

# Accelerate, connect, deliver

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Chief Executive Officer

New York City – December 8, 2016

*Helping people achieve a lifetime of financial security*



# Key messages

## Strong execution

- Transforming the profile of the company by focusing on fee and protection business
- Significant progress in optimizing portfolio during 2016
- Management actions are driving free cash flow growth

## Clear strategy

- Broaden relationship with customers throughout their financial life cycle
- Expand in asset management, administration, and guidance & advice
- Investing in technology to offer a fully digitized service to our customers
- Creating a balanced portfolio of businesses

## Main priorities

- Expense savings program increased to EUR 350 million to address underperformance
- Return on equity of 10% by 2018 through organic growth and expense savings
- Solid capital position and growth of free cash flows to support capital return to shareholders

# Aegon's strategic priorities

Enhance  
customer  
loyalty



Deliver  
operational  
excellence



Optimized  
portfolio



Empowered  
employees



# 2018 ambitions

As announced in January 2016

## Optimized Portfolio

### Divest non-core business

- Exploring options for UK annuity book
- Considering options for commercial line non-life business in the Netherlands and mortgage book in Hungary
- Further reduce capital allocated to US run-off businesses

### Enhance backbook value

- Operationally separated UK backbook from platform business
- Rationalize US Accident & Health portfolios
- Optimize longevity hedging in the Netherlands
- Continue variable annuity lump sum offering

### Optimize capital allocation

- Grow asset management earnings by another 20% by 2018
- Achieve scale in emerging markets
- Transition from DB to DC in the Netherlands
- Grow UK platform assets to GBP 30 billion by 2018

# 2018 ambitions

## On track for delivery on Optimized Portfolio commitments

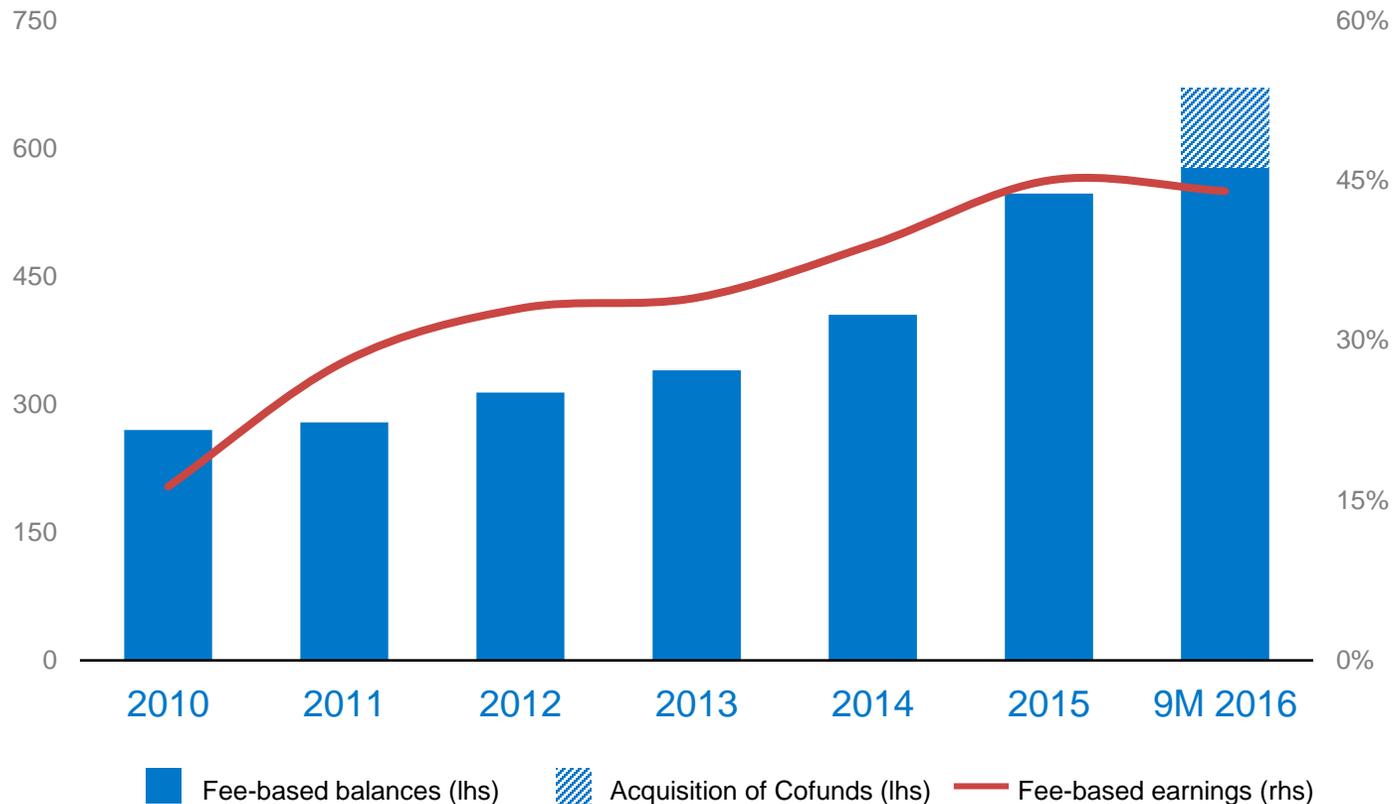
Optimized Portfolio			
Completed	<p><b>Divest non-core business</b></p> <ul style="list-style-type: none"> <li>✓ Divested UK annuity book &amp; acquired BlackRock's DC business and Cofunds</li> <li>✓ Divested NL commercial line non-life business</li> </ul>	<p><b>Enhance backbook value</b></p> <ul style="list-style-type: none"> <li>✓ Continued run-off of closed VA block</li> <li>✓ Exited certain US Accident &amp; Health portfolios</li> </ul>	<p><b>Optimize capital allocation</b></p> <ul style="list-style-type: none"> <li>✓ Reduced capital allocated to run-off businesses</li> <li>✓ Reduced capital intensive DB production in NL</li> </ul>
	On track	<ul style="list-style-type: none"> <li>• Review US closed blocks and non-core entities for disposal potential</li> </ul>	<ul style="list-style-type: none"> <li>• Operationally separate UK backbook from platform business</li> <li>• Optimize longevity hedging in NL</li> </ul>

# Continued growth of fee-businesses

## Major transformation underway

### Development of fee-based balances and earnings

(Balances in EUR billion and earnings as % of total earnings)



- Strong growth in fee-based earnings; percentage nearly tripled to 44% since 2010
- Organic growth supplemented with acquisitions to enhance growth of fee-based balances to over EUR 650 billion
- Main focus on fee and protection businesses going forward



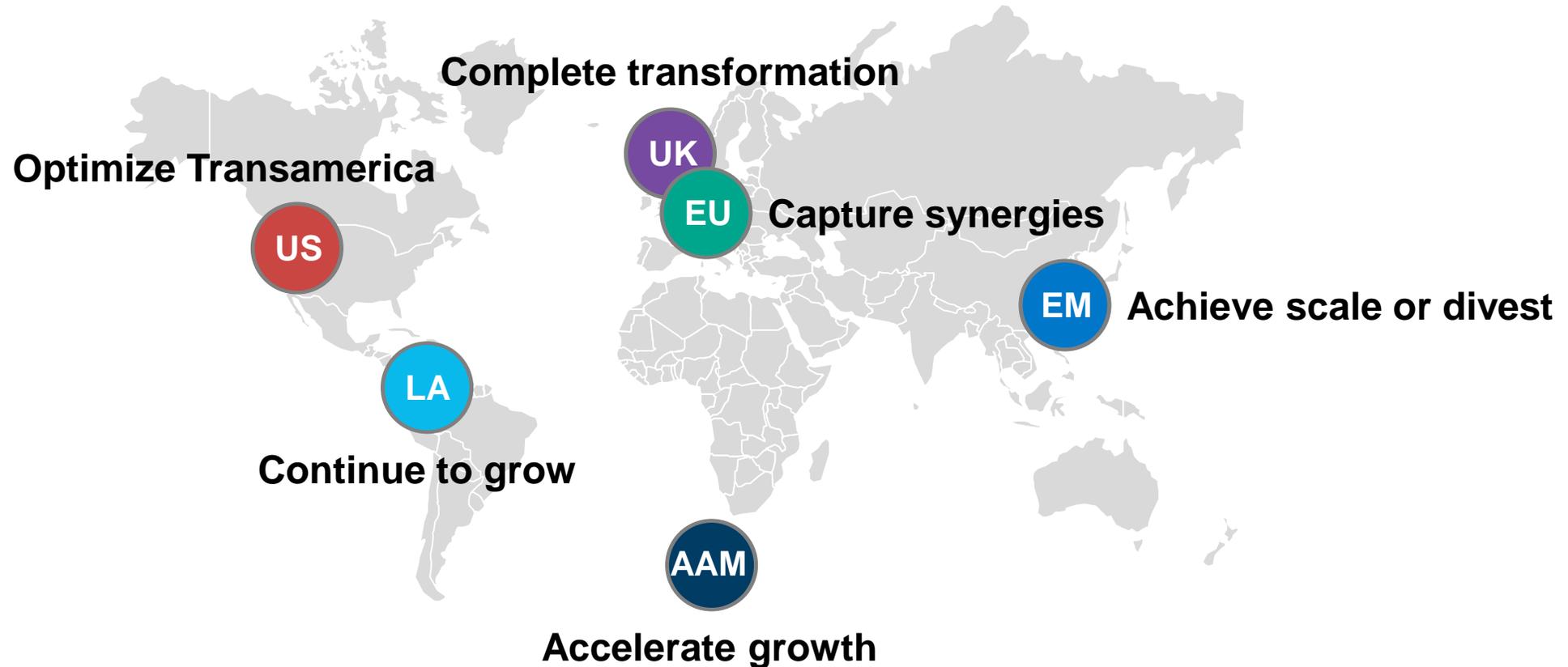
# Progress on financial targets

## Increasing expense savings to improve returns

Commitment	Original 2018 targets	9M 2016 results	Updated 2018 targets
Strong sales growth	CAGR of 10%	>10%	<i>unchanged</i>
Reduce operating expenses	EUR 200 million	EUR 87 million	EUR 350 million
Increase RoE	10%	7.2%	<i>unchanged</i>
Excess capital at Holding	EUR 1.0 – 1.5 billion	EUR 1.1 billion	<i>unchanged</i>
Return capital to shareholders	EUR 2.1 billion	EUR 950 million	<i>unchanged</i>

# Clear focus for each unit

Become a trusted partner for financial solutions at every stage of life



Creating a balanced portfolio of businesses with predictable cash flows

# Today's focus: Transamerica

## Strong franchise in attractive US market

Leading protection and wealth businesses\*

*Helping people achieve a lifetime of financial security*

**>\$40bn**

Life & Health  
insurance

**>\$70bn**

Variable  
Annuities

**>\$220bn**

Retirement  
Plans

Shifting from spread to fee business at high pace

*% of underlying earnings derived from fee-based businesses*

**15%**

2010

**45%**

9M16

Stable and reliable remittances to group  
supported by strong capital position

**>\$10bn**

Since 2010

**>450%**

RBC at 3Q16

Iconic and well-respected brand



**17m**

customers

\*Numbers refer to Life & Health reserves, Variable Annuity and Retirement Plan balances



# Thank you!

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# Disclaimer

## Cautionary note regarding non-IFRS measures

- This document includes the following non-IFRS financial measures: underlying earnings before tax, income tax, income before tax, market consistent value of new business and return on equity. These non-IFRS measures are calculated by consolidating on a proportionate basis Aegon's joint ventures and associated companies. The reconciliation of these measures, except for market consistent value of new business, to the most comparable IFRS measure is provided in note 3 'Segment information' of Aegon's Condensed Consolidated Interim Financial Statements. Market consistent value of new business is not based on IFRS, which are used to report Aegon's primary financial statements and should not be viewed as a substitute for IFRS financial measures. Aegon may define and calculate market consistent value of new business differently than other companies. Return on equity is a ratio using a non-IFRS measure and is calculated by dividing the net underlying earnings after cost of leverage by the average shareholders' equity, the revaluation reserve and the reserves related to defined benefit plans. Aegon believes that these non-IFRS measures, together with the IFRS information, provide meaningful information about the underlying operating results of Aegon's business including insight into the financial measures that senior management uses in managing the business.

## Local currencies and constant currency exchange rates

- This document contains certain information about Aegon's results, financial condition and revenue generating investments presented in USD for the Americas and Asia, and in GBP for the United Kingdom, because those businesses operate and are managed primarily in those currencies. Certain comparative information presented on a constant currency basis eliminates the effects of changes in currency exchange rates. None of this information is a substitute for or superior to financial information about Aegon presented in EUR, which is the currency of Aegon's primary financial statements.

## 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, is confident, will, and similar expressions as they relate to Aegon. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Aegon undertakes no obligation 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 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:
  - Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom;
  - 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; and
    - The effects of declining creditworthiness of certain private sector securities and the resulting decline in the value of sovereign exposure that Aegon holds;
  - Changes in the performance of Aegon's investment portfolio and decline in ratings of Aegon's counterparties;
  - Consequences of a potential (partial) break-up of the euro;
  - Consequences of the anticipated exit of the United Kingdom from the European Union;
  - 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;
  - Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
  - Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
  - Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
  - Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness;
  - Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
  - 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).
  - 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;
  - Acts of God, acts of terrorism, acts of war and pandemics;
  - Changes in the policies of central banks and/or governments;
  - 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 premium writings, 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;
  - Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
  - As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, a computer system failure or security breach may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
  - Customer responsiveness to both new products and distribution channels;
  - Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
  - 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 and shareholders' equity;
  - 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;
  - The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Aegon's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
  - Catastrophic events, either manmade or by nature, could result in material losses and significantly interrupt Aegon's business; and
  - Aegon's failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving and excess capital and leverage ratio management initiatives.
- This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation
- 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.