Delivering in a world of extremes

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CEO

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Helping people achieve a lifetime of financial security
Focus on growth
**Simplification and growth to create value**

**Pivoting to sustainable growth after simplifying the business and optimizing the portfolio**

<table>
<thead>
<tr>
<th>2010 - 2015</th>
<th>2016 - 2018</th>
<th>2019 &gt;</th>
</tr>
</thead>
</table>
| • Doubling of free cash flow  
• Changing business profile | • Improving operational performance  
• Strengthening of capital base | • Profitable sales growth  
• Sustainably growing capital return |

**Simplification of business and portfolio optimization**

- Growth

**Growing normalized capital generation**

<table>
<thead>
<tr>
<th>2010</th>
<th>2015</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR ~0.5bn</td>
<td>EUR 1.0bn</td>
<td>EUR 1.4bn</td>
</tr>
</tbody>
</table>

1. Capital generation excluding market impact and one-time items, after holding funding & operating expenses; 2010 and 2015 based on Solvency I and 2018 based on Solvency II framework.
# 1H19 results in context of 2019 – 2021 targets

## Target delivery

<table>
<thead>
<tr>
<th></th>
<th>Targets 2019 - 2021</th>
<th>Results 1H 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Normalized capital generation</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>EUR 4.1 billion cumulative for 2019 – 2021</td>
<td>EUR 714 million +20% vs 1H18</td>
</tr>
<tr>
<td><strong>Dividend pay-out ratio</strong></td>
<td>45 – 55 %</td>
<td>43% for 1H19, on track for full-year</td>
</tr>
<tr>
<td><strong>Return on equity</strong></td>
<td>&gt; 10 %</td>
<td>9.6% -0.5%-pts. vs. 1H18</td>
</tr>
<tr>
<td><strong>Gross remittances to the Holding</strong></td>
<td>EUR 1.5 billion guidance for 2019</td>
<td>EUR 765 million &gt;50% of guidance for 2019</td>
</tr>
</tbody>
</table>

1. Capital generation excluding market impact and one-time items after holding funding & operation expenses
2. Assuming markets move in line with management’s best estimate, no material regulatory changes and no material one-time items other than already announced restructuring programs
3. To align closer to definitions used by peers and rating agencies, Aegon has retrospectively changed its internal definition of adjusted shareholders’ equity used in calculating return on equity for the group, return on capital for its units, and the gross financial leverage ratio. As of the second half of 2018, shareholders’ equity is no longer adjusted for the remeasurement of defined benefit plans
Active portfolio management
Grouping our businesses in three distinct categories

Aegon’s growth strategy

- Actively manage portfolio
- Distinct categories of businesses
- Focused strategy per category
- Unlock potential of our customer base and market positions
- Leverage capabilities and attractive propositions in the right markets

1. Capital generation excluding market impact and one-time items after holding funding & operation expenses; holding and other units incorporated but not shown
Increasingly diversified remittances

Improvements in business profile and operational performance drive diversification

- US consistently paying remittances supplemented by one-time dividends following divestments
- NL resumed remittances to the group in 2018. Planned remittances in 1H19 retained in light of capital position
  - Proceeds from divestments Czech Republic and Slovakia more than offset NL retaining remittances
  - Focus for Aegon the Netherlands to release capital and resume remittances
- UK resumed dividend payments in 2017 following transformation of its business
- Asia has become a contributor to gross remittances following capital optimization and improved business performance

1. Extraordinary dividends in excess of normalized capital generation
Addressing investor concerns
Addressing investor concerns

1. Impact of market movements on NL solvency and capital generation
2. Quality of VA book in US
3. Credit risk sensitivity in US
4. LTC reserve sufficiency
5. Relevance of smaller businesses
Solvency II ratio Aegon NL negatively impacted by spread movements in 1H19

Limited impact of lower interest rates on Solvency II ratio

<table>
<thead>
<tr>
<th></th>
<th>2H18</th>
<th>1H19</th>
<th>Movement</th>
<th>Aegon NL Solvency II ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage spreads</td>
<td>114 bps</td>
<td>171 bps</td>
<td>+57 bps</td>
<td>-12%</td>
</tr>
<tr>
<td>EIOPA VA</td>
<td>24 bps</td>
<td>9 bps</td>
<td>-15 bps</td>
<td>-27%</td>
</tr>
<tr>
<td>Other, incl. interest rates</td>
<td></td>
<td></td>
<td></td>
<td>+0%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>-38%</td>
</tr>
</tbody>
</table>

- Mortgage spreads increased due to drop in risk-free rates and are not a reflection of deteriorating credit quality
- EIOPA VA reference portfolio does not match Aegon’s investment mix
  - EIOPA VA is to a large extent driven by spread movements on non-AAA government and corporate bonds
  - Aegon predominantly invests in AAA government bonds and residential mortgages
- Solvency II ratio of Aegon NL has shown resilience to lower interest rates due to effective hedging

Notes: EIOPA = European Insurance and Occupational Pensions Authority, VA = Volatility Adjustment
1. Aegon NL hedges on internal economic framework rather than Solvency II. The main differences are the assumed last liquid point which is 30 years in economic framework and 20 years in Solvency II, and a UFR of 3.65% in economic framework versus 3.90% in Solvency II in 2019
Normalized capital generation of Aegon NL is sensitive to market movements

- Lower interest rates lead to reduced normalized capital generation, as UFR drag on capital generation increases
- Spread movements – which negatively impact the Solvency II ratio in 1H19 – will lead to higher future capital generation
- In 1H19, market impacts on capital generation were offsetting for Aegon NL. Normalized capital generation amounted to EUR 202 million in 1H19

**Sensitivities Aegon the Netherlands**
(SII ratio in percentage points, run-rate normalized capital generation in EUR million)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Solvency II ratio</th>
<th>Normalized capital generation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest rates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-50 bps</td>
<td>-4%</td>
<td>-50</td>
</tr>
<tr>
<td>+50 bps</td>
<td>+6%</td>
<td>+50</td>
</tr>
<tr>
<td><strong>Mortgage spreads</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-50 bps</td>
<td>+13%</td>
<td>-60</td>
</tr>
<tr>
<td>+50 bps</td>
<td>-13%</td>
<td>+60</td>
</tr>
<tr>
<td><strong>EIOPA VA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-5 bps</td>
<td>-8%</td>
<td>+15</td>
</tr>
<tr>
<td>+5 bps</td>
<td>+8%</td>
<td>-15</td>
</tr>
</tbody>
</table>
Focus for NL to resume remittances to the group

Capital position to benefit from mortgage margin normalization and management actions

- Return of mortgages spreads to long-term average would bring Aegon NL back to target range\(^1\)
- Management actions focus on releasing capital to increase Solvency II ratio, while absorbing headwinds such as the anticipated annual lowering of the Ultimate Forward Rate

1. Assuming an unchanged EIOPA VA from 1H19 level of 9 basis points

- Optimization of investment portfolio
- Longevity reinsurance on part of life and pension book
- Explore other structured options to accelerate capital release from Dutch life business
Well-diversified US business with high quality VA book

Decided in 2003 to stop offering variable annuities with income benefits

*VA assets as part of total US admitted assets*¹
(Per 1H 2019, in %)

- Aegon Americas
- Axa Equitable
- Brighthouse
- Lincoln

*Account balance VA with living benefits*²
(Per 1H 2019, in %)

- Aegon Americas
- Axa Equitable
- Brighthouse
- Lincoln

- Variable annuities represent relatively low percentage of US assets for Aegon; with limited exposure to GMIBs³
  - Extensive hedging of market risks to protect shareholders
  - Effective dynamic hedge program in place for equity, interest rate and volatility risks related to GMWBs³
  - Tail risk hedging for equity risk in GMIB book to protect against 25% and 40% decline in equity markets

¹ Source: AM Best and Morningstar research
² Source: company data and JP Morgan; Aegon Americas living benefits are USD 44 billion in total
³ GMIB is guaranteed minimum income benefit; GMWB is guaranteed minimum withdrawal benefit
Manageable sensitivity to US credit risk

- General Account significantly decreased due to increased focus on fee-based businesses resulting in divestments and product re-designing
- US RBC ratio well positioned to absorb credit losses
  - US RBC ratio remains well above bottom-end of target range of 350% in a 1-in-40 year shock

### Development US General Account

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>1H 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>General account</td>
<td>USD 135bn</td>
<td>USD 84bn</td>
</tr>
<tr>
<td>General account versus RBC Available Capital</td>
<td>13x</td>
<td>8x</td>
</tr>
</tbody>
</table>

### RBC Ratio

- **1H 2019 RBC ratio**: 472%
- **Credit defaults and rating migration**: -69%
- **1H 2019 pro forma RBC ratio**: 403%

1. Assuming increased defaults (~130bps) for 1 year in addition to the impact of anticipated rating migration
Long Term Care continues to develop in line with expectations

**LTC actual versus expected claims ratio**
(in %, in USD million, actively managed block)

- Over the last three years, actual LTC experience under IFRS tracked well against management’s best estimate.
- Management action (hedging, reinsurance, price increases) representing almost USD 5 billion in value, and support performance of the business.
- IFRS results are leading indicator – most up to date, best estimate assumptions.
- IFRS assumptions are reviewed annually; management monitors monthly emerging experience.
Successfully growing in attractive markets

<table>
<thead>
<tr>
<th>IFRS capital 1H19¹</th>
<th>Growth through 1H19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 0.6 billion</td>
<td>Total assets: USD 9.6bn</td>
</tr>
<tr>
<td>EUR 0.7 billion²</td>
<td>15.6% CAGR (since 2013)</td>
</tr>
<tr>
<td>EUR 0.6 billion³</td>
<td>Total premiums: EUR 102m</td>
</tr>
<tr>
<td></td>
<td>12.3% CAGR (since 2013)</td>
</tr>
<tr>
<td></td>
<td>Total customers: 231,000</td>
</tr>
<tr>
<td></td>
<td>25.9% CAGR (since 2016)</td>
</tr>
</tbody>
</table>

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1. IFRS allocated capital excludes revaluation reserves
2. IFRS capital includes capital allocated to JVs with Santander and pro forma deployment of EUR 215m for expansion of the JV expected in 2020, and EUR 115 million of earn-out provision, expected in 2H19, related to the performance of the joint venture since the start of the partnership in 2012. Excludes Liberbank JV
3. Based on standalone legal entity view as per December 31, 2018. This includes both Aegon Bank and Knab brand
To sum it up:

- Diversified business
- Clear actions to address concerns
- Effective hedge programs
- Investing in growth opportunities

Strongly positioned to sustainably grow dividend
Appendix

For questions please contact
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Helping people achieve a lifetime of financial security
Cautionary note regarding non-IFRS/EU measures
This document includes the following non-IFRS/EU financial measures: underlying earnings before tax, income tax, income before tax, market consistent value of new business and return on equity. These non-IFRS/EU measures are calculated by consolidating on a proportionate basis Aegon’s joint ventures and associated companies. 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/EU 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/EU measure and is calculated by dividing the net underlying earnings after cost of leverage by the average shareholders’ equity adjusted for the revaluation reserve. Aegon believes that these non-IFRS/EU measures, together with the IFRS/EU information, provide meaningful supplemental 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, putting in place, plan, aim to, should, would, could, is, is likely to, other similar expressions as they relate to Aegon. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions. Aegon undertakes no obligation to publicly update or revise any forward-looking statements. Read these statements in conjunction with the important factors set forth below.

• Changes in general economic and/or governmental 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 insured loss events;
  - 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, 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;
  - Changes affecting the credit ratings of financial institutions, 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 customers;
• Changes in the frequency and severity of natural catastrophes, including insight into the financial measures that senior management uses in managing the business.

• Acts of God, acts of terrorism, acts of war and pandemics;
• As Aegon’s operations support complex transactions and are highly dependent on the proper functioning of information technology, the frequency and severity of insured loss events may disrupt Aegon’s business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
• The frequency and severity of natural catastrophes, including insight into the financial measures that senior management uses in managing the business.

• Changes affecting longevity, mortality, morbidity, persistence and other factors that may impact the profitability of Aegon’s insurance products;
• 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, 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;
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## Well-managed capital sensitivities

### Solvency II sensitivities

(in percentage points, 1H 2019)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Group</th>
<th>NL</th>
<th>UK</th>
<th>US</th>
<th>US RBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity markets +25%</td>
<td>+13%</td>
<td>+4%</td>
<td>-4%</td>
<td>+35%</td>
<td>+46%</td>
</tr>
<tr>
<td>Equity markets -25%</td>
<td>-14%</td>
<td>-8%</td>
<td>-3%</td>
<td>-25%</td>
<td>-27%</td>
</tr>
<tr>
<td>Interest rates +50 bps</td>
<td>+6%</td>
<td>+6%</td>
<td>+2%</td>
<td>+7%</td>
<td>+8%</td>
</tr>
<tr>
<td>Interest rates -50 bps</td>
<td>-8%</td>
<td>-4%</td>
<td>-1%</td>
<td>-13%</td>
<td>-18%</td>
</tr>
<tr>
<td>Credit spreads1 +50 bps</td>
<td>+5%</td>
<td>+11%</td>
<td>+5%</td>
<td>+4%</td>
<td>+0%</td>
</tr>
<tr>
<td>Credit spreads1 -50 bps</td>
<td>-7%</td>
<td>-11%</td>
<td>-8%</td>
<td>-3%</td>
<td>+0%</td>
</tr>
<tr>
<td>Government spreads +50 bps</td>
<td>-4%</td>
<td>-7%</td>
<td>-5%</td>
<td>+0%</td>
<td>+0%</td>
</tr>
<tr>
<td>Government spreads -50 bps</td>
<td>+6%</td>
<td>+13%</td>
<td>+5%</td>
<td>+0%</td>
<td>+0%</td>
</tr>
<tr>
<td>US credit defaults2 -200 bps</td>
<td>-21%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>-69%</td>
</tr>
<tr>
<td>Mortgage spreads +50 bps</td>
<td>-5%</td>
<td>-13%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Mortgage spreads -50 bps</td>
<td>+5%</td>
<td>+13%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>EIOPA VA +5 bps</td>
<td>+3%</td>
<td>+8%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>EIOPA VA -5 bps</td>
<td>-3%</td>
<td>-8%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Ultimate Forward Rate -15 bps</td>
<td>-2%</td>
<td>-4%</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Longevity3 +5%</td>
<td>-7%</td>
<td>-12%</td>
<td>-3%</td>
<td>-3%</td>
<td>-4%</td>
</tr>
</tbody>
</table>

1. Credit spreads excluding government bonds
2. Additional 130bps defaults for 1 year plus assumed rating migration
3. Reduction of annual mortality rates by 5%