



# Aegon UK Strategy Teach-In

Webinar

June 25, 2024



# Agenda

**Welcome**

Lard Friese

**Introduction to Aegon UK**

Mike Holliday-Williams

**Workplace platform**

Ronnie Taylor

**Adviser platform**

Ronnie Taylor

**Advice**

Tim Orton

**Other businesses**

Jim Ewing

**Financials**

Jim Ewing

**Summary**

Mike Holliday-Williams

**Q&A session**



# Aegon UK Strategy Teach-In

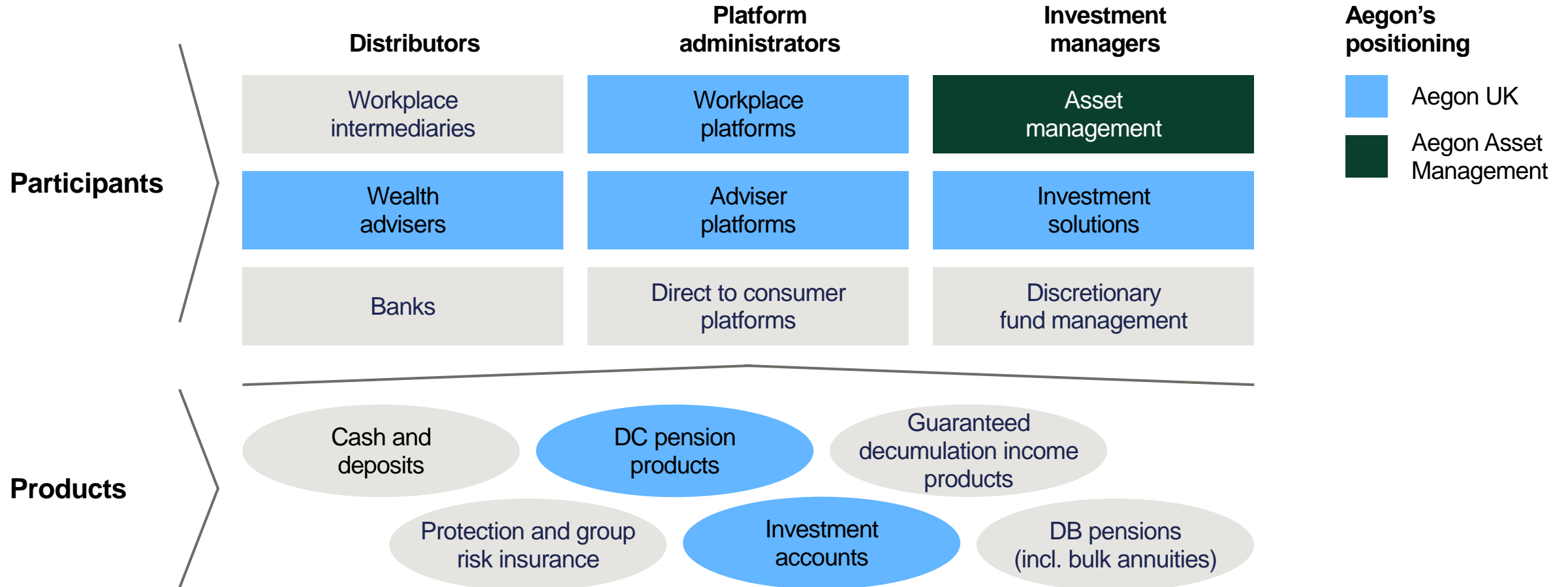
**Lard Friese**  
Chief Executive Officer

June 25, 2024



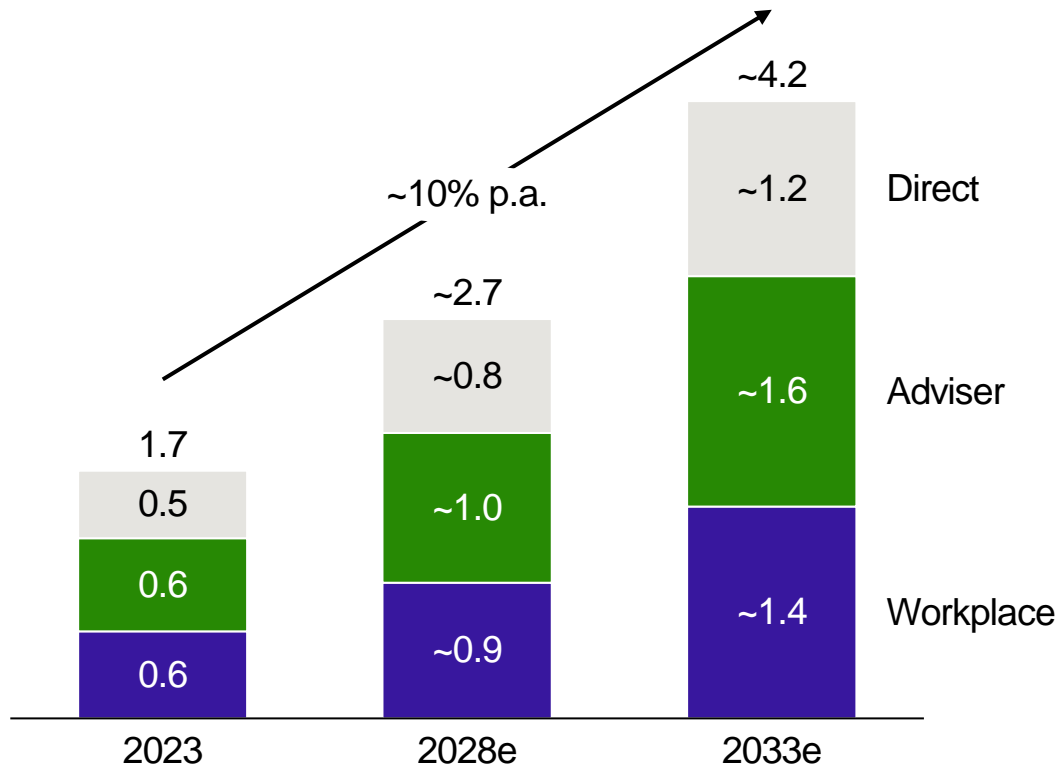
# Operating in attractive segments within the UK savings and retirement market

## UK wealth management market



# Long-term savings platform market with structural tailwinds supporting long-term growth

## Long-term savings platform market forecast (Forecasted AuA<sup>1</sup>, in GBP trillion)



- Large long-term savings and retirement market
- Platform market expected to have attractive growth rates
- Demographics drive higher demand for savings and decumulation solutions
- Customer access is driven by user experience and technology
- Several routes to market including employers through workplace offerings, financial advisers managing customer investments, and direct to customers

# Building Aegon UK's foundation since the 2020 Capital Markets Day

## 2020 CMD targets

## Status today

## Key achievements



**Enhance the user experience**



- Built online journeys through modern interface of Aegon Digital Experience
- Acquired Pension Geeks, a workplace engagement specialist



**Grow the customer base**



- Grew platform customer base in part by leveraging relationship with Aon
- Extended strategic partnership with Nationwide, with transfer of financial planning teams to Aegon UK.



**Improve margins**



- On April 4, 2023, Aegon announced the sale of its UK individual protection book to Royal London
- Decreased addressable expense base



**Improve platform earnings and net flows**

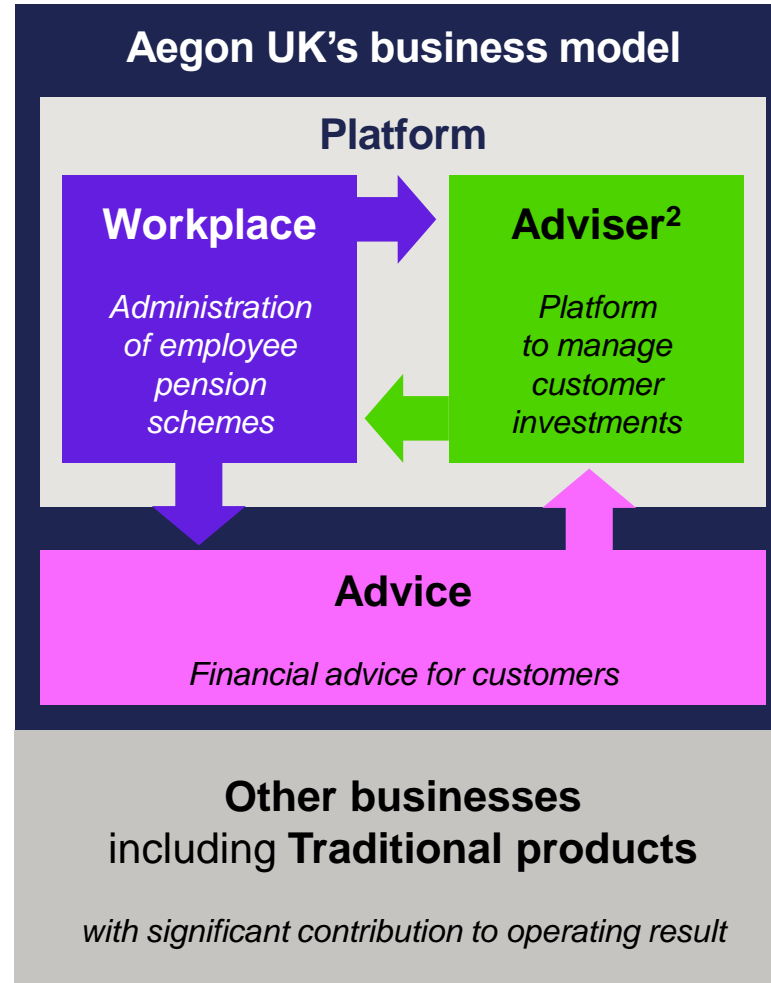


- Consistent net flows for the Workplace platform
- Navigated the challenging economic climate in advisers market with further investments needed to deliver positive net flows

# Creating a champion in the UK savings and retirement market

## Key business strengths

- **Workplace platform** ranks in the top 3 in terms of new schemes won<sup>1</sup>
- **Large Adviser platform** with a leading digital experience and differentiating propositions
- Interconnected business model leveraging **customer flows** to and from our Workplace platform
- **Scalable technology** allowing for innovative propositions and personalized engagement



## Value for the Group

- Established and leading presence in a large and growing market for savings and retirement solutions
- Investing in clear differentiators to build a more focused franchise to create value
- Steady and reliable cash contributor to the Group with a strong solvency position that has limited sensitivity to financial markets
- Growing business with potential for higher remittance growth in the medium term

1. Ranking in terms of new schemes won based on AuA

2. The Adviser platform business was previously referred to as "Retail" in Aegon's disclosures

# Transforming Aegon UK into a leading digital savings and retirement platform while generating capital and cash



Growing AuA by building on top 3 position<sup>1</sup> of Workplace platform



Turning to net positive flows by 2028 on Adviser platform by focusing on a target group of 500 adviser firms

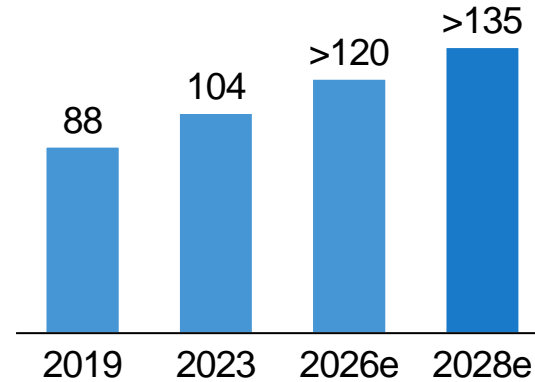


Self-funded investment plan over the 2024-2027 period to enhance technology and drive efficiencies, enabling 12% p.a. growth of operating capital generation



Continued growth of remittances during the transformation. Potential for higher remittance growth after the investment period

**Platform AuA**  
(in GBP billion)

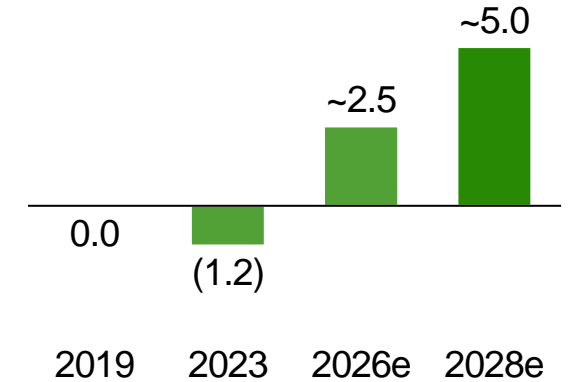


**Growth of operating capital generation**

**~+12%** p.a.

Until 2028, starting from around GBP 120 million in 2024

**Platform net flows**  
(in GBP billion)



**Growth of remittances starting from GBP ~100 million in 2024**

**~+5** GBP million p.a.

Until 2028, with potential for higher growth after the investment period



# Introduction to Aegon UK

**Mike Holliday-Williams**

Chief Executive Officer, Aegon UK



# Building the UK's leading digital savings and retirement platform

## Aegon UK



Large, scalable digital savings & retirement platform with GBP 104 billion AuA



Clear plans to ensure success, drive growth and increase efficiency

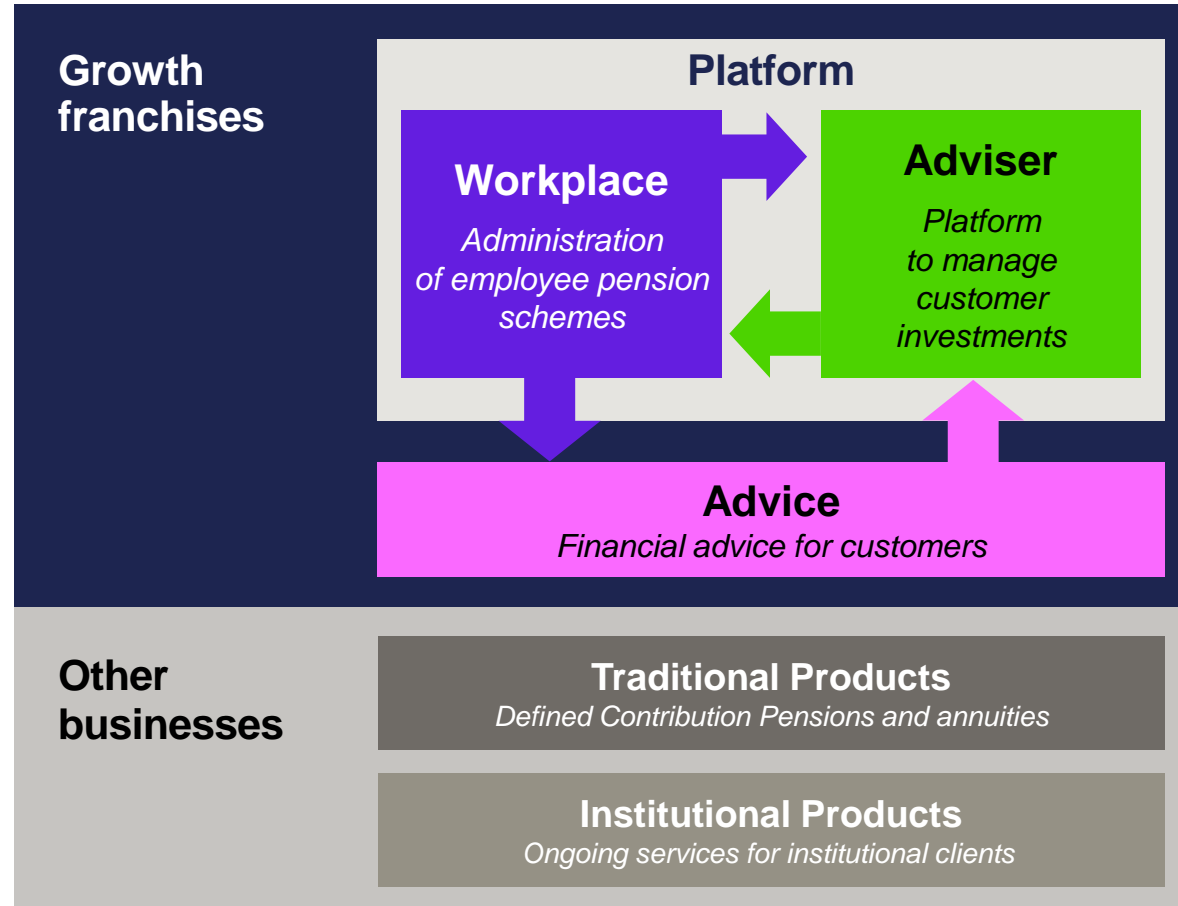


A modern digital business winning in attractive growing target segments

- Growing net flows on the Workplace platform and turning positive on Adviser platform
- Investing over the 2024 - 2027 period to transform Aegon UK and grow operating capital generation at 12% p.a.
- Around GBP 100 million remittances in 2024, growing at around GBP 5 million per annum. Potential for higher remittance growth after the investment period

# Well positioned in growing markets with relevant competitive advantages

## Aegon UK's interconnected business model

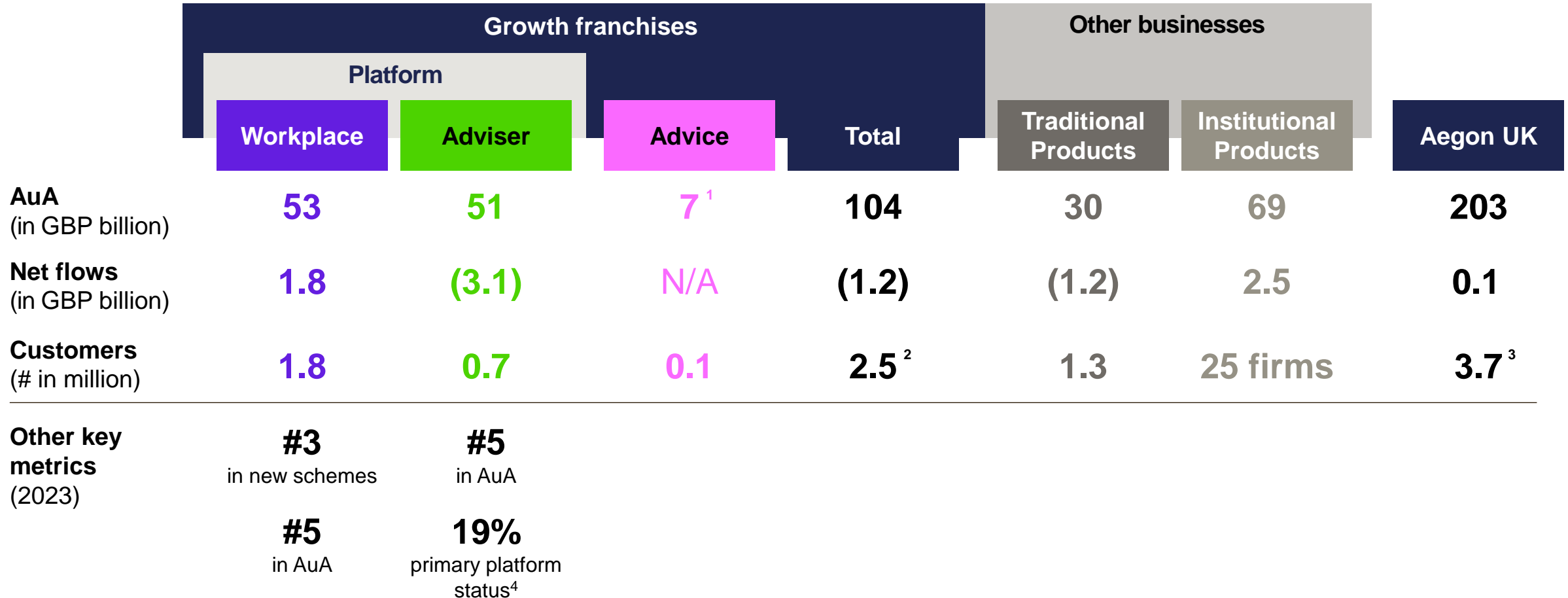


## Competitive advantages

- Interconnected business model focused on UK's long-term savings and retirement market
- One platform for advisers, managing customers from the workplace into advice
- Market-leading customer engagement model in workplace
- Distribution relationships including Aon and Nationwide
- Around 80% of AuA in low turnover pension deposits
- Other businesses represent a significant source of earnings

# Growth franchises representing GBP 104 billion of AuA

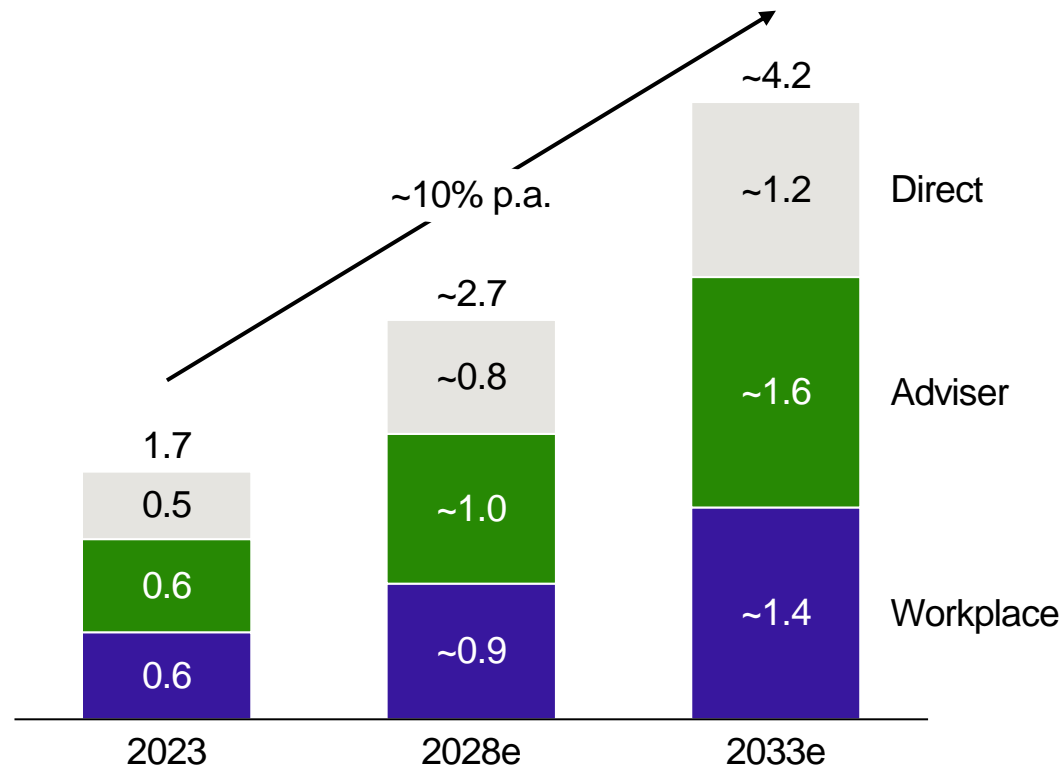
2023 figures



1. Shows Advice assets: mostly double-counted across advice and platform  
 2. Number of customers of growth franchises is not additive as some customers can be in more than one growth franchise  
 3. Customer number excludes Protection business agreed to be sold and expected to transfer during 2024  
 4. Percentage of 500 targeted adviser firms from whom we receive greater than 40% of their gross flows

# Operating in attractive markets with structural tailwinds supporting long-term growth

**Long-term savings platform market forecast**  
(Forecasted AuA, in GBP trillion)



## Key growth trends

**Auto-enrolment and regular contributions driving flows**

**~18 million**

active members contributing GBP >700bn gross flows over next 10 years

**Ageing population & inter-generational wealth transfer**

**~3 million**

increase in UK population age >65 over next 10 years

**Increasing savings and advice gap**

**~6.5 million**

people willing to pay for advice but think it is too expensive

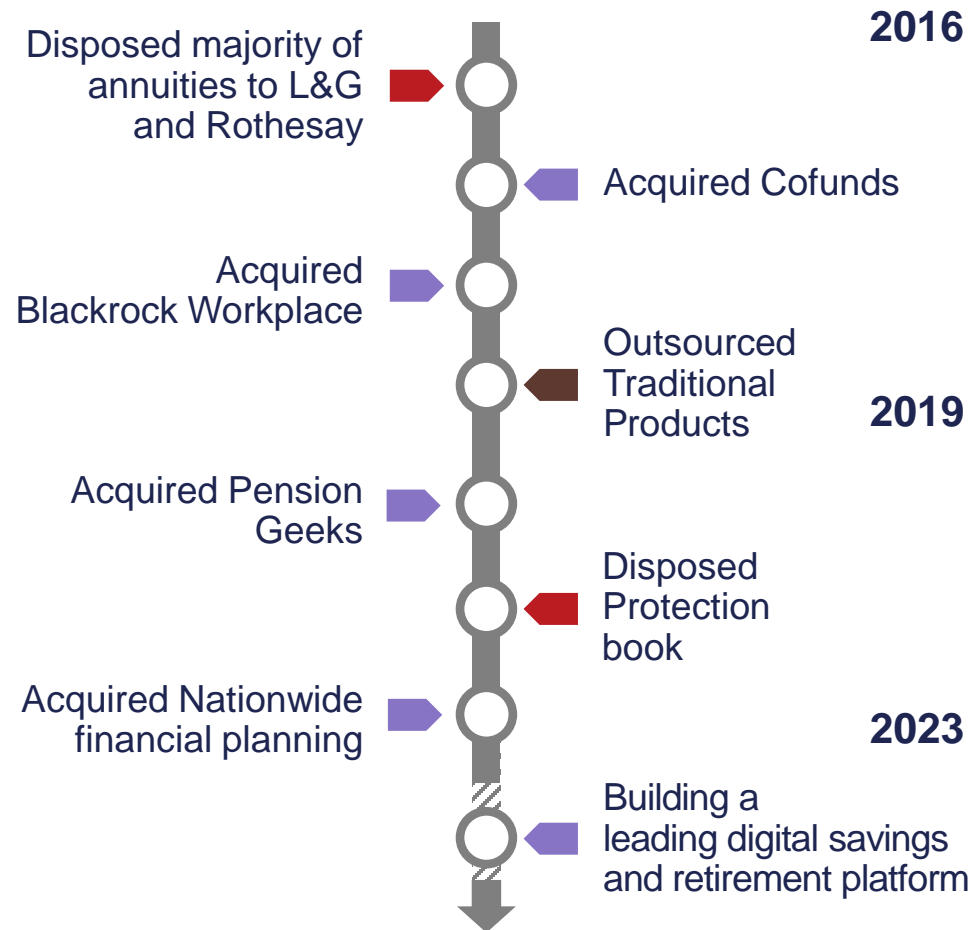
**Digital and technology as a differentiator**

**#1**

Strategic priority in asset wealth management

# Recent transformation into a more focused and efficient business

## Aegon UK journey from 2016



## Achievements 2019 – 2023

- Refocused on investments and savings
- Established Aegon UK as a leading Workplace platform
- Developed key strategic partnerships
- Started digital transformation
- Reliable source of remittances for the Holding

## Current challenges

- Complex technological landscape as a consequence of acquisition strategy
- Proposition gaps for advisers
- Vertical integration strategy and Adviser firm consolidation strategies of competitors weighing on Adviser platform flows
- Cost of living crisis resulting in muted investor sentiment in past 3 years

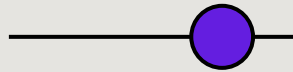
# Ambition to become UK's leading digital savings and retirement platform

## Growth franchises

Status today  
Weak — Strong

## Key strengths

### Workplace platform



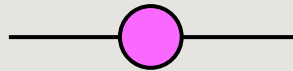
- Focus on large and medium sized employers
- Leading innovative tools that provide actionable member insights and reduce employer administration
- Differentiated education, guidance and advice<sup>1</sup> offering
- Unique distribution model with three routes to market

### Adviser platform



- Positive net flows from 500 adviser firms<sup>2</sup> targeted by Aegon UK
- Leading online customer and adviser journeys through Aegon Digital Experience (ADX)
- Managing customers from Workplace to Adviser platform on the same flexible technology
- Competitive capped pricing model, incentivizing share of wallet from mass-affluent customers

### Advice



- Offers both open-market<sup>3</sup> and restricted<sup>4</sup> advice
- Access to large Aegon UK Workplace platform customer base
- Access to corporate partners (e.g. Nationwide)
- Additional channel to grow Adviser platform business

1. As defined by the FCA, "guidance" is an impartial service enabling the client to identify options and narrow down choices before they make the investment decision whereas an "advice" is a recommendation for a specific product. "Advice" is a regulated activity whereas "guidance" is not

2. Aegon UK actively works with a total of around 4,000 adviser firms, of which the targeted 500 adviser firms generate positive net flows, with the remainder generating net negative flows in the aggregate

3. Open-market advice relates to advice given by advisers who can access the whole market and are not limited to products they have access to within Aegon

4. Restricted advice relates to advice given by advisers that can only provide advice on the products/platforms they have access to within Aegon

# Investing in the transformation of the growth franchises

## Growth franchises

### Key transformation actions

### Ambition

#### Workplace platform

- Increase digitalization and automation
- Enhance the retirement proposition
- Personalize customer engagement

**Build on top 3 position<sup>1</sup>**

#### Adviser platform

- Simplify technology and increase automation
- Enhance proposition
- Improve adviser experience

**Overall positive net flows by 2028**

#### Advice

- Integrate business and reduce cost
- Grow customer value
- Expand accessible customer segments

**Increase penetration of workplace and partners' customer base**

- Building UK's leading digital savings and retirement platform
- Invest in the transformation
- Create a growing, modern, digital business





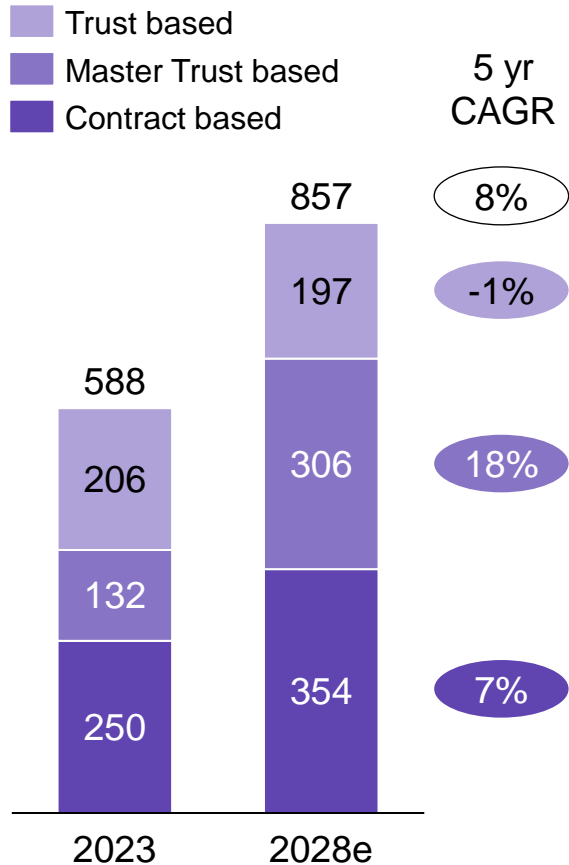
# Workplace platform

**Ronnie Taylor**

Chief Distribution Officer, Aegon UK

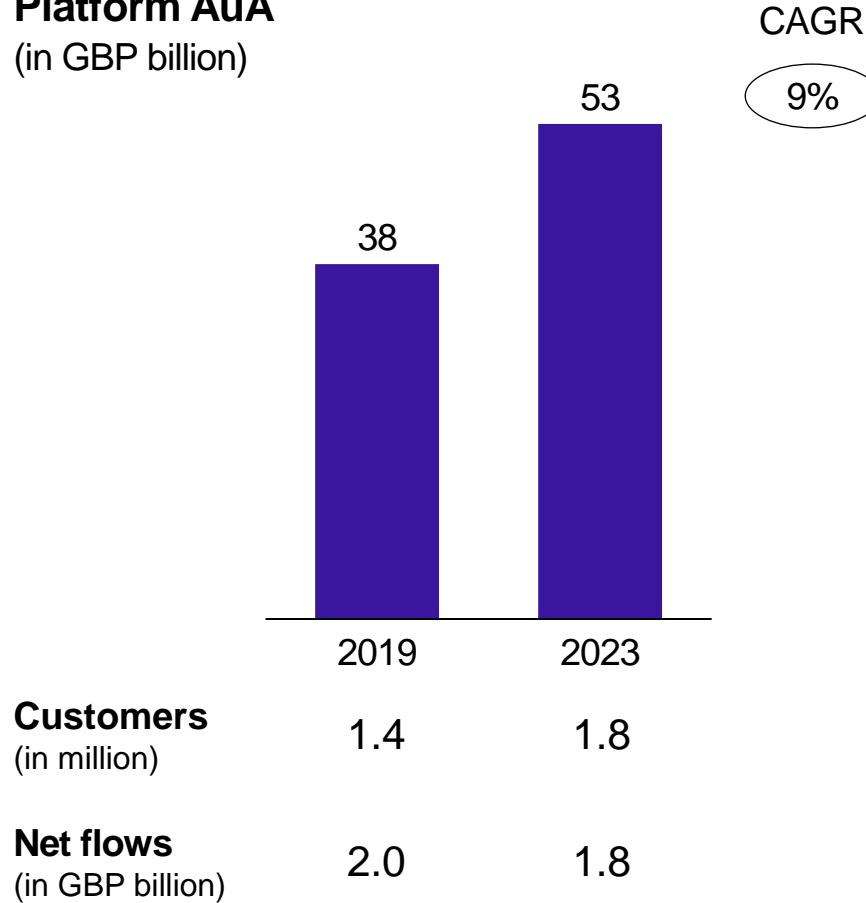
# Winning position with attractive growth prospects

## Workplace DC market AuA<sup>1</sup> (in GBP billion)

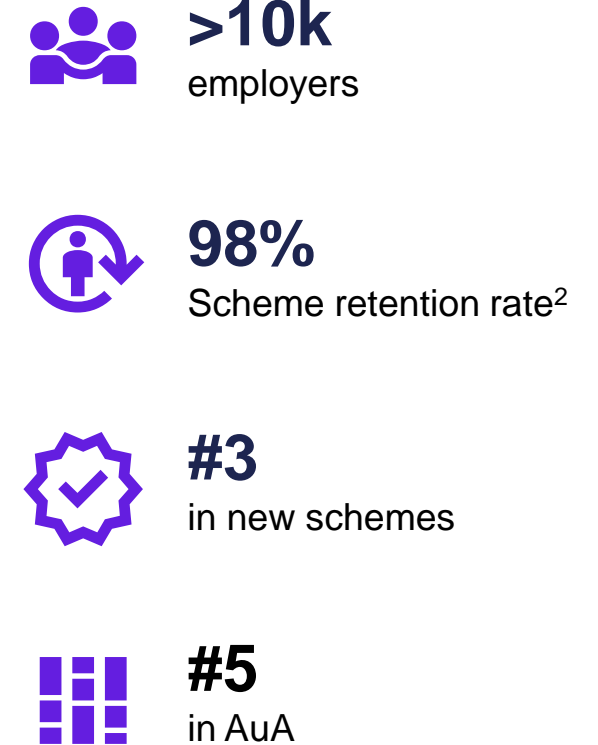


## Aegon UK Workplace platform

### Platform AuA (in GBP billion)



## Market position in 2023



1. Source: Broadridge 2028 numbers determined applying 2023-2032 CAGR over the first 5 years  
2. Number of schemes that remained during the year, divided by total number of schemes at start of year

# Differentiated proposition for employers with wide distribution reach

## Differentiated employer propositions

- Tailored propositions for medium and large size employers
- Easy to use and efficient administration interface
- Actionable insights through our market leading “Member Insights” tool

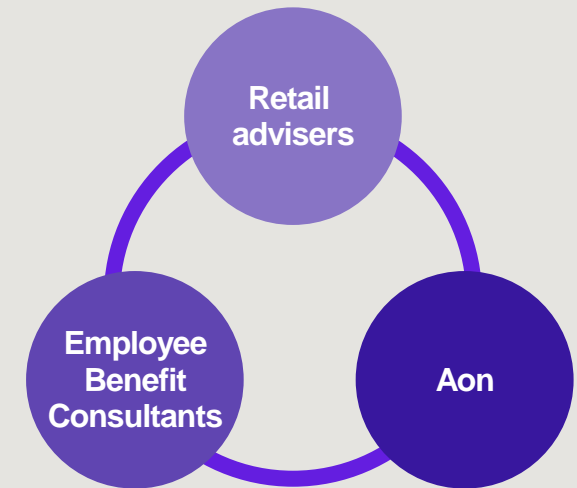
## Personalized employee engagement

- Financial education via Aegon UK owned Pension Geeks
- Guidance via Aegon Assist service
- Open-market advice via Origen

## Unique distribution reach

- Retail advisers serving medium sized employers<sup>1</sup> with contract-based and Master Trust solutions
- Employee Benefit Consultants serving mainly large employers<sup>1</sup>
- Strong relationship with Aon in the fast-growing Master Trust market

## Unique distribution model with three routes to market



- Focusing on high quality growth industries
- Attracting higher than average employee contributions and lower staff turnover

# Build on top 3 position through enhanced proposition and personalized customer engagement

## Workplace platform plans

## Targeted actions

Increase digitalization and automation

- Enhance digital journeys to increase self-service
- Further automate front and back-office processes
- Complete move to digital-first documents

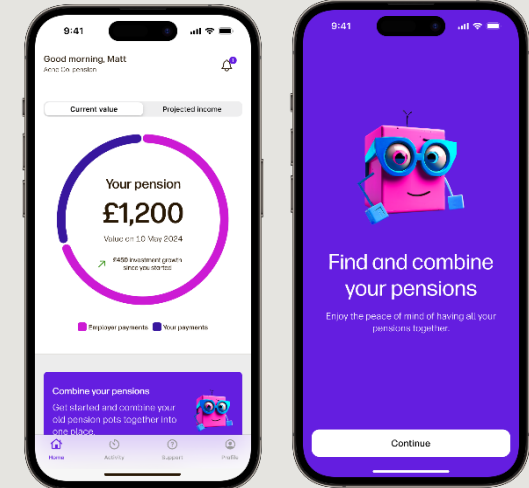
Enhance the retirement proposition

- Broaden range of family saving products to improve access (e.g., junior ISAs<sup>1</sup>)
- Launch personalized retirement solutions
- Increase allocation of default funds to private markets

Personalize customer engagement

- Transform customer engagement model
- Launch a leading pension consolidation proposition
- Build personalized customer engagement engine

## Meet Mylo - a trusted guide (to be launched)



### Manage money milestones

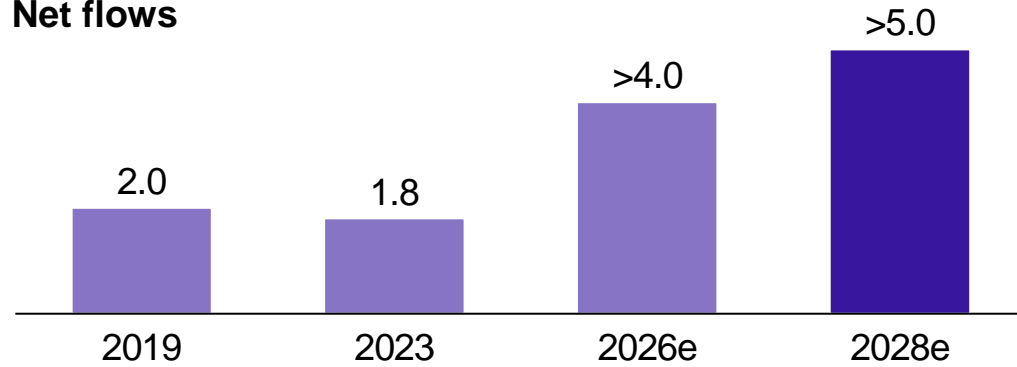
### Combine pension pots

- Easily interact with current pension
- Visualize and track savings goals
- Find & combine other pensions quickly
- Become a lifetime savings and retirement partner

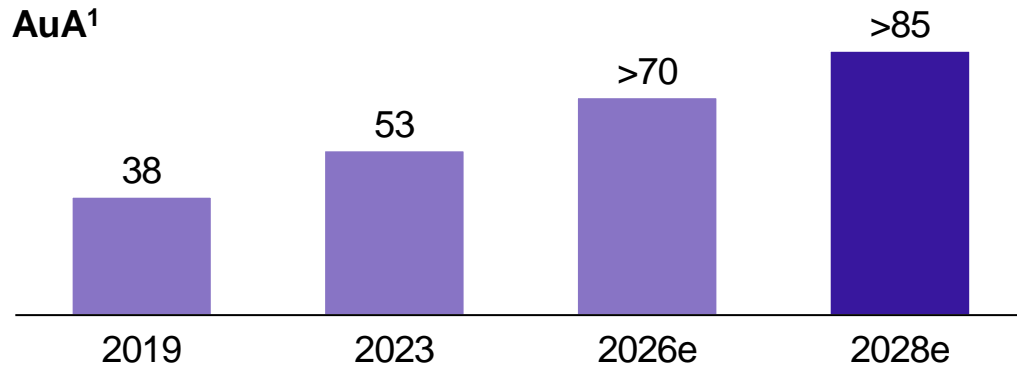
# Focused strategy drives further growth in net flows and AuA

## Workplace platform ambition (in GBP billion)

### Net flows



### AuA<sup>1</sup>



**Improving scheme wins with contract-based and Master Trust solutions** through privileged distribution and integrated education, guidance, and advice propositions



**Maintaining regular contributions** enabled by high employer retention and satisfaction



**Increasing retention of customer assets** to and through retirement, through personalized customer engagement engine and enhanced proposition

# Adviser platform

**Ronnie Taylor**

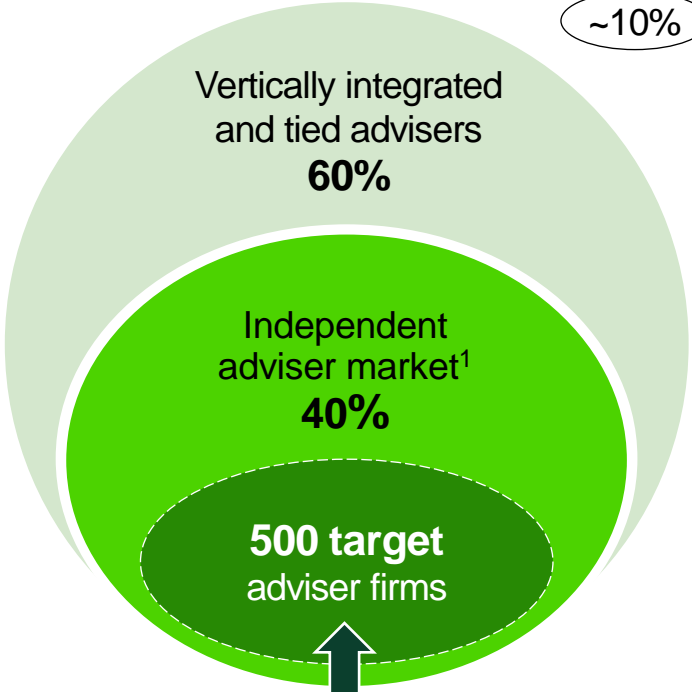
Chief Distribution Officer, Aegon UK



# Focusing on 500 adviser firms who contribute around 70% of Adviser platform gross flows

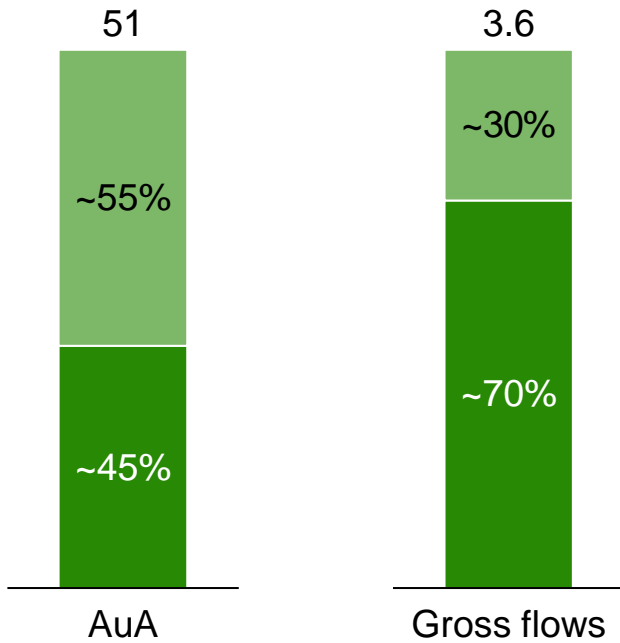
**Retail adviser market**  
(% of gross flows, 2023)

2023-28e  
CAGR  
~10%

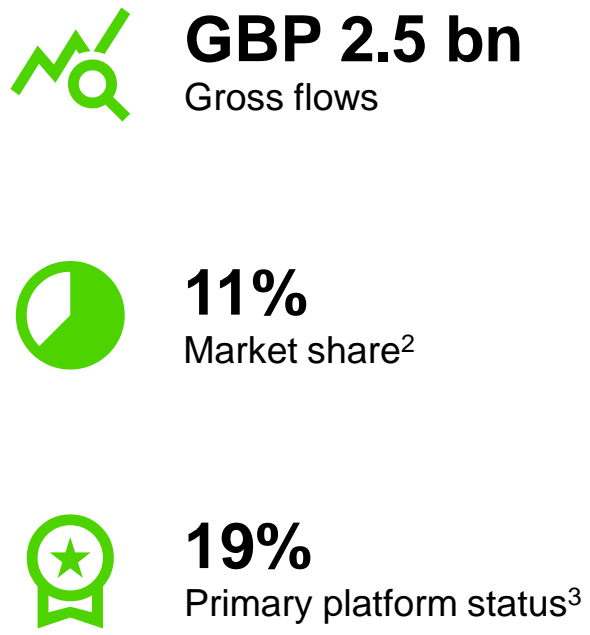


**Target segment**  
with 5,500 registered individuals

**Aegon UK Adviser platform**  
(in GBP billion, 2023)



**2023 Market position with our 500 target adviser firms**



1. Independent adviser market defined as adviser firms that use a combination of 3-5 platforms  
 2. Based on share of market gross flows in 1Q 2024  
 3. Percentage of Aegon UK's 500 target adviser firms from whom Aegon UK receives at least 40% of their total gross flows  
 Source: Fundscape, Financial Clarity, internal analysis

# Well positioned for 500 target adviser firms

## Leading experience

- Modern interface from new Aegon Digital Experience
- Bespoke, high quality relationship management
- Dedicated service teams

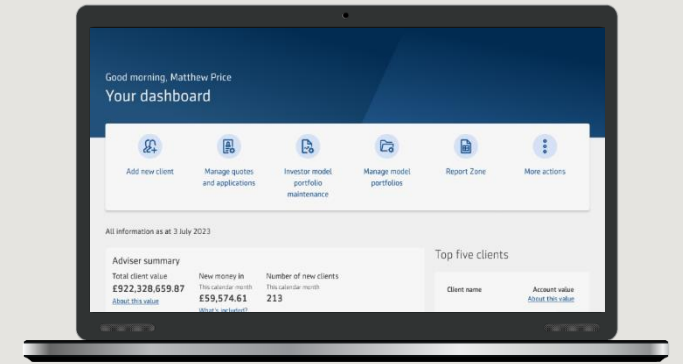
## Single core Platform

- Supporting workplace arrangements through to individual savings
- One-stop shop making it easy for advisers
- Competitive capped pricing model, targeting mass-affluent customers

## Scalable platform technology

- Strategic partnership with leading provider of transaction technology
- Platform flexibility for advisers
- Established upgrade paths

## Aegon Digital Experience



- Seamless and intuitive journeys alongside new dashboard
- Built based on adviser input and experience
- Proprietary cloud-based technology
- Increased speed of proposition development and deployment



# Investing in technology and automation

## Investments

## Targeted actions

### Simplifying technology

- Upgrading data sourcing, workflow management and telephony systems
- Upgrading to a cloud-based tech architecture
- Rationalize legacy platforms and reduce number of applications

### Increasing automation

- Automate operational processes (e.g., client verification, money-in, money-out)
- Increased digitalization and self serve
- Less complexity and improved quality of service

## Expected outcome by 2028



**~350**  
operational processes  
optimized



**Increased efficiency**  
broadly bringing back Aegon UK's addressable expenses<sup>1</sup> to their level prior to the Nationwide transaction



**~40%** reduction in  
number of printed  
documents per year



**Future Proofing**  
our business and increasing  
digital capabilities



**1/3**  
reduction in voice call  
interactions



**Increased speed to Market** with future  
propositional developments

# Becoming the leading digital savings platform for 500 target adviser firms

## Adviser platform plans

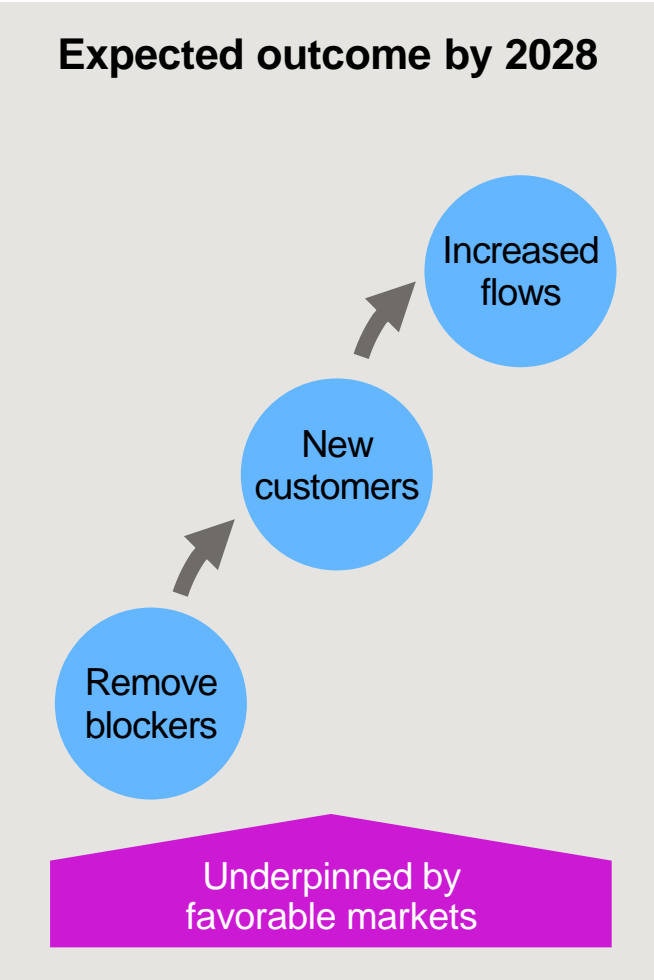
## Targeted actions

**Building on simplified technology and automation**

**Enhance proposition**

**Improve adviser experience**

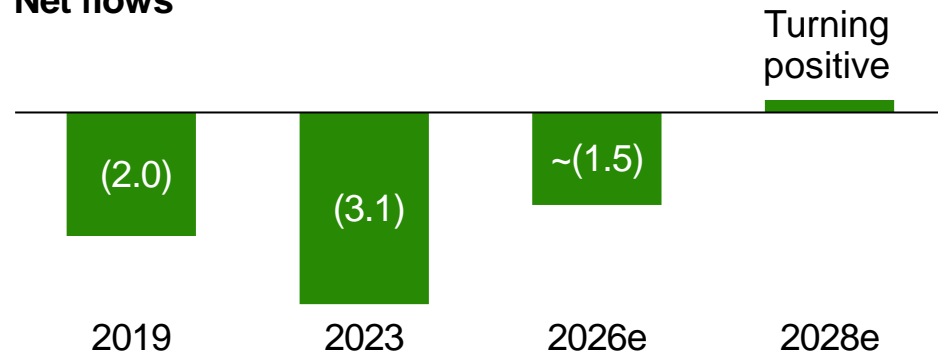
- Address functionality gaps (e.g., model portfolio management, client reporting, data connections to adviser technology)
- Extend proposition breadth (e.g., junior products, decumulation, inheritance tax planning)
- Co-create investment solutions with key adviser partners
- Upgrade remaining adviser journeys to ADX (e.g., decumulation)
- Improve efficiency of adviser journeys enabling greater self-service and process automation (e.g., GIA<sup>1</sup> and ISA customer journeys)
- Accelerate delivery of continuous improvement of platform



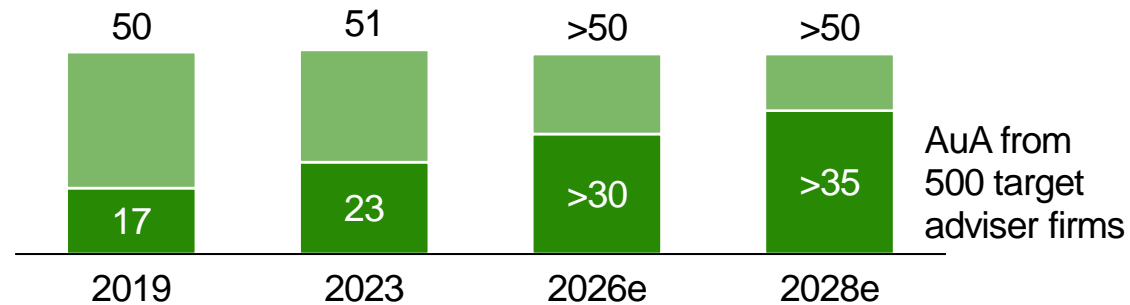
# Penetration of 500 target adviser firms to increase with net flows turning positive by 2028

## Adviser platform ambition (in GBP billion)

### Net flows



### AuA



**Driving improved experience** through technology simplification and automation, and reducing costs



**Increasing primary platform status** with 500 target adviser firms by closing functionality and product gaps



**Growing AuA of 500 target adviser firms** at pace with market



**Overall net flows turn positive** as inflows from 500 target adviser firms progressively outweigh outflows from other adviser firms who are subject to consolidation

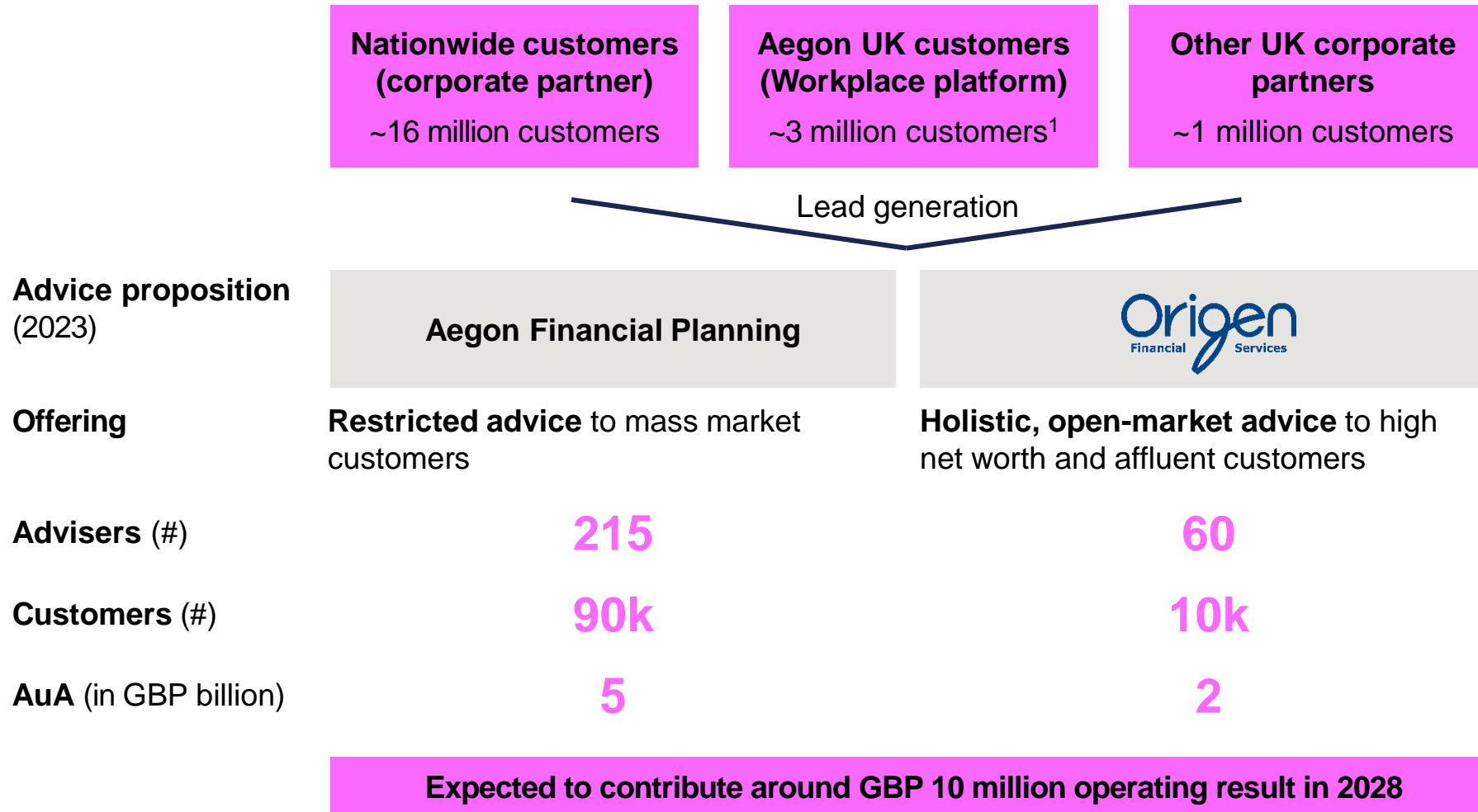
# Advice

**Tim Orton**

Chief Executive Officer, Origen Financial Services



# Interconnected Advice business with powerful distribution potential



**Synergistic with Aegon UK broader business:**

- Offering guidance & advice to Workplace platform customers
- Driving net flows into Adviser platform
- Potential to drive asset management revenue

# Executing targeted initiatives to monetize Advice business through integration

## Advice Plan

**Integrate business and reduce cost**

## Targeted actions

- Streamline structure to increase adviser productivity
- Remove technology and process cost duplication

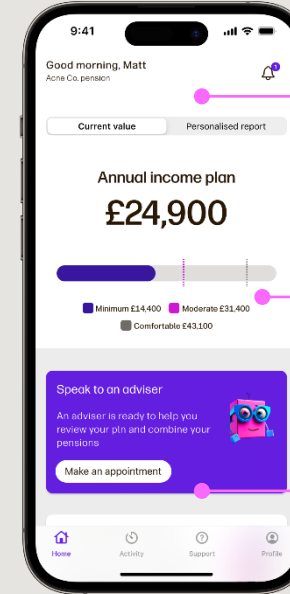
**Grow workplace customer value through Advice**

- Embed advice proposition in customer journeys and increase Aegon advice take up
- Broaden the restricted advice proposition to increase assets under advice per customer

**Expand accessible customer segments**

- Build digital first advice and extend segment penetration
- Incorporate advice options into Mylo (*to be launched*)

## Introducing digital-first advice



**Integrated within Mylo**

**Real-time view of financial situation**

**Adviser support on hand when needed**

- Easy to understand retirement planning
- Self-service fact find tool for advisers
- Digital advice recommendations
- Automated investment management



# Other businesses

**Jim Ewing**

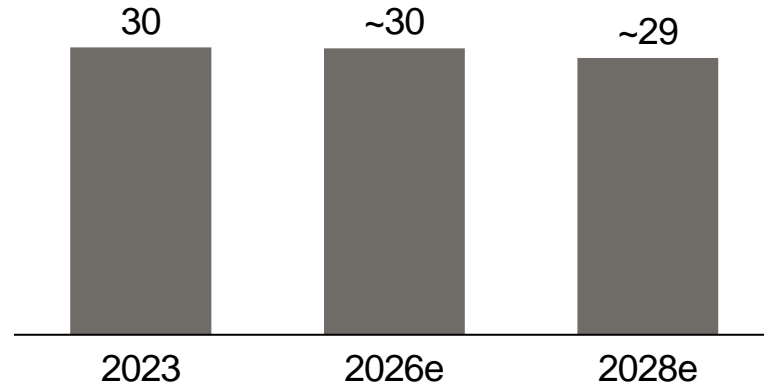
Chief Financial Officer, Aegon UK

# Significant contribution to the IFRS operating result from Traditional Products

## Traditional Products

(Defined contributions pensions and annuities)

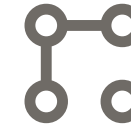
### AuA profile – Traditional Defined Contribution Pension products (in GBP billion, excluding annuities)



- Around 1.3 million customers as of year-end 2023
- Defined Contribution Pension products very gradually running off, with contributions from new and existing members of existing schemes and anticipated market appreciation expected to largely offset regular outflows from members retiring
- Annuities running off at a faster pace decreasing the contribution from Traditional products to operating result
- Outsourced arrangement for operations and technology, providing variabilized cost base



Contributed GBP 83 million to Aegon UK's operating result in 2023



Source of opportunity to meet customers' retirement needs with other Aegon services

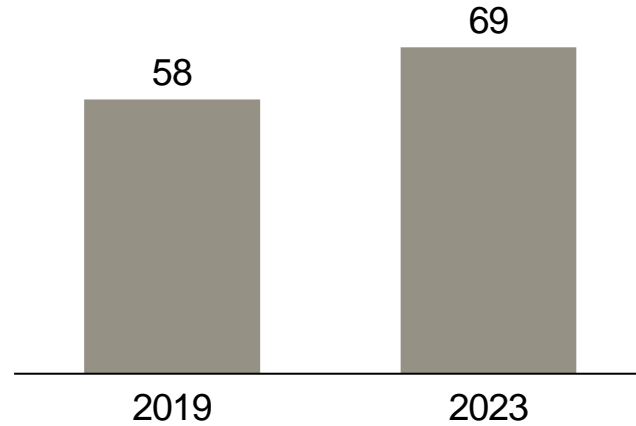


# Low-margin Institutional Book with limited contribution

## Institutional

(Institutional trading and custody platform)

### AuA profile (in GBP billion)



- Open book to around 25 firms which generate high flow volume
- Volatile flows with low margins (< 1bp)
- Outsourced arrangement for operations and technology, providing variabilized cost base



Makes a positive but limited contribution to operating capital generation and IFRS operating result



Requires limited management attention

# Financials

**Jim Ewing**

Chief Financial Officer, Aegon UK

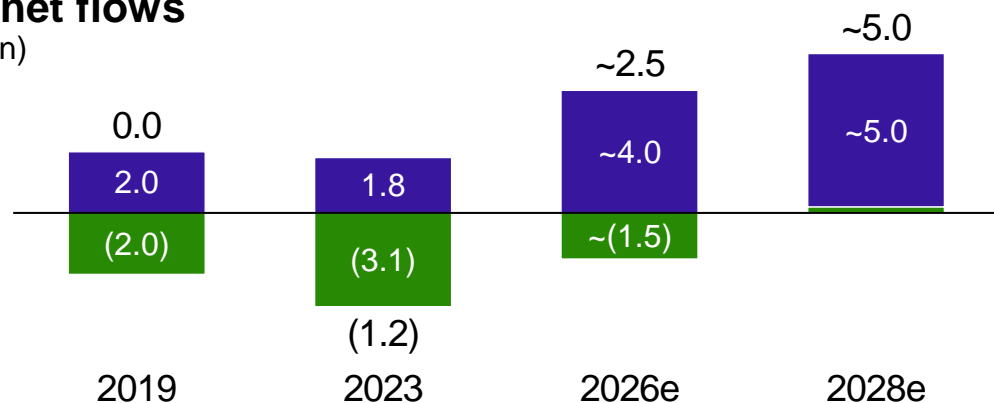


# Turning platform net flows positive while AuA increases driven by the Workplace platform

## Overall platform development

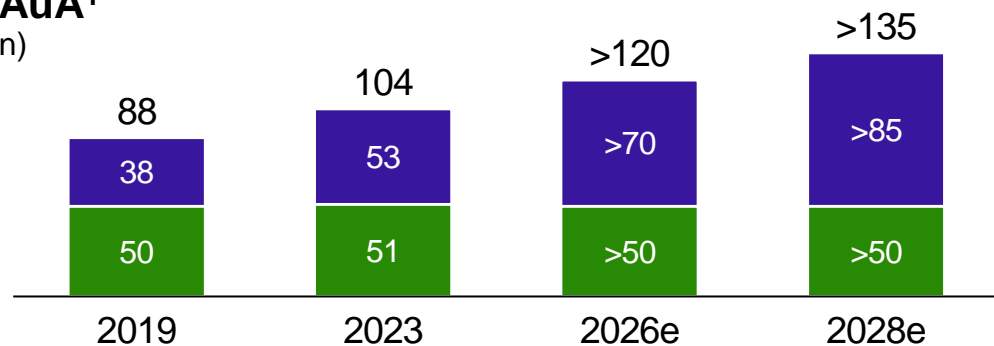
### Platform net flows

(in GBP billion)



### Platform AuA<sup>1</sup>

(in GBP billion)

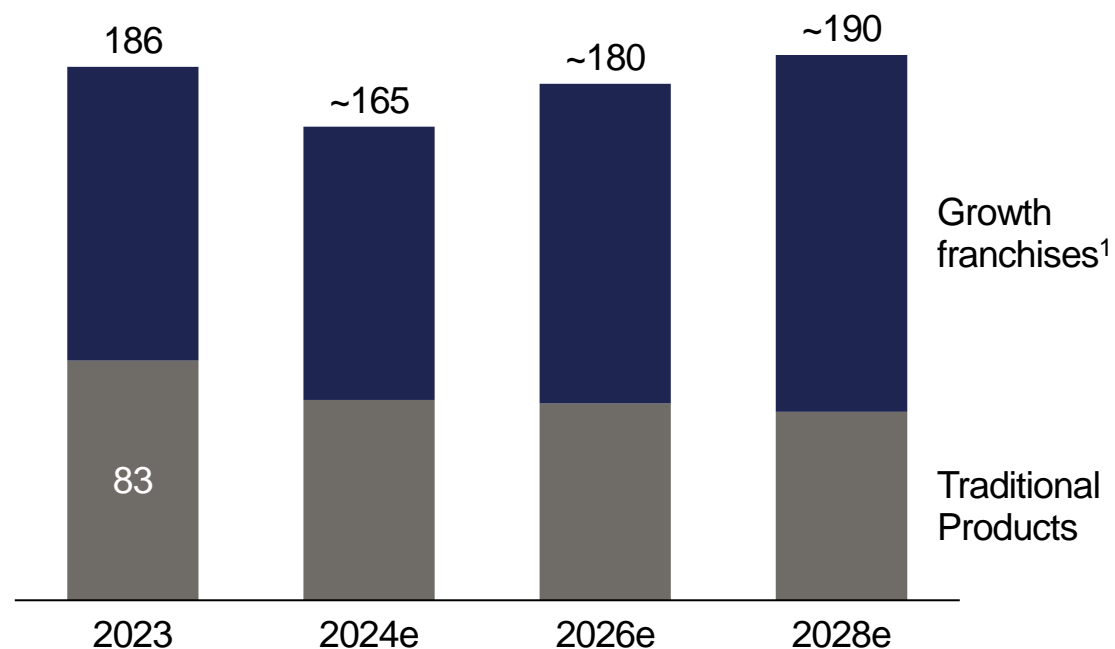


Workplace Platform Adviser Platform

- Continued growth of the Workplace platform expected
- Net flows from Adviser platform to turn positive by 2028, as net flows from 500 target adviser firms start exceeding natural attrition in the rest of the Adviser platform
- Market effect expected to offset overall outflow enabling AuA growth over the plan period

# Growing operating result as growth franchises more than compensate traditional products' run-off

## IFRS Operating result (in GBP million)



- **Growing operating result** enabled by the investment in the transformation of the platform driving flows and increased efficiency<sup>2</sup> while the contribution from the traditional products portfolio gradually decreases
- **2024 operating result expected to decrease** including impacts from a positive one-time item in 2023 and a methodology change

1. Includes the Workplace and Adviser platform, Advices business, the own employee pension scheme, and interest on company owned assets

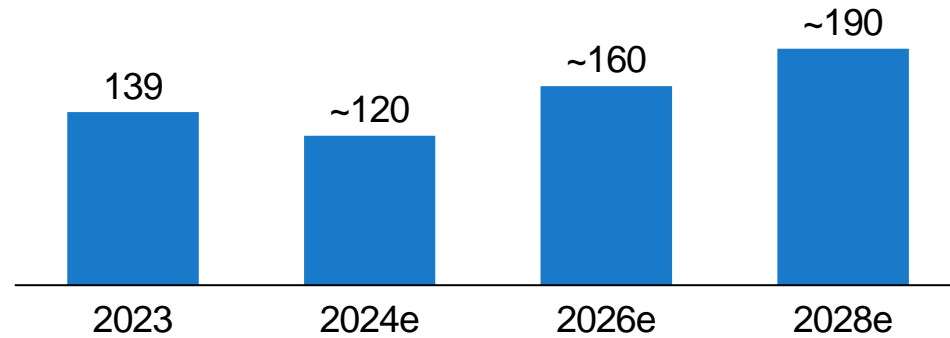
2. Aegon UK expects to broadly bring back addressable expenses to their level prior to the Nationwide transaction

(GBP 327 million addressable expenses in 2023, pro-forma including the Nationwide transaction addressable expenses amount to around GBP 360 million)

# Increasing contribution to Group operating capital generation and Cash Capital at Holding during the transformation plan

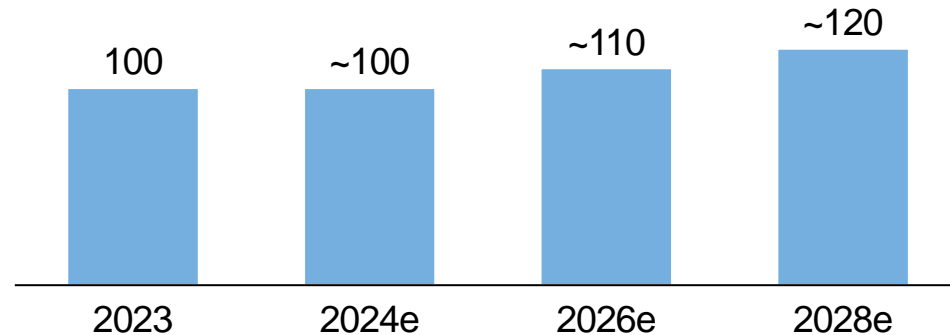
## Operating capital generation

(in GBP million)



## Remittances<sup>1</sup>

(in GBP million)



- **Operating capital generation** expected to increase supported by growth of platform AuA with limited new business strain, increased efficiency and progressive release of capital from traditional products
- **Transformation and Remittances** to be funded out of Aegon UK's operating capital generation and own funds allowing a small decrease in UK Solvency II level
- **Unchanged UK Solvency II operating level<sup>2</sup> of 150%** Surplus available provides additional financial flexibility
- Potential for higher remittance growth after the investment period

1. Remittances exclude special dividends GBP 12 million in 2023

2. Refers to the UK Solvency II ratio of Scottish Equitable PLC



# Conclusion

**Mike Holliday-Williams**

Chief Executive Officer, Aegon UK



# Consumer Duty fully embedded to ensure better outcomes for customers

## **Customer Outcomes**

Consumer Duty fully embedded, continuous improvement plans in place

## **Fair value**

Confident in our approach to fair and transparent pricing

## **Interest on cash**

Cash account offers competitive rate in compliant fashion

## **Ongoing advice**

Strong audit trail to evidence delivery of ongoing advice

# Building the UK's leading digital savings and retirement platform

## Aegon UK



Large, scalable digital savings & retirement platform with GBP 104 billion AuA

Well positioned

Competitive advantages

Attractive markets



Clear plans to ensure success, drive growth and increase efficiency

Build on top 3 Workplace platform position

Overall positive net flows on Adviser platform by 2028

Increase Advice's penetration of workplace and partners customer base



A modern digital business winning in attractive growing target segments

Simplified future-proof technology and automate our processes

Adaptable digital personal experiences

Capability to continuously improve

- Growing net flows on the Workplace platform and turning positive on Adviser platform
- Investing over the 2024-2027 period to transform Aegon UK and grow operating capital generation at 12% p.a.
- Around GBP 100 million remittances in 2024, growing at around GBP 5 million per annum. Potential for higher remittance growth after the investment period



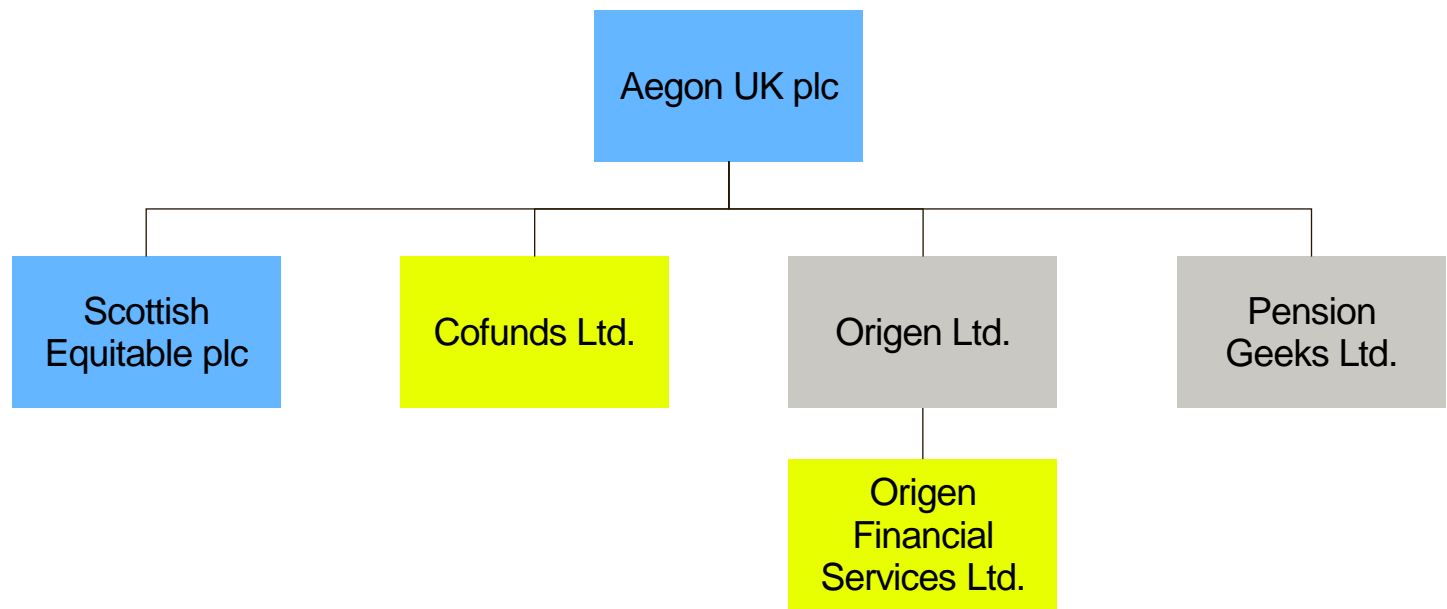
# Q&A session



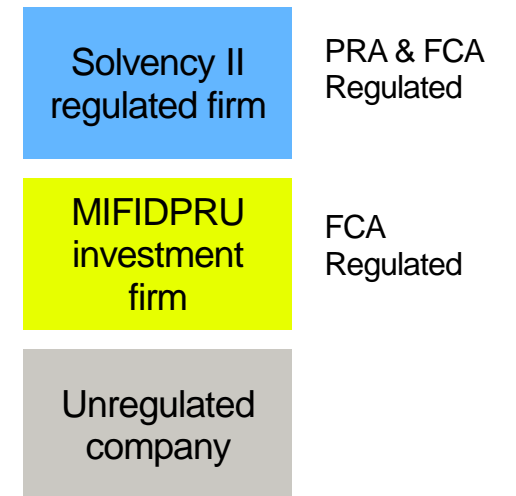
# Appendix



# Key entities of Aegon UK



## Applicable regulation



# Biography Aegon UK Management Team

## Mike Holliday-Williams

CEO of Scottish Equitable Plc, Cofunds Ltd, and Aegon UK Plc



Mike started his career with WHSmith in 1991 as a graduate trainee, working as a Retail Manager in many UK stores and in Business Development. In 1997 he joined Centrica where he had several general management and marketing roles in British Gas, before becoming the Residential & Marketing Director of Centrica Telecoms/One.Tel in 2004.

In 2006 Mike joined RSA, becoming the UK Managing Director of Personal Lines in 2008, responsible for MORETH>N, Partnerships and the Broker businesses. In 2011 he moved to Copenhagen to become the CEO of RSA Group's Scandinavian businesses, Codan A/S and Trygg-Hansa, he also became a member of the RSA Group Executive. In 2014, he moved to Direct Line Group to become Managing Director of the Personal Lines business, joining the Board of DLG in February 2017.

Mike joined Aegon UK in October 2019, to take over as CEO of Scottish Equitable Plc, Cofunds Ltd, and Aegon UK Plc.

He's been a member of the Executive Committee for Aegon Ltd. since January 2020.

# Biography Aegon UK Management Team

## Jim Ewing

Chief Financial Officer



Jim was appointed Chief Financial Officer in 2021 and is responsible for:

Leading the development of the medium and long-term financial strategy to meet shareholder expectations.

Contributing to the wider Aegon UK strategy, direction and performance as well as providing executive leadership and direction for the Finance function.

Managing capital requirements to ensure customers are protected, regulatory and group requirements are met.

Jim joined Aegon in 2011 as Chief Actuary and became Chief Risk Officer in 2014, a role in which he was responsible for a wide variety of strategic projects as well as heading up Aegon's Diversity and Inclusion programme.

Prior to this, he was Solvency II Director at Lloyds Banking Group. Jim has been in the insurance industry since training as an actuary at Scottish Widows in 1992. He was also Chair of the Board of Stevenson College, Edinburgh for several years.

# Biography Aegon UK Management Team

## Ronnie Taylor

Chief Distribution Officer



Ronnie Taylor joined Aegon in May 2018 as Chief Distribution Officer.

Ronnie is an actuary and experienced business leader in distribution and business development with a strong track record in UK financial services. He is responsible for leading Aegon's growth across both workplace and wealth channels.

Having worked in a variety of senior roles across the UK savings industry, Ronnie has a wealth of experience of, and insight into, the marketplace we operate within. Previous roles include Distribution Director at Scottish Widows, Vebnet CEO, and Managing Director of the Standard Life Wrap business.

# Biography Aegon UK Management Team

## Tim Orton

Chief Executive Officer, Origen Financial Services



Tim became the Chief Executive Officer at Origen Financial Services in 2024. Prior to that, he held various roles at Aegon, including Chief Investment Officer and MD Investment Solutions, where he had executive accountability for a GBP 200 billion Investment Estate and was responsible for investment strategy development and the UK Fund Management arm.

Tim has operated in executive roles for almost 20 years. Before joining Aegon, Tim worked at Aviva where he held multiple positions, such as MD Savings, CEO Aviva Platform, and MD Pension & Investment, Aviva UK. In these roles, he had ownership and leadership responsibilities for various retail savings businesses, platform development and growth, and management of individual and corporate pensions and investment products.

Tim's earlier career includes leadership roles at Aviva Investors, where he served as CEO, COO and CFO of Aviva Investors UK Retail. During his time at Aviva Investors, he led the development of fund strategy, achieved significant growth in managed funds and profits, and implemented financial performance and risk management initiatives.

# Glossary

- AuM Assets under Management
- AuA Assets under Administration
- ADX Aegon Digital Experience – front-end platform for advisers, employers and customers
- CAGR Compound annual growth rate
- CMD Capital Markets Day
- DC Defined Contribution
- ESG Environmental, Social and Governance
- FCA Financial Conduct Authority
- GBST Global Banking & Securities Transactions – leading provider of transaction technology to the financial services industry
- GIA General Investment Account
- Independent adviser Definition of independent market – adviser firms that use a combination of 3-5 platforms
- Junior ISA Junior Individual Savings Account – long-term tax-free savings accounts for children
- Primary platform status Percentage of Aegon UK's 500 target adviser firms from whom Aegon UK receives at least 40% of their total gross flows



# Disclaimer (1/2)

## Local currencies and constant currency exchange rates

This document contains certain information about Aegon's results, financial condition and revenue generating investments presented in USD for the Americas and in GBP for the United Kingdom, because those businesses operate and are managed primarily in those currencies. Certain comparative information presented on a constant currency basis eliminates the effects of changes in currency exchange rates. None of this information is a substitute for or superior to financial information about Aegon presented in EUR, which is the currency of Aegon's primary financial statements.

## Cautionary note regarding non-EU-IFRS measures

This document includes the following non-EU-IFRS financial measures: operating result, MCVNB, IFRS new business value, return on equity and addressable expenses. These non-EU-IFRS measures, except for addressable expenses, are calculated by consolidating on a proportionate basis Aegon's joint ventures and associated companies (excluding a.s.r.). Operating result reflects Aegon's result from underlying business operations and excludes components that relate to accounting mismatches that are dependent on market volatility or relate to events that are considered outside the normal course of business. MCVNB is the abbreviation for Market Consistent Value of New Business and is not based on EU-IFRS and should not be viewed as a substitute for EU-IFRS financial measures. Aegon may define and calculate market consistent value of new business differently than other companies. IFRS new business value is calculated as the sum of the new business contractual service margin and new onerous contracts, after reinsurance (excluding retrospective impacts) and tax. Return on equity is a ratio using a non-EU-IFRS measure and is calculated by dividing the operating result after tax less cost of leverage by the average shareholders' equity. Operating expenses are all expenses associated with selling and administrative activities (excluding commissions). This includes certain expenses recorded in other charges for segment reporting, including restructuring charges. Addressable expenses are calculated by excluding the following items from operating expenses: direct variable acquisition expenses, restructuring expenses (including expenses related to the operational improvement plan), expenses in joint ventures and associates and expenses related to acquisitions and disposals. Addressable expenses are reported on a constant currency basis. Aegon believes that these non-EU-IFRS measures, together with the EU-IFRS information, provide meaningful supplemental information about the operating results of Aegon's business including insight into the financial measures that senior management uses in managing the business.

## 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.

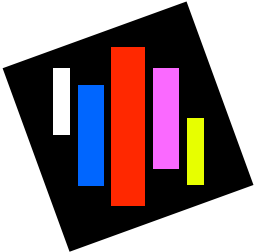
Actual results may differ materially and adversely from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:

- Unexpected delays, difficulties, and expenses in executing against Aegon's 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, health and safety laws;
- Changes in general economic and/or governmental conditions, particularly in Bermuda, 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;
  - The impact from volatility in credit, equity, and interest rates;
- 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 applicable Bermuda solvency requirements, the European Union's Solvency II requirements, and applicable equivalent solvency requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain;
- Changes in the European Commissions' or European regulator's position on the equivalence of the supervisory regime for insurance and reinsurance undertakings in force in Bermuda;
- 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, particularly 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;

# Disclaimer (2/2)

- 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;
  - Third-party information used by us may prove to be inaccurate and change over time as methodologies and data availability and quality continue to evolve impacting our results and disclosures;
  - 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 Aegon does 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 further consequences of 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, or the interpretation thereof by regulators and courts, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global or national operations, particularly regarding those laws and regulations related to ESG matters, 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);
  - 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;
  - Changes in ESG standards and requirements, including assumptions, methodology and materiality, or a change by Aegon in applying such standards and requirements, voluntarily or otherwise, may affect Aegon's ability to meet evolving standards and requirements, or Aegon's ability to meet its sustainability and ESG-related goals, or related public expectations, which may also negatively affect Aegon's reputation or the reputation of its board of directors or its management; and
  - Reliance on third-party information in certain of Aegon's disclosures, which may change over time as methodologies and data availability and quality continue to evolve. These factors, as well as any inaccuracies in third-party information used by Aegon, including in estimates or assumptions, may cause results to differ materially and adversely from statements, estimates, and beliefs made by Aegon or third-parties. Moreover, Aegon's disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in its business or applicable governmental policies, or other factors, some of which may be beyond Aegon's control. Additionally, Aegon may provide information that is not necessarily material for SEC reporting purposes but that is informed by various ESG standards and frameworks (including standards for the measurement of underlying data), internal controls, and assumptions or third-party information that are still evolving and subject to change

This document contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation (596/2014). 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 2023 Integrated 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.



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