

Aegon completes sale of Hungarian businesses and announces debt tender offer and share buyback

Aegon announces today that it has completed the divestment of its Hungarian businesses to Vienna Insurance Group AG Wiener Versicherung Gruppe (VIG). The gross proceeds of the transaction amount to EUR 620 million. This completion is an important step towards the full closing of the sale of Aegon's insurance, pension, and asset management businesses in Central and Eastern Europe to VIG for EUR 830 million, as announced in November 2020. The sales of Aegon's businesses in Poland, Romania and Turkey are expected to be completed in the course of 2022, subject to required local regulatory approvals.

"Today's announcement marks an important step in the transformation of Aegon as we narrow our strategic focus to select core and growth markets, and further strengthen our balance sheet", said Lard Friese, CEO Aegon. "I would like to sincerely thank our employees in Hungary for their significant contribution to Aegon over the years."

The closing of the sale of the Hungarian businesses will result in a significant increase of Aegon's Cash Capital at the Holding – which amounted to EUR 1.3 billion at the end of 2021 – and brings it above the stated operating range of EUR 0.5 billion to EUR 1.5 billion. This provides Aegon with the financial flexibility to announce today a reduction of its debt through a EUR 375 million tender offer, as well as the intention to return surplus cash capital to its shareholders via a EUR 300 million share buyback, barring unforeseen circumstances. These actions are in line with the ambitions stated at the Capital Markets Day in December 2020.

"I am very pleased that by further reducing our debt, we are able to deliver on our deleveraging goal well ahead of our 2023 target date", Lard Friese added. "Today's announced share buyback also underscores our intention to return surplus cash capital to shareholders."

Debt tender offer and share buyback

The debt repayment will be executed through a EUR 375 million tender offer for six subordinated bonds. Details of the debt tender offer will be disclosed via a separate press release today. After completion of the tender offer, Aegon will have reduced its gross financial leverage to the range of EUR 5.0 billion to EUR 5.5 billion, a target that was set to be accomplished by 2023.

Additionally, Aegon intends to return EUR 300 million of surplus cash capital to shareholders via a share buyback in the course of 2022. The share buyback will be executed in three tranches of EUR 100 million each, with each tranche conditional on maintaining the capital positions of Aegon's main units in line with its stated ambitions, and the Cash Capital at the Holding being above the middle of the operating range.

The EUR 300 million share buyback program will commence on April 1, 2022 and is expected to be completed on or before December 15, 2022. The first tranche of EUR 100 million is expected to be completed on or before June 30, 2022. For each tranche Aegon will engage a third party to execute the buyback transactions on its behalf. The common shares will be repurchased at a maximum of the average of the daily volume-weighted average prices during the repurchase period, and will subsequently be proposed to be cancelled at Aegon's 2023 Annual General Meeting of Shareholders.

Following the divestment of Aegon's businesses in Hungary, Aegon's IFRS equity will increase by approximately EUR 400 million in the first quarter of 2022, of which approximately EUR 375 million will be recognized as a book gain, based on the balance sheet position on December 31, 2021. The combination of the completion of the sale of Aegon's Hungarian businesses, the repayment of the debt and the share buyback will not have a material impact on the Group Solvency II ratio.

About Aegon

Aegon is an integrated, diversified, international financial services group. The company offers investment, protection, and retirement solutions, with a strategic focus on three core markets (the United States, the United Kingdom, and the Netherlands), three growth markets (Spain & Portugal, Brazil, and China), and one global asset manager. Aegon's purpose of *Helping people live their best lives* runs through all its activities. As a leading global investor and employer, the company seeks to have a positive impact by addressing critical environmental and societal issues, with a focus on climate change and inclusion & diversity. Aegon is headquartered in The Hague, the Netherlands, and listed on Euronext Amsterdam and the New York Stock Exchange. More information can be found at [aegon.com](https://www.aegon.com).

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Forward-looking statements

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

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

This document contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation (596/2014). Further details of potential risks and uncertainties affecting Aegon are described in its filings with the Netherlands Authority for the Financial Markets and the US Securities and Exchange Commission, including the Annual Report. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, Aegon expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Aegon's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.