Aegon IFRS 9 / 17 Educational Webinar

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Helping people live their best lives

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- This presentation is for educational purposes only and is not a disclosure of financial results
- Figures shown in this presentation and discussed in the webinar are unaudited and might be subject to change
- Methodologies presented here may be further refined and this may lead to changes in figures

An introduction to IFRS 17 at Aegon

Click on the screen to start the video

Welcome

Agenda

- **Introduction to IFRS 17 at Aegon**
- Transition balance sheet
- Financial results under IFRS 17
- Concluding remarks

IFRS 17 is the first international accounting standard for insurance contracts

IFRS 17

aims to provide…

- Consistent valuation of insurance contracts
- Increased transparency on profitability and drivers
- Improved comparability between companies

It will have an impact on presenting our financial information, including…

- Shareholders' equity at transition
- Recognition of earnings through time with increased predictability
- Structure and granularity of financial results

IFRS 17 changes reporting, not our strategy or capital management approach

1. No change to Aegon's corporate and business strategy, capital management approach, financial targets and outlook

2. IFRS shareholders' equity reduces largely due to liability remeasurement and setting up a Contractual Service Margin (CSM), which will be released in the future and translate into higher earnings

3. Accounting choices aimed at simplification of reporting processes, alignment of earnings with local capital frameworks where possible, and limitation of earnings volatility

4. IFRS 17 will increase information value by providing more insight into the economics of the business

Agenda

- Introduction to IFRS 17 at Aegon
- **Transition balance sheet**
- Financial results under IFRS 17
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Generating the transition balance sheet

Click on the screen to start the video

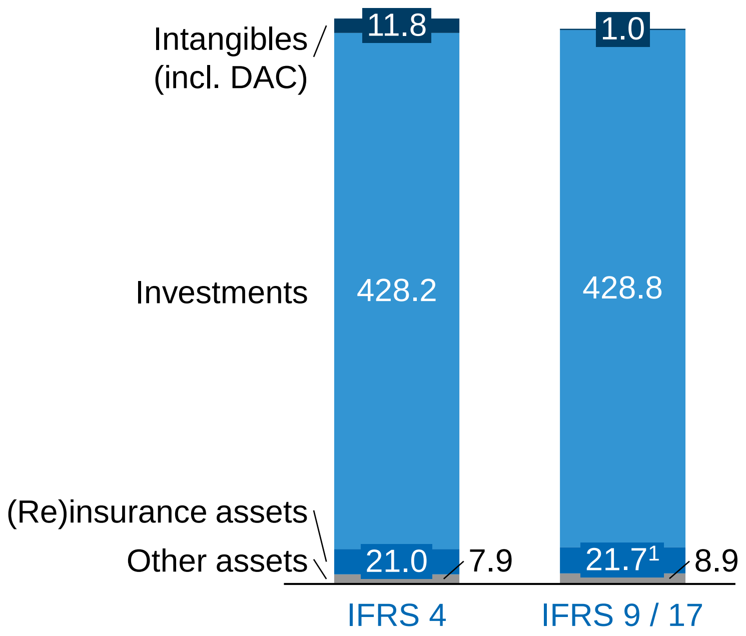
Summarizing Aegon’s IFRS 17 choices

	Aegon’s choice	Implications
Discount rate	• Market observable risk-free rate + illiquidity premium (ILP) on a country unit basis • ILP based on the expected return on own assets, less an adjustment for credit losses	• Better alignment between valuation of assets and liabilities
Risk Adjustment	• Risk Adjustment (RA) set at 80% of confidence interval, while allowing for group diversification benefit within RA • Impacts on RA from changes in interest rates are offset in CSM	• Relatively stable RA compared to the alternative cost-of-capital approach • Process simplification
Transition approach	• Where full retrospective approach cannot be applied, we mainly applied the fair value approach (FVA) based on market transactions	• Establishment of CSM for these books, as Aegon believes that third parties would expect to be fully compensated for taking over the best estimate liabilities
Fair value transition for GMM business	• **US / TLB:** Elected to set up AOCI[1] for most GMM[2] businesses to capture difference between historical rates at time of issue and market discount rates at transition • **UK / NL:** Elected FVTPL[3] for assets and liabilities using market discount rates at time of transition	• Better alignment of operating result with capital generation from in-force business in the respective capital framework

1. AOCI = Accumulated Other Comprehensive Income, also referred to as revaluation reserve
2. GMM = General Measurement Model
3. FVTPL = Fair Value Through Profit and Loss

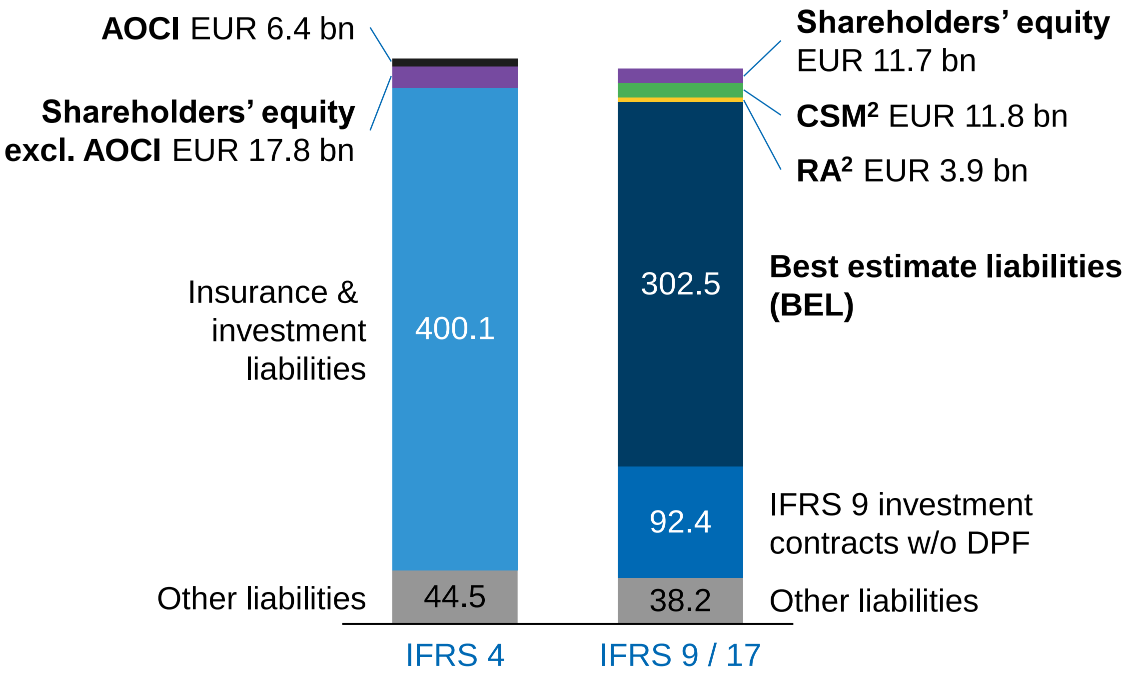
Fundamental changes to balance sheet with both assets and liabilities measured at fair value

Assets in transition balance sheet
(January 1, 2022, in EUR billion)



- Elimination of most intangible assets, including all deferred acquisition costs (DAC) for product lines subject to IFRS 17
- Almost all investments at fair value, with US commercial mortgage loans being the main exception

Liabilities and shareholders' equity in transition balance sheet
(January 1, 2022, in EUR billion)

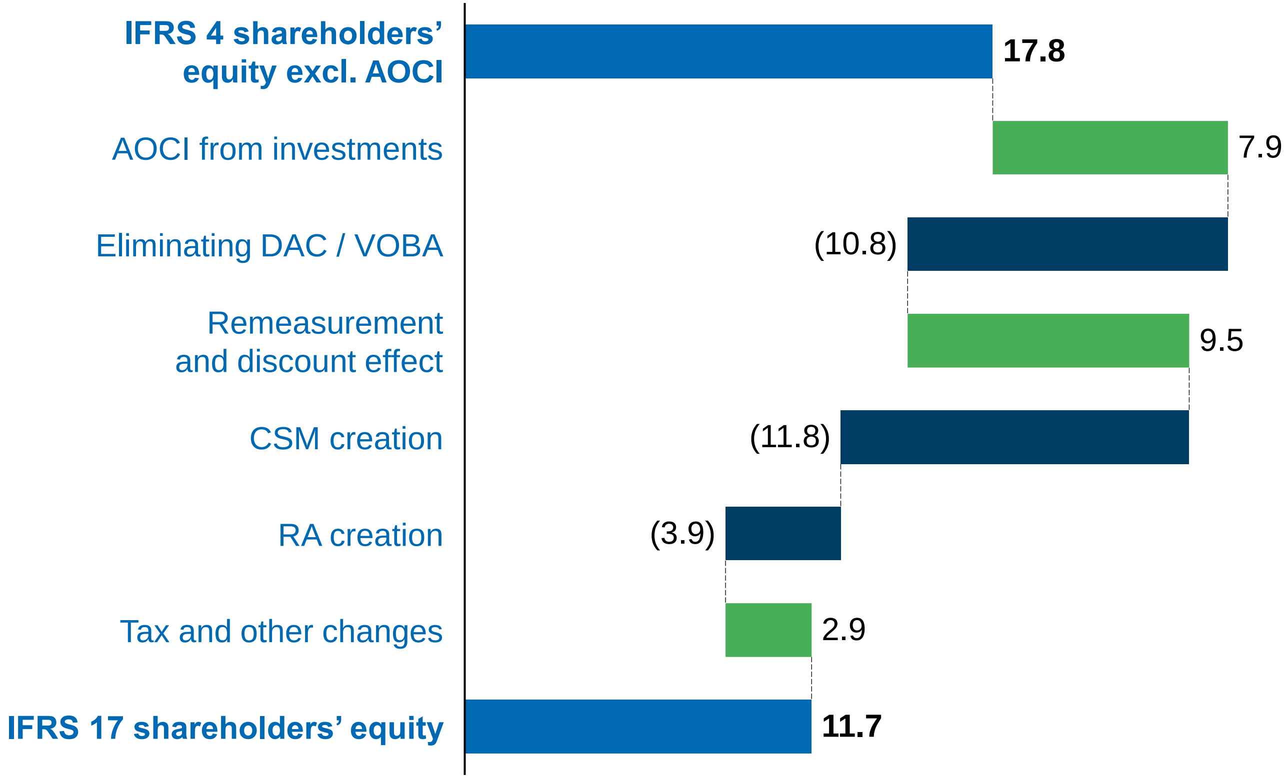


- AOCI under IFRS 9 / 17 (part of shareholders' equity) consists of the revaluation reserves for both assets and liabilities; therefore, focus going forward will be on reported shareholders' equity

DPF = Discretionary Participation Feature
1. Excluding CSM and RA assets
2. After reinsurance and including CSM and RA assets

Setting up CSM and RA decreases shareholders' equity

Shareholders' equity
(January 1, 2022, in EUR billion)

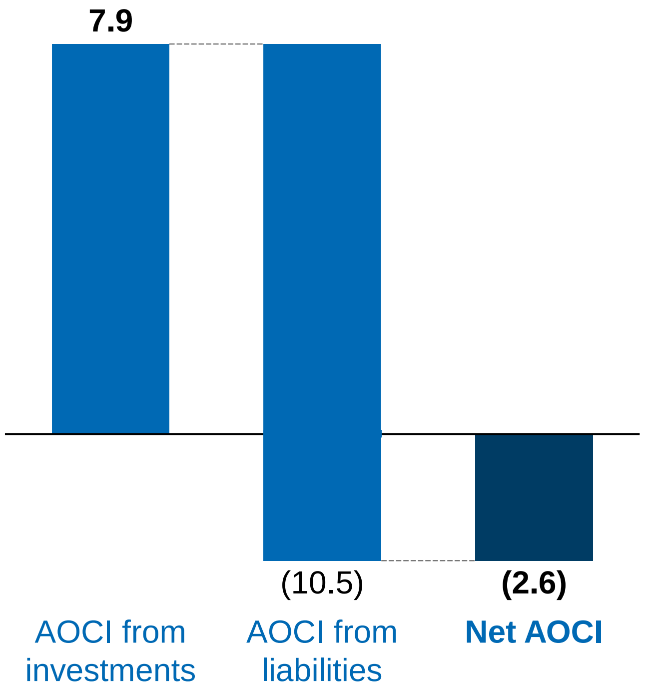


- Overall, shareholders' equity reduces by about one third under IFRS 17, when compared with shareholders' equity under IFRS 4 excluding AOCI
- Under IFRS 17, Aegon includes the AOCI from investments in shareholders' equity, as both sides of the balance sheet are at fair value
- Remeasurement of liabilities and discounting partly offsets elimination of DAC / VOBA
- Reduction of shareholders' equity from setting up CSM, which is expected to lead to higher earnings as it is released over time
- Risk Adjustment (RA) covers uncertainties from non-financial risks and will be released into earnings over time
- Decrease of equity partly offset by tax effects

Enabling a better alignment of earnings with the US capital framework with the AOCI choice at transition

Accumulated Other Comprehensive Income (AOCI)

(January 1, 2022, in EUR billion)



- AOCI from investments increases by EUR 1.5 billion to EUR 7.9 billion from moving Dutch residential mortgages to fair value
- Creation of AOCI from liabilities as a consequence of the AOCI choice for fair value at transition for certain GMM business, mainly for US Traditional Life, Universal Life, and Health
- Size of AOCI from liabilities determined by difference between market rates at transition date and historical discount rates

Financial implications

For businesses that have elected FVOCI treatment:

- Impact of changes in market rates will be recognized directly in shareholders' equity as OCI
- Book value yields on assets and liabilities will be recognized in the P&L
- P&L better aligns with capital generation on in-force business under the US RBC framework

Note: AOCI is also referred to as revaluation reserve

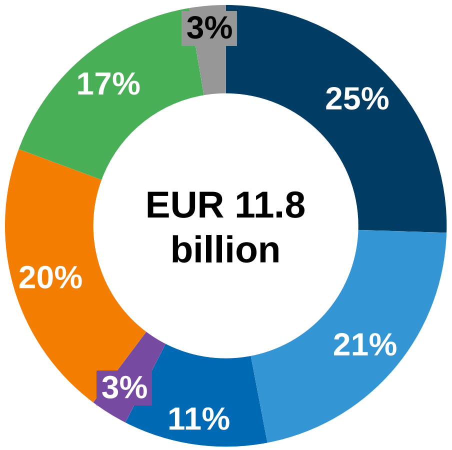
Applying different measurement models depending on the specific nature of the various contracts

Measurement models				Key examples: US	NL	UK	International
Insurance contracts	Participating	Direct participating	**VFA** (BEL: EUR 184 bn)	• Variable Annuities • Variable Universal Life	• Pensions products with profit sharing	• Legacy unit-linked products	• Traditional life and savings products (Spain)
Insurance contracts	Participating	Indirect participating	**GMM** (BEL: EUR 116 bn)	• Indexed Universal Life • Traditional Life • Universal Life • Pay-out annuities • Fixed annuities • Long-Term Care	• Individual Life • Protection • Disability pension products • Savings mortgages	• Protection • Annuity	• Universal Life (TLB)
Insurance contracts	Non-participating	Long-term	**GMM** (BEL: EUR 116 bn)				
Insurance contracts	Non-participating	Short-term	**PAA** (BEL: EUR 2 bn)		• Non-life business		• Short-term Life and Health (Spain) • Non-life (Spain)
Investment contracts			**Non-IFRS 17** (Liabilities: EUR 92 bn)	• Mutual Funds • Retirement Plans • Stable Value solutions	• Savings accounts	• Platform invest-ment business • New unit-linked products	

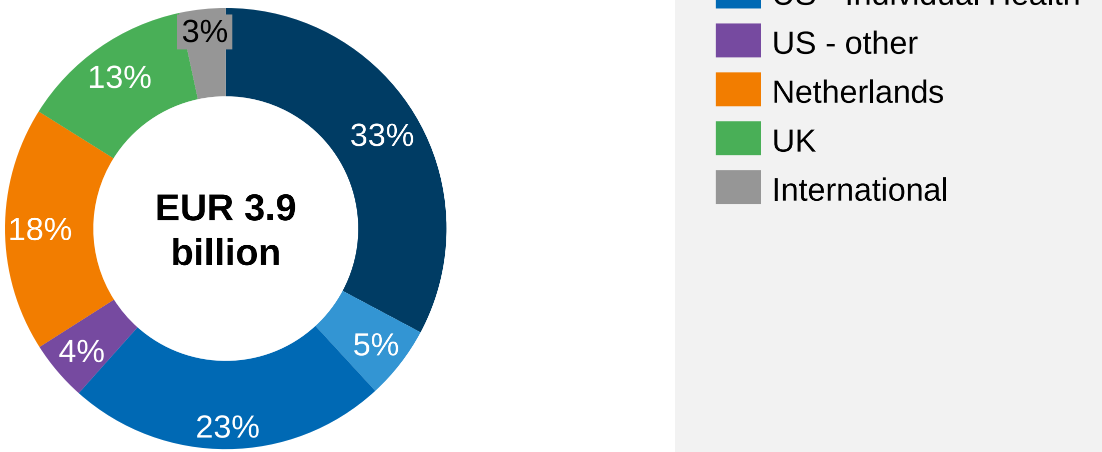
IFRS 17 measurement models: VFA = Variable Fee Approach, GMM = General Measurement Model, PAA = Premium Allocation Approach

CSM and RA reflect the transition approach and the measurement model

CSM by business
(January 1, 2022)



RA by business
(January 1, 2022)



- The size of the CSM in US reflects:
  - Fair value transition approach for GMM business
  - Modified retrospective approach for certain US Variable Annuities
  - Limited use of full retrospective approach
- Majority of UK CSM driven by traditional insurance portfolio and platform business

- US life & health portfolios have a sizeable risk adjustment to cover non-financial risks
- Limited risk adjustment in US Variable Annuities reflects low level of non-financial risks in the portfolio
- Majority of UK RA represents persistency risk inherent in the traditional insurance portfolio and platform business

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- **Financial results under IFRS 17**
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Accounting choices allow for alignment of earnings with local capital frameworks and reduce earnings volatility

Guiding principle

- Align emergence of profits with relevant capital framework (not fully market consistent RBC versus fully market consistent Solvency II framework)
- Reduce earnings volatility from accounting mismatches

GMM model

Accounting choices

1

- Most assets and liabilities booked at **FVOCI**, impact of changes in market rates recognized directly in shareholders' equity as OCI
- **Book** value yields on assets and liabilities reflected in P&L
- AOCI reflects difference between market and **historical** rates
- Expected to align insurance result better with statutory earnings on in-force under **RBC**

Example of application

- US: Traditional Life, Universal Life, Health
- TLB and Spain

Accounting choices

2

- Assets and liabilities booked at **FVPL**
- P&L reflects **market** value yields on assets and liabilities
- IFRS 17 earnings expected to be close to **Solvency II** operating capital generation
- Excluding NL, only limited impact on earnings from this choice

Example of application

- UK: protection and annuities

VFA model

Accounting choices

3

- Application of **risk mitigation** for most VFA businesses, given the high degree of hedge effectiveness
- Market impacts on **hedged risks** for those businesses are booked **in P&L** (and not CSM)
- Financial market impacts on **unhedged risks** are booked **in CSM**, except for onerous contracts
- Accounting now aligned well with the economics

Example of application

- US Variable Annuities

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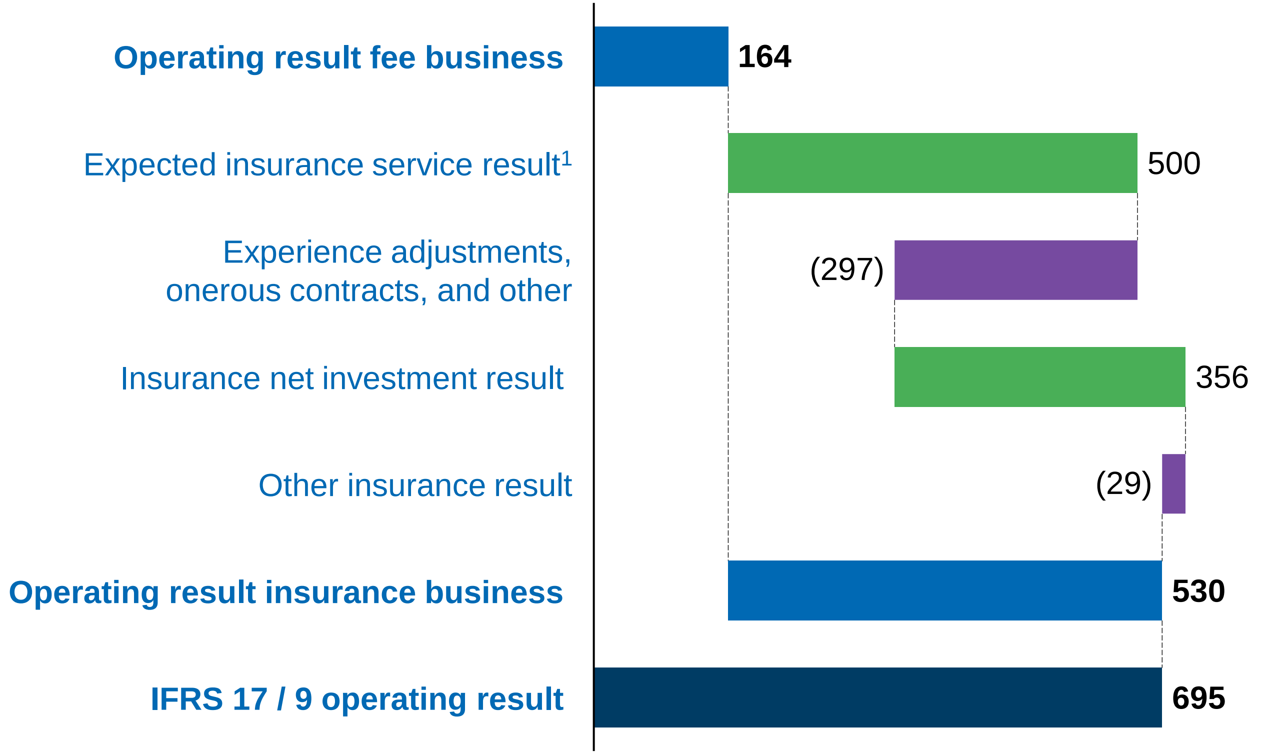
Choices made to provide a meaningful operating result under IFRS 17

	Operating result	"Below the line"
Insurance service result	• Expected insurance service result from release of CSM and Risk Adjustment • Experience adjustments from claims and expenses • Loss component from new onerous contracts and experience variance on existing onerous contracts • PAA result	• Impacts of assumption changes related to onerous contracts • Impacts of financial market movements on onerous VFA contracts
Insurance net investment result	• Investment income that is attributed to insurance assets, net of the related interest accretion on liabilities • Investment return on any excess of assets over liabilities	• Businesses measured under FVOCI will show realized gains and losses on investments • Impairments and change in Expected Credit Loss • Fair value items such as FVPL investments and hedge inefficiencies
Other result	• Separate operating result for fee business, including associated revenues and expenses • Other expenses not included in BEL, such as business development expenses and investment expenses	• Restructuring expenses and other exceptional, one-time items • Result of discontinued operations (e.g., NL) • After closing of the transaction, result from our stake in a.s.r.

Increasing transparency with an IFRS 17 "source of earnings" view

IFRS 9 / 17 operating result – example: Americas
(1H 2022, in USD million)



- IFRS 17 provides a "source of earnings" view, increasing the transparency of drivers of the operating result
- For the US, the insurance business determines a large part of the operating result, which is driven by the net investment result and the release of CSM / RA embedded in the insurance service result
- In 1H22, the insurance service result was negatively impacted by experience variances such as mortality and onerous contracts, partly driven by unfavorable equity markets

1. Includes release of CSM and release of Risk Adjustment

Improving insight into expected earnings versus more volatile experience adjustments

Selected IFRS 17 insurance results by line of business:
(1H 2022, in USD million)

Expected insurance service result[1]

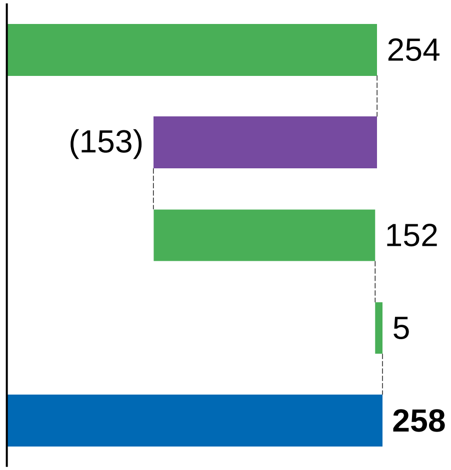
Experience adjustments, onerous contracts, and other

Insurance net investment result

Other insurance result

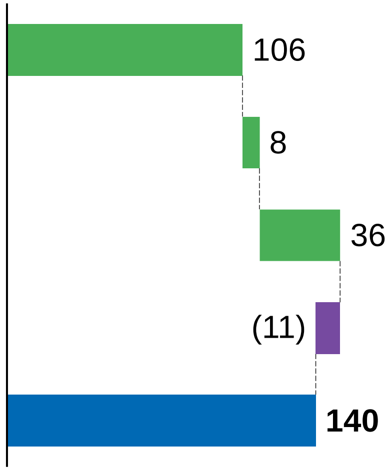
Operating result insurance business

US Individual Life



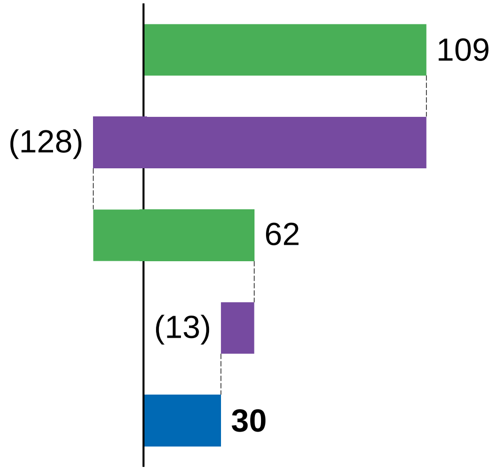
- Consistent contribution from release of CSM driven by run-off of in-force business
- Experience adjustments mainly driven by COVID-19 related mortality claims
- Spread-driven investment result, incl. from surplus assets

US Individual Health



- Insurance service result mainly driven by CSM release in the LTC portfolio
- Morbidity experience has small impact as only current period paid claims reflected in operating result
- Investment result driven by return on surplus assets

US Variable Annuities



- Investment result reflects income on surplus assets and assets backing general account reserves
- Operating result reflects part of portfolio becoming onerous, adverse expense experience[2], adverse experience from higher-than-expected claims

1. Includes release of CSM and release of Risk Adjustment
2. Majority of the amount shown under ‘Experience adjustments, onerous contracts, and other’ results from adverse expense experience and onerous contracts

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IFRS 17 provides a more differentiated view on claims experience and non-financial assumption changes

	IFRS 4 claims experience	IFRS 17 experience adjustments
Operating result	• Current year claims deviating from expectations, and related reserve changes	• Variance between actual and expected claims for the current period
Non-operating result	• Impact from assumption updates • One-off reserve changes	• Assumption updates for onerous contracts
CSM changes		• CSM changes due to adjustments of future cash-flows from current period experience • Assumption updates for future periods for non-onerous contracts impact CSM
	• **Reported claims experience is a mix of claims payments in current period and reserve changes relating to future liabilities**	• **The impact of claims experience being different than expected manifests itself in both P&L and CSM** • **In future communications, Aegon will focus on the total claims experience variance to capture the full impact**

Accounting mismatches for US Variable Annuities minimized under IFRS 17

	IFRS 4	IFRS 17
Operating result	• Sensitivity from base contract fee income movements in volatile equity and interest rates markets • Claims experience variance can lead to fluctuations • USD 60 million running cost for hedging program reflected in operating result	• Current period impacts (e.g., from claims) will be booked in P&L, future period impacts modify CSM • Market impacts on base contract fees and basis risk for non-onerous contracts booked to CSM
Fair Value items	• For GMIB/DB riders, locked-in discount rates for IFRS liabilities lead to an accounting mismatch, resulting in fair value results on hedges when interest rates move • Impacts from unhedged risks and basis risks booked as market movements under fair value items	• Application of **risk mitigation** allows financial market impacts for hedged risks to be reflected in P&L (and not CSM) with only hedge ineffectiveness recorded in fair value items • Impacts of basis risk and other unhedged risks for onerous contracts reflected as fair value items
	• **Economic hedging not fully visible in IFRS figures** • **Significant volatility in IFRS net result**	• **Alignment of IFRS figures with economic hedging** • **Limited income statement volatility from hedging**

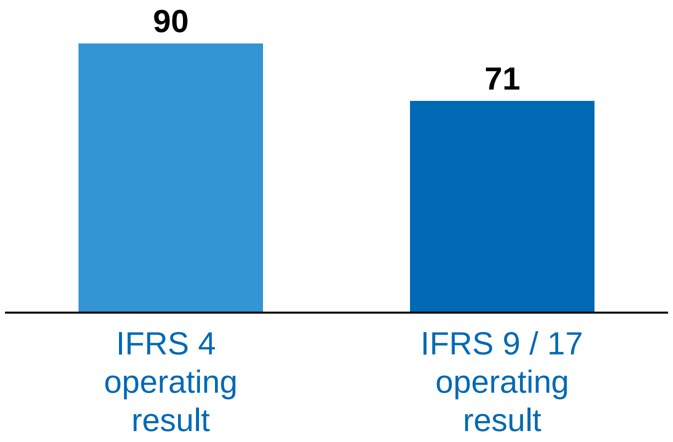
IFRS result increases as a result of release of CSM and becomes less volatile

Income statement – example: Americas
(1H 2022, in USD million)

	IFRS 4	IFRS 9 / 17	Comment
Operating result	**439**	**695**	Release of CSM through operating result leads to higher earnings; impact of claims experience adjustments on the operating result will be more pronounced
Fair value items	(1,234)	169	Fair value items driven by market impacts on alternative assets and onerous contracts, and expected to be less volatile as accounting mismatch for VA hedging disappears
Realized gains / (losses) on investments	(98)	(153)	Mainly gains / (losses) from sales of assets held under fair value through OCI
Net impairments	(14)	(50)	More pro-cyclical impairments from including IFRS 9 Expected Credit Loss changes; in 1H22 mainly from downgrades on Russia / Ukraine exposures
Non-operating items	**(1,346)**	**(34)**	
Other income / (charges)	(410)	(165)	Reflects impact of assumption updates on onerous contracts, and investments in operational improvement plan; assumption updates mainly reflected in CSM
Income tax	323	(57)	
Net result	**(993)**	**438**	Fewer accounting mismatches and more economic view make the net result less volatile and more meaningful

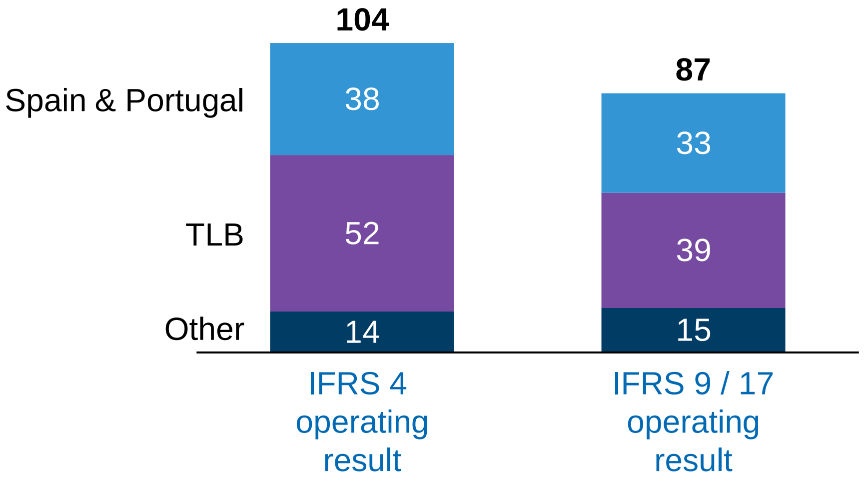
Limited change of operating result for UK and International under IFRS 17 compared with IFRS 4

United Kingdom
(1H 2022, in GBP million)



- Operating result lower under IFRS 17 than under IFRS 4 mainly driven by lower earnings on the protection business
- Release of CSM from traditional portfolio largest contributor to the operating result
- Currently limited contribution from non-insurance fee-based business since acquisition expenses are incurred when paid

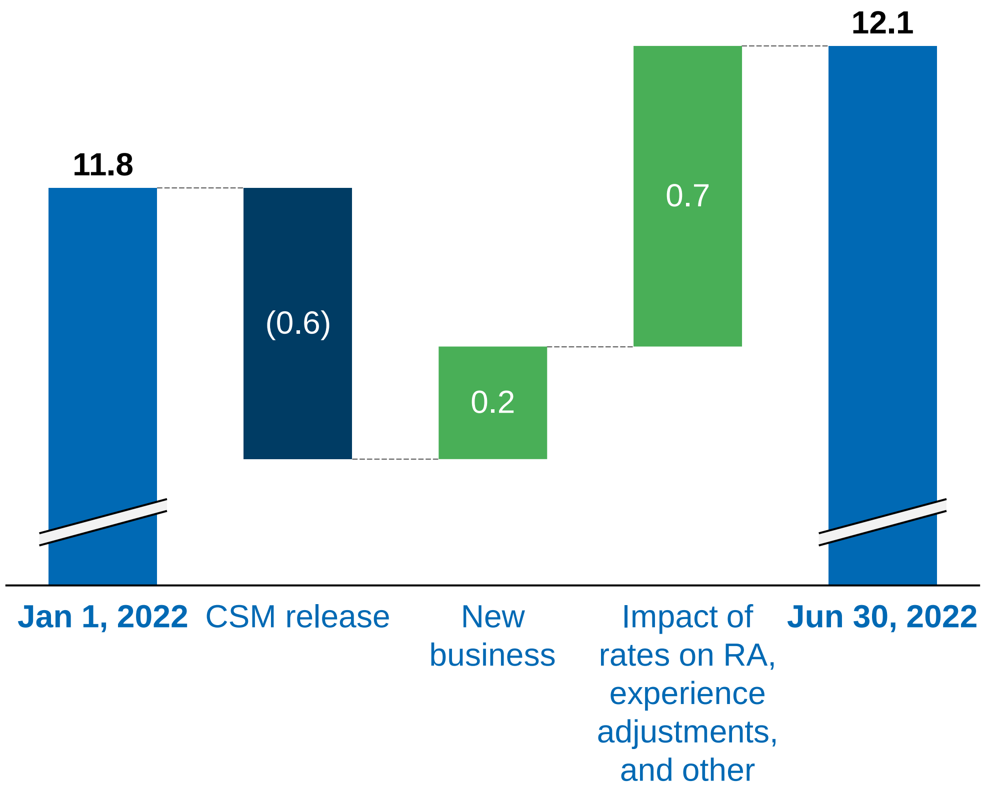
International
(1H 2022, in EUR million)



- Spain & Portugal business largely measured under PAA with a similar operating result under IFRS 17 than under IFRS 4
- TLB operating result reduces as gains from persistency were reported in the operating result under IFRS 4, while they lead to changes in CSM under IFRS 17 instead

CSM roll-forward

CSM development in 1H22
(in EUR billion)

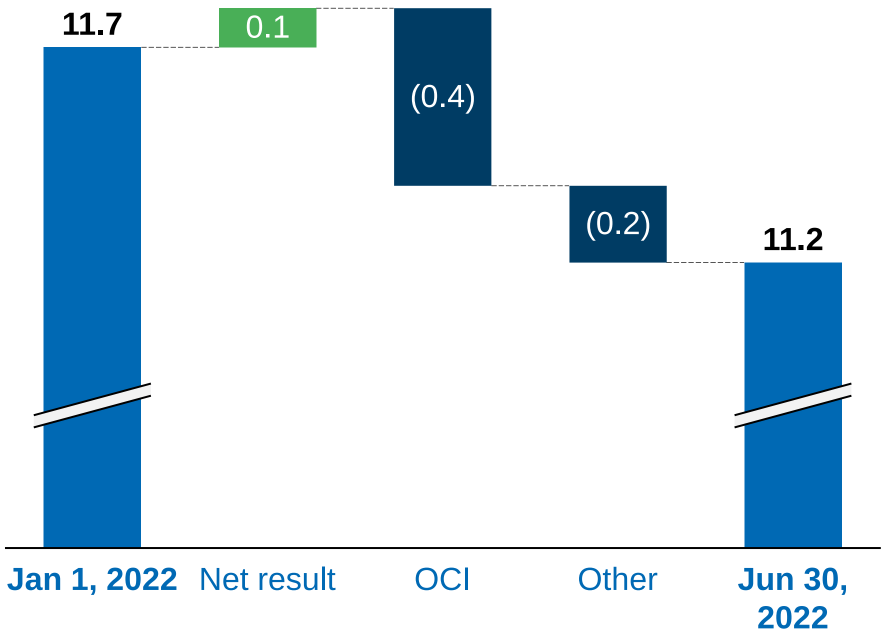


- CSM balance is steadily released into earnings over the lifetime of the policies
- Profitable new insurance business leads to new CSM. In the UK, new business consists largely of investment contracts accounted for under IFRS 9, so no new business CSM is recognized
- In 1H22, new business CSM was less than the release of CSM from Financial Assets in the Netherlands and the US
- Aegon has chosen to reflect the impact on the risk adjustment of financial markets – mostly interest rates – in the CSM[1] for reasons of practicality. As interest rates increased significantly over 1H22, this had a significant positive impact on the CSM balance
- Experience adjustments and other impacts are mostly due to the impact of lower equity markets on future fee income in US and UK, partly offset by favorable currency movements

1. This so-called non-disaggregation approach is applied in the Americas, International and the Netherlands segments

Shareholders' equity roll-forward

Shareholders' equity development in 1H22
(in EUR billion)



- Shareholders' equity reduced in 1H22, mainly as the net result was more than offset by negative other comprehensive income (OCI)
- The OCI decline mainly reflects the negative impact of higher interest and credit spreads on the value of surplus assets
- Other impacts are comprised mostly of dividend payments and share buybacks, which more than offset a favorable impact from currency movements

Introducing IFRS 17 based KPIs

	Definition	1H 2022[3]	Implications
Return on Equity (RoE)	$RoE = \frac{Net\ operating\ result^{1}\ (annualized)}{Av.common\ shareholders'equity}$	**15.4%** (IFRS 4: 8.6%)	• Higher RoE due to higher operating result and lower shareholders' equity • No adjustment for AOCI in equity as both asset and liabilities reflect market yields
Gross financial leverage ratio (GFL)	$GFL = \frac{Total\ financial\ leverage}{Shareholders'equity^{2} + CSM\ net\ of\ tax + total\ financial\ leverage}$	**21.4%** (IFRS 4: 22.5%)	• CSM reflects the present value of future expected profits, and is thus included in total capitalization • Intent to deleverage up to EUR 0.7 billion after closing the transaction with a.s.r. remains unchanged

1. Operating result after tax and after interest on financial leverage classified as equity
2. Shareholders' equity, non-controlling interests & share options not exercised
3. Including Aegon the Netherlands in net operating result and CSM net of tax

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Business fundamentals remain unchanged under IFRS 17

Key messages

- No change to Aegon's corporate and business strategy, capital management approach, financial targets and outlook
- IFRS shareholders' equity reduces largely due to liability remeasurement and setting up a Contractual Service Margin (CSM), which will be released in the future and translate into higher earnings
- Accounting choices aimed at simplification of reporting processes, alignment of earnings with local capital frameworks where possible, and limitation of earnings volatility
- IFRS 17 will increase information value by providing more insights into the business dynamics

Timeline of upcoming events

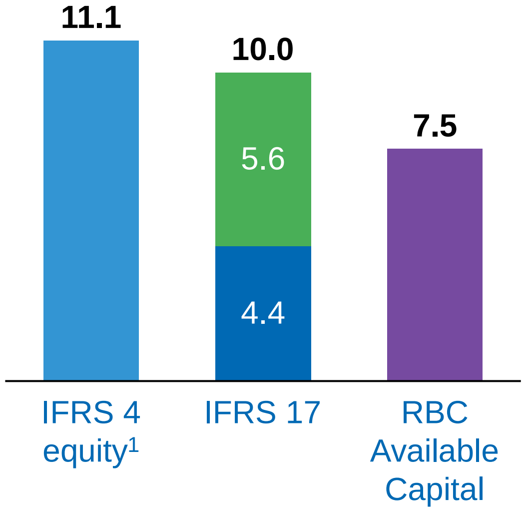
1Q 2023 trading update	May 17, 2023
Capital Markets Day	June 22, 2023
Comparative figures FY 2022 based on IFRS 9 / 17	before 1H 2023 results disclosure
1H 2023 results based on IFRS 9 / 17	August 17, 2023

Appendix

Combination of CSM and equity under IFRS 17 is similar to Solvency II Own Funds

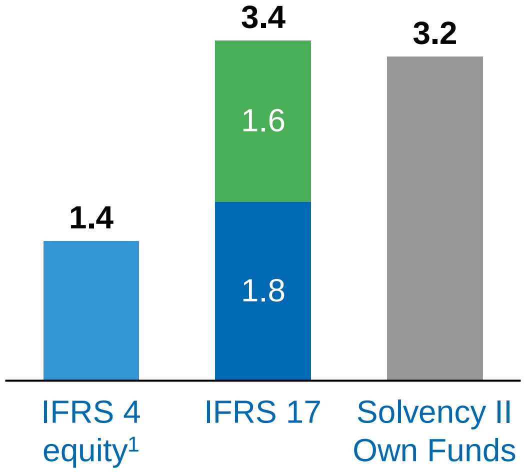
January 1, 2022, in EUR billion

Americas



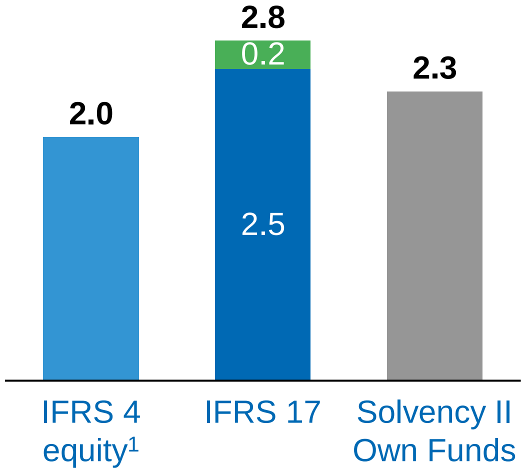
- RBC Available Capital more conservative than IFRS 17 shareholders' equity plus CSM, as all acquisition costs are expensed upfront and future profits relating to new business are not recognized at issue

UK



- Future profits are reflected in Solvency II Own Funds, but in CSM under IFRS 17; shareholders' equity is thus lower than Solvency II Own Funds
- IFRS 17 equity plus CSM in line with Solvency II Own Funds; differences remain in calibration of IFRS RA and Solvency II risk margin, and exclusion of newer unit-linked business reported under IFRS 9

International



- Solvency II Own Funds less comparable to IFRS 17 as illiquidity premium for TLB's liabilities is set by the Bermuda regulator for Solvency II
- Low CSM level as most of the business in Spain is measured under Premium Allocation Approach (PAA), which is short-term business without CSM

IFRS 17 shareholders' equity   IFRS 17 CSM after tax

1. IFRS 4 shareholders' equity excluding AOCI

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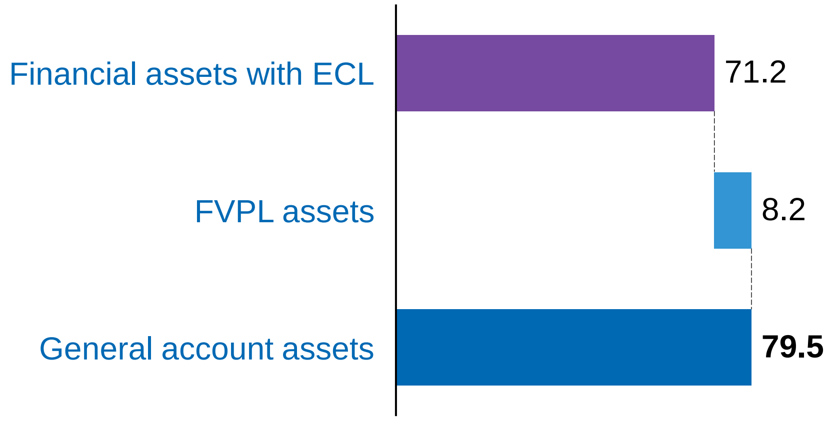
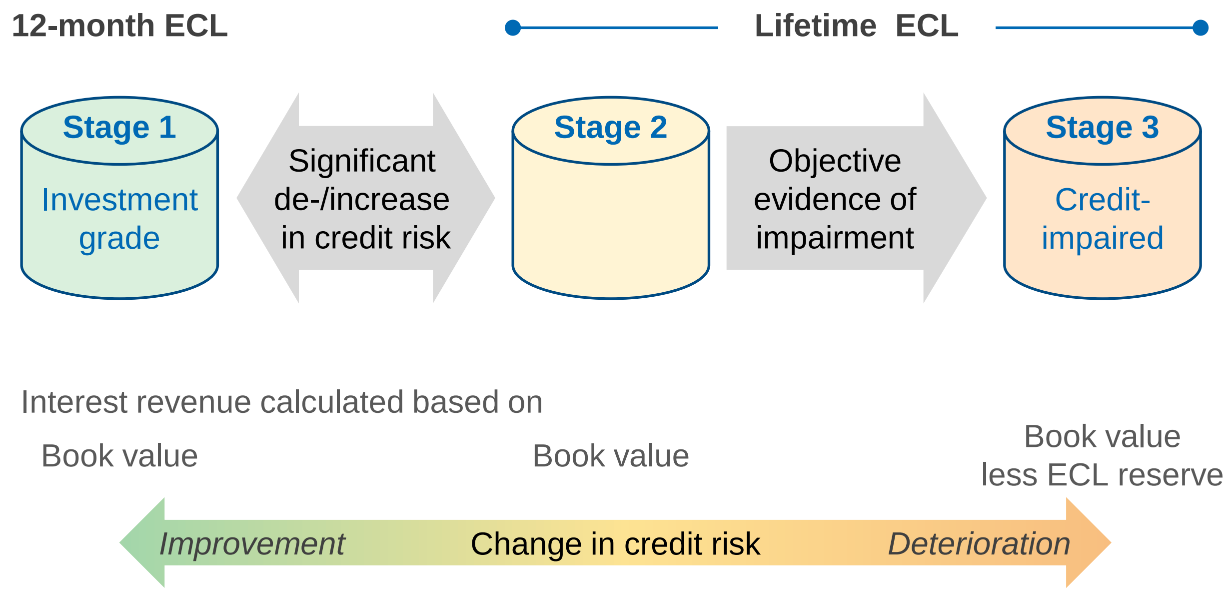
Large share of general account assets in scope for IFRS 9

Financial assets – example Americas

(at June 30, 2022, in USD billion, book value[1])



IFRS 9 – expected credit loss (ECL) impairment model



- Around 90% of Americas' investments are financial assets with expected credit loss reserve (ECL)
- 84% of financial assets with ECL in the US are debt securities and 16% commercial mortgage loans

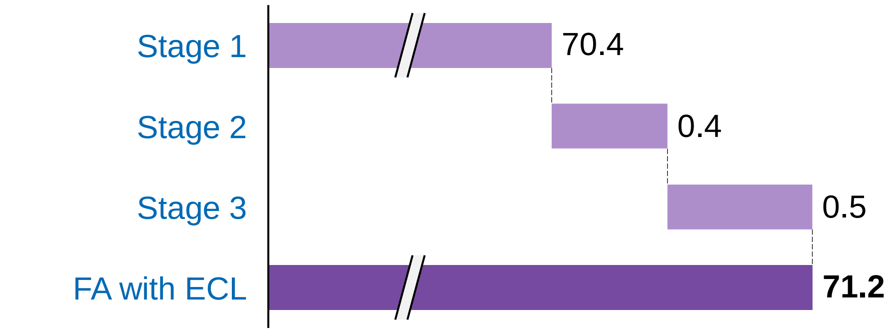
- Aegon applies a credit risk model from Moody's to determine ECL; Key drivers are US unemployment, US equities, US Real GDP growth and interest rate changes
- Economic projection data for three different scenarios (baseline, near-term rebound and moderate recession) is combined to determine the ECL

1. *Fair value minus unrealized gains / losses*

Impairments losses become more pro-cyclical, but conservative asset allocation dampens this effect

Americas underlying assets per stage

(at June 30, 2022, in USD billion, book value[1])



Range of US ECL as share of underlying assets[2]

20 - 30 bps

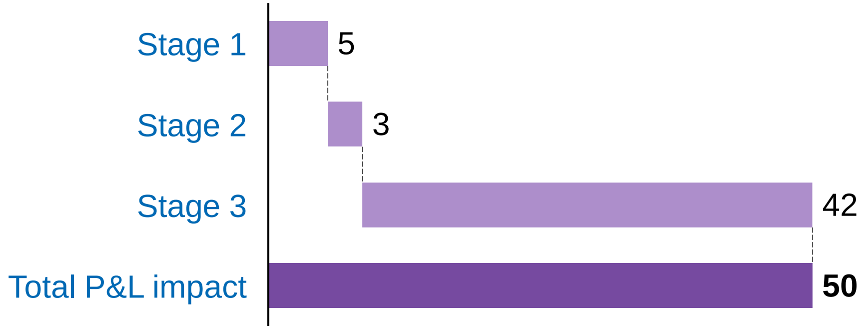
250 - 570 bps

1100 - 2200 bps

35 - 65 bps

P&L impact from ECL changes

(1H 2022, in USD million)



- ECL methodology under IFRS 9 will result in impairment charges that are more pro-cyclical compared to those under IAS39
- 98% of financial assets with ECL are in Stage 1 demonstrating the conservative nature of the portfolio
- 1H22 impairment losses reflect deteriorating macroeconomic environment in the period given uncertainties sparked by the war of Russia against Ukraine

1. Fair value minus unrealized gains / losses
2. 2Q 2020 – 2Q 2022

Selected abbreviations

Abbreviation	Meaning
AOCI	Accumulated other comprehensive income, also referred to as revaluation reserve
BEL	Best estimate liabilities
CSM	Contractual service margin
DAC	Deferred acquisition costs
DPF	Discretionary participation features
ECL	Expected credit loss
FVA	Fair value approach
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit and loss
GFL	Gross financial leverage
GMM	General measurement model

Abbreviation	Meaning
IFRS	International financial reporting standards
ILP	Illiquidity premium
LTC	Long-term care
NBV	New business value
OCI	Other comprehensive income
PAA	Premium allocation approach
RA	Risk adjustment
RBC	Risk-based capital (framework)
TLB	Transamerica Life Bermuda
VOBA	Value of business acquired
VFA	Variable fee approach

Aegon Investor Relations

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Upcoming events

Morgan Stanley Conference	March 14/16, 2023
1Q 2023 trading update	May 17, 2023
Annual General Meeting	May 25, 2023
Capital Markets Day	June 22, 2023
1H 2023 results based on IFRS 9 / 17	August 17, 2023

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Investing in Aegon

Aegon ordinary shares

- Traded on Euronext Amsterdam since 1969 and quoted in euros

Aegon New York Registry Shares (NYRS)

- Traded on NYSE since 1991 and quoted in US dollars
- One Aegon NYRS equals one Aegon Amsterdam-listed common share
- Cost effective way to hold international securities

30 YEARS AEG LISTED NYSE

Aegon's ordinary shares

Ticker symbol	AGN NA
ISIN	NL0000303709
SEDOL	5927375NL
Trading Platform	Euronext Amsterdam
Country	Netherlands

Aegon's New York Registry Shares

Ticker symbol	AEG US
NYRS ISIN	US0079241032
NYRS SEDOL	2008411US
Trading Platform	NYSE
Country	USA
NYRS Transfer Agent	Citibank, N.A.

Aegon NYRS contact details

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AEGON

Disclaimer

Forward-looking statements

The statements contained in this document that are not historical facts are forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995. The following are words that identify such forward-looking statements: aim, believe, estimate, target, intend, may, expect, anticipate, predict, project, counting on, plan, continue, want, forecast, goal, should, would, could, is confident, will, and similar expressions as they relate to Aegon. These statements may contain information about financial prospects, economic conditions and trends and involve risks and uncertainties. In addition, any statements that refer to sustainability, environmental and social targets, commitments, goals, efforts and expectations and other events or circumstances that are partially dependent on future events are forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Aegon undertakes no obligation, and expressly disclaims any duty, to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which merely reflect company expectations at the time of writing. Actual results may differ materially and adversely from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:

- Unexpected delays, difficulties, and expenses in executing against our environmental, climate, diversity and inclusion or other "ESG" targets, goals and commitments, and changes in laws or regulations affecting us, such as changes in data privacy, environmental, safety and health laws;
- Changes in general economic and/or governmental conditions, particularly in the United States, the Netherlands and the United Kingdom;
- Civil unrest, (geo-) political tensions, military action or other instability in a country or geographic region;
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
  - The frequency and severity of defaults by issuers in Aegon's fixed income investment portfolios;
  - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities Aegon holds;
  - The effects of declining creditworthiness of certain public sector securities and the resulting decline in the value of government exposure that Aegon holds;
- Changes in the performance of Aegon's investment portfolio and decline in ratings of Aegon's counterparties;
- Lowering of one or more of Aegon's debt ratings issued by recognized rating organizations and the adverse impact such action may have on Aegon's ability to raise capital and on its liquidity and financial condition;
- Lowering of one or more of insurer financial strength ratings of Aegon's insurance subsidiaries and the adverse impact such action may have on the written premium, policy retention, profitability and liquidity of its insurance subsidiaries;
- The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain;
- Changes affecting interest rate levels and low or rapidly changing interest rate levels;
- Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- Changes affecting inflation levels, particularly in the United States, the Netherlands and the United Kingdom;
- Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness;
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- Catastrophic events, either manmade or by nature, including by way of example acts of God, acts of terrorism, acts of war and pandemics, could result in material losses and significantly interrupt Aegon's business;
- The frequency and severity of insured loss events;
- Changes affecting longevity, mortality, morbidity, persistence and other factors that may impact the profitability of Aegon's insurance products;
- Aegon's projected results are highly sensitive to complex mathematical models of financial markets, mortality, longevity, and other dynamic systems subject to shocks and unpredictable volatility. Should assumptions to these models later prove incorrect, or should errors in those models escape the controls in place to detect them, future performance will vary from projected results;
- Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
- Changes in customer behavior and public opinion in general related to, among other things, the type of products Aegon sells, including legal, regulatory or commercial necessity to meet changing customer expectations;
- Customer responsiveness to both new products and distribution channels;
- As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, operational risks such as system disruptions or failures, security or data privacy breaches, cyberattacks, human error, failure to safeguard personally identifiable information, changes in operational practices or inadequate controls including with respect to third parties with which we do business may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Aegon's ability to complete, or obtain regulatory approval for, acquisitions and divestitures, integrate acquisitions, and realize anticipated results, and its ability to separate businesses as part of divestitures;
- Aegon's failure to achieve anticipated levels of earnings or operational efficiencies, as well as other management initiatives related to cost savings, Cash Capital at Holding, gross financial leverage and free cash flow;
- Changes in the policies of central banks and/or governments;
- Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- Consequences of an actual or potential break-up of the European monetary union in whole or in part, or the exit of the United Kingdom from the European Union and potential consequences if other European Union countries leave the European Union;
- Changes in laws and regulations, particularly those affecting Aegon's operations' ability to hire and retain key personnel, taxation of Aegon companies, the products Aegon sells, and the attractiveness of certain products to its consumers;
- Regulatory changes relating to the pensions, investment, and insurance industries in the jurisdictions in which Aegon operates;
- Standard setting initiatives of supranational standard setting bodies such as the Financial Stability Board and the International Association of Insurance Supervisors or changes to such standards that may have an impact on regional (such as EU), national or US federal or state level financial regulation or the application thereof to Aegon, including the designation of Aegon by the Financial Stability Board as a Global Systemically Important Insurer (G-SII); and
- Changes in accounting regulations and policies or a change by Aegon in applying such regulations and policies, voluntarily or otherwise, which may affect Aegon's reported results, shareholders' equity or regulatory capital adequacy levels.

Further details of potential risks and uncertainties affecting Aegon are described in its filings with the Netherlands Authority for the Financial Markets and the US Securities and Exchange Commission, including the Annual Report. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, Aegon expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Aegon's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.