

# Aegon NV Annual Shareholders Meeting

## Company Participants

- Alexander Rijn Wynaendts, CEO & Chairman of the Executive Board
- Anne-Marie Roth-Verweij, Unknown
- Ben J. Noteboom, Supervisory Board Member
- Matthew James Rider, CFO & Member of the Executive Board
- Unidentified Speaker, Unknown
- William L. A. Connelly, Supervisory Board Chairman

## Other Participants

- Errol Keyner, Analyst
- Robert Vreeken, Analyst
- Unidentified Participant, Analyst

## Presentation

### William L. A. Connelly {BIO 16636333 <GO>}

Ladies and gentlemen, welcome, on behalf of Aegon's Executive Board and Supervisory Board to our Annual Shareholder Meeting. Just in case during the AGM -- just as was the case during the AGM in previous year, this meeting will be chaired in English. Headphones for simultaneous translations were offered when you enter the meeting room and are still available on a table outside this room. As you'll have already seen on the screen when entering the room, for English, please choose Channel 2; for Dutch, please choose Channel 1. You can see I have mine already. Of course, you can ask questions in Dutch, if you prefer, they will be simultaneously translated into English.

The following members of the Supervisory Board are present and are seated with me on the podium: Ben Noteboom, Corien Wortmann-Kool, Ben van der Veer, Bob Dineen, Dona Young and Mark Ellman. Alex Wynaendts and Matt Rider, members of the Executive Board are also present and seated next to me on the podium. The members of the management board present in the front row are Allegra van HÃ¶vell-Patrizi, Mark Mullin, Adrian Grace, Marco Keim, Mark Bloom, Carla Mahieu and Onno van Klinken.

In conformity with the Dutch Corporate Governance Code, the auditors who performed the audit of the 2018 annual accounts, Gert-Jan Heuvelink and Albert Zoon are present at this meeting. The minutes will be kept in English by the Company Secretary, Anne-Marie Roth. An unofficial translation in Dutch will be prepared as well.

Let me make some of the general -- let me make some general announcements. Smoking is not permitted throughout the building. Audio or video recordings are not allowed throughout the building. You will have chosen to use either the voting app or the regular electronic voting device to exercise your voting rights during the meeting.

If you choose to use the voting app, you will have received login details in order to log into the app and exercise your voting rights. If you choose to use the electronic voting device, you'll have received the device and a chip card in order to exercise your voting rights. Please return both the headphones and the voting devices after the meeting.

If you would like to speak, please go to the nearest microphone, wait until you're given the opportunity to speak and please clearly state your name for the minutes. There is a card on your seat with the agenda for the meeting and some rules of procedure during this meeting. In the event of an emergency, I will make the following announcement. We need to evacuate this room. I kindly ask you to leave your belongings behind. Our people in yellow jackets will lead you to the nearest exit. Thank you for your cooperation. Then I establish the following.

In convening this AGM -- the convening of this AGM has taken place by an announcement of Aegon's corporate website on April 5. The agenda, together with the explanation and the annexes, was sent to holders of shares registered in the shareholder's register held by the company. Holders of New York Registry Shares were notified separately of the AGM and the agenda items in writing.

When convening the meeting, we listed the subjects that will be dealt with during this meeting. We'll also gave -- we also gave notice that the agenda with explanatory notes, annexes and enclosures, annual report 2018, including the annual accounts as well as the supplementary data required by law were available free of charge as of April 5. This was available on Aegon's corporate website, at Aegon's head office in The Hague, at ABN AMRO in Amsterdam and at ABN AMRO's e-voting website. The AGM documents have been available for inspection since this meeting was convened and will remain available. The meeting has been convened in accordance with Dutch Law and Aegon's Articles of Association.

The issued shares in the capital of the company at the record date of April 19, 2019, consisted of 2,680,670,404 shares. The issued shares are divided as follows: 2,095,648,244 common shares with a par value of EUR 0.12, of which 61,418,167 shares are nonvoting common treasury shares and 585,022,160 common B shares -- common shares B with a par value of EUR 0.12, of which 13,856,480 shares are nonvoting common treasury shares B. I know that's kind of a mouthful of shares. But there you go. Discounting nonvoting treasury shares and taking into account the waived voting rights on common shares B, the number of voting shares -- votes as at the record date, that is today, is 2,048,509,219 shares. The attendance list is being drawn at this moment. I will announce later how many shares are represented and how many votes can be cast in this meeting. We expect 63% of the issued share capital to be present or represented in this meeting.

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As in previous years, we have actively engaged in encouraging our shareholders to vote at our AGM. The draft minutes of the AGM of May 18, 2018, were available for comments as of August 17, 2018. The final minutes were signed by the Secretary and me and were made available as of November 16, 2018, at our offices here in The Hague and in our website. The draft minutes of this meeting will be available for comments on the website for three months as of August 16, 2019. The final minutes will be signed by the Secretary and the Chairman of the Supervisory Board and will be available as of November 15, 2019. A translation in Dutch will be made available.

After the close of the meeting, a light lunch will be served. And you will have the opportunity to meet us in the hall outside this meeting room. Alex Wynaendts, our Aegon's CEO, will now give a presentation on the course of business in 2018. Afterwards, Matt Rider, Aegon's CFO, will present the financial results as of the 2018 reports of the Board. After the 2 presentations, you will be -- we will give you the opportunity to ask questions regarding items 2 and 3.1 of the agenda. Alex?

### **Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

Thank you, Bill. And then good morning to everyone. Given that a lot of shareholders are here from the Netherlands this morning, I hope you allow me to say a few words, a few welcome words in Dutch before I do my presentation in English. (foreign language)

(Interpreted) Welcome to our shareholders meeting. But before I continue, I'd like to say a bit about the death of (Jark Peges). As you know he was one of the founders of Aegon. For Aegon and the entire Board, he's always been of immense value until his death. He felt closely connected with us. And we've often been able to rely on his keen mind and insights. We'll all miss him and I will miss him.

I'm also delighted to see so many familiar faces and thank you for your loyalty in coming to our shareholders' meeting. And I'd also like to move on to Aegon and discuss the steps that we took in the past year to continue modernizing and improving our company. And of course, to allow it to continue growing.

All the steps we took serve to create value for everybody involved in the company. And we have achieved considerable progress and feel well positioned to continue helping people with their financial security in the years ahead at any stage in their life. And as usual, I will now continue in English, which as you know, is our official language. So that we can ensure that all our shareholders and the listeners to the webcast can follow us.

Ladies and gentlemen, thank you, everyone, for joining us here today. 2018 was an important year for our business since we took actions to further modernize our company and to positioning the business to grow in the future. Our aim -- our ultimate aim of these steps is to create value for all stakeholders.

First, I would like to take a few moments to share with you our thoughts about our purpose and our vision. From there, we look back at the past three years and the milestones we have achieved. We'll then look ahead at our targets and priorities over the

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next few years. Our most important objective that we grow the company in a sustainable way to ensure that we remain relevant to all our stakeholders in the future.

Our purpose is clear. It is helping people achieve a lifetime of financial security. This is the *raison d'être* of our organization and is our priority for nearly 29 million customers. Financial security is a need that everybody has, every person has the need for financial security wherever you find yourself in the world. We also believe that everyone should have the right to a decent retirement and to be able to age with dignity. People should not have to worry whether they can afford to retire at all. But what is required in order to help people achieve a secure future, we believe there are 3 elements. First of all, smart financial planning, importantly, a healthy lifestyle and relevant solutions -- financial solutions at every stage of our lives. A thoughtful approach is secure retirement and healthy aging in our society at large. And we also believe the importance of a lasting contribution through healthy environment in the world in which we live. And I'm going to return to these 3 elements later in my presentation.

So some of you may have seen this slide previously. But still I would like to remind you of it since it describes such an important feature of our company. In order to achieve our purpose of helping people achieve a lifetime of financial security, we have transformed the company over the past three years from being purely a product manufacturer into a financial services provider. And this means that we can now provide comprehensible and reliable financial solutions for all our customers throughout their lives.

Over the past few years, we've taken a number of critical steps to create value for our customer. First and foremost, we have simplified and modernized our organization. Secondly, we have realigned the businesses towards areas with higher growth in the potential for broader service advice and solution-based relationship with our customers. We have focused the company to be more relevant than ever to our almost 29 million customers as we help them through their journey of their financial life.

And these steps have allowed us to increase our capital generation and also to strengthen our capital base. I am proud of what we together have achieved over the past three years. We have strengthened our competitiveness. We have increased our capital position. And we have diversified our business. And we are confident that we are now in a position to fully focus on growing in our main markets.

So this slide shows how Aegon in 2019 is a totally different company from the one it was just a couple of years ago. This is due to a number of actions we have taken such as sharpening our company profile and geographical footprint through a series of divestments. We had simplified our legal structures and achieved significant cost savings. In both the U.S. and the U.K., we have transferred policy administration, which has improved customer service and allowed us to accelerate product development.

By targeting specific growth opportunities in our key markets, we have been able to attract our new customers and over EUR 100 billion in additional assets through acquisitions. And these acquisitions have added new capabilities and scale to existing

businesses, where we already have leading positions. And therefore, can leverage existing infrastructure.

I am also pleased with how we are transforming our company into a technology-driven and agile business, as a result of which we are better placed to help our customers. We now spend EUR 900 million on technology every year and this is close to 25% of our overall operating expenses. And these costs cover information security, vocation development, IT operations, hardware, data centers and a lot of software we use. And thanks to these profound changes, we have been able to establish a strong foundation for sustainable growth in the years ahead.

I will now briefly review how we delivered on our 2016-2018 targets. First of all, we have delivered EUR 355 million of annualized savings and this is ahead of our target. Improving our efficiency is one way to achieve cost savings and increase our profitability. But it also helps us to deliver quicker and more reliable customer service.

The -- in the U.S. and the Netherlands, we had been simplifying our back office systems in order to introduce new, more efficient IT platforms. And in the Netherlands alone, we've applied robotics to automate over 400 processes. And at the same time, we've been investing in digitization, encouraging more customer self-service and adding mobile apps to improve customer experience.

We have also achieved our target of returning EUR 2.1 billion in capital to shareholders. And at the same time, we had strengthened our capital position, which allowed us to further increase our dividend to our shareholders, you. And therefore, I'm pleased that we are proposing to increase the dividend to EUR 0.29 for the full year. And this is a 7% increase on a year-over-year basis. An improved profitability of our company is demonstrated by consistent increase in our return on equity, year-on-year, as you can see on this slide. Since 2015, we have increased our return on equity by about 2 points to 10.2%.

I hope that I've been able to convey to you the progress we've made over the past couple of years, not only financially. But also with regard to our aim of helping people achieve a lifetime of financial security. Our goal is to create a positive customer experience. And this means providing high-quality financial solutions and products. And above all, excellent customer service.

All the hard work, which offers the very latest digital and technology solution and improves our customer service levels, has led to satisfied customers, which is shown on this slide. Customer service is incredibly important for us, especially when you're developing lifelong relationship with our customer.

We also know by experience that the more engaged your workforce is, the better customer service will be. And what strikes me when looking at the outcome of the latest survey measuring the engagement of our employees is that despite all the profound changes, the engagement scores have remained at the same level. And what the

employment engagement survey tells us is that we, as management, need to continue to focus on leadership and development opportunities for employees.

Just to give you an example of this. We have trained several hundred people across our entire company on data analytics. So now that I've discussed with you where we came from, let me spend a few moments discussing how we're going to achieve our targets for the future. Striving for sustainable growth requires us to be a responsible business should that be relevant to all our stakeholders. And after this short video we're going to play now will say more than a thousand words and certainly more than I ever could.

(presentation)

I hope you enjoyed this because I believe this gives you a very good picture of what we try to achieve and how we want to contribute to the wellbeing of all our stakeholders. And in this video, we also referenced our responsible investment policy. And you can learn more about the execution of this policy in our 2018 Responsible Investment Report, which has been published today and which should be available. It's here. I encourage you to have a look in this -- into this report.

So we also referenced in Aegon's investments in innovation to enhance our customer experience. And I would like to spend a little bit of time now to tell you a bit more on how we are doing that. So at Aegon, we are responding to this revenue changing environment, you're all well aware of, by investing a lot in innovation. And we do so in 3 levels, 3 different levels. First, in our core operations; secondly, through new initiatives that originate within our organization, which are not necessarily all directed -- directly related to our existing business; and finally, by reaching out into the broader innovation area through our corporate venture fund that we have launched 3 to four years ago.

And the objective is that we're applying new technologies where we can, new skills to upgrade our legacy business. As an example, we're using underwriting rules engines and data scientist to look at improving the underwriting experience for our customers. We're also developing partnership with universities in several markets. Give you one example here in the Netherlands, where we, with other leading Dutch companies, have joined force with the University of Delft in exclamation Delft. And this initiative is all about co-creation where university researchers and the company will explore and apply new technologies together. We partner together. I would also like to highlight some of the innovation investments at the 2 other levels that I mentioned. We have created operations at a sufficient distance from our more established legacy business so that we can develop new business models.

One example, well-known example here in the Netherlands is our full-service digital bank, Knab, with -- which within a limited number of years only has attracted more than 200,000 customers with some of the highest satisfaction scores in the country here in the Netherlands.

Another example is in Asia is about Go Bear. And I'll come back to it in a little later in my presentation. Both businesses have been able to move very fast, develop very fast and

have developed highly entrepreneurial and customer-centric cultures.

And thirdly, as I mentioned earlier, we also are investing in emerging technologies in new companies all over the world through our Transamerica Venture Fund. We created this \$140 million fund four years ago with a dual purpose to make profitable investments in relevant fintech technologies. But more importantly, to interact with technology ventures that allow us to accelerate the transformation processes within Aegon.

We currently have 18 portfolio investments. And so far, we have established more than 30 partnerships between Aegon and young, innovative technology companies ranging from digital distribution, artificial intelligence, machine learning, digital wealth management. But also digital risk management. Our portfolios have created significant financial value for Aegon to date. And we believe going forward, even more value will be created. And that's why the fund is playing an important role to help us build relevant technology and business partnerships, which over-contribute to the future growth of our company.

I would now like to take you through our targets for the next three years. We are confident, as a management team that is present, available here in the front -- first row, that our growth strategy will deliver sustainable and attractive returns to our shareholders. At the core of our strategy is the capital we generate from our global operations. And for the next three years, we are targeting a normalized capital generation of EUR 4.1 billion cumulatively.

Our strategy will lead to attractive returns to our shareholders since we are targeting to pay between 45%, 55% of normalized capital generation as a dividend to our shareholders. And going forward, we will support our medium-term targets with 1-year remittance guidance to the holding. And for 2019, this year, we aim from gross remittances of EUR 1.5 billion to the holding and this obviously will support our annual dividend. In addition, remittances will be used to invest in growth, to finance holding, funding and operating expenses. But also to leave sufficient financial flexibility to potential add-on acquisitions or additional capital returns to our shareholders. And last. But not least, we will continue to target a return on equity in excess of 10% going forward.

Our targets are underpinned by an active portfolio management of our various businesses. We have grouped our businesses into 3 distinct strategic categories. And these categories are differentiated from each other based on the maturity of our business in our different markets. For the first category, manage for value, includes mature at-scale businesses, which often operate a single product relationship and are generally spread based. Manage for value businesses are and will be an important source of capital and earnings for the group for many years to come.

In the second category, the drive for growth category, we have group businesses, which are today at scale and have strong market position with attractive profitable long-term growth potential. These businesses are highly capital generative and we invest part of their capital generation in strong new business growth. Propositions are mostly digital or platform based with an emphasis on fee income and protection coverage, while focusing on broader and longer relationships with our customers and advisers.

And finally, the third category we have scale-up for the future. These are a set of businesses that have a meaningful market opportunity. And similar to drive for growth businesses, these businesses focus on fee and protection-based products. But still require scaling up in size and expanding the customer relationship into multiple products.

Scale-up businesses bring new platforms, technology or business models into the group. And this can be leveraged across our entire organization, in particular, in our drive for growth businesses. As mentioned earlier, we are targeting a normalized capital generation of EUR 4.1 billion cumulatively for the period 2019 through 2021. And this represents an increase of more than 25% compared to the last three years when we generated EUR 3.1 billion of capital generation.

In our Manage for Value businesses, a key driver will be continued expense savings as these businesses are running off over time. And here, we look for solutions that not only lead to cross-savings. But also lead to improved customer experience.

In our drive for growth segment, we'll be focusing on driving profitable sales growth and sustainably growing our capital generation. We'll do so by leveraging our large customer base, where we have the opportunity to broaden and expand relationships with them by offering a strong suite of bundled products and advisory propositions.

As customer needs and demands evolve, we will continue to evolve our operating model towards less capital-intensive, more fee generating and protection products, while at the same time enhancing the customer experience through the extended use of data and data analytics.

Throughout the company, we're using artificial intelligence technology to improve customer experience and drive operational efficiency. A good example is the introduction here in the Netherlands of Virtual Assistant. And this is a human-assisted live chat customer service. And currently, we handle approximately 30,000 Virtual Assistant sessions each month. But more important than only the numbers is the fact that we're also able to answer the questions to our customers much quicker. And the fact the handling time of questions is on average 20% lower. And it's clear and we're pleased to see that our customers clearly value this type of customer service as evidenced by very strongly increased Net Promoter Scores, which, as you well know, is a good measure for customer satisfaction.

Let me turn to the U.S. to give you a good example of the business that is playing an important role in our drive for growth and that's U.S. Retirement Plans. Today, we serve more than 4.4 million plan participants and support their retirement needs. And over the past 10 years, this business has grown faster than the U.S. market and this despite recent outflows. But the strong growth was supported by the Mercer acquisition in 2015, as you can see here on the slide. And to continue our growth trajectory, we're taking several actions such as realignment of management responsibilities to increase focus on growing to work-based solutions offering. But also making and committing investments in additional platform functionality so we can further improve customer satisfaction. And in fact, we have consistently improved customer satisfaction in the last years as we can see



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by improving Net Promoter Scores. We're seeing that we're reaping the initial benefits of these measures as we recorded strong return sales in the First Quarter of this year.

In Asset Management, we continue to grow our business, which is built on a strong track record in accumulating third-party assets with positive net inflows over the past seven years. The focus going forward will be on expanding distribution, selectively targeting new markets and leveraging our product expertise from our various investment centers across our businesses. In addition, we're investing in technology across Aegon Asset Management here also to better enable client reporting.

Let me now turn to the third category, the final category, scale-up for future. We continue to see Asia as a long-term growth market and Aegon Asia has a combination of drive for growth and scale-up for the future businesses. You might have heard this morning already that we have divested our stake in our partnership with Sony Life in Japan. Given the evolving market conditions, we have agreed with our partner that the future of this business is best served as a wholly-owned part of our long-standing partner, Sony Life. And this divestment allows Aegon to fully focus on its most promising businesses serving the fast-growing customer segments and offering the most significant opportunities.

We regard Aegon as Aegon Asia as an area for long-term growth. And let me share with you a few examples. First of all, the well-established high-net-worth business, Transamerica Life Bermuda is part of that segment and provides today the bulk of our earnings in Asia and in terms of capital generation, the same applies. Our Asian joint venture in China, which is a part of the scale up for future, is reporting significant growth in recent years and is expected to lead to growing capital generation over time. Especially, within the scale up for the future businesses, we're embracing e-commerce and digitization through multiple partnerships. By investing in digital initiatives that put products in a best possible solution to enable customers to purchase online, we will transform into an even more customer-centric organization.

Prime example is Go Bear, which has evolved from a comparison website to a marketplace where customers can search, compare and perform transactions for insurance and other financial services. Today, Go Bear is active in 7 Asian countries, employs 140 people with 21 different nationalities. And since its launch in 2015, the company has served 45 million people that value the service provided with a very high Net Promoter Score.

Also in Aegon Asia, we have developed a broker-as-a-service platform, called it future-ready e-broker. And this platform integrates third-party customer channels and Go Bear with financial services providers in the Asian market. This platform is today rolled out in Thailand and Indonesia and will in the future be rolled out to other Asian markets with only a minimum effort.

Another good example of a scale-up for the future business is closer here in Holland and this is our business (TKP), which I'm sure you're all familiar with. It is a business -- it's a consolidator in the administration of pension funds in the Netherlands. And it has grown rapidly over the past decade gaining economies of scale with an increasing number of

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active and retired participants. TKP has the ability to manage complex and tailored pension structures. Its platform offers efficient and reliable processing with a broad scope of services. TKP is also enabler of the strategy of other Dutch businesses. And we foresee further growth ahead since we're exploring opportunities to administer not only Aegon's defined benefit books. But also closed books for other providers.

Our joint ventures with Santander in Spain and Portugal are growing strongly as we have access to an extensive distribution network of 5,600 bank branches in Spain and Portugal. And in 2018, we have reached an agreement with Santander to expand our joint ventures using Banco Popular's distribution network. In total, the expanded partnership will increase our potential client base from 10 million customers to over 14 million potential customers. And also here, again, we are investing in digitization and automation to improve both customer experience and efficiency.

To grow our business, we are looking at selective inorganic growth opportunities. But next to strict financial criteria, acquisition should be aligned with our strategic objectives. And for these reasons, we are focusing on in-market acquisitions to strengthen our leading position and fee and protection businesses as they offer superior growth opportunities and are less capital-intensive.

Acquisition should also add scale to increase the efficiency of our operations or add new capabilities that open up new market segments in the country where we already operate.

So let me now wrap it up. We are well placed to focus on profitable growth and sustainable capital generation, which has been built on the progress we've made in recent years. By continuing to successfully execute on our strategy, we will be able to deliver on our purpose and help many people achieve a lifetime of financial security in addition to generating long-term value for all our stakeholders. Thank you.

**William L. A. Connelly** {BIO 16636333 <GO>}

Thank you, Alex. Going back to my previous announcement regarding the shareholder representation, I would like to announce that in this meeting, our present 87 holders of common shares and common shares B that they represent together with shareholders who have voted through e-voting or via proxy voting, a total of 1,295,051,399 votes. That this number represents 63.22% of the 2,048,509,219 voting shares of the issued and outstanding capital as at registration date for this meeting.

I would like now to introduce Matt Rider, our CFO, who will now focus on the performance over the last year.

**Matthew James Rider** {BIO 20002664 <GO>}

Thank you, Bill. (foreign language) Today I'm going to walk you through the highlights of our financial performance in 2018. Despite a small decline in our underlying earnings, the return on equity improved to 10.2% in 2018, an increase of 90 basis points versus 2017, mainly as a result of lower taxes. Our gross deposits declined 3% but remained at a high

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level of EUR 122 billion. Our solid capital position improved further to 211%, which was supported by an increase of over 40% in our normalized capital generation to EUR 1.4 billion.

On the next slides, I will discuss our financial performance in more detail. Underlying earnings before tax declined 3% as higher earnings in Europe, Asia and Aegon Asset Management were offset by lower earnings in the Americas. The lower Americas result was caused by lower fee income due to declining equity markets and net flows -- net outflows of assets, as well as unfavorable mortality experience in our U.S. Life Insurance business. Despite the lower fee income, earnings from fee-based revenue businesses as a percentage of total underlying earnings were 43% just below the level of 44% in 2017. Net income declined to EUR 744 million due to an elevated level of negative fair value items and other charges, which I will explain on the next slide.

Fair value losses of EUR 260 million were caused by the Americas. These were related to the impact of market movements on our hedge results as well as on our fair value investments. The losses were driven by the decline in the equity markets at the end of 2018. The losses in the Americas were partly offset by gains in Europe, especially on real estate investments in the Netherlands. Other changes amounted to EUR 875 million. This related to among other things, EUR 127 million in transition and conversion charges to the TCS partnership in the U.S., EUR 75 million in integration costs in the U.K. related to Cofunds and BlackRock's Defined Contribution business, a EUR 140 million charge for a class action litigation settlement in the U.S., a book loss of EUR 93 million on a divestment of a run-off portfolio also in the U.S. and a EUR 144 million charge for assumption changes in the U.S. and in the Netherlands.

A significant part of these charges were anticipated as they were related to management actions that we have taken to improve our business profile and profitability going forward.

Let's now have a look at our commercial performance in 2018. Gross deposits declined 3% in 2018. But remained at a high level of EUR 122 billion. The decrease was caused by lower platform deposits in the U.K., in part due to Brexit uncertainties and lower inflows at Aegon Asset Management. Aegon recorded a net outflow of EUR 4.7 billion as net inflows in Asset Management, the U.K. and the Dutch banking business, Knab, were offset by outflows in our U.S. Retirement Plans business. Our continued focus on profitability over volume has led to a decline in new life sales over the past years, a trend that continued into 2018.

As you can see on the next slide, our cost reduction program has achieved annualized run rate savings of EUR 355 million since we initiated the program in 2016. And therefore, we had delivered on our EUR 350 million expense savings target. Our U.S. operations achieved expense savings of \$270 million over the last three years. A significant contributor to the U.S. savings was the partnership entered into with TCS earlier in 2018, which generated approximately 1/3 of the total benefit received.

Transamerica stopped slightly short of its EUR 300 million target. Certain measures to reduce expenses were not implemented in order to improve service levels within the

Retirement -- Retirement Plans business and to accelerate growth. At a group level, the slight shortfall in U.S. was compensated by additional expense savings measures taken in the Netherlands. Digitization of the business, automation of processes and efficiencies in the marketing and sales organization delivered EUR 79 million in run rate savings compared with the original EUR 50 million targeted for the Netherlands. Expense savings of the holding totaled EUR 19 million versus the target of EUR 15 million.

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Aegon's solid Solvency II ratio improved 10 percentage points to 211%, above its target zone of 150% to 200%. Also the capital ratios of our main units remained within or above their target zones. An important driver for further improvement of the group's capital position was the strong normalized capital generation of EUR 1.4 billion in 2018, which I will discuss on the next slide. Normalized capital generation increased 40% to EUR 1.4 billion in 2018. This was driven by lower new business strain and positive underwriting experience.

As you can see, on the slide, our capital generation amply covers the announced dividend over 2018. Our strong capital generation and solid capital position is also reflected in the proposed dividend of EUR 0.29 per share for 2018, which is a 7% increase compared to 2017. With a dividend over 2018, Aegon has returned EUR 2.1 billion of capital to shareholders over the period 2016 to 2018, which is exactly in line with our target.

To conclude my presentation, Aegon made strong progress on its 2016 to 2018 targets, leading to growing capital generation and dividends to shareholders over that period. We've also set ambitious targets for the next three years, in which we continue to focus on growing capital generation and our business. This should lead to sustainably growing dividends going forward.

Thank you very much.

**William L. A. Connelly** {BIO 16636333 <GO>}

Thank you, Matt. You now have the opportunity to ask questions about the presentations of Alex Wynaendts and Matt Rider. We want to give everyone the opportunity to ask questions. But we have to take the time -- we have to take time into consideration. So please limit your questions or comments to 3 at a time. You can always ask additional questions after the meeting. Please also be so kind as to restrict yourself to the subject on the agenda so that we can have an orderly discussion. When you would like to have the floor, go to one of the microphones, I see, you're already ready. And kindly wait until you will be given the floor. You can, of course, ask your questions in Dutch and translation is available through your headphones. I kindly ask you to clearly state your name for the minutes. I will be taking questions in groups of 3s in order to give -- be able to give management the proper opportunity to respond. Who would like to start? I will start with clarity, start with #1. Sir?

## Questions And Answers

### Q - Unidentified Participant

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(Interpreted) Thank you. Good morning, Mr. Chairman. My name is (Marc Van de Kolk) and I work for MN and asset manager for, amongst others, PME, PMT. And today, I'm speaking on behalf of Menzis Health and APG Asset Management. So once again, thank you for your presentation. We're very pleased with the strong capital position of Aegon, solvency ratios being so good and having increased so much and we're also happy to see that the restructuring, simplifying the company is well on course and that has led to good results and that gives us some leeway to focus on the future. We read in your annual report, we're happy to read that you want to grow sustainably, you have a long-term focus for that. And tying into that, I would like to hear more about where and how you would like to grow? And to make things more specific, what your capital allocation priorities are to that effect?

Then, with respect to what you just said about the Net Promoter Score, I would like to ask you a question about that. Aegon has voiced its ambition to be the most interesting financial service, most recommended financial service provider. We see that you score well in terms of reputation and trust. And in your presentation, you also referred to a positive customer experience. However, you showed the score and it looks all right. But if you zoom in on the numbers, you see that 54% of the score is in the lowest quartile. And so you're lagging behind with respect to your peers. My question to you is, what is it that you intend to do in order to further improve the experience of your clients? And is there anything you can learn from your peers?

Then in conclusion, you talked about Knab bank doing very well. But it's only 1% of your overall -- of your total company. So what is it that you're going to do to convey the 1% on the rest -- the remaining 99%? So I think I'll leave it at that.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Thank you. I'll take the next question before responding. So we can do so in a group fashion. The gentleman standing behind, maybe if you could step up to microphone 1 and then I will, of course, take your question at microphone 2.

**Q - Unidentified Participant**

(Interpreted) Good morning. My name is (Kohl Berher). Last year, I also went to the microphone to ask some questions. I have a couple of straightforward questions. Aegon is a wonderful insurance and pension fund. But if I look at my shares at Fortis and Delta Lloyd. And if I asked the supervisory directors and Mr. Wynaendts -- oh yes, yes the supervisory directors and Mr. Wynaendts, why the shares are doing so poorly? My question is, is this because you're misleading us or are you just clumsy? I don't think that -- I don't think -- I hope Aegon will not be bought by another company for next to nothing and we don't want to lose our money. That would be the end of everything for shareholders. I have 50,000 shares, I can tell you that. 10 years ago, it was EUR 10. And now they are only worth EUR 4. I don't really think your policy is that good. I can't say that. That's my question. I'd like to have an answer to that question?

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Do you have additional questions sir or...

## Q - Unidentified Participant

No. I don't speak English. I speak Dutch.

## A - William L. A. Connelly {BIO 16636333 <GO>}

I understand the gentleman in 2 is from Greenpeace. Am I correct?

## Q - Unidentified Participant

Yes I am.

## A - William L. A. Connelly {BIO 16636333 <GO>}

Okay. So maybe we'll answer the financial questions first and then we'll answer your question. Is that, okay?

## Q - Unidentified Participant

Sure.

## A - William L. A. Connelly {BIO 16636333 <GO>}

Okay.

## A - Alexander Rijn Wynaendts {BIO 1821092 <GO>}

I'll try to answer your questions. First, in terms of capital allocation, we have been very clear that we want to allocate the capital we have generated to those businesses that can grow on a sustainable basis going forward. And that is why in my presentation, I have explained that we have 3 buckets. The one group where we do not allocate capital for new business, that's more the Manage for Value business. Another bucket where we allocate over 90% of our capital generation, that's the part of the business we want to grow.

Then we have the part scale up for future, which is the piece that we want to scale up and where we would like to allocate even more capital. But we can only do so much every year and the business is growing. I'll come back to Knab later. Knab is a good example of the business. So we had a very clearly defined capital allocation framework where you can see where we allocate capital. What I also would like to say is that when we allocate capital to our own business, we actually have the highest returns. We see the best way for us is to allocate capital to developing our own business. We know the channels, we know the employees that work for us, it's actually also the less of the risk.

So therefore, that is our highest priority. You asked me a question and a very valid question on the Net Promoter Score and the results. You're right to say that the Net Promoter Score results today do not reflect our mission. We do recognize that. We have set ourselves a very high ambition in terms of how we can make sure that we are always seen by customers as the most recommendable company. And we continue to work hard on that. But I would like to make a few comments. That while we are improving our Net

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Promoter Scores, we're seeing that we're not alone and the market and our competitors are doing so.

So actually, we have to run faster. And we continue to make efforts to run faster. The second thing we see is that the highest Net Promoter Scores are very often given to niche players. Niche players, for example, such as Knab. And we see the same thing in our business. Knab has one of the highest Net Promoter Scores in our business. It's a smaller company, dedicated. It's often modern technology and doesn't have the legacy. And the third item and that's the one that we have to work even harder on is that Net Promoter Scores are very much in relation to the amount of contact we have with our customers. So in some businesses, we have a lot of contact with our customers. Knab is a good example, because for banking, you have a lot of contact.

In other parts of our business, pension business, for example, unfortunately, we have very limited contact with our customers. And you see that there is a direct correlation between the amount of contact we have with our customers and the Net Promoter Scores. And as you know, a big part of our business is in pension area. And it doesn't mean that we are not going to work hard to improve the Net Promoter Score to engage with our customers and that's part of our strategy, to engage with all the people and all the employees of companies that save for the future through a pension with us.

These are the 3 key elements of where we are focusing our efforts to improve. We're using technology because technology allows us to engage more often and better with our customers. I gave the example of the live chat bot and in others where we have automated systems, where we can engage with our customers; we become more relevant for our customers. For me, it is important that every of the 29 million customers of Aegon is aware that they are customer of Aegon. And unfortunately, that is not yet the case. Because very often, they are saving for the pension through the employer. And an employer has a contract with us. But that is one of the highest priorities.

Now to your question, how do we get Knab representing 99% of our earnings in the Netherlands, I will assure you that is a question that we think about a lot, not so much in terms of getting to 99% but to go from 1% to 5% to 10%. We believe that if we can continue on the track we have, which is offering superior customer service, recognized customer service, offering fully digital connectivity, more and more people will be coming to our bank, our platform. And also younger people, people that are used to do everything digitally. So we are extremely well positioned. And I have all the confidence that the share of Knab in total will increase. I cannot make you the promise that it will be 99%.

And -- sorry, let me finish. Let me just finish on the question on the share price. I can only share with you that we, of course, also are seeing the share price. Our job, as management, is to do everything we can operationally. I cannot influence the share price. I cannot influence outside markets, which, as you know, have been very difficult. But we work as hard as we can to execute on our strategy. The best proof that I can share with you is that we have the leverage on the targets on the promises that we have made three years ago. And we are equally committed and energized as a management team

here altogether to deliver on the targets over the next three years. That ultimately will improve the share price. We had no doubt about that.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Which is a view shared by the Supervisory Board. I have to give the opportunity to the gentlemen at microphone 2, first. Please, sir, again, state your name and the question.

**Q - Unidentified Participant**

Thank you, Mr. Chairman. My name is (Kay Schuller). I represent Greenpeace here. First of all, I would like to congratulate Aegon with 2 things. The beginning of this year, Aegon pulled out from oil sands, tar sands and related pipeline companies. We think that's a very wise decision from a point of view of the climate. But also from the financial point of view.

At the beginning of this week, you came out with a public statement where you announced that you were going to vote in favor of a number of climate resolutions at a number of AGMs of oil companies. We also think that with that public announcement, Aegon was ahead -- is ahead of its peers. But now comes the critical part: climate change is an extremely urgent problem. We see increasing typhoons, we see hurricanes, we experience the hottest summers over the last 10 years, we see forest fires and we see melting glaciers in the Himalaya, in that area of the world, India or China, 2 billion people are dependent for the drinking water on the melting glaciers of the Himalaya. You can imagine what kind of social conflicts, environmental conflicts will occur once this drinking water starts melting away from the glaciers.

And one of the key causes of the climate crisis that we are living is coal. It is the mining of coal. It's the burning of coal. And we think we are very concerned about the continued investments of Aegon in utilities that are burning coal, mining companies that are mining coal. We have seen that the investments of Aegon in coal companies are worldwide. They go from Canada to Asia to Europe to Eastern Europe, basically all of the key countries where there is still coal expansion going on. Aegon is investing in these companies. We think this is in sharp contradiction with all the scientific reports about climate change.

If you look at the IPPC, the latest IPPC report, it shows that there is very big risks associated with any warming that goes above 2 degrees. We should actually really focus on 1.5 degrees global warming, then we are already in the danger zone. And we think Aegon should pull out its investments from coal, from any companies that are involved in coal expansion, utilities. And that's what we're asking Aegon to do as a next step towards climate leadership.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Okay. Thank you. Understood. Gentlemen on microphone #1.

**Q - Errol Keyner**

(Interpreted) Okay. My name is Keyner, VEB. Two investors nudged me this morning not to speak English. I'm going to disappoint you because I'm going to switch to English because



this facilitates the discussion.

On Board, I would say, as a new Chairman, I've read your letter to us. Nice picture, nice words, you're proud to be working for Aegon, for us as well, I hope. And you also are proud of the achievements in 2018, the implementation of the strategy and building businesses profitably. Now I believe and I'm sure you're very bright, in fact, very competitive. But also I think you're very polite. Since if I look at the numbers and I'm a numbers person, I don't think there is too much reason to be very proud of. I think actually, there are lot of reason to be alarmed about and that kind of sense of urgency seems to be lacking at Aegon. And let me remind you on the facts. Facts are that in 2018 net income dropped by 2/3. Even when cleaning out all the special items, income still dropped by a few percentage points. That's not profitable growth, that's decline.

If you look at building businesses, well, insurance is also an important part of the business. Still new life sales dropped by 9%. So there are several items pure from financials. You say, "Okay, finance, it's all trickery, mastery, you're never sure." I can tell you the stock market has assumed, has made its verdict and said, "Aegon is not that good anymore," and the share price dropped 23%, more than the market, more than your peers as well. Of course, you cannot directly influence or determine the stock price. But your actions at some point, I would hope, will determine indeed share price, which is much higher than today's. Now I can imagine that you're saying, as a Chairman, "Listen, there is more than just shareholders, there are many stakeholders as well." For instance customers, since in the end if Aegon is performing well towards its customers, in the end, Aegon will be able to transform this kind of satisfaction into profitable growth. Now I know Aegon is coming from a very low point. And I know Mr. Wynaendts has made presentations of a similar kind, many, many years in a row. Aegon is coming from a very low level as far as customer loyalty is concerned. And in a number of years, Aegon has made large improvements, for which I congratulated Aegon in the past.

Now 2018 was the first year you saw a drop back again. And it's not a drop that you had become the leader and now maybe a second, you still lack it as far as customer loyalty is concerned compared to your peers. So that's a reason to be very, very worrying. It's an alarming signal because it means following your own logic, that if your customers are not becoming more loyal, more satisfied, it will become even more difficult for Aegon to demonstrate, to show a profitable growth for us, the shareholders as well.

Now finally, the last stakeholder, which I would also like to mention, which is, of course, a difficult one, your employees. Your employee engagement score is not very high. It has remained stable. Maybe that is an achievement indeed. Maybe it should go even less because maybe a lot of your people shouldn't be on the payroll anymore, since Aegon needs to transform itself to very different company with a very different cost structure. So again, you understand what I'm trying to say. I'm trying to teach you a little bit. Maybe you could have ended you letter saying, "Since we've got so much work to do in house, becoming more operationally excellent, becoming more oriented towards the customer, Aegon will not even consider buying VHub, for instance. Aegon will, however, consider to subcontract and outsource many more of its current activities to parties, which are more efficient than we have proven to be so far." Now I'm teasing you. I'm challenging you. My point is, don't you think your letter towards us, your letter to your customers should have

shown a little bit more sense of urgency indicating and confirming that Aegon has got the structural problem? That's my first question.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

That's the first question. There's more coming. Okay.

**Q - Errol Keyner**

Second question is more operations but the easy ones. Since a lot of them were already indicated by previous speakers. The first one is your customers. Of course, it's disappointing that the Net Promoter Score, relatively to your competition, has dropped. I was wondering, how many of your scores are in the lowest quartile? I couldn't find that in your report. So that's the first very practical question. Second question, the third group of stakeholders, employees. I read in your report that the turnover was 33%. That's huge. But of course, maybe understandable if you're laying off many people. I was wondering out of the 33% turnover, which part of that is voluntarily and which one is forced?

And finally, the stakeholder, which I think, I'm representing, the shareholders. Seeing that the performance of Aegon, not only in 2018 and from a financial perspective, which is also reflected in the share price, since the performance from Aegon towards its shareholders has been disappointing for at least a decade. Don't you think that it's premature for Aegon to decide informing investors, let's say, not every quarter on executive results. You said, "Well shareholders, you have too much of short-term focus. We will provide maybe twice a year the details. And rest you have to trust us." I think you first have to earn yourself a track record before you can expect us to be more patient. Thank you very much.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

I'll then take the question from the gentleman at microphone #2.

**Q - Unidentified Participant**

I'm (Somer Erwell). I represent VBDO, which is the Association of Investors for Sustainable Development or (foreign language). And I would like to start off with a compliment first, which is also good for your shareholders to note that VBDO published its fourth facts transparency benchmark last year. And Aegon actually won it, which means that Aegon is the most fiscally transparent company in the Netherlands, for which it really deserves a compliment, I think. I have 3 questions as well.

And first I would like to start with climate change. And not to repeat everything Mr. (Schuller) from Greenpeace said. But I very much agree with him. I've heard and I've read the CEO of Aegon pressing companies and governments to publish their climate policies and to really follow the Paris Climate Agreements. And we are actually wondering when does Aegon intend to publish its own CO2 emission data? And when does it intend to publish a CO2 emission reduction target for scope 1, 2 and 3 emissions in line with the "well below 2 degrees" benchmark?

Question 2 on living wages. Aegon stated during last year's AGM that it did not yet take a stand regarding living wage and that its approach was to discuss this first with external stakeholders. After this, Aegon said it could evaluate whether to address living wages in its Responsible Investment Policy. Since then, several other Dutch investors and banks have jointly (started) a platform on living wage financials. What is Aegon's current position regarding living wage? Is Aegon willing to join other Dutch investors in the platform on living wage financials and include living wage in its Responsible Investment Policy?

Question 3 regarding the sustainable development goals. In its annual report, Aegon provides an overview of its positive contribution towards SDGs. How does Aegon determine its impact on reaching the SDGs in 2030? Could Aegon indicate if it intends to develop a strategy to invest in the SDGs to reach the SDGs in 2030?

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Okay. Thank you. So we'll respond first to the environment sustainability questions raised and then we'll respond to the financial questions raised and the letter from myself. Alex?

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

So lot of questions. But let me start with the one that was asked first around -- from the representative of Greenpeace around coal and excluding coal. First of all, I would like to say, we appreciate the comment you made by starting and recognizing the enormous progress that we, as a company, are making and our commitment as a company, our commitment to all our stakeholders, including society, including the world in which we live, to work towards improving the world.

It is important for us because it makes no sense to live longer if you're not living in a better world. And that's why also for us, wealth and health is a theme that becomes more and more important. We, therefore, also very much hear Greenpeace's concerns on climate change. And we made that clear. We've made it clear as a signatory of the Paris Pledge in 2015. And Aegon is fully committed to achieving the goals of this agreement. This is the reason why we are no longer investing in oil sands and why we have divested mining companies, which derive more than 30% of the revenues from thermal, coal exploration, mining or refining. This is a very significant step. And it means that on your request and I think the flier you have probably all seen. And if not, you will see it at the end, we agree that we have to work towards achieving these objectives.

Actually, the second one, which is excluding companies producing more than \$20 million of coal per year is one we already endorse. Now -- but the 2 other ones, we recognize that this is a step that we should be looking in. And we have made the pledge that we would, in our Responsible Investment Policy, take the suggestions that have been put forward by Greenpeace into account. And we also want to have a dialogue. We were looking for a constructive dialogue because with the nature of our investments, we want to make sure that we first make a very good assessment of all the investments we have and all of those companies that potentially would have, in one way or another, be impacted by an exclusion as being proposed by Greenpeace.

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So the next step for us, we should take this into account and to review our entire portfolio of assets and ensure that we have a good understanding before we take a decision. That's the way we work at Aegon. And we also welcome your continued input in order to achieve what we believe is really important, the 2% degree decline pathway that we have all committed to do so. That was my first question on you.

I'll go back to the questions that were raised lately -- later by VBDO. As I said earlier, we have acknowledged our support for the Paris Climate Agreement. And we have, in 2017, analyzed the TCFD, in jargon Task Force for Financial Disclosure recommendation. And as you know, we have stepped up our efforts greatly in the related TCFD reporting. In 2018, Aegon calculated the carbon footprint of a part of our general account investments. And we also conducted a scenario analysis testing our investments against various models of global warming.

The analysis focused on first assets held here by the Netherlands. And because this is where we have most of our assets that are related to businesses where our stakeholders have shown an interest. And this year, 2019, going forward, we will broaden the scope of our assessment and continue to analyze the strategic implications of the findings that we have so far. And I would recommend all of you to take the responsible investment report that I shared with you earlier and to look under the item TCFD, Task Force Financial Disclosure reporting, where you can provide -- which provides much more detail and granular information.

The second question which was asked by VBDO was in relation to the platform of living wage financials. In our responsible investment policy. But also in our procurement policy, we highlight the importance of fair wages. To be explicit, we say that employees have a right to a reasonable working hours and fair wages and this without a gender distinction. And during our investment screening process. So when we invest in companies, amongst others, we look at United Nations Global Compact principles. For the time being, this has not yet been part, as you know, of the themes.

However, Aegon, under sustainable development goals #8, which you know is decent work and economic growth, we have identified this as one of the most relevant to our businesses. And I will say here that we will be evaluating what relevant steps we could take in honoring our alignment with SDG #8, including the concept of living wages.

The final question from the VBDO, the third question, was in relation to the selected SDGs. As you know, we have, as part of our responsible business, identified a number of Sustainable Development Goals, SDGs. And we have identified a few specifically. SDG #1, commitment for no poverty. SDG #3, good health and well-being, I mentioned that earlier, extremely important for us. SDG #7, affordable and clean energy. SDG #8, decent work and economic growth, the one we just talked about in the second before about fair wages.

And finally, SDG 13, climate action. So we have very clearly focused on a number of sustainable development goals in which we look at how it impacts our strategy, how it impacts the way we vote as an investor. We also are trying to work together with the

Cambridge University of -- we call it, the Cambridge University of Investment Leaders Group in developing specific metrics that allow us to measure project -- process and progress, excuse me, progress on how we're doing on these specific SDGs that we have recognized. That is work that is in progress. And I hope that in the coming years, we'll be able to show you more granular details on how we are setting metrics that allow us to measure the progress we're making against our targets on SDGs.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Very good. Then we have the question on the NPS.

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

So on the NPS, I think, I've covered that earlier, the NPS score is a measure of customer satisfaction. It is true that we have not achieved what we would like to achieve. We have made. And I'm glad that it was recognized by the gentleman and the shareholder representing VBDO in the room. We've made a lot of progress. We're also transforming our company. We're also taking a lot of steps to get closer to our customers because we have identified that one of the most important things is that we need to have contact with our customers. It's close to impossible to have a high NPS score if you don't have contact with your customers.

And as I said, significant parts of our business are in the pension area where we are probably most remote to our customers. That's why we are investing time, effort and also financial investments into the area to get closer to our customers. I mentioned our venture funds, artificial intelligence, robo advisers, all types of ways on trying to get closer to our customers in an efficient way, in a technology-driven way. And finally, I hope that we will see you also next year that those businesses that have been specifically focusing on improving customer experience through NPS continue to remain at the upper end of the scale, such as Knab.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Thank you, Alex. And in response to my letter, let's just take a step back and understand the situation where Aegon is and that's in the context of my letter. Aegon has gone through a transformation from the last 10 years to reflect a changed regulatory environment, a changed economic environment and an interest rate in an environment where interest rates have been very low. The management has been working very strong and very effectively to how it's reshaping the country, refocusing the activities in those areas where we can get profitable growth and focusing on capital generation to ensure that there is dividends to pay the shareholders and ensuring that the company is in a solid financial footing.

As indicated in the presentation you heard today, in terms of capital generation, in terms of solvency, in terms of the capital position, the company is well positioned now for growth. That is what gives the Supervisory Board confidence that we're in a position to go to our next stage of development beyond what is transformation from what is the regulatory change, financial markets' change into a more sustainable growth. And the

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Supervisory Board is fully aligned with the strategy that's been set by management in order to go for a growth agenda. Okay. Gentleman at #1.

## Q - Robert Vreeken

(Interpreted) Good morning, ladies and gentlemen. I am Robert Vreeken, We Connect You, Public Affairs and Investor Relations. I advise government and private industry on topics such as sustainability, finance and safety. Since February, there had been recommendations to retain Aegon shares. And some parties recommend purchasing. And that's good news. And I also agree with many of the remarks from the VEB. There is a lot of attention to sustainability here. And that's quite important because at 2 degrees of global warming, the entire Western metropolitan belt at (inaudible) would be flooded, including the Aegon head office. And a million plant and animal species would disappear.

That's not a question, that's certain. That would completely disrupt the global equilibrium. Aegon is doing a lot. But based on the 2 -- as far as the 2 previous things are concerned, we're are not doing enough as a whole, all of us. And what I note is a terrible burden on everybody's disposable income. It's important for people to have a high disposable income so that they can build a good pension. I'll explain. All of a sudden, we have to buy these expensive EUR 1,000 heat pumps. Those include central heating, furnaces. And they are made with green environmentally-friendly gas. There is a circular shower that saves 80% on water and energy. That's also very cost efficient. And there are heated desk chairs to cut 20% energy use and we've also got the WakaWaka globally, which cost EUR 10 and will provide 1 billion people with energy and light very easily, cheaply and sustainably.

I'm also worried about the pension promise (Unilever) and ING have a cover ratio of 141%. ABP is at around 100%, which means that over 1 million people -- millions of people when, if their wage is increased by 5%, these people will suffer a 5% loss because there is no indexation adjustment. Tax on VAT -- went from 6% to 9%, which is a 3% deterioration for many retirees. Energy costs soared, which led the pension value of those people to decline by 4% or 5%. This is causing some social turmoil. And it would be nice if Aegon in dealing with the politicians and the ABP were to do something about this because people are driven to such cost increases in all kinds of ways. It's important to reverse this so that people have a decent pension and can afford to build their pension. So those are 2 specific questions. Provide low-cost sustainable alternatives and help people obtain decent wages and pension to restore social tranquility in the Netherlands.

## A - William L. A. Connelly {BIO 16636333 <GO>}

The gentlemen at #2.

## Q - Errol Keyner

Yes, Keyner, VEB again, not with new questions yet, they come later. But actually I think you forgot to answer a couple of them. So let me remind you. First of all, thank you for your answer on, well, the critical comments, maybe cynical even, on your letter. The last part, where you said little bit more patience, the strategy has been implemented. So now very soon the results will come also for shareholders so that's how I understand your

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answer. The part that you didn't explain yet, do you feel confident enough now that Aegon has done enough work to get this house in order for you to take on serious steps without even considering buying Vivat and not considering a subcontracting or outsourcing major parts of the operation.

So that was the part of your letter, which was lacking in your answer. Then the very simple and short questions I had for, I think, the executives: #1, let me remind you, what -- as far as the NPS score is concerned, what percentages are on the lowest quartile? Second, small question, which part of the employee turnover of 33% that you're indicating in your annual report is voluntary? And the third question I'm having, that's more rhetorical for I understand that you didn't answer that one. You've decided -- Aegon has decided to only inform investors in detail twice a year, not every quarter. My question to you is, has Aegon build up enough credibility towards the shareholders that it can afford telling shareholders you have to be more patient, you have to keep long term on mind so we will not inform you on a quarterly basis? So those were the questions I asked earlier.

**A - William L. A. Connelly {BIO 16636333 <GO>}**

You are correct. We will answer those questions. Just in terms of my letter, to be very, very clear, I'm not going to speculate on individual transactions that are reported in the press. What I will say is that the company is well positioned both for organic and inorganic opportunities. And that, as long as they are profitable and support the development of the company, as per the strategy, we have the expectation that profitable growth will be reflected in the share price. Okay? And the other questions, I will pass then to my colleagues. I'll pass another question #1 so that we can answer them together, the grouping of questions. Gentleman #1, please.

**Q - Unidentified Participant**

(Interpreted) Good morning. I'm (Alex van der Graaf), a private investor. And I have some questions. My first question is to the Supervisory Board. Regarding creating shareholders' value or rather the lack of shareholders' value, this was mentioned earlier. But I'll elaborate specifically to the shareholders' meeting. Aegon's share price has been lagging behind considerably in the past year. Historically, your share price is still very low. The Supervisory Board is expected to ensure creation of long-term shareholders' value.

The Supervisory Board should contact the Executive Board and especially the CEO about this and hold them to it. I doubt whether this is receiving serious consideration because the CEO is not contributing to shareholder value for reappointment. Aegon talks about long-term value creation in the annual report. I read that terminology, in part, in the Supervisory Board report on Page 52. However, in the list of topics of discussion on Page 53, I don't see shareholders' value listed.

Would the Supervisory Board devote far greater attention to creating shareholders' value since the Executive Board, from my perspective, is not doing this or is doing this insufficiently. Via previous Chairman Rob Routs, in the past years, the Board also expressed worries about the share price lagging behind. And you can be worried but not do anything. I fear that the Supervisory Board is very passive in this respect and is not sincerely interested as far as shareholders' value is concerned. And from my perspective,

the share price has been deplorable for years. And I'm not the only person to have this opinion. Can you tell us what is the Supervisory Board doing about this issue beyond being concerned?

Now my second question is to the CEO, Mr. Wynaendts. Now let's see, this question is also about creating shareholders' value. I'm speaking in the first person. But I'm not only speaking on my own behalf. I would like shareholders' value to receive far greater consideration. And of course, something serious to be done at this. In a group, such as Aegon, much more should be possible than is presently the case.

The share price has been listed at a very low-level for several years and should have been raised considerably higher a long time ago. Mr. Wynaendts, since you became CEO, the share price is less than half of what it was and has still not been restored to, for example, double digits. Aegon is performing miserably in this respect. The new financial targets for 2019 through 2021 are, in my view, not spectacular. Under your ages, for over 10 years, no shareholders' value has been created. In fact, we're declining. The Aegon share is declining in value. You would like to be appointed for a new term. I wonder, however, what we can expect in terms of shareholders' value under your leadership in the next four years. I'm not in here for a quick buck.

I owned Aegon's shares for many years. But I'm very disappointed. And others I speak to agree with me about this. Aegon is abandoning its loyal long-term shareholders. In the past two years, at the shareholders' meeting, I asked you what Aegon will do specifically to create additional shareholders' value and you had a lovely answer. But in practice, nothing came of this. I'm not going to ask you how, I'm going to ask you when. I don't care how, when, when will Aegon finally create additional shareholders' value?

Now my third question is as follows. As I just mentioned in mid-February of this year, Aegon disclosed the financial targets for 2019 through 2021. These are also at the bottom of Page 29 in the annual report and were touched on earlier. We also -- I think you should reach higher, be a bit more ambitious. I hope that Aegon is seriously at work to exceed these targets behind the scenes. Capital returns to shareholders are raising questions. From 2016 through 2018, it was approximately EUR 2.1 billion. From 2019 through 2021, Aegon indicates that it envisages returning 45% to 55% of the capital generated as a dividend to be distributed, as a dividend. Nothing is mentioned about repurchase of own shares.

The envisaged capital generation for that period is EUR 4.1 billion. Now if you crunch the numbers, that takes you to approximately the same amount as what it was in the previous three years. This is not an increase. Are we having our leg pulled? Aegon would like to increase the dividend. But in the previous period, there was also a share buyback program. If Aegon is not implementing a share buyback program then the amount that was spent on repurchasing own shares will simply be added to the dividend to be distributed.

Now if you look at the dividend, it looks like more. But in truth, it isn't really any more on balance, it's about the same. So this is not as rosy as Aegon is presenting. It appears that



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we're having our leg pulled. The financial targets do not appear to be any higher than in the preceding period. Can you elaborate on your plans? What do you plan to do? The dividend yield of Aegon appears high. But appearance are deceptive because percentage-wise an amount of almost nothing seems high. But dividend return is not high because Aegon is distributing so much. But because the share price is so low, Aegon has to create additional value. So I have 3 requests. I want Aegon to repurchase and cancel its own shares to reduce the number of shares and issue below 2 billion. In addition, I would like Aegon to increase the dividend a bit above market expectations. In addition, Aegon should become more profitable with stable results and fewer setbacks that keep becoming game changers. Thank you very much.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

I'd like to respond, too. And then I'll make the response to our Supervisory Board and the question on the quarterly versus semi-annual reporting.

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

Sure. On the question on the NPS, which was asked by gentlemen representing the VEB, I would like to point you, in the annual report, it's laid out very clearly, exactly on Page 418. But I'll give you the answer. In the third quartile, there is 5% of our business and in the fourth quartile, 54% of our business. But again, I want to make the point here that the big part of our business, a big part of our customers that are covered here are in the pension area where we know we have limited contact. And therefore, it's a difficult comparison. On the question about twice a year, our business is a long-term business.

Insurance, as you know, is very long-term business. We have contracts of 30 years, 50 years. And we have come to the view, like, by the way many others in the world on a global basis, that it doesn't make a lot of sense to have quarterly reporting and that we are better off to focus our efforts on half year reporting and the time that gets freed up by not making the additional quarterly reports to be dedicated to improving our business. If there is a specific information that is relevant in the middle period, that is of such relevance to shareholders, we will consider making that public. And I think that is an important addition. Thank you.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Then there were the questions in response to share price performance and the -- from the last gentleman.

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

I have made it repeatedly clear that we are looking after the interest of all stakeholders. And of course, our shareholders, you, are a prominent stakeholder because without shareholders, we cannot exist. We are very well aware of it. I've said also earlier that we also, as management, are disappointed by the development of the share price. But we also would like to point to you that there have been a number of factors in relation to development of markets that has certainly not helped low interest rates.

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We are always very consistent. I have never hid that element is not favorable for our business. And we are in an environment of continued, prolonged low-interest rate environment that has not helped. Having said that, we also, at the same time, are working extremely hard with our colleagues in order to improve our business, take out cost, be more efficient and start new business models that are much less dependent on the interest rates. And I'd hope that in the presentation that I've shown you, we had been able to demonstrate that we do have -- transformed our company and we have also delivered on our targets. We had set three years ago a set of targets, ambitious targets. We have achieved those targets and the one important target is in relation to the dividend we pay our shareholders. We have an increase of 7% year-on-year in terms of dividend growth. And that is the best commitment we, as management, can make to create more shareholder value.

So yes, we are disappointed. Yes. We continue to do everything we can to improve the performance for the stakeholder being the shareholder. But we can do what we are doing in the context in which we operate. So what is important is that we achieve our objectives. We have set a new set of targets for the next three years. I can assure you these targets are ambitious. But these targets are also achievable. We want to make sure that we not only set targets that are very ambitious but targets that are very ambitious and achievable at the same time. We do not want to disappoint. So looking back at the numbers in terms of return of capital. The comment that was made that the return of capital is EUR 2.1 billion compared to what we are now proposing for the future is no big improvement.

Actually, the EUR 2.1 billion includes a 400 million share buyback. So the dividend over the period was around EUR 1.7 billion. So when you look at the calculation about comparing what we expect and what you would expect or what the market expects as a future dividend, please compare that with the EUR 1.7 billion being to EUR 2.1 billion minus the share buyback. I also would like to repeat what I did say in my presentation and I want to repeat it clearly that we are looking after the interest of all stakeholders. We, therefore, need a strong capital position. Our customers have to have trust that we are there in 30 years and 40 years' time to pay and the promises that we have made to our customers for a strong capital position is absolutely important and is paramount. We have achieved a strong capital position as confirmed by Standard & Poor's just two months ago, when our AA+ rating was confirmed by Standard & Poor's. So that was very positive.

At the same time, we also need to continue to generate capital. We are doing so -- and what I did say in my speech and I will gladly repeat it here is that, first of all, we want to invest the capital we generate in our business to grow our business because that's important for the future. We want also to make sure that we have some flexibility for add-on acquisitions. We've had a few of them in the past, in the U.K., France, in the U.S., we had -- in the Netherlands, we did small add-on acquisitions. And I've said clearly, repeated here, we also see, at a certain point in time, that when the amount of capital generated accumulated is not being deployed, we will consider all options, including returning it to our shareholders. I cannot say more at this point in time. I'm not going to make a commitment about how much we will return in addition to the increased dividend that we are proposing to our shareholders.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

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Okay. Regarding -- and I'll come to you now, regarding the Supervisory Board and its role in terms of the share price and share -- the share price, all I can say is, rest assured that every time we meet, this is a top issue in terms of our discussions with management. We are equally, both Supervisory Board and the management, convinced that the share price performance, the increase and what we all would like to see is an increase in the share price. But this can only be reflected in the market when the investors, such as yourselves, believe that the company is not only in a strong financial footing but it also is in a position for profitable growth. And that is the focus that we are putting in terms of the strategy.

We, as a Supervisory Board, of course, would like to see a stronger share price because it provides us in a better position for the company as a whole. But we have to do so with sustainability, as indicated by some of the questions, taking to mind our responsibility to the environment. We have to do so in the perspective of our employees and we have to do so in the perspective of our clients. But rest assured, the share price is a frustration that we all share. And it is certainly an area of focus in our meetings. I will now take the last question for this part of the questions from the gentleman #1. And then we'll move on to the remuneration report.

## Q - Unidentified Participant

(Interpreted) Good afternoon. My name is (Spania Fernamenes). May I first ask you about the presentation before I ask something about the annual report. Is that okay? I hope so. I think it's regrettable that in the minutes, there is no reference to the 1 minute of silence for Mr. (Peges). You may not know. But Mr. Peges, from 1996 onwards, was the first Chairman of the Corporate Governance Committee. And so, this was quite an important committee. And second, Mr. Peges was also one of the founding fathers of Aegon. The fact that you do not ask us to remain silent for 1 minute, I think, this is low, to put it mildly, low, because he has done a lot for Dutch investors.

Second. And it was also someone that we engaged with, before the meeting, after the meeting, we could always talk to him, just like Mr. (Kastrum), before the meeting. You can talk to him, after the meeting. He is one of us. He is always there to talk to us. And nowadays, management is helpful. They -- what they think is interesting is their wallet. Well that is a shame. I'd like to know why you pay so little attention to the passing of Mr. Peges? Why did you not observe a minute of silence? Why did you not publish information in the financial (foreign language)? That's a pity. That's a pity. And now about the presentation. Sheet 22, you said that things are not going well in the U.S. because in 2017, it was EUR 227 million; in 2018, it was EUR 203 million. So in the U.S., things are not going well at all. And now allow me to move to the annual report that I read cover-to-cover.

There's one thing -- I'm wondering how is it that you're creating value in line to and following the -- share price has dropped incredibly and this is a great metric for the outside world. It shows how the organization is doing and how much faith people have in the organization. Well apparently, being a financial institution, people are losing faith in you. Just as happened to ING. ING can no longer count on people's faith. So I'd like to ask you, what is it that you're going to do about this? How are you going to recover investors' faith? You should propose not to elect Mr. Wynaendts for a fourth mandate. That way we can make Aegon a better company.

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And by the way, it is my distinct impression that the employees of Aegon no longer have faith in you as Executive Board nor in you as a Supervisory Board, because the number of employees who talk positively about you on birthday parties, well, apparently, all these numbers are negative. Then the pensioners, they're not being given a higher pension. You had a large corporate pension fund, EUR 22.5 billion, with many, many participants. But they didn't turn to you because that was in the market last year. And this party decided not to do business with Aegon. Obviously, I know which other company they decided to do business with. Why? Because they simply do not trust Aegon. Mr. Chairman, what is it that you're going to do about this? Then on Page 7, Mr. Chairman, the first block underlying earnings, taxes have dropped from EUR 2,140 million in 2017 to EUR 2,074 million in 2018. In other words EUR 66 million. So what are you going to do about this?

You keep speaking in vague terms. But I'm asking for -- about specifics. My colleague, the previous speaker asked 3 questions. You didn't answer those 3 questions. Why don't you want to answer that question? Can you not answer those questions? I think you're simply not capable of answering those questions. I'd like to hear from you about that.

Then, Page 111 and 112. There's a reference to results performance 2017 and then you see the different columns. And there's a column 2016 and 2017. But what about the column 2018, no such thing. Because the bottom right-hand side and then at the bottom of the page, it says integrated annual report 2018. Why were these 2 columns? Why don't you have another column for 2018? I'm talking about Page 112, 113, 119, 120, 129, 136. Why don't you do that? Because we are talking about an annual report for 2018.

And some things you simply say well, the results 2017. But we are talking about 2018 according to the report. Otherwise, I'll have to have my eyesight checked. I want an answer to all these questions and in Dutch because this is -- I mean there are several Dutch investors here. In Dutch. Mr. Wynaendts, you can do it.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Thank you, Mr. (Spania).

**Q - Unidentified Participant**

(Interpreted) You're welcome.

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

(Interpreted) First of all, all those present here will have seen I hope that we have referred to Mr. (Peges). Mr. Peges, as you yourself said, is an important founding father of Aegon. Has been a very important founding father of Aegon. He remained a friend of Aegon, a friend for all of us, someone who we talked to regularly until his dying day. And in consultation with his family, we decided where to publish the obituary. Upon request of his family, it was the NRC daily. Apparently, you don't read that daily. And we referred to Mr. Peges his life and his contribution to Aegon.

And as far as your other questions are concerned, to be quite honest, I must say that it is very difficult to follow you. You have mentioned a series of numbers, pages, sheets. And I

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would suggest that we discuss this one by one with you after the meeting because I don't know whether this would be interesting for the entire meeting, particularly, because here at this side of the table, we don't have a clear picture of the questions you asked. I will indulge with you -- I indulge you because I spoke -- I replied in Dutch. But I will now proceed in English.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

We will now proceed to the next agenda item, which is 3.2, which is the remuneration report. The Chairman of the Remuneration Committee, the Supervisory Board, Ben Noteboom, will present the 2018 remuneration report.

**A - Ben J. Noteboom** {BIO 3821638 <GO>}

Good morning, everybody. I assume this is not a very eventful part of the meeting. What we do, of course, every year, we explain to you how we apply the policy that you approved in 2011 over last year.

As you can see on the first slide, nothing has changed. There's a bonus, a possibility, a variable pay of 100%. There's 3 components: fixed and variable and benefits of which the major part obviously is pensions. The fixed compensation was increased with 2% last year in line with the collective labor agreement by the way in the Netherlands. The way the variable compensation is being paid also has not changed. Once it is -- the amounts are approved, half are in shares, half are being paid in cash. The first year, 40% of that variable pay is being paid. And the next three years, every year, the next 20% are being paid. However, there is always an analysis, which is called an ex-post assessment where it is being evaluated whether or not, the reasons why these variable pay was actually awarded are still valid. So there is also possibilities to actually reduce the still to be paid in the first year, 60%, 40%, 20%. It cannot be increased by the way.

Then we go to -- and by the way, the shares that are being paid, they have to be -- they cannot be sold within three years after being vested.

Then we go to the next slide. If we look at the variable pay, the components have not changed. We are legally obliged to have 50% of the variable pay being determined by financial results, 50% by nonfinancial results. The elements of the variable pay are on this slide. Underlying earnings after tax, return on equity, market consistent value of new business, normalized capital generation, return on economic req, et cetera. You can read these things yourself.

If we then look at the actual results of those -- of the variable pay, please go to the next slide. The percentage -- so the combination of the financial -- nonfinancial variable pay KPIs add up to 82.05% for the CEO and 82.75% for the CFO. These are below last year. Last year meaning 2017 obviously as you will have seen. Is there anything else I need to tell you here? I don't think so. No. I think that consists -- that is the report. This is how we applied it. Any questions?

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Thank you, Ben. Any questions? Gentlemen #2.

### Q - Errol Keyner

Yes. Mr. Chairman, my name is Keyner on behalf of VEB. The Chairman of the Remuneration Committee says, not a very exciting topic, same business as every year. No changes.

### A - Ben J. Noteboom {BIO 3821638 <GO>}

I said I hoped.

### Q - Errol Keyner

You hoped. Okay. Well let me dash that hope immediately. I think the issue is apparent. Fear I sound like a broken record. But year in, year out have been indicating -- I fail to understand how your remuneration system links to the actual performance of the company. Long term, I'm fine, not short-term that the share price goes sky high, long term. We see from several stakeholders' point of view, shareholders, employees, customers that Aegon has not been improving. Some has even been going backwards.

Now I fail to understand why? For instance, just one example out of the 2018, that the CEO scored 54.8% out of a maximum of 65% to determine his provisional variable income. I just don't understand it. You've got here a bunch of dissatisfied shareholders. Maybe the noise from the large shareholders is a lot less. The reason being a lot of them have already dumped Aegon. So the ones who are in this, well, they don't care maybe on a board that are low level. Shareholders are dissatisfied and for a good reason. Now it also appears that the progress you're trying to make with customer satisfaction is lagging. I don't understand how any bonus could be applied at all. It should be 0. I just don't understand. So the comment I'm making again this year even stronger than the previous years, sir, I think our remuneration system is broken. Please mend it.

### A - William L. A. Connelly {BIO 16636333 <GO>}

Thank you. Next gentlemen, #2.

### Q - Unidentified Participant

(Interpreted) I'm going to do this in Dutch again. I echo the words of the previous speaker with respect to the NPS score and the waiting thereof in the remuneration report. I'm curious to hear were there any points, any scores were given for that? Now tying in with that, in the annual report, you show a type of NPS score. I would like to hear from you whether this is the same type of NPS score that you use for remuneration. And if not, would you be prepared to also disclose the other types of NPS scores?

Then a follow-up question not specifically for the Supervisory Board or management but concerning variable compensation, you avail yourself of the possibility to offer or to pay out a variable remuneration to employees, which is in excess of the limit that we have agreed on here in the Netherlands. You can do this because 75% of your employees work abroad, outside the Netherlands. So I'm curious what about the societal debate about

this? How do you see this? And did that play a part in making this proposal? And do you see any risks attached? Then in conclusion, in your annual report, you write that the revision of remuneration will have to take place somewhere in the near future, also on the basis of the new shareholders' guideline or directive. Being major shareholders, we would be very happy to consult with you on this. We see that long-term performance indicators will be included. And we would like to hear your views on that. And as I said as shareholders, we would like to be consulted in terms of the kind of long-term performance indicators that you should indicate -- include in that process.

## A - Ben J. Noteboom {BIO 3821638 <GO>}

(Interpreted) Thank you for your questions. Let me start by the last one, the new shareholder.

4 years, the policy has to be put to a vote in the AGM. So if, of course, this directive will be captured in the Dutch law, then we obviously follow the law. So that will mean that indeed next year, we will have to put the policy. And we will willingly, by the way, put the policy to a vote in this meeting. So yes, that will happen.

A dialogue on the KPIs is always welcome. So we'll organize that. We, by the way, think that in the current -- because we have little room here. 100% is not a lot is a dangerous statement. But anyhow, if we put that in, let's say, 10 or 15 or 20 different KPIs, long and short term, then the impact of each individual KPI is so small that we decided we will stick to only short term. However, the KPIs we have in there are for sure have the intention to create long-term value. And by the way, I think that quite a number of the KPIs that we have do indeed have a goal to create long-term targets.

The 100%. I do understand, of course. And I -- well my personal opinion is not so relevant. But I do understand the sensitivity on the bonus discussion in the Netherlands. But unfortunately or fortunately, doesn't matter, we are 17 million people in a very big world and in the Aegon world. We are also not more than 1/4 of the employees. So whether or not we in Holland think it is a very good idea not to pay bonuses, it's very difficult to convince somebody in the U.S. or in Serbia or anywhere else in the world. We have fiduciary responsibility to take care of this company to make sure that we get the right people, the best possible people actually, to create value. That means, we have to take into account the habits and the values in other cultures. And that implicitly then means that we have to accept the fact that people expect bonuses.

So what my personal opinion is or even our opinion is not relevant. We have a fiduciary responsibility to make sure the company is managed well. And for that, we need bonuses. We need flexible pay. The -- by the way, there's 2 things I'd like to mention also by going back to the form. The NPS, of course, is not a relative score vis-à-vis not our competitors. So it does not indicate how we perform against competitors. It indicates the sentiment of the group we actually are measuring. The way we measure has differed slightly, indeed, has changed slightly. We went from NPS to relational NPS. That means, we measure what people think of us with whom we do business. So that has slightly changed. There's nothing to hide. That also explains why another score has still led to bad. I think then I covered your points. Thank you for your questions.

## Q - Errol Keyner

(Interpreted) Well perhaps I'll ask my question in Dutch. You may understand that better. Apparently, my English is not good enough. My name is Keyner of the VEB. My question was not discontinue incentives. My -- what I'm saying is perform and you can continue. I'm saying your remuneration, your compensation system is broken. There's no incentive for the long term for clients, for employees. I mean you can't do a payout close to the maximum whereas there are so many stakeholders. So many parties who are simply unhappy with the situation. I'd like to hear an answer to this question.

## A - Ben J. Noteboom {BIO 3821638 <GO>}

The other gentleman asked that question. So that's why I answered it that way but...

## Q - Errol Keyner

(Interpreted) Well that means you did not answer my questions at all, which is even worse.

## A - Ben J. Noteboom {BIO 3821638 <GO>}

As we talk about the elements we have, we talked about the fact that 50% of it is nonfinancial. And of course, we are not setting a target for the Board, for EB on share price because that's an impossible thing. So we look at the plans we have, we look at the execution of the strategy. We measure it. And based on that, we pay a bonus. It's a system that we agreed upon in 2011.

## A - William L. A. Connelly {BIO 16636333 <GO>}

I would just add to that point just to in reference to that question. This is a regulated industry. We are subject to CRD IV. There are very strict definitions as to how compensation, particularly variable, can be done. The basis of which CRD IV works is that you cannot provide long-term incentives, certainly not tied directly to share price. It's based upon targets that are set on an annual basis and the variable -- a significant part of the variable being placed in shares to be paid over time. As a result of which management receives shares as part of the deferred compensation are subject to both the increases and decreases in the share price. But we are not allowed under CRD IV in Holland to provide long-term incentives directly linked to the share price. That is the law. So we may have a lot of sympathy with the comments about the system and how it works. But again, it is a regulated industry that we have to comply.

I will take 2 more questions. Gentlemen #1 and #2. So that we will then proceed with the meeting.

## Q - Unidentified Participant

(Interpreted) I don't understand why you are so tenacious about retaining the bonus principle. Things are not going well. In Slide 22, it already said that the U.S. business was not doing. Well apparently, you're not doing well. One of your main recipients are the retirees for their pensions. If you want to get a good reputation -- well, I've got a pension too. You can say bonus 0, things are not going well. That sends a message to the market and to the pension recipients, that if they -- if I have a share in Aegon pension fund, I may



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not get anything. But the board members are grabbing their bonuses. I'm not getting an increase. So that's a bad message of you're getting bonus when you're not increasing pensions. Or do you want the situation at ING where we simply refuse to discharge you from liability that they did it ING with over 62% of the vote. So it happened at the ING and that was not very pleasant.

I noticed that a lot of stakeholders did not give such a high NPS score to Aegon's and that's disconcerting the VEB is clearly issuing this morning. In such cases, CEO could waive his bonus, or for example, make part of the bonus available to Greenpeace or the World Nature Fund. Those are very attractive options. And even if you simply provide a symbolic token part of the bonus, such as 5% or 10% or 25%, that sends a very good message to all shareholders, all customers, all pension recipients and all staff. It's your decision. But the VEB is usually reasonable and it's good to consider what they're saying because you can be right about the figures. But lose the war. In the meantime, I don't think that's what Aegon wants to do. We want everybody to have a good feeling when they leave the meeting. So we prefer to vote in favor rather than against.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Just, I'm sorry, for clarity, the question is...

**Q - Unidentified Participant**

(Interpreted) Well you used to work at ING. That was a fine time. You know how Ralph Hamers is doing. Sometimes it's good to take your losses and symbolically return part of your bonus. You don't have to do it instantly. But it's something you could consider. Because what strikes me is that in this group, there is insufficient satisfaction about the policy of Aegon and about the bonuses. And there are other companies in the Netherlands such as ABN AMRO and ING that have opted voluntarily or otherwise to do something about bonuses and salaries.

**A - Ben J. Noteboom** {BIO 3821638 <GO>}

We are legally bound to something that we agreed upon both from a legislation point of view and a contract. And we don't break our promises. So -- and the personal considerations on how the Board spend their money, I think, I will leave to them. Thank you.

**Q - Unidentified Participant**

(Interpreted) That's what I was trying to say, you can do it personally and that can benefit employees, customers. And so on.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Under due consideration, thank you.

We will now pass to item 3.3, the annual accounts of 2018 and the report of our independent auditors. Our CFO Matt Rider has already discussed the financials in 2018. I would like to ask Gert-Jan Heuvelink from PwC, the independent auditor, to make a few

comments. Please note that Aegon has released PwC from the obligation to observe confidentiality to allow them to comment on the audit and the auditors' finding report on the financial statements of Aegon N.V.

## Q - Unidentified Participant

Dear shareholders, I'm happy to provide you some insight into our audit of Aegon 2018 financial statements. We've issued an unqualified audit opinion on these financial statements dated March 31, 2019. You can find our audit reports on the Pages 324 to 332 of the annual report. The materiality determines the scope and depth of our audit work. We have set our materiality level at EUR 78 million, which is a decrease compared to the materiality level of EUR 90 million used in our 2017 audit. Consistent with last year, it has been calculated as 5% of the 3 year average of income before tax excluding the 2016 loss on the sale to the U.K. annuities business.

We also take potential statements into account that in our adjustment are material for qualitative reasons. We agree with the Supervisory Board that we would report to them the statements identified during audit above EUR 4 million. We established our scope based on the way Aegon is organized. We performed audit work on all in-scope regional units where Aegon has operations, which included the Americas, Netherlands, U.K., Central and Eastern Europe, Spain and Portugal, Asia and Aegon Asset Management.

In Americas, Netherlands and U.K., due to the relative size, we performed full scope audits, while in CEE, Spain and Portugal, Asia and Aegon Asset Management, we performed audit procedures over specific account balances. Our coverage amounted to 95% for revenues, 97% for total assets and 98% for profit before tax. We ensured that the audit teams, both at group consolidation and at component levels had the appropriate skills and competencies, which are needed for the audit of a complex financial conglomerate such as Aegon. This included industry expertise in the life and nonlife insurance, banking and asset management.

In our team, we, therefore, included specialists and experts in areas of risk assurance, IT, tax actuarial services, human resource services. And valuation services for certain type of assets. Given the importance of the information technology for the group and hence for our audit of the financial statements, we have to the extent relevant to our audit paid specific attention to IT general controls, which comprised the policies and procedures to ensure reliable automated processing of information, useful financials reporting purposes, relevant application controls and IT dependencies.

As in all of our audits, we also addressed the risk of management overwrite of internal controls including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud. In our analysis of fraud risk factors, we were supportive by our forensic specialists.

Then the key audit matters. Key audit matters are the most important matters we have identified in our audit plan and in our audit work during the year. We have identified 4 key audit matters, which I will comment upon briefly.

Compared to prior year, we combined the 2 that relate to the valuation of insurance contracts and the valuation of deferred policy acquisition costs and value of business acquired as these matters and our work performed are closely related. We excluded the one that related to the U.S. tax reform as it had less impact this year.

The fourth related to outsourcing is new. Let's start with this one. In 2018, Aegon outsourced a large part of the policy administration of its insurance annuity business lines in America through a third party. As Aegon's outsourcing strategy further developed in 2018 and the services outsourced have a significant impact on the group's financial statements and operations, we determined this as a key audit matter.

A critical element through the successful execution of Aegon's processes is to adequately design the appropriate monetary controls and governance over these outsourced services. We evaluated the scope of the service providers' auditor's report and assessed the reputation, objectivity and competence of the service provider's auditor. We evaluated the control objectives and control activities in the report, which are relevant to Aegon's internal control over financial reporting. In addition, we evaluated the design and tested the existence and operating effectiveness of controls implemented by Aegon to monitor the outsourced services.

The second one relates to the valuation of asset and liabilities arising out of insurance contracts. Liabilities arising out of insurance contracts is the most significant liabilities on an insurance company's balance sheet. Deferred policy acquisition costs are upfront costs associated with writing an insurance contract, which have capitalized an expense over the life of the insurance contract. These assets and liabilities require significant judgment in respect of the valuation. We used our own actuaries to assist us in all these balances. We assessed whether the methods, data and assumptions used by Aegon to determine these assets and liabilities are suitable, accurate, reliable and relevant.

The third point relates to the fair value of hard to value financial instruments. This matter is related to investments that are illiquid and this requires significant judgment from Aegon management in determining their valuation. We use our own valuation specialist to assist us in auditing the calculations and accessing the adjustment made and assumptions used by Aegon.

The fourth one relates to uncertainties in policyholder claims and litigation. The insurance industry continues to face consumer activism and regulatory scrutiny over product design and selling practices. Aegon has encountered claims and litigation in this respect. We assessed the company's position on these matters including underlying facts and circumstances by obtaining lawyers' letters to the extent considered necessary for audits as well as assessing the need to record a liability and the required disclosures. Most key audit matters have been selected as they contain a significant level of management judgment. Based on our procedures performed, we concur with management estimate -- assessment.

Then the order information including the directors' reports. With respect to the audit information included in the Annual Report, based on our knowledge and understanding

obtained during our audits, we have concluded that is consistent with the financial statements, does not contain material misstatement and it contains all information as required by Part 9 of Book 2 of the Dutch Civil Code. The scope of these procedures was substantially less than the scope of procedures performed in our audits. Thank you very much for your attention.

## A - William L. A. Connelly {BIO 16636333 <GO>}

You now have the opportunity to ask any questions left about the annual accounts or about the report of the independent auditor. Who would like to start? Clearly gentleman #2. Go head.

## Q - Errol Keyner

My name is Keyner. I speak on behalf of VEB. The question or questions I'm having concerning this point is the fact the crossroad between the finance, the financial path. But also the governance of the company. And this one topic really and this concerns the SEC investigation, which you and I think as the Chairman, Mr. Chairman now. But last year asked several questions related to the ongoing SEC, SEC investigation last year. Now in the meantime,

we've learned all of us that the SEC investigation is closed. Aegon has settled for \$97 million. More worrying is not the \$97 million, is the report, the analysis, the conclusions of the SEC. The SEC has concluded. And I quote, "The models used by Aegon contained material mistakes, more than 50, incorrect calculations, inconsistent formulas and sometimes even using numbers where percentages should have been used. The models which were being used for managing investments on behalf of customers in the end were the models were being developed -- have been developed by a new employee, just fresh from school, good school I must assume. However, this poor guy, this poor chap made a lot of mistakes, first real job maybe he was a little bit nervous. But no one, no one within Aegon considered maybe checking what this guy was doing. But what you were doing, the marketing materials were all presented very nicely. So it was packaged very nicely and it was being used, those models were being used for managing investments on behalf of your customers.

Now this is very serious indeed. And I wasn't aware last year exactly about the details. Sure, you knew. You didn't know about \$97 million. But you knew about how serious the issues were, the problems were. But I've been asking questions since I wanted to get a grip on how big is this issue. This is one of the many things, which in a company again go wrong. No problem with that. I can deal with that. Now the first line of questions I ask Mr. Wynaendts. And Mr. Wynaendts asked (sic) (answered) not incorrectly but misleadingly I must say. "Mr. Keyner," he said "it's not so much errors in the models, it's more the communication about the models, maybe the marketing material, the prospectus." I was very surprised but for me this means, okay, it's minor thing, maybe there are some small issues in the model, rounding issues and so on. So -- but just to be sure, one question later, I ask the Audit Committee to -- your Supervisory Board, Mr. Ben van der Veer. Mr. Ben van der Veer, I asked. The answers, which were given by the CEO, I understood it's more communication issue than really big issues, which have a real impact. Maybe it

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concerns a bigger issue, which could happen throughout Aegon, which means there may be some control issues.

If role models are being used or role models are being communicated in a wrong way to your customers, maybe something bigger is happening within Aegon. And Mr. van der Veer, as Chief of the Audit Committee said, well, #1, I fully support what the CEO has been answering. So that's fine. Secondly, it has nothing to do with being in control, not we are in control. And actually, it's not even Aegon, it's a daughter company of us in the U.S., less and of course, it's nonsense because it's a daughter company, fully consolidated by Aegon. If you got a problem with a daughter company in the U.S., we see the results up here that we get less dividends or less profits or whatever. So it is very, very material. So I was more or less put to sleep. No issue, no in control. Don't worry. Go back to your place and sleep on. We'll manage this. Just to be sure, as I wanted to ask the PwC, your predecessor partner to the auditor. Well I've heard, of course, the reaction from the CEO.

I've heard the reaction from the Supervisory Board. Please confirm that what I've been hearing is correct, especially I'm concerned about being in control or not because that will be a fundamental issue. It took me some efforts to get an answer at all from PwC, not because PwC didn't want to answer because the Chairman, Mr. Ben van der Veer made some efforts answering on his behalf already. So I had to ask 3 times, please, let the auditor confirm what you've been saying so far. Now in the end, of course, PwC obliged and said, yes, we concur on this page. We say "It's in control," and of course, everything that has been said in this meeting is confirmed the truth. So you can sit down and sleep back again. Now with these kind of answers. And of course, we can disagree on many things, we can disagree about remuneration systems. We can be disappointed by the financial results. We can have a discussion about stakeholder models versus shareholder models. It's all fine. I can deal with that.

I've got one issue and if I'm asking questions or any of the other shareholders or shareholders here in this room. If I'm asking questions and I get an answer which is I'm not saying is lying. But is putting me to sleep instead of saying well, Mr. Keyner, you've got a point, that's a big issue for us. It was for us a reason to check all the other models and the quality control of all the other models which have been used throughout the Aegon. Because models are essential for the way we earn our money. No the answer, I'm getting is more the communication. Of course, there may be some errors. But it's more the communication. We are in control and as a daughter company faraway in the U.S., no worry, go back to sleep. Mr. Chairman, I've got an issue with that.

And I would like to know #1 from the CEO that you regret the kind of answer he's been giving to me as a shareholder but also informing all the other shareholders. I would like to get an apology from the Audit Committee through Mr. Ben van der Veer, that he hasn't been stepping up, telling the CEO, listen, okay, that's fine, you answer. But I have to say that the issue is, of course, a little bit more severe than you've been presenting so far or even worse when I asked him directly this question. Please go to sleep Mr. Keyner of the VEB, we've got no issue. We're in control. So the safeguard because I understand that the CEO is trying to sugarcoat the message, it's understandable, it's not good. But it's understandable.

It's not understandable that the Supervisory Board is backing CEO in such a delicate matter. The last and that's also serious criticism towards the PwC. If the Board executives and nonexecutives are communicating something, which is sugarcoating the issue, I expect PwC to stand up and warn us and especially if I'm asking the question directly to the auditor, you're here for us as well. So Mr. Chairman, I would like to have the answer of all the 3 bodies, CEO, Supervisory Board and accountant.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Start the answer. Alex?

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

Sure. Let me answer the question and I will do that in English to make absolutely sure that there's no misunderstanding on the words being used. And I would like to start with the facts first and then we'll take it from there. So this case is related to issues that were discovered by Aegon Asset Management in the U.S. in 2014, in the operation and implementation of quantitative models used in funds managed by Aegon Asset Management for its customers. The second part of the issue is the question whether appropriate disclosures were made regarding these matters?

This is what we have shared last year because this issue had been in the AGM last year. At that time, we had only taken a reserve for, as you know, EUR 100 million. So I'm repeating what we said last year and it's in relation to issues in the operation and the implementation of quantitative models and whether appropriate disclosures made to its customers. So we have discovered at Aegon this issue ourselves and this was discovered through our control procedures. We reported them ourselves to the SEC and have fully cooperated with the result of SEC investigation as you will have seen in the final press release of the SEC.

What I would like to say here and clearly that actions have been taken to address these issues. Actions has been taken to implement stronger controls, to avoid reoccurrence of similar situations. Furthermore, also actions have been taken in relation to employees directly involved, employees that are responsible and variable compensation of local senior management and line management has been also affected. Similarly, the Supervisory Board felt it appropriate that this also reflects in the variable compensation of the executive and the Management Board of Aegon.

Now the facts also. The majority of the settlement and you have the exact number, it was \$97.6 million is related to the reimbursement or call it return. The technical term is disgorgement of fees to customers. And the penalty that SEC imposed on us or the fine that they imposed on us was around \$35 million. We have disclosed this in the 2017 Annual Report. And discussed this last year -- in last year's AGM. So as far as I can see, we are and we have been very transparent on the situation. We've also been transparent on the steps we have taken. And I'm very happy to say to you that if in one way or another, we communicated that or it came over, it was perceived in a different way, I certainly regret that it was perceived in a different way. But we have been extremely careful.

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I will add here, to make sure that whatever we say was well calibrated because when you are in discussions with the SEC, you have to make sure that you say exactly the right thing. And I made sure that based on the information I had, I have assumed, I have read exactly the same thing also to you and to shareholders. And that's the facts I would like to share with you.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Thank you, Alex. Ben, would you like to...

**A - Ben J. Noteboom** {BIO 3821638 <GO>}

Yes. If I may add to that. Mr. Keyner, thank you for your question. This was indeed, as Alex was saying again, a delicate matter. I think the most important thing what we said last year as well that the audit committee was on top of a lot of things. But also on top of this item together with legal counsel et cetera. So what I said yesterday -- last year, I do not exactly remember but I did not say something like "sleep well, Mr. Keyner," although, I hope you sleep well.

I think the information we have provided, that the company has provided to the shareholders in the annual report was sufficient. Of course, these matters will be discussed and have been discussed ongoing with PwC. And they are critical in nature -- as the audit committee is critical in nature. But again what Mr. Alex Wynaendts is saying now on this issue, what we have been discussing, what the company has disclosed, that was the same -- well, reviewed by the Audit Committee. And I fully endorse again what Alex is -- Alex is saying now I fully endorse it as well.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Thank you, Ben. Gert-Jan, would you like to respond?

**A - Unidentified Speaker**

I confirm what has been said about this matter. And maybe just to add, I think, in general, models obviously they're having an impact on the financial statements, have a very, very strong focus in our audit.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

I will just add on behalf of the Supervisory Board. As Alex pointed out, this was a self-reported item in 2014. So there's a culpa here that has clearly been communicated to all the stakeholders. The whole issue of in-control that you raised has been a top priority both for the risk and audit committee. A huge amount of effort has been made to ensure that we are in control. But as you will understand, this is a dynamic process in a dynamic market in a dynamic environment. So this is a constantly point of agenda that will always be a focus of both the risk, audit. And of course, the total Supervisory Board.

**Q - Errol Keyner**

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If I may react, because I still believe that you -- each of the 3 bodies sing the same song, that gives hope. But it also, seeing my experience from last year, that I get a little bit nervous. I get nervous about that. Since last year and my complaint is not that things go wrong. Let me be clear on that. Things go wrong. That's normal in a huge company like Aegon is and a huge amount of money that you have to manage. That's normal. The fact is not that I'm criticizing that you found the issue yourself. And you're trying to solve it, audit it. The fact is if I'm asking about that issue, that you're sugarcoating the story. And you don't remember exactly what you said and, of course, I've got the meeting minutes.

**A - William L. A. Connelly {BIO 16636333 <GO>}**

With all due respect, as Alex pointed out, there is no effort to sugarcoat, while there was an effort was to provide full disclosure on the basis of what we could disclose at that moment in time.

**Q - Errol Keyner**

I'm ask -- I'm talking about the AGM not about...

**A - William L. A. Connelly {BIO 16636333 <GO>}**

At the AGM, there was continued negotiations with the SEC. They were not completed. As the CEO pointed out, we were under strict guidelines as to what could be communicated at what time and we fulfilled full disclosure requirements as we could at that time including the AGM.

**Q - Errol Keyner**

Yes, I was there at the AGM as well. I read your own meeting minutes which were not incorrect. But not a complete story. I tried to watch the webcast of last year, I couldn't find it back, well the previous years. But not 2018. Fortunately I had received the transcript from Reuters. So I do have the exact words, which were being used. And these exact words were not really trying to say indeed, listen, we do have an issue, we not only reported it. But we do have an issue. It could have impacted the control or the degree to which we as Aegon control all the work that we're doing, all the models which are being used.

This is very serious matter. But the opposite was being true though there are some issues but that's more communication than anything else. It's not. This could have been a serious issue, which would have impacted -- which could happen in multiple places in your organization if a young analyst can develop a model, which is wrong, where there is no quality control and models are being to manage investments on behalf of customers.

If it happens in one place, why doesn't it happen in another place? So the issue I was trying to indicate was, was it a fundamental one and I'm expecting a fundamental answer then back, which is much more transparent than what you did in the AGM. That is my point. My criticism is not that things went wrong. My criticism is that you didn't answer the questions in the way you should have.



**A - William L. A. Connelly** {BIO 16636333 <GO>}

Duly noted. Any other question before we move for the adoption of the annual accounts? Mr. (Spania).

**Q - Unidentified Participant**

Yes. Okay. (Interpreted) My name is (Spania) for the Minutes. Mr. Auditor I see nothing in your report about privacy protection, the legislation that applies to the whole of Europe. How did you check, make sure that all these privacy personal detail protection areas -- things have been checked? How can you be 100% sure? You know what it is that I'm referring to, GDPR?

It's law and regulation. It has an -- it is important focus in our audits. We should make a distinction between laws and regulation that has a direct impact on the financial statements. That's part of our audits in respect of the other laws and regulation. We obviously assess what the company has been doing in that respect. And if we have any -- if there are any instances of serious compliance issues, we will ensure that management is taking the appropriate action.

(Interpreted) Which countries did you visit yourself for the audit?

In the U.S., a couple of times. U.K., the Netherlands and Asia.

(Interpreted) Well the Netherlands that's not that hard, is it?

**A - William L. A. Connelly** {BIO 16636333 <GO>}

We're based in. So we will now move to item 3.4, the adoption of the annual accounts for 2018. I propose that we adopt the annual accounts for 2018 as drawn up by the Executive Board and approved by the Supervisory Board. The Secretary will now explain how the voting takes place.

**A - Anne-Marie Roth-Verweij**

Thank you, Will. Before the meeting, you saw on the screens how to vote with a voting app, or with your voting device and the chip cards. This will now be shown again on the screens. On your left side, the explanation for the voting app will be shown. And on your right side, the explanation for the electronic voting device will be shown. We are going to vote electronically on the proposal to adopt the annual accounts 2018.

For the voting app, you have received login details and if already logged into the app. When the vote is open, the voting item will appear automatically and you can vote. For the electronic voting device, your key card must be inserted in the key card. We recommend to keep it inserted during the meeting. When the vote is opened, the display on the voting app or on the keypad of the electronic voting device will show the options. The first button, the #1 stands for, you vote in favor of the proposal. The second button, the #2, stands for against, you vote against the proposal. And the third button, the #3 stands for abstain, you abstain from voting. After having voted, the display will show your vote. If you

want to change your vote, you can do so until the vote is closed. Please raise your hand if your voting device doesn't work properly or if you have questions about your voting app and somebody will assist you.

As there are no questions, you can vote now on the adoption of the annual accounts 2018.

(Voting)

The voting is closed. The results can be shown, please. 99.51% of the votes for, 0.49% of the votes against.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

I, therefore, establish that the meeting has adopted the annual accounts for 2018. We now move on to Item 3.5, the proposal to approve the final dividend for 2018. Aegon's dividend policy is to pay out a substantial dividend, sustainable dividend to allow our shareholders to participate in the performance of the company, which can grow over time if the performance of the company so allows. In normal circumstances, Aegon would expect to declare an interim dividend when announcing our first half results and propose a final dividend at the Annual General Meeting of Shareholders for approval.

As was mentioned, Aegon proposes to pay a final dividend for 2018 of EUR 0.15 per common share. This results in a total dividend for the financial year of 2018 of EUR 0.29 per common share, taking into account the interim dividend of EUR 0.14 paid in September 2018. The final dividend will be paid fully in cash or stock at the election of the shareholder. The value of the dividend in common shares will be approximately equal to the cash dividend. It is the intention to neutralize the dilutive impact of the stock dividend by repurchasing shares.

Are there any questions regarding this point? You may please go to the microphone.

**Q - Unidentified Participant**

(Interpreted) My name is (Philippe.) I'm a retail shareholder from Amsterdam. A very practical question. The Aegon share, when would it be ex-dividend? So not when the payout will be, I know that. But when will it be listed ex-dividend at the stock exchange?

**A - William L. A. Connelly** {BIO 16636333 <GO>}

It's a good question. We will confirm it to you shortly. Just want to make sure we give you the exact -- the correct date.

**Q - Unidentified Participant**

Okay.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

But it's very soon. But we do -- we believe it's Monday. But we'll confirm that.

## Q - Unidentified Participant

Next Monday?

## A - Unidentified Speaker

We got an answer. May 21.

## A - William L. A. Connelly {BIO 16636333 <GO>}

May 21.

## Q - Unidentified Participant

May? That's for sure?

## A - William L. A. Connelly {BIO 16636333 <GO>}

21st, confirmed. Thank you.

Assuming there is no further questions, we're going to vote electronically on the proposal to approve the final dividend of 2018. Anne-Marie?

## A - Anne-Marie Roth-Verweij

Thank you, Bill. Let me repeat once more what you should do. For the voting app, you've already logged into the app. And when the vote is open, the voting item will appear automatically and you can vote. For the electronic voting device, your key card must be inserted in the keypad. And we recommend to keep it inserted during the meeting. So when the vote is open, the display on the voting app or in the keypad of the electronic voting device will show the options.

The first button, the #1 stands for, you vote in favor of the proposal. The second button, the #2 stands for against, you vote against the proposal. And the third button, the #3, stands for abstain, you abstain from voting. After having vote, the display will show your vote. If you want to change your vote, you can do so until the vote is closed. Please raise your hands if your voting device doesn't work properly or if you have any questions on your voting app and somebody will assist you.

If there are no questions, you can vote now on the approval of the final dividend 2018.

(Voting)

The voting is now closed. And the results can be shown, please. 99.39% of the votes for and 0.61% of the votes, against.

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**A - William L. A. Connelly {BIO 16636333 <GO>}**

I, therefore, establish that the meeting has approved the final dividend for 2018. We now move on to agenda Item 4, the appointment of PwC as independent auditor for the annual accounts of 2019 and 2020. Following the recommendation of the Audit Committee of the Supervisory Board, we propose that PricewaterhouseCoopers is appointed as independent auditor for the annual accounts 2019 and 2020. PwC has been Aegon's independent auditors since 2014. At the AGM in May 2017, PwC was appointed for the annual accounts of 2017 and '18. After an evaluation by the Audit Committee, it is now proposed to also appoint PwC for 2019 and '20. Are there any questions?

**Q - Errol Keyner**

Yes, Keyner of VEB. I think I know the answer. But for this agenda point, I will still ask -- would have a question for PwC. Does PwC agree that in the last AGM, the Board, Supervisory Board as well as the Executive Board didn't elaborate sufficiently on the questions, which I have been asking on behalf of VEB concerning the SEC matter? Does PwC agree that it would have been wise of a PwC partner at that point at least to use the meeting to clarify the situation to make it clearer, what the answer should have been? And #3, does the current PwC partner agree that especially, if the question is directly asked to PwC, the PwC should have given a more complete answer instead of saying that everything is fine?

**A - William L. A. Connelly {BIO 16636333 <GO>}**

Questions to PwC.

**Q - Unidentified Participant**

Thank you for the question. I can confirm that if -- I agree that if the management or the Supervisory Board states something in answering of questions that I don't, as an auditor don't agree with it, I will make that aware that I don't disagree with that -- don't agree with that answer.

**Q - Errol Keyner**

Yes. That gives hope for the future. Have you been informed or at least been aware? Have you read the transcript of last year's meeting? Or with the change of partner that hasn't been communicated?

**Q - Unidentified Participant**

I've read the transcript of the last partner -- I've read also what has been communicated in the meeting of...

**Q - Errol Keyner**

Okay. Are you -- is that the way that you think PwC should have responded in that meeting?

**Q - Unidentified Participant**

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It's a transcript. So I wasn't part of the discussion itself. And I think reference was made to the opinion that was made in respect to the in-control statement at that point in time, which I can see given the impact that the models has in respect of the financial statements.

### Q - Errol Keyner

Let me say. And this is only because there's a new partner PwC, I was intended to vote against reappointing PwC, since I think they are the last point of resort to help us shareholders, if we may not get the kind of answers, which we are entitled to. This is a new partner, at least he's indicating that what he intends to do for the future. So we do not hold against nor for this kind of agenda point.

### A - William L. A. Connelly {BIO 16636333 <GO>}

Thank you. Very good. We will now vote on this proposal.

### A - Anne-Marie Roth-Verweij

You can vote now.

(Voting)

The voting is now closed and the results can be shown, please. 99.87% of the votes for and 0.13% of the votes against.

### A - William L. A. Connelly {BIO 16636333 <GO>}

I establish that the meeting has approved the appointment of PricewaterhouseCoopers as independent auditor for the annual accounts 2019 and 2020. We now move on to agenda item 5, release of liability. We propose that the Executive Board members be released from liability for their duties to the extent the exercise of such duties is reflected in the annual report 2018 and otherwise, has been disclosed to shareholders prior to the adoption of the annual accounts 2018.

We now move on to agenda item 5.2, after 5.2, we would like to give the opportunity to ask questions regarding items 5.1 and 5.2. 5.2, we propose that the Supervisory Board members be released from liability for their duties, to the extent the exercise of such duties is reflected in the annual report 2018 and has otherwise been disclosed to shareholders prior to the adoption of the annual accounts 2018. Are there any questions regarding items 5.1, 5.2? I wouldn't expect otherwise, please?

### Q - Errol Keyner

Yes, Keyner of VEB. Similar topic, SEC issue. I'm not asking anything about the performances, really the governance, transparency towards shareholders. Question for the Board, well, that's the Executive Board. Mr. Wynaendts, do you on hindsight feel that you've answered the questions which the VEB has asked concerning the SEC issue at the

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previous AGM? Do you feel that they have been answered appropriately. That's the question for Mr. Wynaendts.

Question for the Supervisory Board, in fact, directly directed to the Chief of the Audit Committee, Mr. Ben van der Veer do you feel that you've taken your role seriously enough and trying to ensure that the one who asked the question, which was me on behalf of VEB got more clarity on the issue? And if, to refresh your mind, if you don't know exactly what you said. But just one of the sentences where I really specifically asked, well this is what Mr. Wynaendts said. Well the model is not so much the errors in the model. It's more the communication about the model. That was the real issue. And secondly, my question to you primarily as Chief Audit Committee, does -- should we be concerned -- should we be concerned about being in control, are the control mechanisms well enough? Well your answer.

This is literally because I've got the transcript from Reuters. And on the SEC matter. I can again confirm that, on top of management, let's say, that what Alex Wynaendts just said earlier about it on the SEC issue, what they have published as a company, it has nothing to do, let's say, with real in control, that if you're in control or not. So to say, to use that word. What was more the term that Alex was using in confirming and discussing with our clients, the issues we were doing there for them in the U.S. are not so much in control what you see, let's say, that we're not in control. So to say. Well you can say a lot about this kind of thing. But if the United Nation is looking for diplomats, well, they can hire you and you will be excellent making sure the people will not fight. But I'm sure they will not understand each other better after your involvement. So with this in mind, do you feel that you really helped me to better understand the issue?

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Okay. We will now respond to the 2 questions. Alex?

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

I can only repeat what I said earlier. What I said earlier is that I had a clear script that was what I was supposed to communicate. I communicated it and again, if it was misunderstood or understood in a different way or understood in a different way, I said it earlier, I regret it. But the most important thing is that we take controls extremely seriously, wherever they are, we take the measures and it is one area but the organization has many areas as you rightly point out. We have learned from that situation. We ensure that this does not happen again. And we ensure also that we continue to implement more and more controls because that's what is required of us.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Ben?

**A - Ben J. Noteboom** {BIO 3821638 <GO>}

Yes. Yes Mr. Keyner, thank you again for your question. I'm not going to repeat my earlier answer. But I always kind of learn and if you are critical in the communications, the way I specifically communicate it, I can always learn from that. I also listen to you carefully

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because you -- most of the time, you're also very much focused on content and you read your materials very good. So I learn from it. I listen to you carefully. Looking with hindsight, I still think what we -- also, me personally, we gave in this context, what happened last year -- in the AGM we gave the right answer. So I stick to that what I said before. But again, what I said going forward, I listen to you carefully as always not only in this Shareholders' Meeting. But also other Shareholders' Meeting. And I will have reflection on that as well.

## **Q - Errol Keyner**

Okay. So let me at least clarify the kind of leniency I regarded towards the auditor. I will not do that towards the Board. I still think that you should have been more open to us in explaining what the issue was and the potential implications. I was very clear on that on several occasions. So VEB will vote against release from liability both for the Executive Board, as for the Supervisory Board. I hope I will not have to continue that for the next years.

But for this year, I think it's so important that governance is in control that you take questions from the investors whether small or big, whether they're stupid questions or maybe bright questions, whether annoying questions or not, that you take these questions seriously and try to answer them in a way which is appropriate. So I will vote against.

## **A - William L. A. Connelly {BIO 16636333 <GO>}**

Understood. We will now proceed to the vote regarding proposal 5.1.

## **A - Anne-Marie Roth-Verweij**

You can vote now on agenda item 5.1, please.

(Voting)

The voting is now closed and the results can be shown, please. 98.11% of the votes for, 1.89% of the votes against.

## **A - William L. A. Connelly {BIO 16636333 <GO>}**

I, therefore, establish that the meeting has granted this release from liability for the members of the Executive Board. We will now proceed to vote on Proposal 5.2, which is the same release of liabilities for the Supervisory Board.

## **A - Anne-Marie Roth-Verweij**

You can vote now, please.

(Voting)

The voting is now closed and the results can be shown. 98.22% of the votes for and 1.78% of the votes against.

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**A - William L. A. Connelly** {BIO 16636333 <GO>}

I, therefore, establish that the meeting has granted this release from liability for the members of the Supervisory Board. We will now pass on to our Item Agenda 6, which is adoption of the remuneration policy for members of the Supervisory Board. Ben?

**A - Ben J. Noteboom** {BIO 3821638 <GO>}

Yes. Thank you, Mr. Chairman. The proposal you see here on the screen reflects the increase -- we want to propose an increase in the Chairman fee of the risk committee. The increase in complexity of workload on risk committee and the -- sorry, I have to start here. I present an update of the attendance on travel fees after considering a peer review amongst comparable Dutch and European companies. Annual fixed fees for Risk Committee members become equal to that of the Audit Committee.

It means that the chair of the Risk Committee will go up from EUR 10,000 to EUR 13,000. So a EUR 3,000 increase. For the members of the Risk Committee also, an increase with EUR 3,000 from EUR 5,000 to EUR 8,000. The attendance fees for all committees to become EUR 3,000 for meeting, which today is EUR 2,000 so an increase of EUR 1,000. Increase in intercontinental travel fee from EUR 3,000 to EUR 4,000. Introduce a continental travel fee of EUR 2,000 since these people are actually come from other countries, traveling to a meeting. And there should be a change to the policy that you adopted in the AGM of May 2013.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Thank you, Ben.

**A - Ben J. Noteboom** {BIO 3821638 <GO>}

Any questions?

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Any questions regarding Item 6.1?

**Q - Unidentified Participant**

(Interpreted) Mr. Chairman, I have a question. Mr. Noteboom, you write about the peer group. But why don't you explain in your annex what the peer group is? Which peer group do you mean? Do you mean Shell or AB InBev? Which peer group do you mean? Because if -- are we talking about the Netherlands or Europe. And what's especially strange is you're working for people who retired and you don't get any money. But you don't get money at the ABP. But here you are getting paid.

Not only the base salary is going from EUR 10,000 to EUR 13,000. But also attendance of the meeting is paid as well. And I don't think the travel costs have gone up that much. Why do we have to pay EUR 1,000 more for intercontinental flights? We'll have the G5 soon in screens. Can't you communicate with the United States and the like that, where people don't have to fly all the way in?



**A - Ben J. Noteboom** {BIO 3821638 <GO>}

It's in the annual report as, of course, you will have seen. And on top of that, we also calibrate the rewards we give to anybody, remuneration, with the top 12 AX companies. So that we are sure that we also are in line with what happens in the Netherlands next to our international peer group. Of course, it's not the flight costs, it's the time that people need to spend that we are trying to compensate and instead of increasing the base fee, which you always get, you only get a little bit more if you actually attend the meeting. That means you have to work for it. So we prefer that over increasing the base fee.

**Q - Unidentified Participant**

(Interpreted) What's your definition of travel costs? I think, international, it's international travel. How should I see this?

**A - Ben J. Noteboom** {BIO 3821638 <GO>}

I know that somebody tried to shin the (foreign language), it didn't work well. So no, it's not...

**Q - Unidentified Participant**

(Interpreted) You're not a great athlete. And I don't think that can be compared, because that person was trying to do this for entirely different purpose, you're serving only your own financial interest and the person was doing it for a good cause. So that's not comparable. But what are we talking about when we mention international travel? Do you see traveling from Spain to the Netherlands as international travel, because you could do that -- you could communicate over the phone or by app. You don't have to spend that much money. And the people who are receiving pensions are now struggling to make ends meet.

**A - Ben J. Noteboom** {BIO 3821638 <GO>}

However applicable to save time and money. But we -- we've found out that live meetings in general are more productive than just sending messages through telephones. But thank you for your suggestion.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

We will now pass on to vote on Proposal 6.1.

**A - Anne-Marie Roth-Verweij**

You can vote now on agenda Item 6.1, please.

(Voting)

The voting is now closed. And the result can be shown, please. 99.53% of the votes for and 0.47% of the votes against.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

I, therefore, establish that the meeting has adopted the remuneration policy for members of the Supervisory Board.

We will now move on to Item 7, which is composition of the supervisory board. And specifically the proposal to reappoint Ben Noteboom to the Supervisory Board. We're doing so on the proposal that he would be proposed for another four years as of May 17, 2019. And that would, therefore, mean that he would continue Board member through 2023.

We propose to reappoint Ben in the view of the constructive way in which he has contributed as a member of the Board, Chairman of the Remuneration Committee and member of the Risk Committee. Ben Noteboom has experience as CEO of a global company in recruitment and staffing and brings knowledge and expertise to the Supervisory Board in branding, marketing, human resources, strategy and mergers and acquisition. His knowledge and experience match the desired expertise. And his reappointment safeguards the continuity and knowledge of the organization within the Supervisory Board. We have full confidence with Ben Noteboom as a member of the Supervisory Board, Aegon N.V. is well positioned to help people achieve a lifetime of financial security.

Information regarding Ben Noteboom is available in the agenda in the explanatory notes on Pages 5 and Annex 1 on Page 9. Any questions regarding the proposed reappointment?

**Q - Unidentified Participant**

(Interpreted) I'm a private shareholder from Amsterdam. And to eliminate any uncertainty about Mr. Noteboom, I would be delighted to support your reappointment. But let me remind you that in 2015, upon your first appointment, I said I saw you operating with Corporate Express at the Okura Hotel in Amsterdam. And I hope that you'll add more value here. I still don't think Aegon is a very enticing share. I haven't said very much about that. Last Wednesday, I attended Ageas in Brussels which is far more appealing to me. I have progressively less of a sense of urgency from Aegon. And I keep wondering what -- how is this helping me. But I don't have to bother you with that. I wholeheartedly support your appointment.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

We'll now vote on Item 7.1, the proposal to reappoint Ben Noteboom to the supervisory board.

**A - Anne-Marie Roth-Verweij**

You can vote now on the reappointment of Ben Noteboom.

(Voting)

The voting is now closed. And the results can be shown, please. 98.98% of the votes for, 1.02% against.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

I, therefore, establish that the meeting has reappointed Mr. Ben Noteboom as a member of the Supervisory Board. I would like to congratulate Ben on behalf of the other members of the Supervisory Board. It's great to have you, Ben.

We now move on to agenda Item 8 which is the composition of the Executive Board. We propose that Alex Wynaendts, currently CEO, be reappointed as member of the Executive Board for a term of four years as of May 17, 2019. Alex has a broad international financial services experience and is, furthermore, proposed for reappointment for his leadership and vision and his performance as CEO in the past years. His knowledge and experience match the desired expertise. We have full confidence that Alex as a member of the Executive Board, Aegon N.V. is well positioned to help people achieve a lifetime of financial security.

Information regarding Alex Wynaendts is available in the agenda in the explanatory notes Page 5, Annex 2 and on Page 10 and 11. Any questions regarding the reappointment? Yes, sir.

**Q - Unidentified Participant**

(Interpreted) I'm (Alexander van der Graaf). Again, I'm a private shareholder. Regarding the Supervisory Board, it's standard practice for you to propose Mr. Wynaendts for reappointment. But since his leadership, as I indicated previously, he has done nothing for us, as shareholders. In fact, Aegon is -- keeps declining in value. I imagine that you have not considered other options. And you needn't consider me. But what's your feeling about this? How -- why should I have the confidence to support the speakers? We hear the same line every year in terms of value creation, long-term value creation. We're not seeing any of that.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Gentlemen #2.

**Q - Errol Keyner**

Yes, Keyner, VEB. More in line with what the previous speaker also indicated. Mr. Wynaendts has been a Board member for 16 years, I think, in the meantime. In that period, the share price of Aegon has halved from EUR 9 to EUR 4.5 or so. The markets, overall, have doubled in value so at least that's also factual, we can conclude there has not been a great shareholder value created even though there were some dividends, sometimes attractive dividends. But overall, not very successful.

Sometimes, you got a lot of wind against you. So a lot of bad fortune, all kind of crisis. But in the end, we have to conclude this has not been a very successful period for shareholders. For shareholders. Now, with that in mind. And also considering that

somebody has been on Board for such a long time. If there's any reason to really look seriously for alternatives, that would have been the reason. Somebody who has already very long time on Board has not been a great success story so far. You can imagine, Warren Buffet, everybody becomes rich.

Let's forget governance. We all become rich. So let's stick with this guy. That's not the case here at Aegon. So I was wondering, there must have been very good reasons for you to really continue engaging with Mr. Wynaendts. Do you feel in any way hampered, any way restricted by the remuneration policy in finding good candidates maybe further away from the Netherlands, maybe in the U.S.? Because in the end, if we like it or not, most business of Aegon is made -- is done in the U.S. So is it possible that we are -- mainly as Dutch people here, we don't like spending money too much that the restrictions in that respect also restricts you in finding many appropriate alternative candidates to Mr. Wynaendts? That's my question.

### **A - William L. A. Connelly** {BIO 16636333 <GO>}

The proposal is to reappoint Mr. Wynaendts for another four years. We have taken into consideration his performance over, not only the last four years. But during his tenure as CEO. As I indicated earlier, under his leadership, the company has gone through massive transformation, a required transformation, taking into account the change in the industry, the regulatory regime and interest rates, the unprecedented low interest rate environment we're dealing with. He has positioned under his leadership.

The company is now well positioned for what will be the next phase of development. And this is an opportunity that we see that we can provide the continuity that will allow us to continue to address with the issue, which clearly you all have, which is an improvement on the share price, performance, beyond what is also has been an attractive dividend capital generation. He has a clear mandate and understanding from the supervisory board of what is expected from him. And we have full confidence of his ability to achieve it.

Regarding the remuneration, obviously, this is a very sensitive topic, particularly in this country. We, as a Board, are extremely sensitive to it. We will follow what is our fiduciary responsibility in the event that we are looking at such candidates. And we will, of course, have to take into account the sensitivities involved in this country. But as well as the international environment. It is something we are obliged to do. And of course, it is an important issue, particularly in this country. I'm well aware of that.

So unless there's any other questions, I propose we now vote on Item 8.1. The proposal to reappoint Alex Wynaendts to the Executive Board.

### **A - Anne-Marie Roth-Verweij**

You can vote now, please.

(Voting)

The voting is now closed. And the results can be shown, please. 99.07% of the votes for, 0.93% of the votes against.

## **A - William L. A. Connelly {BIO 16636333 <GO>}**

I'm delighted to report that the meeting has established the reappointment of Mr. Alex Wynaendts as a member of the Executive Board. I would like to congratulate Alex on behalf of the other members of the Supervisory Board.

We'll now move on to Item agenda -- agenda Item 9 which is now the issuance and acquisitions of shares. We propose that the first cover all proposals of Item 9 and then take any questions before we vote. We, therefore, kindly ask you to address any questions after all 3 proposals have been addressed.

We propose that you pass the resolution as described on Pages 5 and 6 of the agenda. If you agree, I will not repeat the text. But will give a short explanation. In accordance with Dutch law, we ask shareholders to authorize the Executive Board to decide on an issue of common shares and on the restriction or exclusion of preemption rights for a period of 18 months starting May 17, 2019. And subject to Supervisory Board approval. With these authorizations, the Executive Board can react quickly if an issue of common shares is necessary. The authorizations are limited to 10% of the issued capital and can be used for all purposes.

This resolution will replace the authorizations granted to the Board in 2018 to issue shares and to restrict or exclude preemption rights up to 10% of the issued capital plus 10% of the issued capital, if the issuance occurs on the occasion of the acquisition of an enterprise or to safeguard or conserve the capital position of the company.

You can -- I will then move on to 9.2 which is to authorize the Executive Board to issue common shares in connection with the rights issue. You can find the complete text of this authorization on Page six of the agenda. Again, I will not repeat that text. But simply give a brief explanation.

In accordance with Dutch law, it is proposed that shareholders authorize the Executive Board to issue common shares in connection with rights issues and to restrict or exclude preemption rights for a period of 18 months starting May 17, 2019. And subject to Supervisory Board approval. These authorizations give the Executive Board flexibility in managing its capital position and to respond promptly to developments in the financial markets should circumstances so require.

These authorizations are limited to 25% of the issued capital and may only be used to safeguard or conserve the capital position of the company. To safeguard the shareholders' interest, to minimize dilution of their percentage shareholdings, this authorization provides for the authority to issue shares by means of a rights issue only. The rights issue will be conducted in line with market practice, affording eligible existing shareholders the right to subscribe for the new shares in proportion to their shareholding to prevent dilution.

We then follow 9.3, is that we'll propose that the shareholders adopt the resolution on Page six of the agenda. I will again give a brief explanation.

This authorization to acquire shares in Aegon N.V. is identical to the one granted in previous years. Although according to Dutch law, a repurchase of shares is allowed up to a maximum of 50% of Aegon's total issued capital. It is proposed to limit this authorization to 10%. This authorization will allow Executive -- will allow the Executive Board to be flexible and to react quickly to circumstances necessitating a repurchase of Aegon N.V. shares and can be used for any and all purposes.

Upon adoption, this resolution will replace the authorization granted in 2018. Any questions regarding the proposals, regarding the issuance and acquisitions of shares?

### **Q - Unidentified Participant**

(Interpreted) Yes, Mr. Chairman. Are you ready? Regarding 9.1 and 9.2, you're requesting another authorization for us. But it doesn't say that it's as of today. So you still have six months left. So legally speaking, in six months, you have twice 10%. So -- and in 2, you're requesting 25%. So in 6 -- within six months, that would give you 50% so -- because there is no legal sentence terminating the other authorization that we gave you last year.

It's not what you say. And it's not in writing. So you're trying to get additional leverage for six months to make an acquisition and then to say, if we bought something, yes, you're right because legally speaking, it doesn't appear there. I'd like to hear from legal affairs on this.

### **A - William L. A. Connelly {BIO 16636333 <GO>}**

Mr. (Spania), the -- just to be very clear, this is on Page six of the proposed AGM documents for shareholders that you have the agenda, that these resolutions, what they actually do is replace any existing approvals that you've made. So it would not be an addition to, it's a replacement. It's on 6, the very first sentence.

### **Q - Unidentified Participant**

(Interpreted) Replace the authorization of the prior approval to issue? Well it's unclear. I oppose this anyway. It's vague.

### **A - William L. A. Connelly {BIO 16636333 <GO>}**

So we will then propose -- we'll now move to vote on Item 9.1, the authorization of the Executive Board to issue common shares with or without preemption rights.

### **A - Anne-Marie Roth-Verweij**

You can vote now, please.

(Voting)

The voting is now closed. And the results can be shown. 96.36% of the votes for, 3.64% of the votes against.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

I, therefore, establish that the meeting has decided to grant this authorization as of today for a period of 18 months. Then we move on to vote on Item 9.2, authorization of the Executive Board to issue common shares in connection with the rights issue.

**A - Anne-Marie Roth-Verweij**

You can vote now on agenda Item 9.2, please.

(Voting)

The voting is now closed. And the results can be shown. 97.34% of the votes for, 2.66% of the votes against.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

I, therefore, establish that the meeting has decided to grant the Executive Board the authorization -- grant the Executive Board the authorization for the Executive Board to issue common shares in connection with the rights issue.

We will now move on to the vote on Item 9.3, the authorization to acquire shares in the company.

**A - Anne-Marie Roth-Verweij**

You can vote now, please.

(Voting)

The voting is now closed. And the results can be shown, please. 99.54% of the votes for, 0.46% of the votes against.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

I, therefore, establish that the meeting has resolved to grant this authorization as of today for a period of 18 months.

We'll now move on to Item 10, which is our closing, before we have the great pleasure inviting you to join us outside. Are there any final questions or points of observation you'd like to make?

**Q - Unidentified Participant**

(Interpreted) I'm (Von Epan), I'm private shareholder from Amsterdam. In the past, when Mr. Routs chaired this Supervisory Board, I made a remark that I'm old-fashioned and I'm a bit older now too. I -- I'm a competition rower. When the weather conditions are extremely adverse, there's always a winner. And that holds true for all parties.

I'm not talking about the United States, I have no impression of that. Why is Aegon not consistently a front-runner? I would prefer Aegon to be among the top 3 insurance companies in the Netherlands. That's one remark. And that is probably sufficient.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Question #1. Gentleman #1.

### **Q - Unidentified Participant**

(Interpreted) I'm (Von Beg), I'm a private investor. I have 2 questions. Every evening, when I check the share prices, I see that the share prices in the U.S. always end up lower than they do in the Netherlands. My conclusion is that U.S. shareholders are getting rid of us. That means that in the United States, the Aegon image in Transamerica is not sufficiently highlighted and might be negative. That's my first question.

My second question is you provide services to pension funds and you offer life insurance. We, as private investors, would also like to invest for our pension. And many of us in this room would do that. Wonder whether you would consider as would benefit Aegon's image and appeal that the moment you refuse to disclose quarterly results and even refuse to give a minimum trading update, you could perhaps distribute quarterly dividend. Then people who are retired have a regular source of income. That's your business as you understand better than anybody else.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

Well and again, gentlemen -- oh, I'm sorry. Was there another question? Okay. Okay. Thank you. Gentleman #2.

### **Q - Errol Keyner**

Yes, Keyner, VEB. (Interpreted) Today, I'm going to wrap up in Dutch after asking my questions in English so that not everybody cancels their membership of the VEB. I was highly critical of you this morning. I had a reason for that. My criticism of the performance in 2018 and previous years, I think that the criticism is justified. But I'm disappointed because I sincerely hope that Aegon will do much better and as will the customers and the employees and especially the investors.

You heard a more strident VEB concerning governance and the method of communication transparency in answering questions. And I sincerely mean this, it's based on confidence and trust. You're an insurance company. Nobody does business with an insurance company if they don't trust that if they want a payment from the insurance company for nonlife claims as well after many years. Investors understand that there are risks when you invest the -- with your money and the money of your customers. But I hope that my



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strident responses toward you, including about the remuneration policy, which, in my view, is completely disproportionate, that you will take on board seriously the strident comments and criticism from the VEB to help us openly and honestly, about the opportunities of the firm.

You're very transparent about that. But also the risks and things that didn't work out rather than sugarcoating things. I don't like that. So I hope you understand my strident attitude. And in the future, let's put this behind us. If Aegon does well, I'm certainly going to advance this and make a point of it. I'm sure you understand that I've been somewhat less positive in previous years.

**A - William L. A. Connelly** {BIO 16636333 <GO>}

This is the opportunity for shareholders such as yourselves, to remind us of our duty and to make sure that we're very clear in our responsibilities. So we take it all as constructive. We all take it on board. We understand your concerns. And believe me, we take it very seriously. And in response to your first comment and to the first question from the gentlemen at #2.

There is one thing that I think all of us in this room as well as Supervisory Board and Executive Board, we all want this company to be a front-runner. That's something we all share. We want to do so in a sustainable way, taking into account the responsibility for society given we fully appreciate that. But we want to see Aegon be a front-runner. That is our common goal and vision. And believe me, that is something that all of us, including we're looking at our shareholders, is the area of focus.

I will then allow Alex to respond to #1 -- to question #1.

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

The trading in the New York Stock Exchange is often of a very small volume. In general, it's less than 10% than the volume we have in Amsterdam. So therefore, the price at the Amsterdam -- New York is not very much an indicator about the price setting in Amsterdam. You really need to look at the volumes and the pricing in Amsterdam. On the quarterly dividends, I'm not aware of companies in the Netherlands doing so. We already...

**Q - Unidentified Participant**

Shell. Shell, Unilever.

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

Shell. Yes, yes. Shell and...

**Q - Unidentified Participant**

Big international companies do this. And in America, it's quite normal.

**A - Alexander Rijn Wynaendts** {BIO 1821092 <GO>}

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I just wanted to go there. You're absolutely right. In America, it's very normal. We have done always interim dividends twice a year, something I certainly will want to look into. And if there is clearly demand for that, we certainly need to consider that. I will look into that.

### **Q - Unidentified Participant**

Okay. I would like to see an answer once -- somewhere -- how do you do that? I don't know.

### **A - Alexander Rijn Wynaendts {BIO 1821092 <GO>}**

We will look into that and let -- and let our shareholders know.

### **A - William L. A. Connelly {BIO 16636333 <GO>}**

Okay, last question. Gentleman #2.

### **Q - Unidentified Participant**

(Interpreted) Mr. Wynaendts undoubtedly has a vision about the future for interest rates. Does Mr. Wynaendts agree that when the ECB has changes -- when (inaudible) leaves the ECB that the interest rates will rise? And now my final remark, I'm a private shareholder. I'm interested in earnings per share. My favorite share is Shell, one of the finest companies we have in the Netherlands. I would like Aegon's external communication to articulate less that they're very concerned about CO2. I also care about the environment. But I would like to see a bit more neutrality and impartiality. That's my remark.

### **A - William L. A. Connelly {BIO 16636333 <GO>}**

Sure, Alex?

### **A - Alexander Rijn Wynaendts {BIO 1821092 <GO>}**

I would like to -- and say it in English to all the shareholders -- like to say to all the shareholders that I am very grateful for the support you have given me today. It is an honor. It's a privilege to be working together with the team, to continue on the path that we are embarked on, to execute on a strategy and to deliver the results for all our stakeholders and, of course, our shareholders. And I want to assure you that we will do this together and with all the energy we have, the fullest energy to make sure that we achieve our targets and that all stakeholders get rewarded accordingly. You can count on us. Thank you.

### **A - William L. A. Connelly {BIO 16636333 <GO>}**

Thank you. So before closing the meeting, I have a couple of announcements to make. There will be a light lunch and drinks in the hall where you can speak with us or with one of our Investor Relations officers, if you wish. If you have used an electronic voting device, please make sure to return the device at the exit of this meeting room and to return your chip card before you leave at the registration desk at the exit. The information on the chip

card will be automatically deleted. At the registration desk, you will also receive a present made of chocolate. It's the Dutch tradition here.

We thank you very much for attending and participating in this meeting. And everyone here is looking forward to seeing you again next year. I now close this meeting. Thank you very much.

(Portions of this transcript that are marked (Interpreted) were spoken by an interpreter present on the live call.)

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