

## Aegon announces consent solicitation to amend coupon calculation on USD Perpetual Capital Securities

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Aegon N.V. (**Aegon**) announces the invitation to the eligible holders of its outstanding USD 500,000,000 Perpetual Capital Securities (ISIN: NL0000116168) (the **Securities**) to consent to the modification of the terms and conditions of the Securities. The terms of the Securities feature a coupon rate that is calculated using a LIBOR-referencing swap rate, which is expected to be discontinued from June 30, 2023. The Alternative Reference Rates Committee (**ARRC**) has issued a recommendation for the substitution of LIBOR-referencing swap rates with Secured Overnight Financing Rate (SOFR) -referencing swap rates. Aegon is proposing a simplified variation to the **ARRC** recommendation, which essentially comprises two elements. A substitution of the references to “USD CMS-10 year” (the **10-year USD LIBOR Ice Swap Rate (ISR)**) in the interest provisions of the Securities by “10-year SOFR ISR” and a fixed spread adjustment to compensate holders for certain differences between the two swap rates. In addition, updated fallback provisions will be included to cater for any future discontinuation of the SOFR ISR.

The consent solicitation is subject to the terms and conditions contained in the consent solicitation memorandum dated April 4, 2023. The consent solicitation memorandum and the full consent solicitation launch announcement are available from the solicitation agent and/or the tabulation agent as set out below.

### Rationale for the consent solicitation

The Securities feature a quarterly floating rate coupon equal to the 10-year USD LIBOR ISR plus 0.1 per cent., subject to an 8.5 per cent. maximum. This LIBOR-referencing swap rate is widely expected to cease to be published by any administrator and/or will no longer be representative immediately after June 30, 2023 (**cessation**). The terms of the Securities do not provide for a fallback that can be used to determine the floating rate coupon post-cessation. To avoid a situation where no coupon rate can be established and no coupon can be paid, Aegon has chosen to launch a consent solicitation in order to amend the floating rate coupon calculation.

### Details of the consent solicitation

The proposed changes are limited to the interest rate provisions within the terms of the Securities and are aimed at remedying the embedded LIBOR coupon and introducing updated fallback provisions. The ARRC has published recommendations in relation to the substitution of LIBOR-referencing swap rates. The ARRC recommendation advocates calculation of the replacement rate by application of a sophisticated formula based on SOFR-referencing swap rates with some technical adjustments to account for differences in payment frequency and day count conventions, with a variable spread adjustment. Aegon is proposing to apply a simplified approach using the ARRC formula, which would result in a fixed spread adjustment rather than a variable spread adjustment per quarter. This simplified approach derives the spread adjustment for moving from a 10-year LIBOR-referencing swap rate to a 10-year SOFR-referencing swap rate as of 24 March 31, 2023.

The proposed methodology is considered by Aegon as appropriate to achieve an economically neutral outcome, considering various factors including, but not limited to, general industry and market feedback for the active transition of USD LIBOR-referencing securities. Aegon has considered exercising the call option available in the terms of the Securities but has concluded that this would not be in the economic interest of the company.

### Spread adjustment and new floating rate coupon

Based on the 10-year SOFR -referencing swap rate of 3.242 per cent. on March 31, 2023, the proposed spread adjustment is 0.28753 per cent. In the opinion of Aegon, the proposed approach should provide a beneficial outcome for holders of the Securities compared to applying the specific formula recommended by the ARRC. The ARRC approach would lead to a variable spread depending on the 10-year SOFR -referencing swap rate, with a maximum spread adjustment of 0.28767 per cent. for a swap rate of 3.01 per cent.

The simplified approach to calculate the spread adjustment effectively fixes the spread adjustment close to the maximum spread under the ARRC approach. In case the eligible holders consent to the proposed modifications, the Securities will have a quarterly floating rate coupon equal to the 10-year SOFR ISR plus 0.38753 per cent (the sum of the original credit spread and the spread adjustment), subject to an 8.5 per cent maximum.

**Indicative timetable for the consent solicitation**

The consent solicitation commences today and the final deadline for receipt by the tabulation agent of consent instructions and voting forms is 10.00 a.m. CET on April 19, 2023. This will also be the deadline for making any other arrangements to attend or be represented or to vote at the consent solicitation meeting. The meeting will commence at 10.00 a.m. (CET) on April 21, 2023 at the offices of Allen & Overy LLP, Apollolaan 15, 1077 AB Amsterdam, the Netherlands.

The results of the meeting will be announced as soon as reasonably practicable after the meeting. If the necessary quorum, based on eligible holders only, for the meeting is not obtained the meeting will be adjourned and a new meeting will be announced in due course. In case holders of the Securities would not consent to the modification of the terms and conditions of the Securities, Aegon will consider other options to amend the coupon calculation.

HSBC Continental Europe (Telephone: +44 20 7992 6237; Attention: Liability Management, DCM; Email: [LM\\_EMEA@hsbc.com](mailto:LM_EMEA@hsbc.com)) is acting as the solicitation agent and Kroll Issuer Services Limited (Telephone: +44 207 704 0880; Attention: Paul Kamminga / Arlind Bytyqi; Email: [aegon@is.kroll.com](mailto:aegon@is.kroll.com); Website: <https://deals.is.kroll.com/aegon>) is acting as tabulation agent.

**Holders are advised to read carefully the consent solicitation memorandum for full details of and information on the consent solicitation. More information on the consent solicitation can also be found in the consent solicitation launch announcement published at <https://deals.is.kroll.com/aegon>.**

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**About Aegon**

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

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### Forward-looking statements

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

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

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