

**Rating Action: Moody's affirms AEGON N.V.'s A3 senior unsecured debt rating, outlook changed to negative**

---

2 October 2020

London, October 2, 2020 – Moody's Investors Service (Moody's) has today affirmed AEGON N.V.'s ("Aegon" or "Group") A3 long-term issuer and senior unsecured debt ratings, Baa1(hyb) subordinate and junior subordinate debt ratings and Baa3(hyb) preferred stock non-cumulative rating. At the same time, Moody's affirmed the A1 insurance financial strength ratings (IFSRs) of Transamerica Life Insurance Company (TLIC), Transamerica Premier Life Insurance Company (TPLIC) and Transamerica Financial Life Insurance Company (TFLIC) (collectively Aegon USA). The outlooks have been changed to negative from stable for all entities.

Please click on this link [https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC\\_1000003520](https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_1000003520) for the List of Affected Credit Ratings. This list is an integral part of this Press Release and identifies each affected issuer.

RATINGS RATIONALE

AEGON N.V.

The change in outlook to negative for AEGON N.V. reflects the Group's weak underlying earnings over the last 18 months driven by the dominant US business for which trading conditions will continue to be challenging. Furthermore, Aegon's net income remains very volatile and continues to subdue the Group's return on capital and earnings coverage. More positively, the earnings of the Group's other businesses are resilient and the balance sheet remains strong with leverage reducing and the Group's Solvency II ratio at the top end of its target range (195% as at H1 20).

Following a 5% decrease in 2019, Aegon's pre-tax underlying earnings reduced further by 31% (to €700 million) for the first half 2020. This underperformance continues to be driven by the US business, the Group's main earnings contributor and capital generator, which reported a 54% reduction in earnings driven by adverse mortality and persistency and the implications of the continued lower interest rate environment. The US business continues to face profitability headwinds, exacerbated by the coronavirus, and we expect its profitability in the second half of this year to remain constrained. Aegon has withdrawn its Group 2019-2021 financial targets in light of the uncertain economic outlook.

Aegon's net income in the first half of 2020 also declined significantly by 67% to €202 million, again driven by the US business which incurred substantial "below the line" losses reflecting, among others, assumption changes in interest rates. This decline is symptomatic of the net income volatility Aegon has displayed over the last years, and weak net income has led to five year (2019-2015) average return on capital and earnings coverage of only 2.3% and 3.3x respectively.

More positively from an earnings perspective, the smaller European, International and asset management businesses have been resilient, recording a collective 3% and 4% increase in pre-tax underlying earnings in 2019 and first half 2020 respectively. The Dutch business has averaged c. €574 million of pre-tax underlying earnings from 2019-2015 and is expected to remain a solid contributor to the Group's underlying earnings even if its net income is now more sensitive to credit spread movements.

The affirmation of AEGON N.V.'s ratings reflects: (i) the aggregate credit strength of its various operating companies, in particular its main US operations (A1 IFSR affirmed); (ii) good and gradually improved geographic diversification which Moody's expects to be maintained; and (iii) reduced financial leverage.

Aegon's A3 senior unsecured debt rating is two notches below the IFSR of its US operations. This narrower notching reflects Aegon's geographic diversification between its main markets: the US (51%/33% of the Group's underlying earnings before tax at YE19/H1 20), the Netherlands (30%/40%), the UK (6%/10%) and a growing global asset management business (6%/9%). The Group's reliance on the US business, which at YE17 represented 60% of underlying earnings, has reduced although this has been partially driven by relatively lower US earnings. A further element in considering narrower notching is that Aegon benefits from regulatory supervision at a group-wide level under Solvency II. Moody's expects the Group's good level of geographic diversification to be maintained.

The rating affirmation also reflects Moody's expectation that the Group's adjusted financial leverage remains below 30%. Leverage, on a Moody's basis, declined in 2019 by a material 5.9% points to 25.4% (YE2018: 31.2%), driven by the reduction in borrowings and the increase in shareholders' equity, and Moody's views positively the Group's priority to further delever under its new CEO. This will be aided by the Group's decision to cancel the H2 2019 dividend and re-base the H1 2020 dividend, and Aegon intends to not refinance \$500 million senior debt maturing in December 2020.

With regard to capitalization, the Group's Solvency II ratio declined only slightly to 195% at H1 20 (YE 2019: 201%) due to COVID-related adverse market impacts but positively remains at the top end of the target range of 150%-200%. More negatively, the weakening of the US business's capital generation will make it harder to counter the relatively high sensitivity of the Group solvency to financial market movements. Overall, Aegon believes that the volatility of its capital ratios is too high and will take action to improve the company's risk profile, which is credit positive. In the meantime, the US business will not pay its planned dividend to the Group for H2 2020, to protect its balance sheet amidst the uncertain economic outlook during the pandemic.

## AEGON USA

The negative outlook for AEGON USA reflects Moody's expectation that the coronavirus-related economic disruption will continue to weigh on earnings because of the impact from lower interest rates, unfavorable mortality experience, as well as elevated defaults and ratings migration. Aegon's business is adversely impacted by the ultralow interest rate environment, which over time reduces the company's investment returns supporting the credited rates on its life insurance, long-term care and annuity business.

Moody's will consider the performance of the businesses, level of reserves and capital including the quality of capital in the US, credit fundamentals in its investment portfolio, and its mortality experience. Moody's believes the ultra-low interest rates, economic disruption, and pandemic-driven restrictions on movement of the population will stress most aspects of life insurers' financials, including those of Aegon USA. These factors impact new business, profitability, capital adequacy, and the investment portfolio's performance.

Moody's said the ratings affirmations of Aegon USA's ratings is based on the company's well-established positions in the US life insurance and asset accumulation businesses including individual and employee workplace markets. The rating also reflects the company's utilization of multiple distribution channels, its diversified earnings that benefit from economies of scale, and a good

capital position. Aegon USA continues to emphasize its individual and workplace businesses while investing in administrative efficiencies and product development capability.

Moody's also said for TLIC, the P-1 Short-term IFSR, is likely to remain unchanged, if Moody's were to downgrade the A1 IFSR of the company one notch.

These strengths are partially mitigated by lower than expected profitability for its rating level and a business profile with a concentration on the liability side of a legacy portfolio of long-term care (LTC) business and variable annuities (VA) with guaranteed benefits. The recent decline in market interest rates and the possibility of prolonged low interest rates could place pressure on the company's earnings and capital. Deterioration in the investment portfolio would also compound the pressure. In addition, the company's level premium term life ("XXX") and no-lapse universal life insurance ("AXXX") business, which was written before the introduction of principle based reserving, uses captives and other structured insurance transactions, which weakens the quality of reserves, asset quality, and regulatory capital on a consolidated basis.

## FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

### AEGON N.V.

The following factors could lead to a downgrade of Aegon: 1) Further weakening of the credit profile of Aegon USA, as evidenced by a downgrade of its ratings; 2) reduction in underlying earnings and/or significant net income volatility; 3) adjusted financial leverage consistently above 30% and earnings coverage consistently below 4x; 4) reduced geographic diversification that would lead to a reduction in the notching differential between the IFSR of Aegon USA's entities and the senior unsecured debt rating of Aegon.

Given the negative outlook, there is limited upward pressure on Aegon's ratings at present, however the following factors could stabilise the outlook: 1) improvement in the credit profile of the US insurance operations, as evidenced by a stabilisation of the outlook; 2) adjusted financial remaining below 30% and earnings coverage consistently above 5x.

### AEGON N.V.'s PERPETUAL RESTRICTED TIER 1 CONTINGENT CONVERTIBLE NOTES

The key drivers of the notes' Baa3(hyb) rating are the level of the Group's Solvency II ratio and the A1 IFSR of Aegon's US operations. Negative rating action on the notes could occur if the Group's Solvency II ratio is consistently below 165% and/or the A1 IFSR of Aegon's US operations is downgraded.

Given the negative outlook, there is limited upward pressure on this rating at present, however the outlook could be stabilised if the Group's Solvency II ratio is consistently above 180% and/or if the outlook on Aegon's US operations is stabilised.

### AEGON USA

Factors that could lead to a downgrade of the ratings: 1) ROC of the US operations consistently below 4%; 2) combined NAIC RBC ratio of less than 350% (CAL), after adjustment for intercompany loans and reinsurance captives or a reduction in capital of more than 10% over a 12 month period; 3) consolidated group financial leverage at Aegon group sustainably above 30% and earnings coverage consistently below 4x; and 4) modest success in the implementation of the US business plan during Aegon's strategic review affecting business operations and financial performance.

Given the negative outlook, there is limited upward pressure on Aegon USA ratings. A combination of the following drivers could return Aegon USA's outlook to stable: 1) return on statutory capital

(ROC) of the US operations consistently above 6% with a sustained reduction in volatility; 2) materially less reliance on reinsurance captives and reserve financing structures from current levels in the US (as measured by total reserve credit and modco reserves); 3) consolidated total leverage at Aegon group below 30% and earnings coverage consistently above 5x; 4) improved organic capital generation; and 5) successful execution of the US business plan during Aegon's strategic review, reflected by improving business operations and financial performance.

#### SUMMARY PROFILE OF AFFECTED GROUP

AEGON N.V. is the Netherlands-based holding company of the Aegon insurance group which primarily offers life insurance and pension products with its main operations based in the US. The group, which is present in over 20 other countries worldwide, also has significant and well-established operations in the Netherlands and the UK. For 2019, the group reported premium income of €18.1 billion and total equity of €25 billion.

#### PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Life Insurers Methodology published in November 2019 and available at [https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC\\_1187348](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1187348). Alternatively, please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

#### REGULATORY DISCLOSURES

The List of Affected Credit Ratings announced here are a mix of solicited and unsolicited credit ratings. Additionally, the List of Affected Credit Ratings includes additional disclosures that vary with regard to some of the ratings.

Please click on this link [https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC\\_1000003520](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1000003520) for the List of Affected Credit Ratings. This list is an integral part of this Press Release and provides, for each of the credit ratings covered, Moody's disclosures on the following items:

- Endorsement
- Rating Solicitation
- Issuer Participation
- Participation: Access to Management
- Participation: Access to Internal Documents
- Disclosure to Rated Entity
- Lead Analyst
- Releasing Office

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: [https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or

note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moodys.com](http://www.moodys.com).

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at [https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC\\_1133569](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1133569).

The below contact information is provided for information purposes only. Please see the ratings tab of the issuer page at [www.moodys.com](http://www.moodys.com), for each of the ratings covered, Moody's disclosures on the lead rating analyst and the Moody's legal entity that has issued the ratings.

The person who approved AEGON N.V., AEGON Funding Company LLC and Commonwealth General Corporation credit ratings is Antonello Aquino, Associate Managing Director, Financial Institutions Group, JOURNALISTS: 44 20 7772 5456, Client Service: 44 20 7772 5454. The person who approved Transamerica Financial Life Insurance Company, Transamerica Premier Life Insurance Company, Monumental Global Funding Limited, Transamerica Life Insurance Company and Transamerica Capital II and Transamerica Capital III credit ratings is Scott Robinson, CFA, Associate Managing Director, Financial Institutions Group, JOURNALISTS : 1 212 553 0376, Client Service : 1 212 553 1653.

The relevant office for each credit rating is identified in "Debt/deal box" on the Ratings tab in the Debt/Deal List section of each issuer/entity page of the website.

Please see [www.moodys.com](http://www.moodys.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for additional regulatory disclosures for each credit rating.

Dominic Simpson  
VP-Sr Credit Officer  
Financial Institutions Group  
Moody's Investors Service Ltd.  
One Canada Square  
Canary Wharf

London  
United Kingdom  
JOURNALISTS: 44 20 7772 5456  
Client Service: 44 20 7772 5454

Antonello Aquino  
Associate Managing Director  
Financial Institutions Group  
JOURNALISTS: 44 20 7772 5456  
Client Service: 44 20 7772 5454

Releasing Office:  
Moody's Investors Service Ltd.  
One Canada Square  
Canary Wharf  
London, E14 5FA  
United Kingdom  
JOURNALISTS: 44 20 7772 5456  
Client Service: 44 20 7772 5454

**MOODY'S**  
INVESTORS SERVICE

© 2020 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND/OR ITS CREDIT RATINGS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S INVESTORS SERVICE DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S INVESTORS SERVICE CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND

PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$2,700,000. MCO and Moody's investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moodys.com](http://www.moodys.com) under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY250,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.