FINAL

Bloomberg Transcript

Q4 2013 Earnings Call

Company Participants

- Alex Wynaendts, Chairman and CEO
- Darryl Button, CFO
- Willem van den Berg, Head of IR

Other Participants

- Archie van Riemsdijk, Media
- Ashik Musaddi, Analyst
- Benoit Petrarque, Analyst
- Chris van Alem, Media
- David Andrich, Analyst
- Farquhar Murray, Analyst
- Francois Boissin, Analyst
- Gordon Aitken, Analyst
- Maarten Altena, Analyst
- Maud van Gaal, Media
- Michael van Wegen, Analyst
- Nick Holmes, Analyst
- Peter Testa, Analyst
- William Elderkin, Analyst
- William Hawkins, Analyst

Presentation

Operator

Ladies and gentlemen, welcome to the Aegon Fourth Quarter 2013 results conference call on February 20, 2014. (Operator Instructions) I will now hand the call over to Willem van den Berg, please go ahead sir.

Willem van den Berg {BIO 15203834 <GO>}

Good morning, everyone. We appreciate that you have joined us for this call on Aegon's Fourth Quarter 2013 results. Today's presenters are CEO, Alex Wynaendts, and CFO, Darryl Button. As always we welcome your questions after the presentation in our usual Q&A session. We have again combined the analyst and media earnings calls but we will still keep the Q&A session separate and we will start with the analysts.

Before we begin I would like to remind you to review our disclaimer on forward-looking statements, which is at the back of this presentation. I would now like to turn over the call to Alex Wynaendts. Please go ahead Alex.

Alex Wynaendts {BIO 1821092 <GO>}

Thank you, Willem and good morning to everybody. I am pleased to report this morning a solid set of results for the Q4. This quarter completes a good year for Aegon and provides clear evidence that we are delivering on our objective of growing our business profitably. We achieved again a strong set of underlying earnings, sales and value of new business. Capital levels and cash flows also remain strong, and we will be proposing a final dividend of EUR0.11 per share in line with our stated objective of sustainable dividend growth.

I am now turning to slide 3, which provides you with a good summary of how we are performing against our key performance indicators. As you can see, 2013 was a year during which we have made considerable progress. Underlying earnings rose 5% or 8% at constant currencies. A third of our earnings came from fee business, normalized cash flows were strong and we increased our returns. Writing profitable new business and addressing our low-return businesses will contribute to higher returns going forward.

Let's now turn to slide 4, to the highlights of the strategic action we've taken in 2013. During the last year we've made solid progress on the four strategic objectives we are pursuing throughout our organization to achieve our ambition to become a leader in all of our chosen markets.

We began the year by simplifying our capital structure with the successful transaction that eliminated the preferred shares owned by the Aegon Association. And throughout the year we made add-on acquisitions including in Central and Eastern Europe, and successfully completed the transformation of our business in Spain, which enabled us to upstream a net amount of EUR800 million to the holding. And we are now offering products through Santander's extensive branch network in Spain and early results of this new joint venture are positive.

At the same time all our businesses stepped up their efforts to strengthen customer engagement by improving service levels and by simplifying products and by enhancing their online presence through the use of technology. 2013 saw us launch major new digital platforms and propositions in most of our markets worldwide. These new propositions have been received very positively and many of them have been recognized for their innovation and customer centricity. I am therefore confident that our focus on creating a positive customer experience will continue to support the growth we are achieving in our business.

Turning to slide 5, in 2013 we continued to see strong sales as highlighted on this slide. Total sales for the year increased 6% to EUR7.2 billion driven primarily by variable annuities, pensions and asset management businesses. Gross deposits increased 15% to

EUR11 billion during the Fourth Quarter while net deposits more than doubled to EUR2b. I will address our deposits in more detail on the next slide.

New life sales were strong but somewhat below the level we experienced in an exceptionally strong quarter last year. In the UK we successfully launched our platform with now more than GBP1.3 billion of assets under management. Accident and health and general insurance sales were slightly lower compared to the Fourth Quarter of last year mainly due to adverse currency effects and lower production in the Netherlands as a result of our focus on improving profitability.

And, as you can see we, continue to experience strong customer demand for our core products and services, a clear reflection of the strength of our franchise, the depth of our distribution and our focus on offering the right products to our customers.

Here on slide six we provide an overview of our deposits. Let me start with the Americas. The increase in deposits was mainly driven by variable annuities and pensions. This was an exceptional year for our variable annuity business with sales of $8.5b. And although we do see competitive pressure slowly increasing in the variable annuity market, the addition of new partners such as Edward Jones and Voya Financial during the year has further strengthened our position, and we continue to expect healthy flows going forward.

Our US pension business also had another very successful year adding deposits of more than $21b. The rise was driven by planned takeovers, this particularly in the education and health segments as well as the successful focus on retirement revenues to grow participation and contribution rates. Our strong proposition is supported by a fully scalable platform that enables us to continue to grow and write profitable business.

Our new markets deposits of $3.2 billion for the quarter mainly reflect the significant growth of our third-party asset management business. But also our joint venture in Japan is experiencing a strong increase of variable annuity production, driven by expansion of our distribution network of regional banks.

Turning to slide 7, we are committed to offering products and services that provide value to both our customers and to the Company. This commitment is clearly reflected in the significant increase in the market consistent the value of new business achieved this quarter and over the year.

In the Americas variable annuities were a key driver of this increase as a result of higher volumes and higher margins supported by increasing interest rates. The improvement in the US life business is the result of actively pricing and the withdrawal of products that did not meet our profitability standards.

In the Netherlands the market-consistent value of new business was lower compared to the Fourth Quarter of last year due mainly to lower margins on mortgage production. Contribution from our pension business was stable; a strong margin improvement fully offset lower sales.

As the slide indicates, market-consistent value of new business in the UK was impacted by lower margins and volumes in annuities and lower pension volumes.

And the MCVNB in new markets benefited from the strong sales in Asia. This, however, was offset by the impact of divestments in Spain and lower sales in Poland.

In addition to increasing sales, our profitability supported by cost efficiencies across all our businesses and we continue to seek ways to further improve these efficiencies.

Here on slide eight I want to highlight the successful shift we've made towards rebalancing our business. Today a third of our earnings are generated by fee businesses. This has been achieved by growing our revenue-generating investments by over 7% per year since 2008 to EUR475b. And, as you can see on the slide this has been driven by growth in investments for the account of policyholders and off-balance-sheet investments for third parties.

Now on the other hand our spread-based businesses have been significantly reduced over the same period. Institutional spread-based balances are down $28 billion and fixed annuity balances are down almost $20b. This reduction in balances over the last five years has reduced market risk and freed up substantial capital.

I'm now turning to slide 9. 2013, we executed on significant cost-reduction programs across the Company. And you are aware of the extensive business-transformation program in the UK and the significant cost reductions in the Netherlands. We are also improving efficiency in the Americas with the creation of a shared service center. This is a new group within the US which will provide services to the whole of our US organization and it will result in significant cost savings going forward.

The savings realized allowed us to invest in growth and to make strategic investments in technology to better connect and engage with our customers. We have already online direct sales channels in all our markets. And in the UK we are preparing to launch a new direct-to-consumer proposition during the quarter that gives individuals without a financial advisor access to our platform, providing them a full service capability. This is a significant and fast-growing segment of the market. The investments we are making are needed to ensure that our proposition remains strong, compelling and differentiated.

I will now turn it over to Darryl for more insight on our earnings and financial position. Darryl.

Darryl Button {BIO 7089946 <GO>}

Thank you, Alex. Here on slide 10 I would like to take a closer look at underlying earnings, which, despite negative currencies impact, rose by 7% in the Fourth Quarter to EUR491m.

In the Americas earnings declined to EUR327m, which was mainly due to adverse persistency in the life and protection and a weaker US dollar, partly offset by higher pension earnings.

Underlying earnings in the Netherlands increased to EUR110 million as observed mortality was better than expected. As we have announced, beginning January 1, 2014 we have moved to prospective tables, bringing our IFRS reporting in line with our statutory and economic frameworks.

In the UK underlying earnings decreased to EUR21 million as we invested in the development of our new direct to consumer proposition, as Alex mentioned earlier.

Earnings from new markets amounted to EUR49m. Higher earnings in Asia were more than offset by the negative impact of divestments in Spain and a recently introduced insurance tax in Hungary.

Holding results improved by EUR40m, mainly the result of lower interest expenses following debt redemptions, reduced operating expenses and a one-time gain of EUR18 million related to interest on taxes.

Net income was down for the quarter and for the year. Here on slide 11 you can see that our strong underlying earnings for the quarter were mitigated by fair value results. Higher equity markets and interest rates impacted our hedges, which I will address on the next slide.

Realized gains were mainly driven by further adjustments to our general account investment portfolio in the Netherlands to bring it better in line with the new regulatory yield curve.

Impairments were very low this quarter as a result of the current benign credit environment. The little impairments we had were offset mostly by recoveries on investments in sub-prime RMBS in the US.

Other charges were mainly related to restructuring in the Americas and the UK. In addition the new pension legislation approved by the Polish parliament was more adverse than anticipated and as a result we have impaired the remaining EUR10 million of intangibles related to this business.

By now you will be familiar with the way we address the results of fair value items, as shown on slide 12. The results from fair value investments were again positive for the quarter, mainly driven by returns on alternative investments and credit derivatives.

Fair value hedging programs where we largely have an accounting match were effective. However, there was a negative impact from the movement in our own credit spread in addition to model refinements in the Netherlands. Fair value hedging without an accounting match resulted in a loss of EUR123 million following strong equity market performance in the Fourth Quarter. As a result we saw losses again on both the equity collar hedge as well as on the macro hedge in the US. These hedges have now been restructured as outlined on the next slide.

Slide 13. We have replaced the US macro hedge and the collar hedge with one single new hedge program. The goal of the hedge program remains to protect the capital position and dividend-paying ability of our US business. Given the strong equity market performance in 2013, higher interest rates and lower market volatility, we were able to put in place a new hedging program that will achieve the same level of capital protection but at a reduced expected cost and lower market sensitivities.

Assuming a total equity market return of 2% per quarter, the new hedge will have an expected cost of $60 million per quarter, and will vary by plus or minus a further $60 million if the actual market returns vary by plus or minus 10%. The source of the volatility from this program continues to be the accounting mismatch that exists between the insurance treatment of the liabilities versus the fair value treatment of the hedging instruments.

Turning now to Aegon's capital position at the end of the Fourth Quarter, here on slide 14, our Group IGD ratio of 212% reflects the continued strong regulatory capital positions of our business units. This slide illustrates our capital management framework in practice.

In the US and the Netherlands the improvement in the capitalization as a result of operational free cash flows allowed for a dividend payment to the holding during the year. In the UK we have reset our target and buffer capital levels based on Pillar 1 at 145% and 165% now including the with-profit fund. In the Fourth Quarter we contributed another GBP150 million of capital and we are now comfortable with the level of capital in the UK. Each of our major business units is now capitalized within the target range.

The next slide covers the consolidated operational free cash flows and excess capital with the holding, slide 15. Operational free cash flows were EUR228 million in the Fourth Quarter. Excluding market impacts and one-time items, operational free cash flows amounted to EUR304 million for the quarter and EUR1.3 billion for the year.

We ended the year with EUR2.2 billion of excess capital in the holding, reflecting EUR1.5 billion of dividend upstreamed by our business units. As previously communicated, EUR900 million of this capital will be used during 2014 to further reduce leverage. At the end of 2013 our gross leverage ratio was 30.1% and our fixed charge coverage was 5.1 times. With the further deleveraging later this year we expect to be within our target ranges.

Slide 16. Given our strong capital position and solid cash flows, as Alex mentioned in the introduction, we will be proposing at the annual general meeting of shareholders in May a dividend of EUR0.11 per share covering the second half of 2013. This results in a full year dividend over 2013 of EUR0.22 per share. As shown on the slide, the cash allocated to common dividend has increased substantially over the past few years, our aim is to grow the dividend in a sustainable way, taking into account our capital position and our cash flows.

Alex, back to you to wrap it up.

Alex Wynaendts {BIO 1821092 <GO>}

Thank you, Darryl and before taking your questions allow me to summarize you. We are pleased with our financial results over 2013 and the Fourth Quarter was again a strong quarter. And looking ahead we are confident that our strong financial position, combined with the continued execution of our strategy, will enable us to take advantage of the many opportunities we see in all our markets and to create value for both our customers and our shareholders.

We're happy to take now your questions, thank you.

Questions And Answers

Operator

Farquhar Murray, Autonomous.

Q - Farquhar Murray {BIO 15345435 <GO>}

Morning gentlemen. Just a couple of questions actually around the cash flows on slide 15, if I may. If we look at the EUR1,335 million normalized figure for the full year I just wondered if you could outline the contributions coming from the US, the run-off book, and the drag coming from the UK securitization.

And then specifically with regards to the US component, I just wonder if you could help us in terms of how much that figure might be stressed by the absence of financing solutions this year, and presumably at what stage we might see some of that come back? Thanks.

A - Darryl Button {BIO 7089946 <GO>}

Yes Farquhar. It's Darryl. Let me just give you a feel for the cash flows. They're actually pretty close in line with where we had highlighted in my June presentation on the expected cash flows for the year. So obviously the bulk of that is coming from the US, about EUR900m. The Netherlands about EUR250m. The UK is actually contributing about zero right now from an operational free cash flow perspective and, as we've signaled in the past, we expect that to come up as we go into 2015 as we complete the transformation in that part of the business. And the rest of it is really coming from the rest of the organization.

Q - Farquhar Murray {BIO 15345435 <GO>}

Okay. And the run-off book and the UK securitization component?

A - Darryl Button {BIO 7089946 <GO>}

Yes, the securitization components in the UK it was about a little less than EUR50 million in 2013 that's going to drop down to about EUR25 million in 2014 and largely be gone in

2015. And that's down from over EUR100 million in 2012 so that's been a trajectory on the way down. In terms of from the run-off books in the US, the incremental impact from year-over-year basis is pretty small, less than EUR100 million change on the delta, and I think that's the number that you're after there. And that would include the fixed annuity portfolio in there as well.

Q - Farquhar Murray {BIO 15345435 <GO>}

Okay. Brilliant. Thanks very much indeed for that.

A - Darryl Button {BIO 7089946 <GO>}

Thank you.

Operator

Michael van Wegen, Bank of America.

Q - Michael van Wegen {BIO 6435238 <GO>}

Yes, morning guys. Michael van Wegen from Bank of America Merrill Lynch. One question actually. I think looking at these results it becomes increasingly clear that some of the operations that you restructured are doing well and some I guess are not doing so well. I think things in the US look nowadays quite good on the core business and the Netherlands is not doing too bad either.

I guess two areas where things still remain tough is the UK and Canada. Darryl in January talked about a portfolio review. Can you talk a little bit more about that and can you talk us through your idea behind Canada and the UK, why you are confident that you can turn them around and when are you willing to take steps given that you've worked on this now for the past five year? Thank you.

A - Alex Wynaendts {BIO 1821092 <GO>}

Michael, thank you for your question. At least that you recognize that where we have taken a lot of actions we're seeing really good results. The US is a good example in terms of making choices in what businesses we want to stay and what businesses we don't want to stay.

We still have there a run-off portfolio. It's clearly a portfolio of businesses where we said they are not core to our business. And we've said, and Darryl has repeated that in January, that obviously we are looking at all the options we have in order to deal with them, but in a way that we do not destroy unnecessarily shareholders' value. So we will continue to put emphasis on it, the run-off portfolio, probably taking into account somewhat more favorable market conditions.

You talk about the UK and Canada, clearly a challenged market environment. Let me start with the UK. Two years ago we said we had done a strategic review of all the options we have in the UK. And when I meant all the options I really mean all the options, effectively putting in a run-off, running it or selling it. We have come to the conclusion at that point in time that the best way for us to protect shareholder value was for us to take the actions which we needed to take.

And that means starting by taking out costs very significantly. You see that 25% we promised in terms of cost reduction, we execute on it. We have been very clear that we will have further cost reductions needed in the UK. While at the same time we are also positioning ourselves for the future in the new platform world. That will take time, but I am confident that we are on the right track and that we will see the results emerging.

But Canada is a different situation where we have had the business for a long time in a market that clearly is not an easy market. And Canada clearly is one of those operations where we still see that we need to take more actions. And we will be doing that and hopefully be able to share more with you later this year.

Q - Michael van Wegen {BIO 6435238 <GO>}

Okay. Thank you. And can I have a follow up on what you said on the UK please? I appreciate that indeed a couple of years ago you'd done the strategic review and you decided to go the fix-it route, let's call it that way.

Do you agree with me that since then the situation has deteriorated in the sense that you've cut the cost that you targeted and profitability is still not anywhere near where it's supposed to be, cash flows are still not anywhere near where they are supposed to be with the zero for 2013? And you had to inject capital in the past year, significantly ahead of what you expected. So isn't it the situation now that despite the decision that you made a couple of years ago things have deteriorated only further and perhaps conclusions might need to be drawn again?

A - Alex Wynaendts {BIO 1821092 <GO>}

Well, Michael, when you take a decision, you have to be consistent with your decision. That doesn't mean that you don't change the way you look at things, but once you take a decision you have a management that's committed to execute on the plan. And we are executing on the plan. We are taking our expenses down. We will continue to take further expenses down. We have developed I think a great capability, well recognized by the market in terms of platforms, and we should see the benefits of it emerging.

Now on the cash flow you're making a valid point; the cash flow is zero. But that was as planned because it has the impact of securitizations, as Darryl just mentioned, and Darryl also gave you the trajectory going forward. So we will continue to take the actions in the UK that are needed to fix this business and we will do that ourselves.

Q - Michael van Wegen {BIO 6435238 <GO>}

Thank you.

Operator

Benoit Petrarque, Kepler.

Q - Benoit Petrarque {BIO 15997668 <GO>}

Hi, yes. Good morning. It's Benoit Petrarque from Kepler Cheuvreux. The first question is on the dividend. I would like to come back on the decision to put a full year at EUR0.22. What has been your thinking process behind that? I just note that you have a strong excess capital at holding. Excluding deleveraging it's still EUR1.3 billion ahead of your EUR600 million flow. And how do you see your dividend yield currently? I think it's about 3.2% on the EUR0.22. So how do you view dividend yield versus the sector?

Second question will be on the fixed annuity. I know it's on the run-off but rate are rising up higher in the US, so how do you see this business going in the next two years? Do you see opportunities? And I've seen the crediting rate actually on the new business going up by 20 bps quarter on quarter so is that a kind of sign that you are a bit more aggressive commercially on the fixed annuity or you're still out there?

And then just finally on the variable annuity business, you just mentioned during the presentation some more, a little bit more competition on that, so how do you see that moving in 2014? Do you expect still healthy margins and good volumes in 2014? Thanks.

A - Alex Wynaendts {BIO 1821092 <GO>}

Benoit, thanks. Yes, on the dividend I think we've been very consistent. We have a dividend policy. The dividend policy is based on the strength of our balance sheet and based on the cash flow generation. What is really important here is that we want to have a dividend that is growing sustainably in the future. So looking back at this year's full-year dividend, it's a 5% decrease over the previous year.

Now in terms of yields we are positioned somewhere between the US sector. We are higher in terms of yields than the US sector and a bit lower than the European sector, probably not surprising in view of the profile we have where we have nearly 60% of our businesses in the US.

I'll take your last question so that Darryl can give you more insight on your question on fixed annuities. On variable annuity competition, you see what we are seeing now is now is the result of a lot of hard work which has taken place in previous years to develop distribution. You see the sales coming from new distribution channels. I just mentioned the two, Edward Jones, Voya Financial. And I think that that is what is now emerging and that is also the reason that we feel pretty comfortable that the positive trend will continue.

Now we've had good margins, very good margins, and you could say these margins have been in the 20s or at margins which we do not believe will be sustainable going forward, but they don't need to be sustainable going forward. So we probably expect a little bit more competition and pressure on the margins, but still very healthy margins and a great momentum in the distribution.

Darryl, do you want to answer the question, respond on the fixed annuities?

A - Darryl Button {BIO 7089946 <GO>}

Yes, I can be very short on the fixed annuities. I would not signal that I see the fixed annuity for us picking up any time soon. We've said in the past that interest rates need to be significantly higher than where they are now. Obviously they started to get -- started to jump up at the end of the Fourth Quarter and have come back down here again as we sit here today. But we're really not really ready to run the credit risk that would be required to make the spreads work in today's rate environment. So we need rates to be a lot higher than they are and a steeper curve. I just don't see that in the near-term forecast so I would take expectations down on that front.

Q - Benoit Petrarque {BIO 15997668 <GO>}

Great. Thanks.

Operator

David Andrich, Morgan Stanley.

Q - David Andrich {BIO 15414075 <GO>}

Hi. Good morning. Thank you for taking my question or questions. I just wanted to follow up on the earlier question regarding captives in the US and what the drag it's been creating on US free cash flow. I just wondered if you could just give a bit more comments on that in terms of the 4Q results and then also going forward what you expect to happen.

A - Alex Wynaendts {BIO 1821092 <GO>}

Darryl?

A - Darryl Button {BIO 7089946 <GO>}

Yes, David, I'll take that one. The drag, it's been running about EUR40 million per quarter. That's what it was in the Third Quarter. We've had several quarters where we have not financed the redundant reserves of the XXX/AXXX issue in the US. We're actually looking at that for 2014 and I actually expect us to execute some financing of that in 2014 which will bring back some of that strain into operational free cash flow somewhere in the next couple of quarters.

Q - David Andrich {BIO 15414075 <GO>}

Okay. And that will impact the operational free cash flow so we should, well, we would hope to expect about a EUR40 million increase in that going forward 2014?

A - Darryl Button {BIO 7089946 <GO>}

Yes, we've had a EUR30 million to EUR40 million strain in our numbers each quarter for the last four or five quarters as we've held off on financing so we'll be able to get some of that back when we catch back up yes.

Q - David Andrich {BIO 15414075 <GO>}

Great. Thank you, very much.

Operator

Nick Holmes, Soc Gen.

Q - Nick Holmes {BIO 3387435 <GO>}

Hi there. Just a couple of quick questions. The first one is, coming back on the portfolio optimization review, wondered if you can tell us whether the rise in the US rates last year is going to help you to accelerate finding solutions for the run-off book.

And then the second question is again coming back on the dividend. If you measure this as a payout of net underlying earnings then I think it comes to something like 30%. And that seems a little bit low. And I just wondered whether you would agree with that and whether you think that there is scope for it to rise on that basis. Thank you.

A - Alex Wynaendts {BIO 1821092 <GO>}

Nick, on your question of portfolio review, yes, I did say that the rising interest rate environment, the improvement in general of market conditions, investors looking for yield, clearly all of that is hopefully, Nick, going to make it now easier and more executable, if that's a better word that easier, to deal with pieces of the run-off portfolio.

And I think we've been very clear all along that it is our objective, and that's why we put them separately in a run-off bracket, it is our objective to address these, but again in a way that we do not destroy unnecessarily shareholder value. So it has clearly our attention and the market conditions improving will make things easier.

Q - Nick Holmes {BIO 3387435 <GO>}

Can you give us a little bit more color on the solutions that you think might be possible?

A - Alex Wynaendts {BIO 1821092 <GO>}

I don't think it would be a good idea for me to speculate on that right now. All I'm saying to you Nick is that we are looking at all options available there to effectively accelerate the run-off in what we now see improved market conditions.

Q - Nick Holmes {BIO 3387435 <GO>}

Okay.

A - Alex Wynaendts {BIO 1821092 <GO>}

In terms of your dividend, what I said just in response to the previous question, what's important for us is that we have a dividend that is growing sustainably over time. And that's part of our strategy where we said we wanted to take our risk down, improve our risk profile, be more predictable and that also applies here to the dividend. And we believe that the EUR0.22, which represents a 5% growth over the previous year, is a good basis for growth going forward.

Q - Nick Holmes {BIO 3387435 <GO>}

Okay. You don't think that there is a structural issue with the dividend that it's structurally low perhaps because of the legacy situation that you still have to some extent?

A - Alex Wynaendts {BIO 1821092 <GO>}

Again, Nick, I can only repeat what I said. For us, the objective is clearly a steadily growing dividend and we've grown it now 5% over the previous year. That brings us with a dividend yield, by the way, in excess of our US peers and I would admit a bit lower than our European peers. Not surprising if you look at the portfolio composition of Aegon being for a big part US-based.

Q - Nick Holmes {BIO 3387435 <GO>}

Okay. That's great. Thanks very much.

Operator

Ashik Musaddi, JPMorgan.

Q - Ashik Musaddi {BIO 15847584 <GO>}

Hi. Good morning, everyone and thank you. Sorry to come back again on the same point on your run-off business. I know you have been trying to give some answer, but some thoughts on that. Assuming interest rates start picking up, now what would you think your book will look like? Would you start looking for some potential disposals or would you still be thinking from a run-off perspective of that book, assuming interest rate pick up significantly from here on? I know you have mentioned that you definitely look for shareholder value creation thing, but at least if you can give a bit more color it would be great.

Secondly, on the impairments, it looks like the impairments went down significantly in this quarter. Is it a real improvement in the RMBS market that is just driving that or is it across the book which is going forward? How should we think about it going forward, would be great? Thank you.

A - Alex Wynaendts {BIO 1821092 <GO>}

Ashik, what I said on the run-off is that we obviously are looking at ways to accelerate the run-off and of course if we are able to find a buyer for these blocks of business in the run-off business we would certainly do that because it would accelerate the run-off. Difficult for me to give you more color right now. But I can say to you, what I can say, we are engaged in conversations, we are looking at options and I hope that over the course of the year I can give you more.

Q - Ashik Musaddi {BIO 15847584 <GO>}

Okay. Thank you.

A - Alex Wynaendts {BIO 1821092 <GO>}

Darryl, you want to respond on the impairments?

A - Darryl Button {BIO 7089946 <GO>}

Yes Ashik. It's Darryl.

Q - Ashik Musaddi {BIO 15847584 <GO>}

Hi Darryl.

A - Darryl Button {BIO 7089946 <GO>}

If you look across the whole portfolio, credit is pretty benign everywhere right now so we're just really not seeing much in the way of gross impairments in any of our portfolios right now. And then it's further enhanced by we're actually getting some recoveries back in the US RMBS portfolio. So that's really, those two things together are causing a big --

Q - Ashik Musaddi {BIO 15847584 <GO>}

So should we expect it going forward as well or is it just a one-off kind of an event?

A - Darryl Button {BIO 7089946 <GO>}

No. I think in the near term I don't see anything -- we're not seeing anything on our side from a credit perspective in the near term that anything should change this trend. Obviously it comes in cycles, but in the near term I think this is to be expected.

Q - Ashik Musaddi {BIO 15847584 <GO>}

Okay. Thank you. That's very clear. Thanks a lot.

Operator

William Elderkin, Goldman Sachs.

Q - William Elderkin {BIO 3349136 <GO>}

Thank you. Good morning everybody. A couple of questions. First of all, just following up on Farquhar's question, within the US cash generation for 2013, was that $100 million of that $900 million you mentioned coming from the run-off businesses? I'm just not sure I understood the answer correctly.

And secondly, within the US business I just wondered do you have any meaningful exposure to long-term care products? I understand there have been some reserving issues there and just where you stand on that.

And then finally I was wondering if you could help me with the UK business, really trying to understand what the potential earnings power of the pensions business is going into 2014/2015. And the way I was thinking about it was looking at the Fourth Quarter pensions earnings with a GBP9 million loss, adding back all the negatives that you've mentioned, which takes me to plus GBP4m. And really if you can give me a sense of how much of the IT expenses and persistency may or may not recur as negative charges plus any other dynamics I should be bearing in mind when I'm thinking about my forecast.

A - Alex Wynaendts {BIO 1821092 <GO>}

Yes, would you like to take the question on the run-off business?

A - Darryl Button {BIO 7089946 <GO>}

Yes, I will. Sorry, William, there was a lot of questions. We were trying to get those all jotted down there. No, the $100 million was not the actual capital release from the run-off businesses. It was more of the delta effect, if you will, that we're seeing coming from those on a period-over-period basis. I actually don't have the actual capital that was released from those run-off businesses and I'm going to have to ask IR to follow back up with you on that.

On the second question, I think was long-term-care-related.

A - Alex Wynaendts {BIO 1821092 <GO>}

Yes, it was long-term-care-related, Darryl. I think you know, William, we have some exposure to long-term care. It's limited exposure and we're comfortable with the reserves and provisions we have.

In terms of the UK business, clearly this has been a quarter where we have a number of exceptionals. The exceptionals were related to persistency, as we highlighted, but also to a number of investments which we are making to make our business more ready for today's environment. As you know, we're making significant investments in our platform capability. We're also, as we announced, as I announced, making an investment in a proposition, which is a proposition which is going to focus on the end consumer directly, which is a very different model and a new model in our business. So a lot of these investments effectively are impacted -- are impacting this quarter.

Q - William Elderkin {BIO 3349136 <GO>}

Sorry, could I just come back on that? From the UK side, are those investments likely to continue into 2014 or is that basically done for the time being?

A - Alex Wynaendts {BIO 1821092 <GO>}

I think it's fair to say, William, that you can expect that these investments will continue in a similar range in terms of run rate going forwards.

Q - William Elderkin {BIO 3349136 <GO>}

And then just, sorry, finally again on the UK, I was under the impression that you had been paying out cash commissions which had dragged into 2013. Will that now stop going into 2014? And what is the order of magnitude in terms of potential earnings uplift, if indeed that perception was correct?

A - Alex Wynaendts {BIO 1821092 <GO>}

We are certainly benefiting from the new environment, from RDR, so for new business which is being written after 2013, that is indeed done on a commission-free basis. But we still have a lot of effectively trail commission on previous contracts, which we continue to pay commission on. So the commission level has come down, which, by the way, is a very good thing for our business going forward, but we do still have trail commissions, in particular in our --- the workplace, so the group pensions space.

Q - William Elderkin {BIO 3349136 <GO>}

I don't know if you can comment on this, but by the sound of things it's difficult for that pensions business to be delivering much beyond low double-digit earnings for some time. Is that fair?

A - Alex Wynaendts {BIO 1821092 <GO>}

Well, it's clear, William, we need to increase scale and that's why we invest in the capabilities we have, which we have I think the platform capability now for pension business which is very much recognized. So we are now really focusing on scale indeed in order to get our cost level on a more efficient basis, which should be driving earnings going forward.

Q - William Elderkin {BIO 3349136 <GO>}

Okay. Thank you.

Operator

Maarten Altena, Mediobanca.

Q - Maarten Altena {BIO 15898902 <GO>}

Yes. Good morning gentlemen. Three questions from my side. The first is a follow up on the UK, the capital position in particular. As you mentioned now to be more satisfied with the capital position, does this mean that we should expect upstreaming of dividends to the holding as of the First Quarter 2014 already or is that still too early?

The second thing is on holding expenses because what should we expect here for a run rate, a quarterly run rate, given that the Fourth Quarter was impacted by a one-off and take into account the earlier-announced deleveraging measures for 2014?

And maybe on the Netherlands, would you be able to update us on what you have seen in group pensions in the Fourth Quarter 2013 and how you see the pipeline of competitions and maybe also the outlook for 2014? Thanks.

A - Alex Wynaendts {BIO 1821092 <GO>}

Darryl?

A - Darryl Button {BIO 7089946 <GO>}

Yes, I'll take the first two. On the UK capital, no, I wouldn't expect a dividend here in the First Quarter of 2014, not after just putting a contribution in, in the Fourth Quarter of 2013.

The reality is we expect a step change in the cash flow generation in the UK starting in 2015. I think 2014 is really a transformation year where we complete the investment that Alex was mentioning in terms of the costs and the transformation costs that we're investing in the UK. That will also complete the run rate expense reduction by the end of 2014, so not only will we stop investing, the expenses will come down.

In addition to that, the securitization will run out in the UK as well in 2015. And then, as Alex said, we're really -- the new business strain has come down substantially in the post-RDR world, where we don't have the high-commission environment or the commission environment. Those four things will all interact by the end of 2014 and really create 2015 being a positive cash flow year for the UK and I think a step change for the cash flow. So you can assume that 2015 will be that transition year and we should be ready to pay dividends in 2016 based on calendar year 2015 performance.

On the, you also asked about holdings, yes, there was an extraordinary interest on taxes in the holding. That was EUR18 million this quarter. There was about EUR5 million of noise that went the other way. So I think you would look at the holding run rate results to be about EUR13 million high for this quarter.

And I think the last question was on pensions.

A - Alex Wynaendts {BIO 1821092 <GO>}

On the pensions in the Netherlands, which I'm happy to answer. I think what's important to see is that coverage ratios are improving, as you know, high equity markets, slightly higher interest rates. So that means that it's easier now to consider transfers. As such, we have a good pipeline.

It's important for us and we've been very consistent that we price these products in line with our pricing policy. But I believe that not only our strong capital position, which is clearly recognized in the Netherlands, but also the improved back-office capabilities -- we invest a lot in improving our back-office capabilities -- will all be the basis for to see that the pipeline which is coming will also convert into actual business.

The second element I'd like to bring maybe to your attention because I think it's an important change going forward, you're well aware of the tax changes in the Netherlands, so the contribution rate, effectively which is tax free, has being reduced. But probably more important also is that there is a cap now on the amount that's pensionable, and it's EUR100,000 now. And that means that we see a lot of opportunities effectively to offer our customers that have a pension which is in a tax-efficient place to be complemented with more capabilities in terms of saving for the future.

So we'll be focusing not only on our group pension customers and the contributors, but also to them individually, in particular for all of those that now see a cap and need to find different ways of replacing their retirement savings for the future. So that is an additional capability where we are very much focusing on. And with all the efforts we're putting in place to connecting better with our customers, those that contribute to the pension plans, with all the digital and technology investments we're making, we believe we're well positioned to take advantage of that new opportunity emerging as a result of the legislative changes in, here in the Netherlands.

Q - Maarten Altena {BIO 15898902 <GO>}

Okay. Very clear answer. Thanks.

Operator

William Hawkins, KBW.

Q - William Hawkins {BIO 1822411 <GO>}

Hello. Thank you. Two questions please. The first one, can you update your guidance please of what would be the impact on underlying earnings if yields stayed unchanged where they are today?

And then secondly, can you remind me your dividend policy now with regards to interim dividends? Are we back to the former-times policy of interim dividends being fixed at the final dividend or do you retain flexibility for interim dividend movements? Thank you.

A - Darryl Button {BIO 7089946 <GO>}

Yes. On the interest rate sensitivities, we really haven't updated those from what we've previously put out in the market.

So what we're seeing, I think it's -- I think the biggest thing to keep in mind is that the book yields, particularly in the US, and this is where most of the interest rate sensitivity comes from, the book yields are down around 5% now, maybe just a little bit below that, and we're getting new-money investments in the low 4s now. So that differential versus what we had two or three years ago when the book yields were 6% and we were getting new money investment yields of 3%, so that differential has shrunk significantly.

We've also lowered our long-term interest rate assumptions back in the Third Quarter when we took the DAC write-off and the assumption change back in the Third Quarter. So our expectations for rising interest rates have been pushed out significantly. So that lowers the overall sensitivity, but we haven't put any new guidance in the market and I'm not prepared to give any here today.

On the interim dividend --

A - Alex Wynaendts {BIO 1821092 <GO>}

On the interim dividend policy, William, we will obviously maintain flexibility in terms of what we do between the interim and the final dividend. All I can say here again is we are looking for a dividend that is growing sustainably in the future.

Q - William Hawkins {BIO 1822411 <GO>}

Great. Thanks.

Operator

Francois Boissin, BNP Paribas.

Q - Francois Boissin {BIO 16045021 <GO>}

Yes. Good morning everybody. This is Francois Boissin from Exane BNP Paribas. Two questions please. The first one is on your cash flows. Basically you've reported a stronger market value of new business over the past years. I was wondering if this could translate into higher cash flows going forward. Basically is there room to improve your mid-term guidance on that?

And the second point is on dividends. So just to come back on the interim dividend and what you put in slide 16 in your presentation, is the EUR460 million a fixed amount or are you ready to go beyond this for 2014? And basically should we assume that EUR0.11 is what you aim to pay as an interim dividend or could you go higher than that? Thank you.

A - Darryl Button {BIO 7089946 <GO>}

Hi Francois. It's Darryl. I'll take those. The short answer is, yes, the MCVNB will translate into higher operational free cash flow, higher earnings, higher ROEs going forward. That's an important part of our story. We've been able to get all of the products reset to be very attractive, very profitable margins in this low-rate environment. And I think that's the most important part of the MCVNBs, is that we have the profitable new business which is going to take our ROE, earnings and operational free cash flows and propel them forward going forwards. So I think the answer is a definitive yes.

In terms of the interim dividend on slide 16, I wouldn't read too much into this. We've tried to caveat with the footnotes that are there. We're not going to forecast or give guidance on our dividend. So the footnote is simply saying that we're assuming that it's flat, although Alex has stated very clearly that our ambition and our goal is to provide a sustainably growing dividend going forward.

A - Alex Wynaendts {BIO 1821092 <GO>}

And a sustainably growing dividend as well as buying back any scrip dividend that we pay to those of our shareholders that elect specifically to have scrip dividends. So we want to pay it fully in cash.

A - Darryl Button {BIO 7089946 <GO>}

Full cash dividend, correct.

A - Alex Wynaendts {BIO 1821092 <GO>}

The full cash dividend.

Q - Francois Boissin {BIO 16045021 <GO>}

Okay. That's very clear. Just coming back on the potential improvement in free cash flow, basically what timeframe should we be thinking of in terms of significant improvement, in your opinion?

A - Darryl Button {BIO 7089946 <GO>}

Well, in the short term you really -- obviously the new business is an accretion over time and then so it has a horizon -- we're a long-term business and it has a long-term horizon associated with it. It's incremental and over a long period of time. In the short term the operational free cash flows will probably most be impacted by the step change that I mentioned earlier in the UK, where really when we clear 2014 and head into 2015 we expect the UK, consistent with the guidance that I showed back in the summer, we expect the UK to come out of the zero-to-a-small-loss territory that they're in now, up into the EUR150m, EUR200 million range by 2015.

Q - Francois Boissin {BIO 16045021 <GO>}

Okay. And then for the, basically the higher-margin business being sourced in the US, this is something that you see beyond 2016 basically?

A - Darryl Button {BIO 7089946 <GO>}

Yes, the US, the other phenomenon that we talked about in the US, obviously these MCVNBs and the profit on the new business and the transition to the fee business is all accelerating free cash flow generation from that part of the growth business. But we have to offset the other issue that was raised earlier, which is the incremental impact and the decline that's coming from the rundown of the run-off business and the spread businesses as those get smaller.

Q - Francois Boissin {BIO 16045021 <GO>}

Sure. Thank you, very much.

Operator

Edward Donohue, One Investments.

Q - Peter Testa {BIO 2162867 <GO>}

Hi. Actually it's Peter Testa. I have a couple of questions please.

Firstly, just on the discussion about capital, you've been quite clear about what you expect in the UK. But just looking on a slightly wider perspective, you have cleared 2015 return-on-equity goals. The largest, say, obstacles it seems to getting those are realizing the run-off and getting the returns up in the UK on those large blocks of capital employed. Can you maybe just give a sense on how you perceive the opportunity to make those goals in 2015 through these businesses as part of Aegon or think about -- give some sense of if that is not the case whether there are opportunities to review these situations again.

And then on the variable annuity business, you talked about a potentially more competitive market. Can you give a sense as to whether this is something you're already seeing in new business working on now or was that just a long-term view expressed that returns are very good and expecting it to stay that way, but that you hadn't seen any change at this moment? Thank you.

A - Alex Wynaendts {BIO 1821092 <GO>}

Thank you for your question. Yes, I think we have been again very clear that we want to address those run-off businesses. These businesses are not part of our core businesses and obviously if we can accelerate that through a sale we would certainly entertain that. But again I said we want to do that in a way that we're not destroying shareholder value. On the other side we're now seeing that there is more appetite for these type of transactions and we're putting all our efforts in trying to get this executed.

But on the UK, I can only repeat what I repeated earlier, is we've looked at the various options we have. We do recognize that the returns are far from where they need to be. We have had a number of options explored. As I said, was putting it in run-off, which we felt was not an attractive option; we would have lost an enormous amount of value.

Dealing with it ourselves, taking ourselves the measures that need to be taken, taking our costs down very significantly, the 25% cost reduction we've had. We will have further cost reductions. We've had also a lot or a significant reduction of employees, from over 4,500 to something around above 2,000 right now, and more will have to take place. So we've taken these actions.

And the final one is obviously we've also considered would there be a possibility to transact, and we've come to the conclusion us taking the measures we need to take was really the best option at that point in time.

And we are really executing on that option. And I think we're also delivering on what we're promising, which is important, taking our costs down, restructuring our business in the UK, at the same time positioning it that we are able to maintain these assets which we have on our books, in our system, from an old platform environment to a new modern platform, which I'm very pleased also to say has been receiving quite a number of rewards. So that is promising. We'll continue to execute on the plans in the UK.

Now in terms of the margins of the variable annuity business, yes, these margins are high margins, in the low 20s. And it's more a reflection of the fact that these margins are high that I made a comment that we do expect and have to expect that these margins will come down. But what is important is that we continue to be committed in maintaining at all times our pricing discipline for new business, and I believe there's more than enough room in this environment to be able to maintain that.

Q - Peter Testa {BIO 2162867 <GO>}

Right. Okay. Thank you. I have just one follow-up question on capital.

You make the very clear statement that you look to grow your dividend over time, which is a good, a strong goal. To what extent do you think there's an opportunity to go beyond delevering with the excess capital streamed up, maybe not in early 2014, but over the medium term of the business? Because you've been delevering now for some time. You've repaid a lot of high-yield debt. You have a strong balance sheet structure, especially prospectively given the strong cash flow comment earlier. To what extent should we just expect continued delevering or other capital steps in the medium term?

A - Alex Wynaendts {BIO 1821092 <GO>}

I'm pleased to hear that you recognize that we have a sound policy on dividends, stable but growing dividend. Clearly we are also looking, and we have signaled in the past and I'd like to reiterate it right now, that it is our intention to neutralize the effect of the dilution which came with the transaction to cancel our preferred shares with the Aegon Association. We've given that intention over a longer period of time and that could be one of the ways of redeploying our capital.

Q - Peter Testa {BIO 2162867 <GO>}

Okay. Thanks very much for the answers.

Operator

Gordon Aitken, RBS.

Q - Gordon Aitken {BIO 3846728 <GO>}

Hi. It's Gordon Aitken from RBC. A couple of questions please. First on your Dutch pensions buyout business. You mentioned you've got a good pipeline. There's a competitor this morning reporting an acceleration of that business in the Fourth Quarter with improved margins. So I'm wondering if you can say what the IRR on that pensions business is for you in the Dutch market.

And the second question on the UK, you've pulled away from annuities in recent years, but you've built a very decent drawdown capability. Now drawdown sales for the market were down 40% in 2013. Probably got more, definitely got more to do with demographics than anything else. But drawdown has to improve presumably as pension pot sizes increase in the UK. Can you talk a bit about what your growth prospects are in drawdown and how much competition there is in that market? Thank you.

A - Alex Wynaendts {BIO 1821092 <GO>}

Yes, in terms of the buyout business in the Netherlands, which are effectively transferring assets to us and us taking over the liabilities, again, here we are committed to maintaining strict pricing discipline. We've done that all along. And that means that you see also somewhat of a lumpiness in the sales quarter over quarter. So our pricing discipline means we have to achieve at least returns of 10% and you can be sure that we are delivering on that target ratio.

In terms of drawdown, Darryl?

A - Darryl Button {BIO 7089946 <GO>}

Yes, the only thing I can say is I agree with you, we agree with you, that the drawdown in the UK is going to be an increasingly important product going forward. And so we're actually very bullish about the prospects for enhanced drawdown products and that's going to be something, in fact that's something we're undertaking and enhancing that on our platform. And that's an objective over the next 18 months to enhance the product there. So I would say we're bullish there.

Q - Gordon Aitken {BIO 3846728 <GO>}

Can I just come back on the first part on the Dutch pensions business? You talk -- there's a real lack of supply. As I understand it, there's only a couple of players in this market at the moment. So you talk about needing to maintain IRRs and -- who's keeping the pricing tight? Is it the consultants? Because presumably the pension funds have got nowhere else to go apart from -- there's only two people writing this business.

A - Alex Wynaendts {BIO 1821092 <GO>}

Gordon, you're right to say that the number of suppliers in this business has been reduced and I would say that we as Aegon particularly I think are an attractive provider because we have a strong capital position. And I think it's easy to understand that when a company, a corporate, a CFO of a corporate takes a decision to transfer liabilities, and these liabilities are liabilities over a very long period of time, it is important that they look at a provider such as Aegon that has a strong capital position and is committed to maintain a strong capital position.

We at the same time also want to maintain our pricing discipline and that's where we find we're looking for the right balance. You're absolutely right; there is a flow coming. We want to maintain our pricing discipline.

We're not in a hurry to take over all the schemes at once. Taking over a scheme, setting up a new scheme, it requires a lot of work.

We want to make sure we do that right and that's why we invest also in our back-office capabilities because it's important that we provide an excellent quality of service to not only the corporate that transfers to the pension, but to each and every single contributor, employee in the pension scheme because we believe not only the opportunity is with the overall corporate scheme, but it's all the add-on business we can do, in particular now in the context of the changing tax legislation, which means we'll get more access and there will be more need to save outside of the corporate pension plan.

So it is a business which we are clearly very much focused on, but we look at it beyond purely a corporate pension transaction. It is about all the millions of employees which effectively we have as part of these corporate pension schemes where we think the big opportunity's going long and forward.

Q - Gordon Aitken {BIO 3846728 <GO>}

Thank you.

Operator

(Operator Instructions) Maud van Gaal, Bloomberg.

Q - Maud van Gaal

Hi. Good morning. I have two questions, both on the Netherlands actually. I was wondering, so many competitors are, in the Dutch market are preparing to be sold or for a sale and I was wondering if you see that as an advantage or a disadvantage competitively for you this year.

My second question was, and I'm sorry if I missed it, if you can give an update on how your talks are going with Koersplan de Weg Kwijt, and other unit-linked client, and also if you're seeing new proceedings coming your way. You seem to be warning for that, and I was wondering if you can comment on that. Thank you.

A - Alex Wynaendts {BIO 1821092 <GO>}

Well, Maud, in general on the Dutch market I think there is an absolute and broad recognition that there is overcapacity so any form of consolidation on the longer run will be positive for our market. Let me repeat our position here, and we said that clearly this morning, our focus is on growing our business organically.

Now your second question is about the Stichting. We have come to an agreement with the Stichting, as you know. And that means we've agreed to implement certain agreements and that is an agreement with 35,000 policyholders. And our priority now is to get this done and implemented. And we've already dealt with certain groups of that 35,000 and I hope and expect that before this summer we can have that process entirely completed. You asked me if we had more proceedings, as you call it. For the time being we have not seen more proceedings coming to us.

Q - Maud van Gaal

Thank you.

Operator

Archie van Riemsdijk from Dow Jones. Please go ahead.

Q - Archie van Riemsdijk

Yes. Good morning. This is Archie of Dow Jones. I was wondering, on the run-off businesses that you might want to try to sell and you see increased appetite, can you give some -- well, can you describe them a little bit and, yes, to which kind of parties would be interested in buying them?

A - Alex Wynaendts {BIO 1821092 <GO>}

Archie, you know the run-off businesses we have. They're clearly stated in all our reporting. I think it's too early now to speculate on what pieces or what parts could potentially be sold to what. What I did say, and happy to repeat that, is that clearly it has our attention and we would like to be able to accelerate that run-off. And obviously if we are able to transfer to another party that would help the run-off and accelerate the run-off.

Q - Archie van Riemsdijk

Okay. And, yes, you don't have a target or expectation that you can sell at least one of them or something like that?

A - Alex Wynaendts {BIO 1821092 <GO>}

I've been very clear that we're working on that and that's all I can say right now.

Q - Archie van Riemsdijk

Okay. Thank you.

Operator

Chris van Alem, Persdienst.

Q - Chris van Alem

Good morning. Chris van Alem, De Persdienst. I would like to come back on the Koersplan discussions. I would like to know what the average compensation issue you will be paying to these 35,000 customers you mentioned earlier.

And the second question is about the Stichting Woekerpolis process. I understood that they're having talks with Aegon about compensation as well. Do you recognize them as a party? Are you making progress in the talks and have you made provisions for an extra number of clients that need to be compensated? Thank you.

A - Alex Wynaendts {BIO 1821092 <GO>}

Yes, in terms of average compensation, the best way I can guide you is that we have announced a provision of EUR25 million and we have around 35 million -- 35,000, excuse me, customers. But, again, these are all very different customers so I'm not sure that an average tells you a lot. What is important is that we have come to an agreement with Sticthting on how to implement the measures. And what we want to do is to make sure that every single of those customers that were part of that Stichting gets what we've agreed today, which should proceed before the summer. And that's really what we are focusing on.

And second question, I said to you that our priority today is let's focus on dealing with the 35,000 members of the Stichting and we want to get this done before we start on anything else.

Q - Chris van Alem

Okay. But at least the question about the Stichting Woekerpolis process, could you elaborate on that?

A - Alex Wynaendts {BIO 1821092 <GO>}

Yes. We are and continue to be in discussions with them and obviously it's way too early to share anything with you. We'll certainly share something with you when it's time, but we are discussing consistent with what we have always said. We would like to have this whole issue around mis-selling behind us. It is not a good thing for the industry. It's, as such, not a good thing for Aegon. What we would like is that the customers feel the trust in the sector, the trust in Aegon. And what we are doing is therefore executing very diligently on the Stichting and the 35,000 customers there, which is that they get what we have promised and they get it in a timely way.

Q - Chris van Alem

Yes. But could you tell me how many people the Stichting is representing?

A - Alex Wynaendts {BIO 1821092 <GO>}

35,000 roughly. That's the number of the Stichting.

Q - Chris van Alem

No. The Stichting Woekerpolis, I mean the Stichting Woekerpolis process.

A - Alex Wynaendts {BIO 1821092 <GO>}

I'm not aware of the number. I'm not aware of that number. I'd be happy to look into it and ask Robin Boon, who is the Head of our Communication, to come back to you if that number is available. Yes.

Q - Chris van Alem

Okay. Great. Thank you.

Operator

Thank you. There appear to be no further questions. Please continue with any other points you wish to raise.

A - Alex Wynaendts {BIO 1821092 <GO>}

Yes, I would like to thank you for joining our call. It's always a pleasure for us and of course we appreciate your interest in Aegon. Thanks a lot and have a great day. Bye-bye.

Operator

This concludes the Aegon Fourth Quarter 2013 results conference call. Thank you for participating. You may now disconnect.