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+++ presentation
Willem van den Berg^ All right. Good morning, everyone. On behalf of the entire Aegon team, I would like to welcome you to Aegon's Analyst Investor Conference. We will start with two presentations; first our CEO, Alex Wynaendts, who will provide you with an update of our strategy and the steps we will make to achieve our ambitions. And then our CFO, Darryl Button, will provide you with an update around capital, cash and returns.

They will do a Q&A session after their presentations and will provide you with breakout sessions where you can meet the other management as well and discuss the business prospects.

With that, I would like to hand it over to Alex.

Alexander Wynaendts^ Thank you, Willem, and good morning to everyone here and thank you for taking your time to join us here in London. It's always good to see so many familiar faces, even some faces from far away. I also would like to thank all the others that are listening, following us online; investors and analysts and media.

The Aegon management team is really looking forward to taking you through our strategic priorities for the coming years, but also how we are positioning the company to take advantage of the many opportunities that we see ahead of us we've identified.

We will briefly look back on what we've achieved in executing on a strategy since 2011 before providing you with an overview of where we will be taking the company going forward and the actions we will implement to deliver on our financial targets.

As Willem said, after my presentation Darryl Button, our CFO, will expand on the financials and he will provide more details on our capital position in the new environment of Solvency II, our cash-flows, and the planned capital return to our shareholders.

I would like to start today by saying that Aegon is a very different company today than it was only five years ago. At that time, spread businesses represented 2/3 of our earnings, and today it is fee and technical that make up of 2/3 our earnings.

The transformation does not, however, stop here. We have not only transformed the profile of the company, we've also transformed our culture and the way we do business by developing new ways to connect with our millions of customers across the globe. And we are very clear about our purpose; we as a company exist to help people achieve a lifetime of financial security. This is our priority; to be there for the 30 million plus customers who have placed their trust in Aegon, and to be there for the growing number of people that need our products and services.

And just as we are committed to our customers, we remain committed to creating value for our shareholders by improving returns. As such, we continue to target a return on equity of 10%.

In terms of capital position, I am pleased to say that our strong Solvency II position of 160% enables us to increase the amount of capital we will return to our shareholders. Indeed, starting today, we will fulfill our commitment to execute on the EUR400 million share buyback, and we'll increase a final 2015 dividend to $0.13 per-share.

Saying that we have transformed the company is, of course, one thing, but demonstrating it is another. So, let me begin by running you through you some of the key achievements in recent years.

Transforming the profile of the company is primarily the result of taking three important steps. First, by addressing legacy issues to preserve shareholder value, and here, as you can see, we divested EUR3.4 billion in non-core activities at over 80% of book value on average.

Let me remind you, we divested Transamerica Re, a reinsurance business, our Canadian operations, quite a number of our Spanish joint ventures, our stake in France and La Mondiale, and a number of other disposals we've done overtime.

And second step is optimizing the value of our back-books, and here we have significantly reduced expenses in established markets and reduced capital allocated to our run-off and legacy [annuity] businesses in the US.

And the third step is growing our fee business in a profitable way to create long-term value for our shareholders. Over the last five years, we have been successfully growing our business, with an average 12% annual growth in sales; evidence of how we are succeeding in gaining the trust of millions of new customers.

It is our focus on a global fee-based business, including our variable annuity, our pension administration and asset management businesses, as well as on our protection businesses that have been the main drivers behind the 12% sales growth.

Our success in leading with the past and optimizing the value of our back-book and in growing sales has been mirrored while looking at Aegon's capital position. We have, indeed, successfully maintained a robust balance sheet. Our ratings are strong and our group Solvency II ratio of 160% is in the upper end of our target range. So we're in a strong position to return capital to our shareholders.

Over the past five years, we've been able to double our free cash-flows by growing our business profitably and by deleveraging our balance sheet. This doubling of free cash-flows after holding expenses has been the basis for growing dividends to our shareholders, and I know this will be of special interest to many of you here today and Darryl will address our capital position and capital deployment plans in greater details in his presentation and Q&A.

The actions we have taken enable us to achieve our 2015 targets of not only doubling our fee-based earnings, but also growing our operation-free cash-flows by over 30%. And I'm disappointed, however, that we haven't been able to meet our targets for earning growth and return on equity.

Not meeting these two targets was mainly due to significant challenges we face in regulatory environment in our UK and new markets, together with a continued adverse impact of low interest rates, especially as they relate to policy behavior in our US life business.

Going forward, we remain determined to achieve a return on equity of 10%, and today's presentation we'll be detailing the steps we're taking to ensure that we deliver on this target. It is a key target for us.

Let me now provide you with an outline of our strategic priorities for the coming years. I'll be focusing on two things in particular. First, how we are connecting with those that depend on us and how this approach is also helping us to take advantage of the global trends that impact our industry and our customers.

Today, we are not only presenting new targets and new plans, we're also reaffirming our strategic priorities. Our destination has not changed, rather, it is the speed at which we execute that we are accelerating.

You're familiar with our four strategic objectives, so let me take them one by one. First, loyal customers; it speaks for itself. This is the foundation of any successful business, and I will explain in more depth in a few moments how we intend to address customer needs throughout their lifecycles.

Operational excellence; this means delivering a superior service to customers at competitive cost levels. Here, we're making the necessary reinvestments in technology while increasing our efficiency through significant cost reductions. We optimize portfolio first to investing in those businesses and market segments that are core to us and that offer the strongest prospects for growth.

We will continue to actively manage our back-books for value. We have, for example, started a process aimed at divesting our UK annuity book that will also continue to lower the capital allocated to relevant businesses in the US.

Empowered employees are essential to us achieving our ambitions; that means employees who are aligned, committed and empowered to deliver on our strategic priorities. Today we'll provide you with a range of examples of actions we are taking to deliver on these strategic objectives across the group.

Let me now touch briefly on the global trends that are shaping our industry and how our strategic priorities put us in a very strong position to capitalize on them. From low interest rates to new entrants and from digitization to traditional providers, you will all be aware of the main features of the rapidly changing environment in which we operate.

An important point I would like to emphasize, however, that these global trends are not only increasing the demand for products and services, they are also changing the way we do business, the way we connect with our customers, and the way customers wish to connect with us.

Digital developments have revolutionized the world, accelerating the trends that shape our environments. The result is that we need to accelerate execution of our strategy in order to stay ahead of the curve, and I will detail how we will do that on the following slides.

But before I do that, I would like to touch briefly on regulation and remind you that we have recently been designated as a G-SII; something that we do not anticipate, however, to be a binding constraint for our capital requirements.

Where we also see more regulatory activity is on consumer protection, which we see as an opportunity for us, given our focus on better connecting with our customers. And this is true in each and every one of the market in which we operate. And our experience as a global company allows us to anticipate and act on customer protection trends in our different markets.

I very much believe that having a clear and compelling purpose is essential in order for a company to succeed. Our purpose to help people achieve a lifetime of financial security really matters, and when I speak with employees, it is clear that it's something that always resonates with them, something that gives them meaning to their work, binding them with their colleagues across the company and something that all employees can be really proud of.

I see it as our raison d'êtrem, our reason for being, and it drives what we do at a strategic level, because in order to fulfill our purpose, we must help customers address their needs throughout the various stages of their lives. And this not merely as a product manufacturer, but more and more as a provider of accessible, understandable and reliable solutions.

As you’re well aware, there’s an increasing advice gap emerging. Fewer and fewer people have access to advice while their needs are growing as the responsibility for providing financial security is increasingly shifting to the individual.

And there is a tremendous opportunity for us, it is here in this advice gap that the opportunity lies for us to better connect with our customers in order to provide them with much needed, relevant information, guidance and advice and the possibility to transact.

Building a lifelong relationship with our customers all starts with providing simple protection or retirement products, be it individually or through a collective agreement. We have built a sizeable retirement business with assets over EUR250 billion and 11 million plan participants in our three key markets.

And this is the foundation that will enable us to benefit from the opportunity of serving our 11 million plan participants as they prepare for retirement, and I know one thing for sure, they will all retire at a certain point in time. Today, in US alone, more than 10,000 people retire each and every day, and on top of that, they’re living longer than ever before.

They also need to take responsibility by making choices and taking financial decisions that will affect the rest of their retired lives. So clearly, this large group of people is in need of advice while preparing for retirement, and as you can understand, this is an important area of growth for us and we have positioned our pension business in the US and UK in particular, but also increasingly in Netherlands to serve a large pool of 11 million plan participants as a source of new retail business over time.

Our recent success in increasing the retention rate in the US, from 0% a few years ago to 15% today, it’s a very good example of how we executing on this, and going forward, we believe we are able to increase the retention rate even further. And on the next slide, I will explain how these dynamics are shaping our strategic choices.

So, while Aegon will continue to provide attractive protection products, what I would like to focus on now is how we will optimize our customer’s experience whenever they engage with us and how we will increase our presence in several important parts of the value chain.

In pension administration, it is essential that we continue to drive scale and expand digital platforms in order to remain competitive. In asset management, we’ll expand our capabilities in offering our customers the right investment solutions with superior investment performance.

And in term of guidance and advice, our objective is to strengthen our relationship with our customers by improving the way we connect with them. And by that, I mean directly with customers or indirectly through our distributors and by being relevant to them at every stage of their lives by providing meaningful guidance and advice.

Let me now explain how we're able to better connect with our customers and reduce expenses by digitizing our businesses across the globe. In simple principle, at the heart of our strategy is that every customer should be able to decide how he or she wishes to interact with us; be it digitally, by phone, or face-to-face.

And this is an important point. It is our customers that choose, not us. And in terms of digital, utilizing the very latest technology, both supports the customer experience and simplifies our business. Therefore, we're stepping up our digital investments in the coming years.

The starting point is different in each of the markets in which we operate. So, rather than one size fits all approach, we have adopted a modular approach to technology across the company.

In some cases, it's more efficient to build a digital layer around existing infrastructure, in other cases, it's more efficient to start from scratch and develop entirely new platform. Two particularly good examples of this latest; our fast growing UK platform and then Knab, our digital bank in the Netherlands.

And I'm please to share with you that these two initiatives have together attracted 300,000 customers and assets over EUR10 billion in total just three years after they were launched.

Technology also plays an increasing role in providing guidance and advice, and we're implementing new tools such as global advisors to create superior customer experience. These new digital tools have simplified compliance management around providing advice in products and this is a clear advantage of practices that have created issues for our industry in the past.

As I said earlier, leveraging technology not only enhances service and customer experience, it also makes it possible to reduce operating expenses. Over the past five years, our efforts to control and reduce expenses has proven successful. So in the US, we've kept expenses stable while significantly growing our sales by 8% per-year.

In the Netherlands, we've reduced the operating expenses of our insurance activities by 20% since 2010. And in the UK, we've reduced expenses by 1/3 by digitizing the business and, more importantly, by reducing complexity. And building on the strong track record, we are today announcing that we will reduce operating expenses in our established markets by a further EUR200 million a year by 2018.

This will consist of $150 million in the US, and EUR50 million in the Netherlands. And we will do so by reducing complexity, by helping customers do more themselves, and by outsourcing a number of functions that we can do cheaper or better ourselves.

Our management teams for the US and Dutch businesses will provide you more detail on how these cost reductions will be achieve during the breakout sessions later this morning.

A third strategic priority is to optimize our portfolio. We are very strict in allocating our capital to those businesses that create value and growth in order to deliver on our financial targets.

In the past five years, a lot of progress has been made on this front and we can today announce a number of additional steps such as the possible divestment of several of our non-core businesses and at the same time, we’re focused on increasing the efficiency of our back-books, separating the legacy pension business and a new platform in the UK is a major step in achieving this, because it enables one dedicated management team to focus on optimizing the value of the legacy book and another to work on the growth of our platform.

And building on a strong track record, we want to further grow our asset management business and we want to achieve scale in our emerging market businesses. As of 2016, we will adjust, so for this year, we will adjust our financial reporting to reflect both the growing importance of asset management and increase the visibility on the development of our business in Asia.

Going forward, our reporting segments will, therefore, be Americas, Europe, Asia and asset management, and Darryl will expand on this and provide you with full details in his presentation.

The optimization of our portfolio; together with a cost savings program and a wide range of other actions we are taking, will enable us to increase our returns, which has been, and will remain, a key priority for us.

Our objective is to increase our return on equity to 10% by 2018, and this will be achieved by growing our business profitably, by reducing our expenses by 200 million a year, by paying an attractive dividend, and by executing on our EUR400 million share buyback to be launched today.

And going forward, the payout ratio of our dividends will be 50% of free cash-flows after holding expenses. This represents at least EUR1.7 billion in dividends over the next three years. And today we’re also pleased to announce that our final dividend for 2015 will be increased by [EUR0.13], increasing our full-year 2015 dividend by 9%.

Let me complete the overview of our strategic priorities by spending a few moments on our four strategic objective; empower employees, which is an essential element to our success. And here, I would like to touch briefly on the cultural transformation program we're implementing throughout the company, which is, as you can see, based on four pillar; ownership, agility, customer centricity, and responsible business.

Maximizing Aegon's resource and expertise requires a leadership team that is aligned to common objectives, that shares our values, and that is accountable. We expect our leadership to be focused on the culture innovation in order to be able to adapt quickly to a changing environment.

Also as part of our strategy, we have rearticulated our approach to sustainability, or responsible business, as we now refer to it. We have reconfirmed our belief that a company should have a positive impact on all stakeholders, and when I say all stakeholders, I mean customers, employees, shareholders, but I also mean society, too.

And we believe that the effect on society we have is important, but also the effect of society on us is important in what we do and how we do it. So, we will, for instance, be sharpening our focus on our approach to responsible investments. As a long -term investor, we will pay particular attention to the risk represented by climate change and the investment opportunities in the transition to low-carbon economy.

Embedding sustainability consideration in all our business action is also an important part of our cultural transformation. Customers demand it, and it is becoming increasingly important in attracting and retaining the best and most talented employees, especially from other sectors. In terms of our leaders at the company, we have recently announced two particularly note-worthy appointments.

The first our new Chief Risk Officer, Allegra van Hövell-Patrizi, who is here today with us and I very much encourage you to meet with her during the breakouts. And second, our new Chief Technology Officer, Mark Bloom. He will start at the end of this month and brings a wealth of experience and will be leading the IT function in delivering innovative business solutions throughout the organization.

Going forward, our Chief Technology Officer, our Global Head of HR and our General Counsel will be members of our management board. Adding these global functions to our management board underscores the importance we attach to being a digital leader and to the central role that our employees play in transforming our business.

And in addition, we'd not like to forget that the CEO of our Asset Management business, Sarah Russell, will also become a member of the management board, given a growing importance of asset management to our business.

The strategic priorities I mentioned earlier are being implemented in all business units, ensuring a full alignment of our strategy. And as next part of my presentation, I would like to provide you with a brief overview of the actions we are taking in our different country units and how this is translating into deliverables for the group.

Let me start with our largest market, the US. In recent years, we have made significant progress in reducing the complexity of our US business while significantly growing our fee business. And today we're announcing the next step in our journey, as we want to be one Transamerica in the eyes of all our customers. And by that, I mean one point of contact, one overview, one customer experience and in order to achieve this, rather than be structured by products we offered, because we were, we're now organizing our US operations by function.

By 2018, this further reduction in complexity of our organization will allow us to reduce annual cost-base by $150 million per year. Another key point in the US is to reduce the capital allocated to our run off business by a further $1 billion.

A combination of increased revenues, expense reductions, operation efficiencies and strong in force management will lead to an increase in return on capital to 9% by 2018. We further expect a stable cash-flow generation of $1 billion per-year, as the growth of our fee-base businesses is offsetting lower cash-flows in spread businesses and lower technical profits following the assumption change and model updates previous year.

And during the breakout session, both Mark Mullin and [Gia from cash back] you all know, will provide you with a detailed plan of the actions we're taking there.

In the Netherlands, we have reviewed our business portfolio and operating models against a backdrop of declining earnings from the traditional life market and the changing dynamics in the pension landscape.

Our strategic focus is to strengthen our new pension propositions and to use digital platforms to serve our customers as well as our intermediaries. In non-life, which includes property and casualty and income protection, we are considering our options in relation to our loss making commercial non-life business. This will enable us to focus our efforts on the attractive retail and SME segments of the non-life market.

At the same time, we are further improving the efficiency of our business, resulting in a reduction of our cost base by EUR50 million by 2018. A key priority for Marco Keim and Rutger Zomer, the CFO of Aegon Netherlands, who is with us today, has been to resume dividend payments to the group.

Capital upstream into the group will be resumed in 2016 based on a solid Solvency II position in combination with normalized operation-free cash-flows of EUR250 million per year.

As we shared with you a number of times in the past years, in 2015 we went through an extensive review of our UK business, and I can confirm today that we have started a process at exploring the options around our UK annuity book.

Going forward, we will focus on our successful digital platform that offers us a unique capability in a rapidly changing environment. In 2016, we expect to upgrade a further 200,000 existing customers to the platform. And as I mentioned earlier, the remaining legacy business and a new platform will be operationally separated, as each of the businesses requires a very different approach.

Our objective here is to optimize the value of the legacy book while driving growth of our platform. We will accelerate the growth of our platform by consolidating assets of existing customers and by attracting new customers, both in the retail and the workplace space.

Without taking the possible sale of our annuity book into account, we expect the UK to resume dividend payments to the group in 2017 and Adrian and Claire will provide you more details on their plans during their breakout sessions.

Let me now turn to asset management; it's a business that has grown very successfully in recent years and has now become a meaningful contributor to overall earnings. And our focus in asset management, going forward, will be on providing investment solutions to our customers on leveraging our capabilities for further growth in our third party business and expanding distribution, such as our recent partnership with La Banque Postale in France.

Since 2010, third party earnings have tripled and they now represent more than 2/3 of our asset management earnings. We expect this strong growth momentum to continue and we aim to grow asset management earnings by 20% by 2018 from a high 2015-base.

These earnings enable asset management to remit at least EUR100 million per year to the group. And Sarah Russell and Sander Maatman, the CFO of Asset Management, will be there in the breakout session to provide you with more details.

Let's move now to other markets, where our key objective is to achieve sufficient scale. We have already achieved this in some, but not in all of our markets, so let me take you through the main markets one by one briefly.

Central Eastern Europe is a good example of a business unit with sufficient scale. We will move towards a more centralized operating model to further improve efficiency, but also to leverage our capabilities in the various markets.

Given the continued uncertainty and unrest in Ukraine, we are reviewing the options for our local business. We are also examining the possibility of sale of our Hungarian mortgage business, which has been in run-off for several years, and at the same time, we intend to expand our non-life business in Central and Eastern Europe, as this supports a strategy in terms of better connecting with our customers.

In Asia, we'll continue to invest in growth, in particular, we will leverage our very strong franchise in the high net-worth market in Hong Kong and Singapore, serving an increasing number of customers in what is, of course, a fast-growing and important market.

Over the next few years, we also expect our joint ventures in Japan, India and China to achieve the critical mass required to compete effectively and to generate attractive financial results.

Furthermore, we'll continue to expand distribution and invest in our digital capabilities. The Chinese economy has, of course, been in the news in recent weeks, but it's important to recognize that we're still talking about a growing market with over 1.3 billion consumers that also need, at a certain point in time, to protect their financial security. And at the same time, our direct exposure to China is still relatively limited.

Spain and Portugal will further grow our successful joint ventures with Santander there, and we expect dividend from Spain and Portugal to grow to $25 million per year by 2018. Our focus in Latin America is to continue growing our joint venture in Brazil.

Overall, these different businesses will grow the earnings to a meaningful level of EUR200 million of earnings by 2018. So, before moving to my concluding remarks, I would like to highlight how the actions we are taking in each of our business units are leading to attractive earnings growth that supports our return on equity target of 10%.

And as you can see on the slide, this earnings growth is the result of growing our business in all our markets, as well as the cost reduction measures I've shared with you. Although we have started to implement a number of these cost reduction measures, the majority of the benefit is expected to come through in the later years.

Let me now conclude; I, like you, am of course disappointed that not all our 2015 targets have been met. We have, however, transformed the profile of the company, improved the financial strength of the balance sheet, and doubled free cash-flows after holding expenses.

And Aegon has a very strong basis on which you to continue to build going forward. We'll do so by continuing to focus on improving how we connect with our customers and addressing needs on capturing a larger part of the value chain and on achieving our financial targets.

And as such, we're confident that we'll create long-term value for our customers, our business partners and, of course, also for our shareholders.

I'd like to thank you here and thank you again for your interest in our company. It is now my pleasure to ask Darryl to join me and provide his presentation.

Thank you very much.

Darryl Button^ Thank you, Alex, and good morning everyone. During my presentation, I will first take you through Aegon's Solvency II position and our target capital ratios. Following this, I will show you how our capital framework and free cash-flow generation under Solvency II translates into cash-flows available for shareholders over the next three years.

Finally, I will detail how we plan to reach our 10% return on equity target in 2018.

Let me reiterate that we are pleased with our solid Solvency II capital ratio of 160% for the group being in the upper half of our target range of 140% to 170%, and is supported by strong local capital ratios in our operating units.

As Alex indicated, capital return to shareholders is one of our key financial priorities in the coming years. This will take the form of increasing dividends and, obviously, the EUR400 million share buyback, which is to start today.

Our capital deployment plan is supported by all of our cash generating units, and it is our expectation that both our Dutch and UK units will resume remittances to the group in 2016 and 2017, respectively.

We intend to reach a return on equity of 10% in 2018 driven by cost savings, strong growth in profitable new business, and capital return to shareholders. Let's start with our capital position and target capital ratios under Solvency II.

The group's Solvency II ratio is built up by the combination of ratios under local regulatory frameworks, such as the NAIC RBC in the US, and those covered by the Solvency II regime.

We have received approval in December from our college of supervisors to use a partial internal model for our businesses in the UK and the Netherlands. As highlighted on the right hand side of the slide, we do not just take into account the group Solvency II ratio, but also manage towards rating agency capital frameworks and our own leverage ratio and holding company cash buffer target ranges.

We continue to target a group leverage ratio of 26% to 30% and a cash buffer in the holding anywhere between EUR1 billion and EUR1-1/2 billion. Aegon's estimated Solvency II ratio at year-end 2015 is strong at approximately 160%, consisting of own funds of EUR20 billion and solvency capital requirements of EUR12-1/2 billion for the group as a whole.

This is the total sum of our operating units, which I'll come back to in a minute, and the holding company. The holding itself has three major components. First, the excess capital, or cash buffer, contributes favorably to the ratio. Second, senior debt, which, by nature, is not eligible capital under Solvency II is deducted from the ratio. And third, there's a relatively small diversification benefit, as there is no diversification benefit at the holding for the US business.

The quality of our capital structure is high. Tier 1 capital accounts for 80% of our total owned funds. As stated before, we do not receive a capital benefit for our senior debt, which amounts to EUR1.9 billion. The next senior bond to mature is for EUR500 million in 2017, and we expect to refinance this maturity with a tier 2 issuance.

And finally, the majority of our tier 3 capital represents deferred tax assets in the US.

Slide seven; this slide shows that our local units are strongly capitalized. I should note that these ratios are our best estimates for year-end 2015. Starting with the US, the NAIC RBC ratio translates into a Solvency II ratio of approximately 160%.

This reflects a conversion ratio of 250% of company action level. This is not just the RBC divided by 2-1/2, as the diversification benefits between the US life insurance entities are not recognized either, and US holding companies, including the employee pension plan, are included on a Solvency II basis.

The Dutch ratio is approximately 150%, which does not include any benefit from transitional measures. The remaining outstanding item is the loss absorbency of taxes where we have made a prudent estimate. We expect final clarity on this point by the end of the second quarter.

The UK ratio is approximately 140%; this includes the annuity book, which accounts for approximately 40% of the SCR. Aegon UK does benefit from transitional measures, but the impact on the ratio is relatively modest. The ratios under the other units vary, but collectively, contribute a solvency ratio of 200%.

Approximately 50% of our SCR is regulated on a Solvency II basis. Our risk exposures are well diversified, both for our Solvency II entities and in the US. We intend to further reduce required capital by, for example, optimizing asset liability management and hedging more of our longevity risk in the Netherlands.

As you can see, credit risk is the single largest contributor to our required capital. Here, I would like to stress that we are not a for-seller of assets in any of our major markets. As such, the long-term economic risk we face continues to come from permanent impairments and not from spread volatility.

Let me now turn to capital sensitivities. Due to our rigorous ALM programs, including extensive hedging of our guarantees in the Netherlands and the US, market movements have a relatively low impact on the group Solvency II ratio.

The largest single exposure, not surprisingly, is a credit default scenario in the US. As noted on the slide, this sensitivity also includes the impact of any anticipated ratings migration.

The largest credit exposure outside of the US comes from potential spread widening on the Dutch mortgage portfolio. Here, it is important to point out that this sensitivity assumes there will be no offset in the volatility adjustor.

And again, I would like to remind you that we're not a for-seller of assets in our Dutch business due to the length and illiquidity of our liabilities. This means liquidity driven spread volatility, which we have seen from time to time in the Dutch housing market may cause short-term capital volatility. This volatility, however, will be offset by higher or lower operational free cash-flows going forward.

Finally, the US ratio is negatively geared towards rising interest rates, which might sound counterintuitive. This is caused by the fact that under the regulatory framework in the US, hedges on guarantees are valued at market value where the liabilities are not fully market consistent. On an economic basis, rising interest rates continue to be favorable for our US business.

For the capitalization of our Solvency II operating entities, we have set target ranges of 130% to 150%, which is supported by our sensitivities. For the Americas, we are targeting an NAIC RBC ratio of between 350% and 450% on our life insurance operating companies.

Together, with the cash buffer target of EUR1 billion to EUR1-1/2 billion at the holding, this translates into a group Solvency II target range of 140% to 170%. If the group ratio is above the upper boundary, we aim to return additional capital to shareholders or accelerate investments in our strategic priorities.

In contrast, if the ratio drops to within the caution zone of 120% to 140%, we will take additional capital preservation measures. And of course, let me remind you of the legal binding constraint under Solvency II. We would be restricted from paying dividends and required to submit a regulatory plan at the 100% SCR level.

The capital framework for the local units is based on the same principles. These capital management zones, as we refer to them, are designed to give us adequate management flexibility over and above a 100% SCR level.

Let's not forget, 100% SCR is already a level of capital that embeds a 1 in 200 year risk event, so our policyholders are well protected. These capital zones are designed to provide a buffer over and above the 100% SCR ratio, and it is possible they could move overtime if our risk profile or our resulting sensitivities were to change.

However, due to our significant de-risking over the last five years, I am not forecasting a major shift in our risk profile. I will now discuss free cash-flow generation under Solvency II and how this, together with the capital framework I've outlined, translates into our capital deployment plan over the next three years.

This slide makes clear that we have delivered on our promises made back in 2013. As higher proceeds from divestments and lower holding expenses more than offset lower remittances, we spent EUR4.4 billion on dividends, deleveraging, and other strategic priorities in the past three years.

While we more than delivered on dividends in deleveraging, capital injections and uncertainty around the outcome of Solvency II pushed the share buyback forward into 2016, which we are announcing here today.

We achieved significant deleveraging over the last three years. Through reducing outstanding debt by over EUR2 billion, we have reduced the leverage ratio to approximately 27% at the year-end 2015, while increasing our fixed charge cover to around seven times.

This provides us not only flexibility, but also stronger free cash-flows going forward. Operational free cash-flow generation shown here on Slide 15, is estimated to be around EUR1.3 billion in 2016.

In the Americas, we have identified 2018 as the inflection point where the growth of fee businesses will outweigh the declining benefit from lower fixed annuity and run off balances. As such, free cash-flow generation in the Americas will contribute to overall free cash-flow growth after 2018.

The Netherlands is also expected to remain relatively stable in the next few years despite a shift in our pension sales from defined benefit to defined contribution. This is due to a continuation of growth in the DB pension back-book from ongoing contributions and investment returns attributable to existing pension customers.

The UK is expected to grow as scale builds on our platform business and asset management, Central Eastern Europe, Spain and Portugal continue to be an important part of our growth story.

Free cash-flows from Asia are impacted by investments in new business to support growth, in particular in Hong Kong and Singapore, and will improve over time as scale continues to build.

We expect to generate over EUR8 billion of gross cash-flows in the units, which after investments in new business, results in EUR4.2 billion of operational free cash-flows in the next three years.

Investments in new business reflect strong franchise and top-line growth profile, highlighted earlier by Alex, and are a critical component in driving future earnings growth, economic value, and operational free cash-flows.

While the larger units are expected to remain stable over the next three years, we do expect increasing cash-flows to come from the remainder of the businesses, as I discussed on the previous slide.

EUR4.2 billion of operational free cash-flow translates into expected gross remittances of EUR3.9 billion over the same period. The Americas remains the main driver for remittances, while the Netherlands is expected to start annual dividend contributions to the group of EUR250 million in 2016.

The UK is expected to start remitting to the group in 2017, rising to EUR140 million on an annual basis in 2018. After holding expenses of approximately EUR900 million, this results in EUR3 billion of capital available for deployment over the next three years.

We intend to return 70% of this, or over EUR2 billion, to shareholders in the form of dividends of EUR1.7 billion and the share buyback of [EUR400 million]. Dividend payout of EUR1.7 billion over the 2016 to 2018 period implies a payout ratio of slightly above 50% of normalized free cash-flows.

We intend to reinvest around EUR300 million in our units mainly in Asia to support growth. The remaining 600 million can be used to fund additional growth, including investments or acquisitions, or additional capital return to shareholders.

To sum it all up; Aegon has a solid capital position under Solvency II. We expect to grow our operational free cash-flow in the coming years. Together with the resumption of dividends from the Netherlands and the UK, this supports rising remittances.

Our main priority is returning capital to shareholders in the form of share buyback and growing dividends and we're, therefore, pleased to announce as Alex mentioned earlier, our intention to propose a final dividend of 2015 of [EUR0.13] per-share, resulting in a dividend growth of 9% for 2015.

In the last section of my presentation, I would like to highlight additional key financial metrics and how I see them progressing over the next three years. First, we will be making a voluntary accounting change from January 1 2016, which primarily reflects our recorded back balances in the UK.

As Alex has already pointed out, we're operationally separating our UK business into three components; the annuity business, the pension book and the new platform, which includes our protection offering.

DACH will now be tested for recoverability at these individual levels instead of in aggregate. More importantly, DACH will be written down upfront for all anticipated upgrade activity from our current pension book to the platform. This will prevent a series of DACH write-offs in the future, as DACH is not allowed to be carried across to the new platform contracts.

Finally, we will adjust our accounting policy for reinsurance when used for business exits, and this will have a small impact in the US. In total, these actions result in a charge to IFRS shareholder's equity of EUR1.3 billion, the majority of which is related to the UK.

Our financial leverage ratio will increase by 1.4 percentage points, but will remain well within our target range. And in 2016, our underlying earnings will increase by approximately EUR20 million and return on equity will increase by 0.6%.

Another change we're making starting Q1 2016 is in the presentation of our business segments, as Alex outlined earlier. The growing importance of our asset management business means that it warrants a separate reporting segment, while it also makes sense to group our European businesses together.

And although the earnings contribution from Asia is modest in a group context, sales growth is strong and we expect earnings growth overtime as a result. We will provide you with comparable 2015 quarterly numbers, including the accounting changes on this new basis before we report our first quarter results in May.

I would now like to spend a moment on our model review program. As you know, we launched the program back in 2013 and it is a very comprehensive and rigorous program. This has increased the modeling standards and control environment for the organization as a whole.

With one notable exception, the reviews have resulted in very limited findings with almost no financial consequences. The exception, of course, being our universal life business in the US, where the combination of sustained low interest rates and more sophisticated policyholder behavior was not adequately captured by our models.

In 2016, we are transitioning to a business as usual environment and as you are aware, we are converting our US universal life model to a new valuation platform targeted by the end of 2017.

Let me now turn to expense savings. While Alex provided you the numbers, let me now put them into some perspective. We expect to reduce operating expenses by EUR200 million by year-end 2018, building on our strong track record for the 2010 to 2015 period.

Examples of expense savings include the benefits of the ongoing transformation of the business in the US to one Transamerica, a continued reduction of legacy systems in the Netherlands, and the streamlining of support functions at the holding.

Part of these savings will be offset by digital investments already mentioned, resulting in a reduction of the cost level by a net [EUR150 million] by 2018. Some of our restructuring will lead to charges, which we expect to amount to EUR100 million, of which we are expecting to take approximately 1/3 in the fourth quarter of 2015.

The main drivers for the improvements on return on equity will be organic growth and cost savings. On organic growth, we expect to achieve continued strong sales growth by focusing on fee-based products, including retirement plans in the US, index universal life products, and third-party inflows and asset management.

We expect new business margins to increase slightly in the coming years due to product adjustments together with emerging scale advantages in the UK, as our platform continues to grow. And in order to further improve the contribution from new business the cash-flow generation, we will actively reduce payback periods on our sales mix going forward.

As Alex already showed you this slide, I would like to remind you the strong sales and top line growth, combined with cost savings programs in our largest unit, will drive organic earnings growth in support of an increasing return on equity target.

We have set a target return on equity of 10% in 2018. The waterfall shows how we plan to achieve this. Starting from a corrected base in 2015, adjusting for the one-offs in our third quarter result and taking into account the changes we are making on the accounting, you can see the important drivers of our ROE growth are cost savings, organic growth, and capital returns to shareholders.

So to wrap up, we are opening the new Solvency II era with a strong capital ratio, particularly when compared with our low sensitivities. We are anticipating attractive capital return to our shareholders supported by strong cash-flows and financial flexibility.

And finally, the entire management team is focused on delivering a 10% return on equity by 2018. Thank you all for your interest, both Alex and I are now happy to take your questions.

+++ q-and-a
Alexander Wynaendts^ We've got lots of hands. I see there's mikes going around.

Unidentified Audience Member^ Good morning. In the US, the capital position, at the first quarter in the excess capital, I think above the AA S&P requirement, [EUR12 million to EUR1600 million], can you give an update on where we are now there? And secondly, would you mind giving an update on where you are on potential litigation issues in the Netherlands?

Darryl Button^ Yes, on the capital position, the short answer is we're not much changed, actually, from the third quarter on our S&P AA excess capital. We're about where we ended the third quarter.

Alexander Wynaendts^ And on litigation in Netherlands, I don't think there's anything new to mention compared to what we've been seeing in recent quarters. I think it's important to remind you here that we as Aegon taking significant measures already for many, many years in trying to address all these issues which we felt we needed to address, and as such, we also feel more comfortable today than we felt some time ago. But still, there's an environment where litigation is still possible, but is nothing new which we should be mentioning here today.

Farooq Hanif^ Hi there. Thanks very much. Farooq Hanif from Citigroup. Can you talk about interest rate hedging, or protection against high yields in the US? Clearly there's a massive impact on implied RBC ratio from what you're showing us in the sensitivity with the 100 bip increase if yields ever go up in the US, of course.

And secondly, you mentioned advice and guidance; can you tell us a little bit more about physically what that means? So, are you going to employ advisors, are we talking about robo advice? What do you mean by that?

Darryl Button^ I think –

(Multiple Speakers)

Darryl Button^ -- I'll take the first one interest rates. So, as I showed you, a little bit of mismatch in our capital position. I think that's nothing new; we've been talking about that for a while.

It's why we're running RBC ratios, quite frankly, towards the high end of the range given the low interest environment. We know that as interest rates come up in the US, we will have some RBC ratios that will come back down. Now, immediately what happens, though, is our operating cash-flows get better in the US because the economics are actually geared towards favorable economics to higher interest rate.

We'll take some RBC ratio detriment, if you will, if we get a sharp rise in interest rates in the US, but then our operating free cash-flows and our cash generation going forward will get better as a result.

Farooq Hanif^ [And you're getting to it in the detriment from the US]?

Darryl Button^ No, because we continue to run towards the high end, that's why we're running towards the high end of RBC ratios. We're a long way from any kind of dividend constraint in the US, so I continue to see the cash-flows very fungible out of US.

Alexander Wynaendts^ So, I think it's a good question. I'd like to spend a bit more time. Farooq, I think the main change that I've tried to highlight in my presentation is that in the past we used to be a product manufacturer; effectively, having distribution doing the sales and service over to customer. And in many cases distribution was not even and our distribution with third-party distribution. You're very familiar with it in here in the UK, iPhase doesn't exist anymore in the Netherlands.

What we're trying to do is to move to become more relevant to our customers. But we see there's an advice gap, because more and more of our customers, effectively, do not have sufficient assets to justify or to be able to afford the kind of advice they need, and that's exactly the space we would like to get in.

That is those customers that we know need advice, they need to take important decisions about their retirement. They, in many cases, haven't spent much time, I should say, or have very little idea about what they should be doing, and in many cases these customers, these people, effectively, are not interesting enough for those advisors to spend the time because it's so expensive.

What we are focusing on is providing – fill that gap, and that means – that's why I'm using the word guidance and advice, by providing simple solutions, simple tools, and you can argue what is guidance, what is advice by providing one of our customers, for example, a choice out of four investment solutions versus getting – opening him the entire universe of mutual funds is a form of providing guided advice.

We will do that very much digitally. As I said, it's the only way we feel we can truly connect with our customers in a way that's relevant. Certainly, when you have 13 million customers, it's an enormous number.

If we look at our pension business, which I highlighted in my presentation, 11 million plan participants, I know one thing for sure, they will retire a certain point in time. In most cases, they have no idea what to do, they have to take decisions which impacts the rest of their retired lives, and this is that gap we will be filling in.

That's why we talked about global advisors and all the kinds of tools we have. The advantage also of digital advice, or guidance, is that it's a very controlled process, in other words, we do not the risk to be exposed to many of the issues that we as in NAIC, obviously, had been exposed to in the past because of the very different nature of the advice and guidance.

You'll see us do much more in that. And simple solutions, effectively, is already guidance advice that requires us to think differently, to be organized differently, but also to putting tools, mostly digital tools.

Farooq Hanif^ OK.

Nick Holmes^ Nick Holmes, Soc. Gen.. Two question on Solvency II, please. The first one is 160% is a lot higher than 140% at the bottom of your range, and I wondered if you could tell us what the main items were that led to 160% rather than being 140%. I am thinking, you know, was it mainly in Holland? Was it the volatility adjust that, kind of, came out maybe a bit better than you expected, or maybe you were expecting 160% all along, I don't know.

The second question is, again, on the range of 140% to 170%. Now, this range is noticeably lower than equivalents given by some of your peers, more in the 170%, 200% range. Now, I understand your argument, but you have a more stable ratio and I wondered if you could elaborate a little bit more on that, and in particular, did the rating agencies agree with you on this? Have you they accepted that your book of business is more suitable for a somewhat lower ratio –

Alexander Wynaendts^ [Significant].

Nick Holmes^ -- and also, I guess, does Dutch regulator, I know it's kind of not their job to opine on other companies in other jurisdictions, it's more the rating agencies, but any thoughts what the Dutch regulator thinks as well? Thank you.

Darryl Button^ Yes, OK. There's a lot in there Nick. Let me try. Two part question. So, the answer is why did we finish in where we came? I've been trying to give guidance throughout the year of kind of how our conversations were progressing, and early, as you know, we had a 150% to 200% and so we thought we maybe be around 175%, plus or minus, and there were a number of items that came into Solvency II that were, I would just say, more rigorous than what we had anticipated throughout the year and that's why I lowered the range down to 140% to 170%, a different 140% to 170% than what we've chosen to go forward with. That really represented a range where I thought the results of our conversations could bring us out.

The middle of that was 155%, we came in at 160%. So yes, down at the finish line we did have some issues resolved in a favorable way and you can see that both the Dutch and UK ratios came in towards the higher end of the guidance that we had put out back in the end of Q2.

In terms of your second question, just more philosophically on the range itself and our comfort with that level; I really do believe that it starts with a fundamental understanding that 100% represents a solid level of capital, and certainly that's the conversation that we've had and I've had personally with the Dutch Central Bank. I think they feel that way as well.

When you do a good job on the framework and you're very rigorous along the way and you build everything into the ratio for 100% and 200% kind of shocks, then you feel good about 100%. And then the question is, now how much flexibility do you want to run from a management perspective over and above 100%? And that's where your sensitivities and risk profiles come into play and that's how we end up establishing the 140% to 170%.

I think you also have to keep in mind that over 50% of our business, well over 50% of our business, our entire US business does not contribute any diversification benefits into those group ratios at the holding and we've even unwound the diversification we have in the US across the US legal entities and that's the way that Solvency II attaches at the legal entity level.

So, the group ratio itself doesn't have a big additional benefit for diversification for the majority of our business. As I've mentioned all the way along, the group ratio is important, but the real driver of cash-flows and the real important ratios are our local capital regimes and that's what's going to drive capital adequacy and cash-flows and dividends across the group. So, I think we get comfortable with the lower group ratio knowing diversification aren't there, there was no transitional benefits in our Dutch numbers whatsoever, so that's a very solid, high quality capital number and cash-flows are going to be driven by the solo entities and that's what I think still continues to be the primary driver.

Alexander Wynaendts^ Yes, and I might add that in discussions with the regulator, our regulator, regulators well aware of differences emerging. It's very difficult to compare one company with another company even within the same country, and even more, compare one company in a country with a company in other country, and the regulators all said they were committed to spending more time explaining their position, so you can expect them to be more clear about their position going forward, and hopefully that will help put all these numbers in their own context.

It is true, of course, that the ultimate objective that we all started with Solvency II to make everything comparable and transparent clearly has not really been achieved and that's what we're seeing right now, something our Dutch regulator is well aware of and has committed also to us, at our request, to be more clear and more transparent when talking to market [ombudsmans] like you.

Farquhar Murray^ Hi, Farquhar Murray, Autonomous Research. Just two questions for me.

Firstly, I mean, the share buybacks are clear signal of confidence around the capital position. I mean, my question is, is that being driven by the 160% itself, or is there any kind of building in of the kind of business reviews that are currently being undertaken?

And then secondly, just on Dutch Solvency II ratio of 150%, that's the top-end of the collect targets only you're talking towards. I'm just wondering, given that, what's the rationale for not up streaming actually in 2015?

Alexander Wynaendts^ Let me answer the first question. The fact that we announced a share buyback is important for us. As I said early, we've committed to do the share buyback following the transaction with the association. We have the room to do so, we have the support of our regulator to do so, and that's why we're announcing today that we're doing the share buyback of EUR400 million. It's really about making sure that the commitments we make, they get delivered even if there's been little delay because of the implementation of Solvency II.

Darryl Button^ I think the answer to your second question, Farquhar, is easy; the answer is we are. I've shown the ratios are estimates for end of the year 2015. We'll now complete our actual calculations and model runs on those. We will submit those into the Dutch Central Bank. We will have to solve the tax issue that is remaining open where I gave you a – the sensitivity that we have around that and based on those actual year-end 2015 figures, we will pull a dividend in calendar year 2016 based on 2015 performance year.

So, I think we're headed for exactly what you said.

Jan Willem Knoll^ Yes, good morning. Jan Willem Knoll, ABN AMRO. On the payout ratio, if you assume a free cash-flow of EUR1.2 billion by 2018, your 50% payout ratio assumes roughly EUR6 million of capital retention by then. My question is, is the 50% payout ratio, operational free cash-flow opposed holding cost; is that ambitious enough?

And the second question will be on the energy expansions in US, can we get an update as to the kind of [importance of] elements there? Thanks.

Alexander Wynaendts^ I mean, if you look at the presentation that Darryl's given you, the free cash-flow's cumulative is [EUR4.2 million] divided by [EUR3 million] is 1.4 billion and not 1.2 billion. Is the first thing I'd like to say.

We've looked at what is a sustainable ongoing payout ratio. While we do recognize that there is capital that is being generated. As we said also previously, we will want to create a buffer and clearly see how we can deploy the capital in the most effective way, including return in capital to shareholders. And I hope that today we have clearly shown our commitment to return capital shareholders, because we believe today that not only that we have made a commitment on share buyback, but today this is the best way we can deploy our capital, especially in view of share price development.

Jan Willem Knoll^ Yes, what I do, Alex, I assume a growth in the operational free cash-flow by 2018, so I assume roughly you can do let's say EUR1.5 billion by 2018, minus your holding cost, so let's say EUR300 million means EUR1.2 billion of hold call free cash-flow, so to speak. So, by 2018, actually, 50% payout ratio looks to be quite modest, that's what I mean.

I understand if you take the 2016, 2017, 2018 period cumulative, I understand your disclosures, your plans, but by 2018, I think the payout ratio looks quite modest to me, assuming growth.

Darryl Button^ Well, I would say is that, I mean that's a fair point. Two things I would say; when you consider the share buyback that we're also delivering on in the three year period, we get to a 70% payout of real deployable capital.

I think the other part that you need to pay attention to, I guess, on the slide and think about then, is the extra EUR600 million of sort of non-deployed capital that's sort of falling out under the management flexibility. So, the answer to your question is did looked too modest or not?

Well, it depends what we do over time with that additional EUR600 million. As I've said in my presentation, there's opportunity for that to be redeployed to shareholders, which could be an additional capital return of some form, or it may get redeployed into additional strategic priorities or capital deployment.

I think the answer to your math you're doing – why is it in that EUR600 million at the bottom? It depends what we do with that.

Based on the cash-flow generation, if we decide to allocate all of that to shareholder capital return, then there's room to improve the 50%. If we do something else with that in terms of investing in growth, or whatever, then we would keep it down lower and obviously we deployed differently.

Unidentified Audience Member^ (Inaudible – Microphone Inaccessible)

Alexander Wynaendts^ Yes. I think what we want to share on the energy, you have a breakout with Mark and Kier later, we said we've been doing a lot of work looking at our portfolio. They have the details; we have that in your appendix on our portfolio. We believe there's only one specific part of it, which is small part of our total exposure that potentially could be at risk if all prices stayed at this kind of level for the next two years and if you look at that, you'll see that the impact on our capacity will be to paying dividends not going to be material, even oil price stay flat for this – at this, kind of, very low levels.

And so I encourage you to, in the breakout, look at the appendix and Mikel can you take you through executive which pieces other portfolio could be potentially more at risk if oil prices stay very low.

Ander Keys^ Ander Keys from Macquarie. A couple of quick questions, if I could. This one's about the DTAs, and I think in the Solvency ratio and how does that work 100 in 200 stress, because presumably, 100 in 200 stress you have a lot deferred tax assets, so do they kind of offset some of the shock effect?

The second question was about operational cash, phrases my ignorance, but in the Solvency II world, is your operational cash in the UK and the US business actually Solvency II operational cash and does that mean that it's different to the actual reported kind of cash capital generation you're going to have, or is it going to fly around with market conditions? So, in the case of the UK, if you sell lots of business from the platform and yes, have lots of this, you can have lots of operational cash come through, right.

Darryl Button^ So, on the first question, the deferred tax assets coming from the US, the short answer, that's where it's coming from and that's where it's being reported. The DTA and how the DTA is captured in our Solvency II reporting, that's all captured in the sensitivities that we've shown you.

So, when we show you the sensitivities that already reflects any kind of tearing issues or capital issues related to the DTA.

Your question on the European unit, it's all on a fully Solvency II basis, definition of operational free cash-flow, so it's Solvency II at the target ranges. So, we've identified the middle of our 130% to 150% is 140%, so that's sort of the target operating range for our European unit. One forty percent of SCR, that's the definition of Solvency II operational free cash-flow generation.

And then in terms of VIF, so any of our fee business is in the Solvency II world. If you have fee-based businesses that create a VIF and that goes into your own fund's calculations and there's not much SCR that's associated with pure fee business, so that contribute capital generation. We would capture that generally through an MCB MB calculation.

William Hawkins^ Thanks. William Hawkins from KBW. On the base-case you presented, what should your Solvency II ratio be at the end of 2018?

Darryl Button^ On the best-case that we presented, what would our Solvency II ratio? I'm not sure well we're actually going to give that number because we're not forecasting it. What we're trying to show is our capital policy that we'll manage to along the way and our leverage policy that we'll manage to along the way. If we deploy the capital that's generated along the way, we'll sort of end and start around the same level.

Obviously, I come back to that EUR600 million that's not been deployed yet in the slides that we put there. So, if we don't do anything with that capital and keep it, the ratio will accrete. If we go ahead and deploy the entire EUR3 billion, we'd start and end around the same level.

Matthias de Wit^ Matthias de Wit, KBC Securities. I got two small questions. The first one is on Solvency II. Just wondered on the tier 2 bucket, how much you still have there and what you plan to do with it, because there are seniors outstanding and I think it would make sense to replace them with a tier 2 and that was around EUR2 billion of capacity.

Also wonder whether you could quantify the retained longevity risk and how much you could still do there in terms of further lowering the required capital? And then my second question is on the EUR400 million buyback program, just wondered why you split it in two parts, 2 times 200, just wondered whether you received approval for the full EUR400 million?

Alexander Wynaendts^ Yes.

Matthias de Wit^ And on when you would fully execute the program. Thank you.

Darryl Button^ Well I'll take the first one the tier 2. The short answer is, yes, we have flagged 1.9 billion of seniors that what – you get no capital credit for. The only senior to tier 2 trade that I'm signaling at this point is the EUR500 million maturity we have coming up in 2017.

There aren't a lot of maturities in the seniors for a while. It's liquidity for the holding; if you think about that trade for a second, you can pull that trade, but then what's that do it increases your group ratio, yes, but it just increases your cost to funds and the cost of your liquidity, so beyond the 2017 EUR500 million that I've already flagged, I'm not sure that we'll do much more of that, not immediately anyway.

We do have a 10 year grandfathering period that's kicked off for all our perpetual instruments, so we will have to do some cap structure restructuring over the coming 10 years, but again, I'm not in a hurry to run out and do that immediately, so we see some of these instruments start to form and see the pricing in the market.

So, outside of the one I flagged, I wouldn't look for us to do much more than that.

Alexander Wynaendts^ Yes, the share buyback, I believe we've been very clear that we have approval support for the full EUR400 million and it's just more practical way of addressing it. We do EUR200 million now this quarter and then we'll do it later. We have to take out since we cannot blackout period, so that's part of technicality.

So, EUR400 million is absolutely will be approved. And I think, I hope, we started this morning, by the way. Early.

Darryl Button^ Definitely this week, I think we're going to try and do some today and we're kicking off the first 200 program on Friday.

Matthias de Wit^ You intend to finish it in entirely in 2016, the $400 million?

Alexander Wynaendts^ Yes. OK. Yes.

Matthias de Wit^ Thanks.

Darryl Button^ I think we didn't do the longevity part of your question, but we'll just defer that into the Dutch breakout session. Rutger and Marco can cover that question for you, and I think we're getting -- we're out of time.

Alexander Wynaendts^ Yes.

Darryl Button^ So, we'll pick up rest of your questions in our breakouts. Thank you.

Alexander Wynaendts^ Yes. Thank you. Thank you very much.