6.7.9 List of principal group companies and associetes 7.6 About this report	
2-3	Reporting period, frequency and contact point	7.6 About this report Contact details	Publication date 22 March 2023
2-4	Restatements of information	7.6 About this report	
2-5	External assurance	7.2 Assurance report of the independent auditor 7.6 About this report	

2. Activities and workers

GRI		Disclosure Annual Report	Notes
2-6	Activities, value chain and other business relationships	2.1 The story of a.s.r. 2.2 Business portfolio 2.6 Key stakeholders 3.1 Becomming the best financial service provider 3.2 Being a responsible investor	The most material part of a.s.r.'s supply chain consists of its investment opportunities as described in the chapter 3.2 Being a responsible investor.
2-7	Employees	7.5 Facts and figures	Omission, information unavailable: a.s.r. does not report about non-guaranteed hours employees because, in the case of a.s.r., this is not a standard employment contract. a.s.r. mainly has full time and part time employment contracts. a.s.r. will investigate whether the existing ommission can be resolved before publication of the 2023 Annual report.
2-8	Workers who are not employees		Omission, information unavailable: a.s.r. has an extensive network of intermediaries and subcontractors that fall under the GRI definition of 'workers'. It is not possible to report the requested information yet. a.s.r. will investigate whether the existing ommission can be resolved before publication of the 2023 Annual Report.

3. Governance

GRI		Disclosure Annual Report	Notes
2-9	Governance structure and composition	5.1 Corporate governance 5.2 Supervisory Board report	
2-10	Nomination and selection of the highest governance body	5.1 Corporate governance 5.2 Supervisory Board report	
2-11	Chair of the highest governance body	5.1 Corporate governance	
2-12	Chair of the highest governance body in overseeing the management of impacts	5.1 Corporate governance 5.2 Supervisory Board report	Within a.s.r., the CEO is ultimately responsible for the ESG policy and the impacts realised as a result. Shaping policy and targets is delegated to the Sustainability Workforce. The Nomination & ESG Committee of the Supervisory Board exercises an advisory and monitoring role in the field of ESG policy and results towards the Executive Board.
2-13	Delegation of responsibility for managing impacts	5.1 Corporate governance 5.2 Supervisory Board report	Within a.s.r., the CEO is ultimately responsible for the ESG policy and the impacts realised as a result. Shaping policy and targets is delegated to the Sustainability

GRI		Disclosure Annual Report	Notes
			Workforce. The Nomination & ESG Committee of the Supervisory Board exercises an advisory and monitoring role in the field of ESG policy and results towards the Executive Board.
2-14	Role of the highest governance body in sustainability reporting	5.1 Corporate governance 5.2 Supervisory Board report	
2-15	Conflicts of interest	5.1 Corporate governance	
2-16	Communication of critical concerns	4.8 Compliance 5.1 Corporate governance	The Compliance Manager has direct lines to both the CEO and the SB chairman to communicate critical concerns. Omission, information unavailable: a.s.r. does report the amount of internally critical concerns reported to the highest governance board. The amount of externally critical concerns is not yet reported. a.s.r. will investigate whether the existing ommission can be resolved before publication of the 2023 Annual report.
2-17	Collective knowledge of the highest governancy body	5.1 Corporate governance	
2-18	Evaluation of the performance of the highest governance body	5.1 Corporate governance	
2-19	Remuneration policies	5.3 Remuneration report	
2-20	Process to determine remuneration	5.3 Remuneration report	
2-21	Annual total compensation ratio	5.3 Remuneration report 7.5 Facts and figures	Omission, information incomplete: a.s.r. cannot capture the development of the pay ratio as referred to in article b (based on median income) because this information was not reported in previous years. As of this year, the pay ratio confrom in accordance with GRI 2021 has started to be been reported. As a result, development will be visible from as of next year.

4. Strategy, policies and practices

GRI		Disclosure Annual Report	Notes
2-22	Statement on sustainable development strategy	1 Message from the CEO 2.3 Key trends impactiing a.s.r.'s operations 2.4 Value creation model 2.5 Strategic targets and performance 2.7 Material topics and SDG's 5.1 Corporate governance	
2-23	Policy commitments	3.2 Being a responsible investor 3.5 Operating as a trusted company 4.8 Compliance	
2-24	Embedding policy commitments	3.2 Being a responsible investor 3.5 Operating as a trusted company 4.8 Compliance 5.1 Corporate governance	
2-25	Processes to remediate negative impacts	3.1 Becoming the best financial service provider 3.2 Being a responsible investor 3.3 Creating a vital and futureproof workforce 3.4 Informing the investor community 3.5 Operating as a trusted company 4.9 Environmental performance	
2-26	Mechanisms for seeking advice and raising concerns	3.5 Operating as a trusted company 4.8 Compliance	
2-27	Compliance with laws and regulations	3.5 Operating as a trusted company 4.8 Compliance	This reporting disclosure is not applicable for a.s.r. as there were no significant instances of non-compliance with laws and regulations in 2022.
2-28	Membership associations	3.1 Becoming the best financial service provider 3.2 Being a responsible investor 3.5 Operating as a trusted company 7.6 About this report	

5. Stakeholders engagement

GRI		Disclosure Annual Report	Notes
2-29	Approach to stakeholder engagement	2.7 Material topics and SDGs 7.9 Materiality analysis and stakeholder dialogue	
2-30	Collective bargaining agreements	3.3 Creating a vital and futureproof workforce 7.5 Facts and figures	The entire a.s.r. population (100%) is covered by the collective labour agreement.

GRI 3: Material Topics 2021

GRI		Disclosure Annual Report	Notes
3-1	Process to determine material topics	2.7 Material topics and SDGs 7.9 Materiality analysis and stakeholder dialogue	
3-2	List of material topics	2.7 Material topics and SDGs 7.9 Materiality analysis and stakeholder dialogue	

GRI 201: Economic Performance 2016

Material topic: Robust financial framework

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 3.1 Becoming the best financial service provider 3.4 Informing the investor community 6 Financial statements 7.9 Materiality analysis and stakeholder dialogue	
201-1	Direct economic value generated and distributed	2.5 Strategic targets and performance 3.5 Informing the investor community 6.2 Consolidated financial statements	
201-2	Financial implications and other risks and opportunities due to climate change	4.7 Risk management 4.9 Environmental performance 6.8 Risk management	
201-3	Defined benefit plan obligations and other retirement plans	Not applicable	Defined benefit plan obligations and other retirement plans are not a material topic for a.s.r.
201-4	Financial assistance received from government	Not applicable	a.s.r. does not receive any financial assistence from government.

GRI 203: Indirect Economic Impacts 2016

Material topic: Socially responsible investments

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 3.2 Being a responsible investor 3.5 Operating as a trusted company 7.9 Materiality analysis and stakeholder dialogue	
203-1	Infrastructure investments and services supported	3.1 Becoming the best financial service provider 3.2 Being a responsible investor	
203-2	Significant indirect economic impacts	3.1 Becoming the best financial service provider 3.2 Being a responsible investor 3.5 Operating as a trusted company	

GRI 207: Tax 2019

Material topic: Robust financial framework

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 3.5 Operating as a trusted company 7.9 Materiality analysis and stakeholder dialogue	
207-1	Approach to tax	3.5 Operating as a trusted company	
207-2	Tax governance, control, and risk management		Omssion, not applicable: no specific tax audits have occured.
207-3	Stakeholder engagement and management of concerns related to tax	3.5 Operating as a trusted company 7.9 Materiality analysis and stakeholder dialogue	
207-4	Country-by-country reporting	Not applicable	Omission. Country-by-country reporting is not applicable for a.s.r. since it operates almost exclusively in the Netherlands.

GRI 302: Energy 2016

Material topic: Mititgating and adapting to the consequences of climate change

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 4.9 Environmental performance 7.9 Materiality analysis and stakeholder dialogue	
302-1	Energy consumption within the organization	4.9 Environmental performance 7.5 Facts and figures	As an insurance company, a.s.r. mainly uses energy to keep its offices operational (e.g. cooling and heating). The electricity consumption is expressed in kWh. Gas consumption is expressed in m^3
302-2	Energy consumption outside of the organization	4.9 Environmental performance 7.5 Facts and figures	
302-3	Energy intensity	4.9 Environmental performance 7.5 Facts and figures	a.s.r.'s goal is to consume a maximum of 50 kWh/m^2 gross floor area + atriums by 2030. This is in line with the Paris-agreement.
302-4	Reduction of energy consumption	4.9 Environmental performance 7.5 Facts and figures	a.s.r. has formulated a CO_2 eq target with 2018 as the base year. The target year for energy consumption is 2030.
302-5	Reductions in energy requirements of products and services	Not applicable	Products and services produced by a.s.r. do not directly consume energy.

GRI 304: Biodiversity 2016

Material topic: Biodiversity and ecosystem services

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 3.2 Being a responsible investor 7.5 Facts and figures 7.9 Materiality analysis and stakeholder dialogue	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	a.s.r. does not own, lease, or manage operational sites in or adjacent to protected areas and areas of high biodiversity value outside protected areas.
304-2	Significant impacts of activities, products and services on biodiversity	4.7 Risk management 4.9 Environmental performance	Omission: Information incomplete. In the coming period, the impact of a.s.r.'s activities on biodiversity will be investigated and will be reported in 2024 at the latest.
304-3	Habitats protected or restored	--	Omission: Information unavailable. In the coming period, the impact of a.s.r.'s activities on biodiversity will be investigated and will be reported in 2024 at the latest.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	--	Omission: Information unavailable. In the coming period, the impact of a.s.r.'s activities on biodiversity will be investigated and will be reported in 2024 at the latest.

GRI 305: Emissions 2016

Material topic: Mitigating and adapting the consequences of climate change

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 4.9 Environmental performance 7.9 Materiality analysis and stakeholder dialogue	
305-1	Direct (Scope 1) GHG emissions	4.9 Environmental performance 7.5 Facts and figures	a.s.r. only reports CO_2-eq emissions because other emissions are not materially relevant.
305-2	Energy indirect (Scope 2) GHG emissions	4.9 Environmental performance 7.5 Facts and figures	a.s.r. only reports CO_2-eq emissions because other emissions are not materially relevant.
305-3	Other indirect (Scope 3) GHG emissions	4.9 Environmental performance 7.5 Facts and figures	a.s.r. only reports CO_2-eq emissions because other emissions are not materially relevant.
305-4	GHG emissions intensity	4.9 Environmental performance 7.5 Facts and figures	Omission: Information is incomplete. a.s.r. does not use energy intension numbers for its own energy usage, instead GHG emission intensity numbers are used. For investments ton CO_2-eq/m € is used.
305-5	Reduction of GHG emissions	4.9 Environmental performance 7.5 Facts and figures	The GHG reduction per year can be derived from the figures in section 7.5 of this annual report. a.s.r. has chosen 2018 as the base year because it signed the Svalbard Ambition in that year.
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable	Given a.s.r.'s business activities, emissions of ozone-depleting substances (ODS) are not material for a.s.r.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable	Given a.s.r.'s business activities, nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions are not material for a.s.r.

GRI 401: Employment 2016

Material topic: Contributing to (sustainable) employability

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 3.3 Creating a vital and futureproof workforce 7.5 Facts and figures 7.9 Materiality analysis and stakeholder dialogue	
401-1	New employee hires and employee turnover	3.3 Creating a vital and futureproof workforce 7.5 Facts and figures	Omission: Information unavailabe. a.s.r. publishes new employee and turnover figures on a total level as vacancies filled by external candidates. Employee turnover is reported as percentage, a distinction is made in voluntary and involuntary turnover. No distinction is made between age, gender and region. Systems and reports need to be developed or adapted to report the requested information.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not applicable	a.s.r. makes no distinction between full-time and part-time employees. All benefits are laid down in the CLA that applies to every a.s.r. employee.
401-3	Parental leave	--	Omission, information unavailable. detailed information on the extent to which parental facilities are used is not available. Parental leave is part of a.s.r.'s CLA.

GRI 403: Occupational Health and Safety 2018

Material topic: Supporting vitality

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics 3.1 Aspiring to be the best financial service provider 3.3 Creating a vital and futureproof workforce 7.5 Facts and figures 7.9 Materiality analysis and stakeholder dialogue	
403-1	Occupational health and safety management system	3.3 Creating a vital and futureproof workforce	Given the nature of the work within a.s.r., occupational health and safety is mainly focused on creating a working environment in which both internal and external employees feel safe. a.s.r. monitors the feeling of safety among employees via e-Mood measurements throughout the year.
403-2	Hazard identification, risk assessment, and incident investigation	Not applicable	Given a.s.r.'s business activities, work-related hazards and hazardous situations are not material for a.s.r.
403-3	Occupational health services	3.3 Creating a vital and futureproof workforce	Given the nature of the work within a.s.r., occupational health and safety is mainly focused on creating a working environment in which both internal and external employees feel safe. a.s.r. monitors the feeling of safety among employees via e-Mood measurements throughout the year.
403-4	Worker participation, consultation, and communication on occupational health and safety	3.3 Creating a vital and futureproof workforce	a.s.r. complies with the Dutch Working Conditions Act defining healthy and safe working conditions. In addition, a.s.r. takes responsibility for a healthy and safe workplace when working from home by lending office furniture.
403-5	Worker training on occupational health and safety	3.3 Creating a vital and futureproof workforce	The online a.s.r. acadamy contains a wide range of training and education courses from which a.s.r. employees can choose. Some of these training courses relate to working safely, recognising stress in the workplace. There is also a wide range of opportunities to improve employee vitality through a.s.r. Vitality. The vitality programme in which a.s.r. employees can participate free of charge.

403-6	Promotion of worker health	3.3 Creating a vital and futureproof workforce	The online a.s.r. acadamy contains a wide range of training and education courses from which a.s.r. employees can choose. Some of these training courses relate to working safely, recognising stress in the workplace. There is also a wide range of opportunities to improve employee vitality through a.s.r. Vitality. The vitality programme in which a.s.r. employees can participate free of charge.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable	Given a.s.r.'s business activities, occupational health and safety impacts directly related to activities, products or services by business relationships, and the related hazards and risks are not material for a.s.r.
403-8	Workers covered by an occupational health and safety management system	Not applicable	a.s.r. has no occupational health and safety system implemented.
403-9	Work-related injuries	Not applicable	Given the nature of work within a.s.r. (mainly desk work), work-related accidents are not a material issue for the organisation.
403-10	Work-related ill health	3.3 Creating a vital and futureproof workforce	Within a.s.r., extra attention is given to preventing psychological absenteeism by focusing on a safe workplace and promoting inclusiveness so that everyone feels at home. When pshychic absenteeism does occur, careful counselling takes place.

GRI 404: Training and education 2016

Material topic: Contributing to (sustainable) employability.

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics 3.3 Creating a vital and futureproof workforce 7.5 Facts and figures 7.9 Materiality analysis and stakeholder dialogue	
404-1	Average hours of training per year per employee	3.3 Creating a vital and futureproof workforce 7.5 Facts and figures	Omission: Information incomplete. Information on training by gender and/or employee category is not available. When reporting on training hours per FTE, a.s.r. does not distinguish between women and men because the starting point is that everyone should have equal opportunities.
404-2	Programs for upgrading employee skills and transition assistance programs	3.3 Creating a vital and futureproof workforce	
404-3	Percentage of employees receiving regular performance and career development reviews	3.3 Creating a vital and futureproof workforce	Omission: Information incomplete. Information about the percentage of the total workforce per gender and per employee category that has had a periodic performance and career development reviews is not available. Management annually discusses with all employees their progress, including the following career steps.

GRI 405: Diversity and Equal Opportunity 2016

Material topic: Fostering diversity and inclusion.

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 3.3 Creating a vital and futureproof workforce 5.1 Corporate Governance 7.5 Facts and figures 7.9 Materiality analysis and stakeholder dialogue	
405-1	Diversity of governance bodies and employees	7.5 Facts and figures	
405-2	Ratio of basic salary and remuneration of women to men	--	Omission: Information incomplete.a.s.r. reports the hourly wages of men and women at different levels in the organisation in euros. From this, the requested ratios can be derived. In addition to this reporting, a.s.r. has published Gender GAP analyses showing that women and men are remunerated equally.

GRI 406: Non-discrimination 2016

Material topic: Fostering diversity and inclusion

3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 3.3 Creating a vital and futureproof workforce 5.1 Corporate Governance 7.5 Facts and figures 7.9 Materiality analysis and stakeholder dialogue	
406-1	Incidents of discrimination and corrective actions taken		Omission, information unavailable. a.s.r. will investigate whether the existing ommission can be resolved before publication of the 2023 Annual Report.

GRI 413: Local communities 2016

Material topic: Contributing to financial self-reliance.

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 3.1 Becoming the best financial service provider 3.2 Being a responsible investor 3.5 Operating as a trusted company 7.5 Facts and figures 7.9 Materiality analysis and stakeholder dialogue	
413-1	Operations with local community engagement, impact assessments, and development programs	3.1 Becoming the best financial service provider 3.2 Being a responsible investor 3.5 Operating as a trusted company 7.9 Materiality analysis and stakeholder dialogue	Omission, data unavailable: At the moment, the necessary data is not yet available. a.s.r. will investigate whether the existing ommission can be resolved before publication of the 2023 Annual Report.
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable	a.s.r. has no operations with significant actual and potential negative impacts on local communities.

GRI 417: Marketing and Labeling 2016

Material topics: Meeting customer needs. Socially responsible investments. Developing and promoting sustainable products/services

GRI		Disclosure Annual Report	Notes
3-3	Management of material topics	2.4 Value creation model 2.7 Material topics and SDGs 3.1 Becoming the best financial service provider 3.2 Being a responsible investor 4.9 Environmental performance 7.9 Materiality analysis and stakeholder dialogue	
417-1	Requirements for product and service information and labeling	3.1 Becoming the best financial service provider 3.2 Being a responsible investor	Omission not applicable: As a service provider in the insurance market, some of the information requested here is not relevant to a.s.r. No figures are reported on the proportion of products with a social or environmental impact.
417-2	Incidents of non-compliance concerning product and service information and labeling	3.1 Becoming the best financial service provider 3.2 Being a responsible investor 6.7 Other notes 7.5 Facts and figures	Information incomplete because a.s.r. does not publish figures on incidents of non-compliance and any resulting action. a.s.r. will investigate whether the existing ommission can be resolved before publication of the 2023 Annual report.
417-3	Incidents of non-compliance concerning marketing communications		Omission, not applicable: a.s.r. did not actively collect the requested data. Future work will look at how reporting can be completed on this component.

7.11 TCFD recommendations

TCFD recommendations

TCFD Recommended Disclosures		Annual Report reference	Climate Report 2022 reference
Governance	a. Describe the board's oversight of climate related risks & opportunities	4.9 and 5.1	3.4
	b. Describe management's role in assessing and managing climate-related risks & opportunities	4.7 and 4.9	3.4
Strategy	a. Describe the climate-related risks & opportunities the organisation has identified over the short, medium, and long-term	4.9	2, 3 and 4
	b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy & financial planning	4.9	2, 3 and 4
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including two-degree or lower scenarios	4.9	3.3
Risk management	a. Describe the organisation's processes for identifying and assessing climate-related risks	4.9	3.3
	b. Describe the organisation's processes for managing climate-related risks	4.9	3.3
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated in the organisation's overall risk management	4.7 and 4.9	3.3
Metrics & targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	4.1 and 4.9	3.1 and 4
	b. Disclose Scope 1, Scope 2, and, if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks	7.5	5.5
	c. Describe the targets used by the organisation to manage the climate-related risks and opportunities and performance against targets	2.5, 2.7	3.1

7.12 EU Directive 2014/95/EU

Reference table of the EU Directive 2014/95/EU on the disclosure of non-financial and diversity information by certain large undertakings and groups

Topic	Subtopic	Included	Chapter reference
Business model	-	Yes	Chapter 2.4
Relevant social and personnel matters (e.g. HR, safety etc.)	A description of the policies pursued, including due diligence.	Yes	Chapter 3.3
	The outcome of those policies.	Yes	Chapter 3.3
	Principle risks in own operations and within value chain.	Yes	Chapter 4.7
	How risks are managed.	Yes	Chapter 4.7
	Non-financial key performance indicators.	Yes	At a glance, Chapter 2.5, 3.3, 3.5, 7.5
Relevant environmental matters (e.g. climate-related impacts)	A description of the policies pursued, including due diligence.	Yes	Chapter 3.2, 3.5, 4.9
	The outcome of those policies.	Yes	Chapter 3.2, 3.5, 4.9
	Principle risks in own operations and within value chain.	Yes	Chapter 4.7, 4.9
	How risks are managed.	Yes	Chapter 4.7, 4.9
	Non-financial key performance indicators.	Yes	At a glance, Chapter 2.5, 3.5, 4.9, 7.5
Climate change	A description of the policies pursued, including due diligence.	Yes	Chapter 3.5, 4.9
	The outcome of those policies.	Yes	Chapter 3.5, 4.9
	Principle risks in own operations and within value chain.	Yes	Chapter 4.7, 4.9
	How risks are managed.	Yes	Chapter 4.7, 4.9
	Non-financial key performance indicators.	Yes	At a glance, Chapter 2.5, 3.5, 4.9, 7.5
Relevant matters with respect for human rights (e.g. labour protection)	A description of the policies pursued, including due diligence.	Yes	Chapter 3.1, 3.2, 3.5
	The outcome of those policies.	Yes	Chapter 3.1, 3.2, 3.5
	Principle risks in own operations and within value chain.	Yes	Chapter 3.2, 4.2
	How risks are managed.	Yes	Chapter 3.2, 3.5
	Non-financial key performance indicators.	Yes	Chapter 3.2, 3.5
Relevant matters with respect to anti-corruption and bribery	A description of the policies pursued, including due diligence.	Yes	Chapter 3.5, 4.8
	The outcome of those policies.	Yes	Chapter 3.5, 4.8
	Principle risks in own operations and within value chain.	Yes	Chapter 3.5, 4.2, 4.8
	How risks are managed.	Yes	Chapter 4.2, 4.8
	Non-financial key performance indicators.	Yes	Chapter 4.2, 4.8
Insight into the diversity (EB and the SB)	A description of the policies pursued.	Yes	Chapter 5.1
	Diversity targets.	Yes	Chapter 5.1
	Description of how the policy is implemented.	Yes	Chapter 3.3, 5.1
	Results of the diversity policy.	Yes	Chapter 3.3, 5.1, 7.5

Contact details

Contact

a.s.r likes to receive feedback or questions from stakeholders on the Annual Report. If you want to give a.s.r. feedback, please feel free to contact us.

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