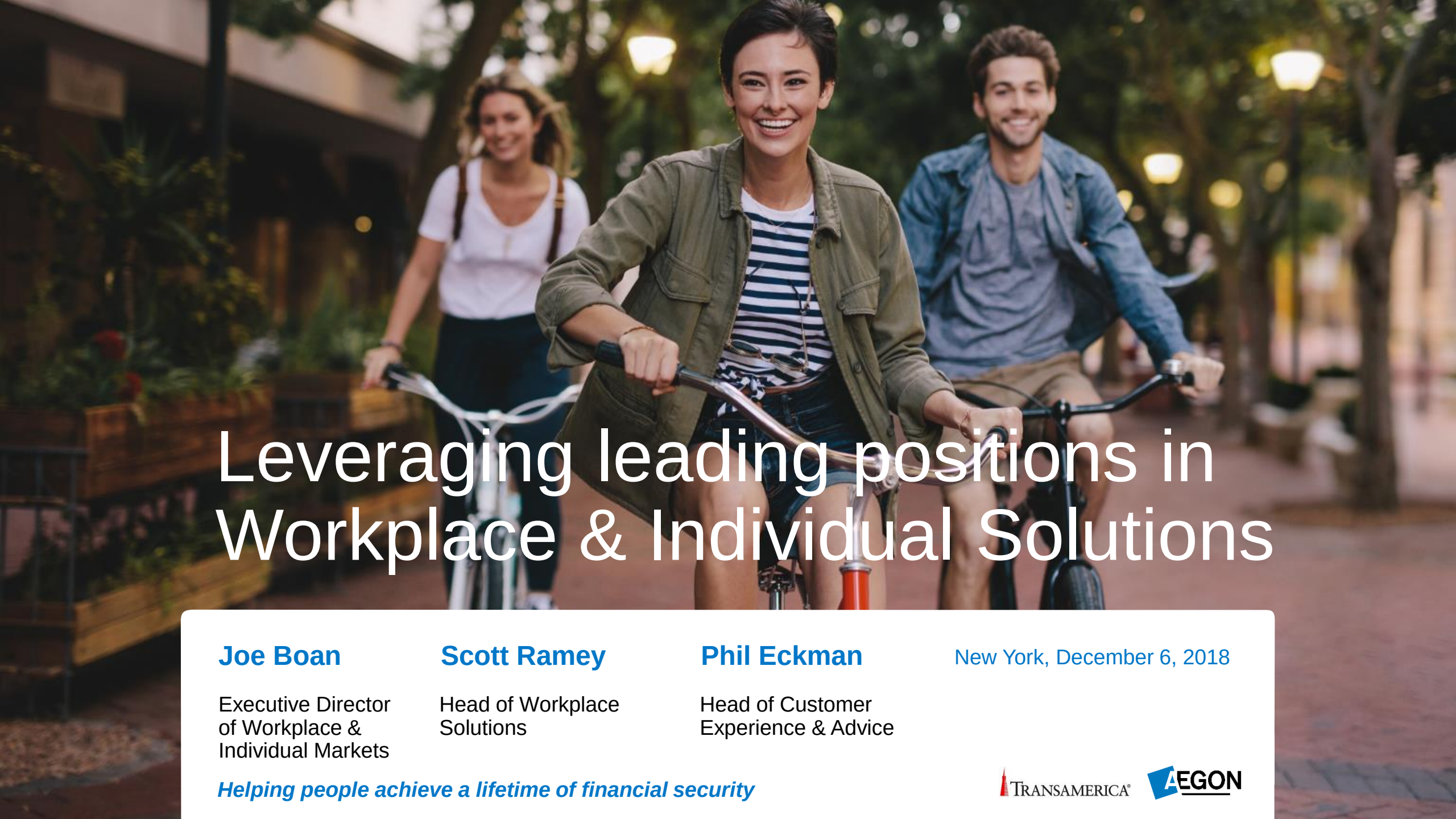

Leveraging leading positions in Workplace & Individual Solutions

Joe Boan

Executive Director of Workplace & Individual Markets

Scott Ramey

Head of Workplace Solutions

Phil Eckman

Head of Customer Experience & Advice

New York, December 6, 2018

Helping people achieve a lifetime of financial security

TRANSAMERICA® AEGON

Leveraging leading positions for growth

Maximizing growth opportunities across the business

- Integrated offerings across Individual, Workplace, and Advice, Guidance & Experience maximizes revenue
- Growth of assets through initial sales and second sales improves retention
- Innovative products & bundled pricing lead the industry
- Market drivers lead to changes across value chain

Growing through enhanced services, solutions, and retention

- Providing our customers with relevant education and advice to help them live better today and worry less about tomorrow
- Evolving our operating model to strengthen customer relationships, retention and loyalty
- Using data and analytics to increase customer engagement

Broad initiatives to accelerate growth

	Goals	Levers	Current position (1H2018)
Individual	Improve competitive position	• Accelerate VA sales via product enhancements & new launches • Launch new IUL rider in WFG & brokerage to propel sales • Reprice term life to improve competitiveness	#10 VA[5] new business market rank #4 IUL[6,7] new business market rank #10 Term life[7] new business market rank
Workplace	Integrate offerings and maximize revenues	• Growth in revenue-enhancing services on retirement plans • Roll-out innovative bundled product proposition in all states • Drive inclusion of Managed Advice® in new DC plan sales	USD 11.5 bn assets in revenue enhancing services[1] 43 states approved bundled pricing[2] 100% large market plans[3] (roll-out to middle market in 2019)
	Grow assets and improve retention	• Reverse Retirement Plans negative net flows • Drive penetration of Managed Advice® within in-force DC plans	USD 6.5 bn negative net flows 6.6% DCMA large plan participant utilization (roll-out to middle market in 2019)
Advice, guidance & experience	Strengthen customer relationships	• Increase customers receiving advice (all types, across products) • Grow IRA[4] assets through rollovers & aggregating ext. accounts • Cultivate individual relationships for life-long engagement	>3.8 mln customers 35% 5-year asset CAGR 27 Relational Net Promoter Score

1. Includes assets in DCMA, Investment Solutions-Stable Value (SA & GA) and proprietary mutual funds; 2. Retirement plan fee discounts if bundled with voluntary benefits; 3. Currently available only to Large Market (>USD 0.5bn assets) plans, 2019 rollout to Middle Market (<USD 0.5bn); 4. Individual Retirement Accounts; 5. Source: Morningstar; 6. Indexed Universal Life; 7. Source: LIMRA

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Individual

Market drivers lead to changes across value chain

Regulation

NAIC modifications to reserve and capital requirements to reduce non-economic volatility will move industry toward a more economic model

Technology

Increased investments in advisors and cognitive systems

Cybercrime costs on the rise

Use of data analytics can replace onerous underwriting

Improve customer and advisor experience

Market dynamics

Industry growth is forecasted after years of shrinkage and disruption

Rising interest rates improve product economics

Increasing need for guaranteed income as more people move toward retirement

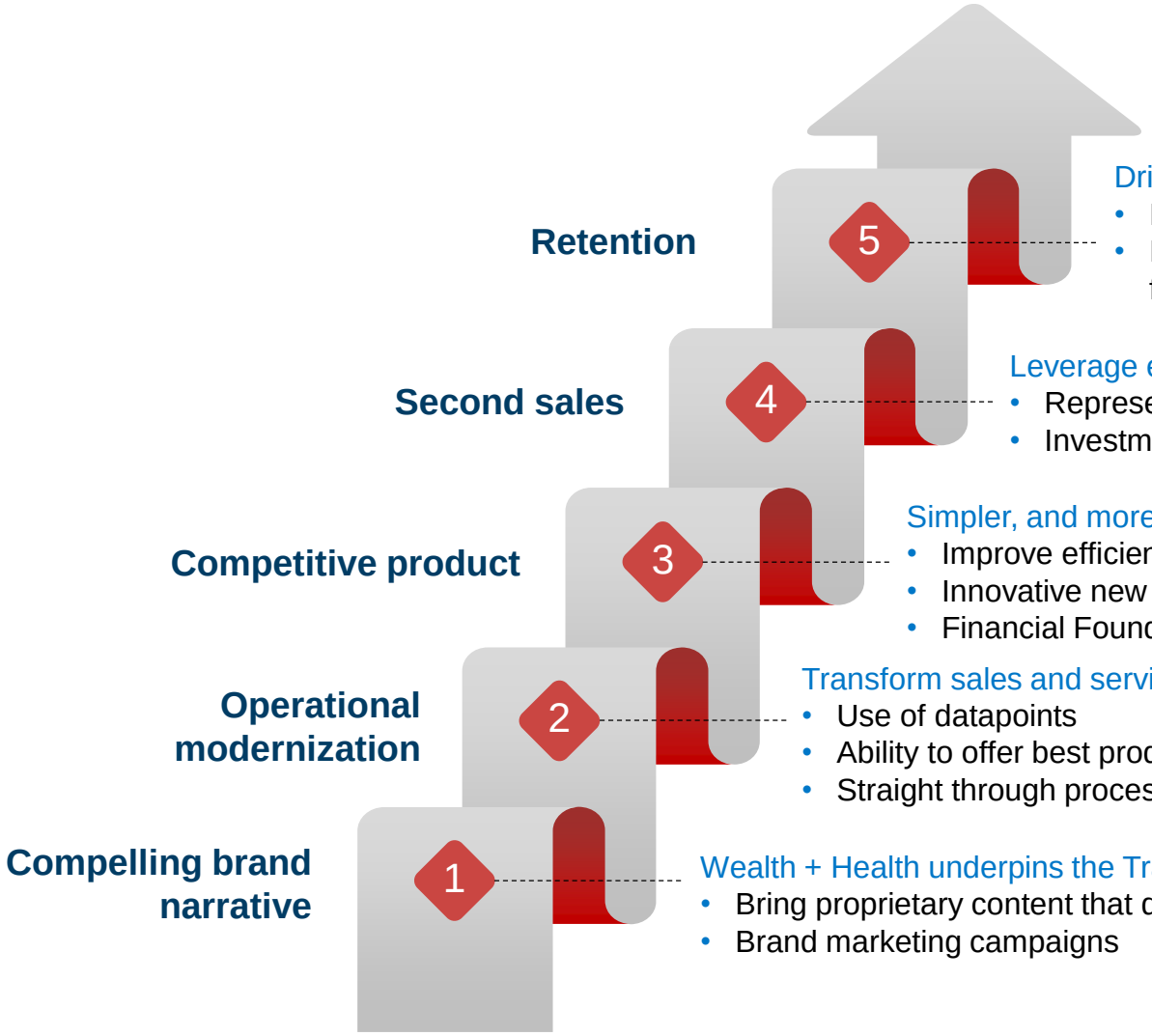
Customer demand

Demand for personalized offerings, pricing and recommendations

Demand for enhanced buying experience and shorter application cycle

Competition for “share of wallet” with consumers

Individual:
Comprehensive plan to drive profitable growth



Drive scale to platform as Transamerica cultivates deeper customer relationships
- Implementation of Agent Experience (AX) and Customer Experience (CX)
- Introduction of products that meet the needs of customers throughout their financial lives

Leverage existing distribution and drive cross-selling
- Represent One Transamerica solutions
- Investment in expansion of sales professionals and agents

Simpler, and more competitively priced products
- Improve efficiencies
- Innovative new VA Combo Rider
- Financial Foundation Index UL Enhanced Return Rider

Transform sales and service experience
- Use of datapoints
- Ability to offer best products
- Straight through processing

Wealth + Health underpins the Transamerica experience
- Bring proprietary content that defines the market opportunity
- Brand marketing campaigns

TRANSAMERICA® AEGON

Streamlining the life underwriting process

End to end digitization of life applications with simplified underwriting

BENEFITS

LABOR SAVINGS
Improve processing and decrease cycle time

MEDICAL COST SAVINGS
Incur lower medical costs with fewer tests, offset by low cost alternate data spend

TOPLINE GROWTH
Shorter cycle time will increase application volumes with fewer applicant dropouts to improve placement rate

PROFITABILITY BENEFIT
Continue to meet profitability and mortality / morbidity needs through robust testing and governance mechanism

ATTRACT TALENT
Improved culture and sophistication will increase ability to attract strong, diverse talent looking to participate in state-of-the-art underwriting

BUSINESS INSIGHTS
Deeper insights into Transamerica's business metrics, such as distribution trends and underwriting trends

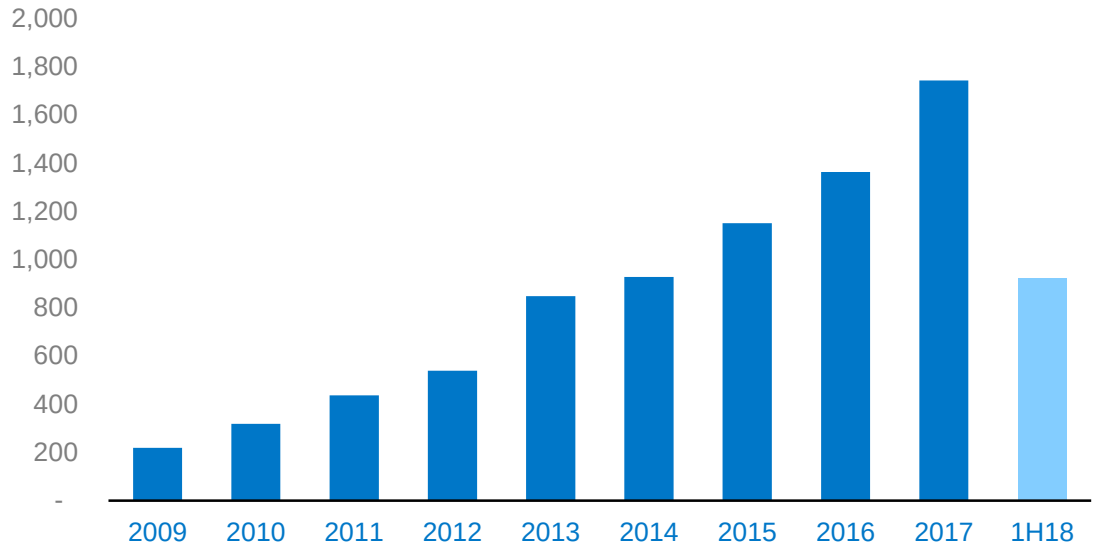
MARKET PERSPECTIVE
A pipeline of cutting-edge opportunities, such as innovative technologies and new data sources, enabling Transamerica to leapfrog its competitors

IMPROVED QUALITY
Greater consistency of risk decisions, and ability to mitigate early signs of fraudulent activity

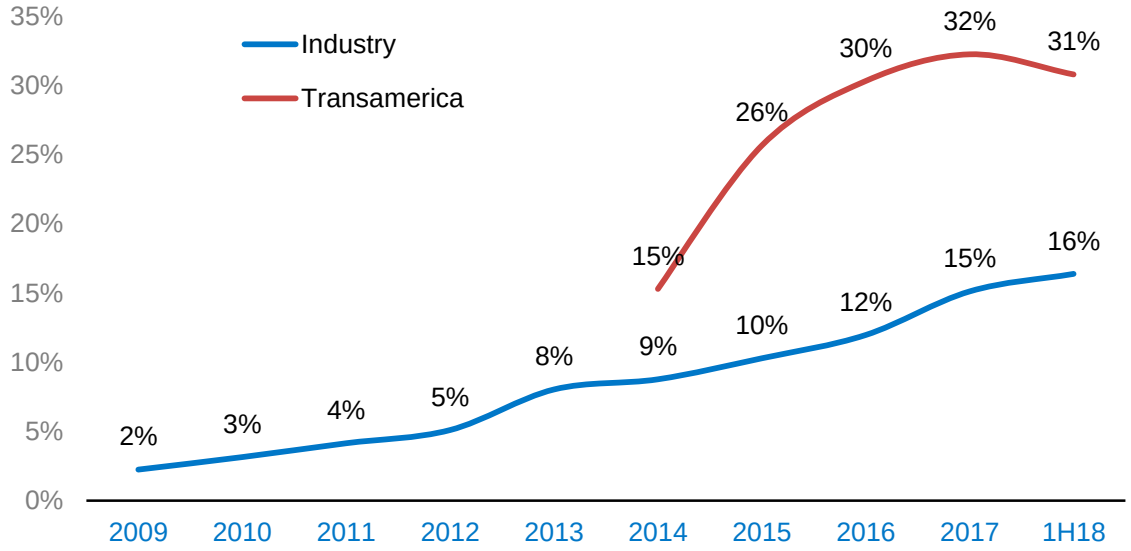
ENHANCED EXPERIENCE
Enhanced applicant, distribution partner, and employee experience, driven by better applicant data, innovative diagnostics, and comprehensive change management

Capturing share in the individual combo-policy[1] market

Market for life insurance with benefit riders
(USD million, APE)



Transamerica combo-policy sales vs. market
(% of total individual life sales)



- Coverage demand is increasing
- Market for individual policies with benefit riders is growing consistently

- In the market, every 7th policy is sold as combo product
- Nearly a third of all Transamerica individual policies contain additional rider capturing higher market share

1. Combo-policies: Individual life insurance products with biometric benefit riders
Source: LIMRA market data, internal data

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Workplace

Market drivers lead to changes across value chain

Regulation

Fiduciary concerns lead to fee pressure and scrutiny on use of affiliated funds, driving market toward open architecture

Political discourse causes uncertainty about future of Affordable Care Act

Technology

Investment in technology to enhance scale is required for competitive edge

Cybercrime costs on the rise

New platform relationships that enable co-residency of all Workplace Solutions

Market dynamics

Strong economy benefiting new plan formation and increasing deferrals

Continued pressure on fee rates; margin compression

Consolidation in the market

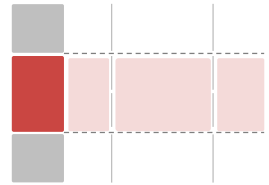
Customer demand

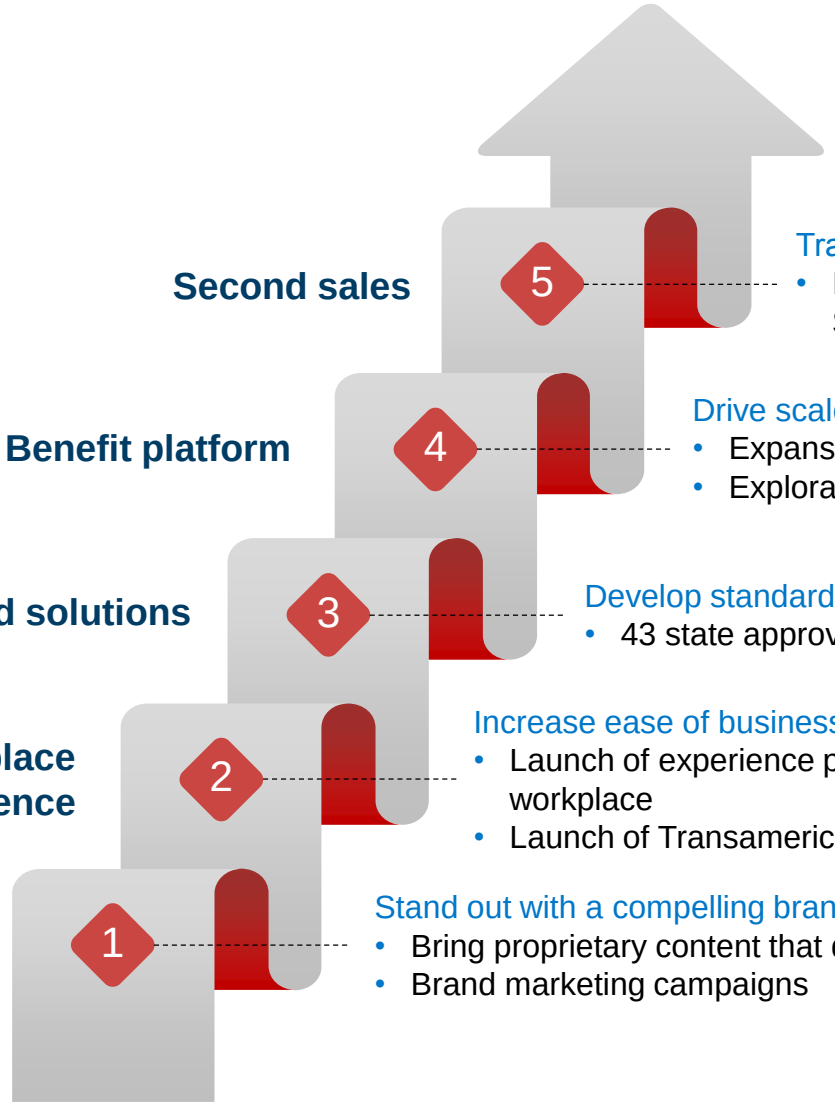
Employers concerned with financial wellness of employees

Increased employee understanding of the need for supplemental benefits

Ease of buying and selling experience

Workplace:
Comprehensive plan to drive profitable growth





Transform from "Assets Under Administration" to fee generating assets / Managed Advice®
- Include Affiliated Funds, Managed Advice®, and Investment Solutions-Stable Value assets in new opportunity proposals

Drive scale to our platform and sell individual participants more solutions
- Expansion with Businessolver and Benefitfocus
- Exploration of other potential platforms

Develop standard bundled pricing strategies
- 43 state approvals to allow bundling discounts Wealth + Health integration

Increase ease of business for employer
- Launch of experience platform for agents, advisors and the workplace
- Launch of Transamerica App and Participant Web

Stand out with a compelling brand narrative
- Bring proprietary content that defines the market opportunity
- Brand marketing campaigns

TRANSAMERICA® AEGON

Bundled products offer growth opportunities

Bundled Product Offering & Pricing

Retirement Plans

Voluntary Benefits

- Helps customers to save, invest, protect and retire
- Bundled products and services allow customization of solutions to solve more customer needs
- Allows for broader product reach to customers
- Enhanced proposition for the employer by passing through efficiencies to pricing discounts

Develop longer lasting relationships

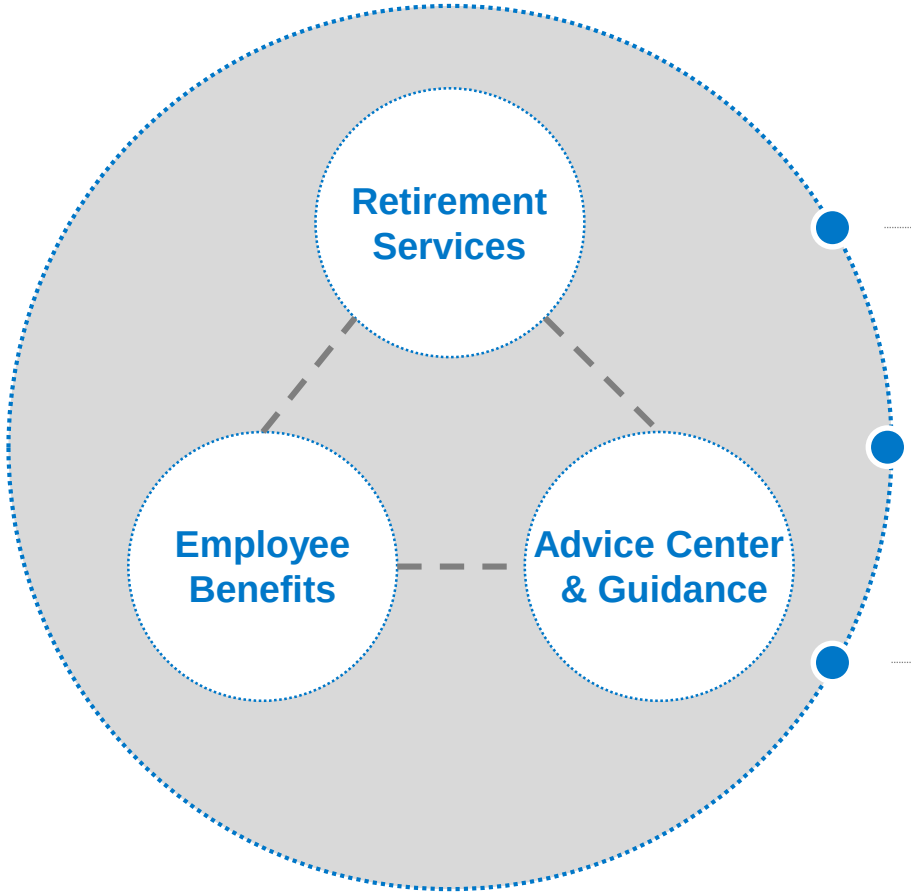
Larger share of wallet of existing customers

Enhanced customer experience

Data & analytics leveraged from consumers

Integrated customer experience to improve outcomes

Holistic offering of Wealth + Health



Strategic access to working America with an integrated workplace offering

- Extend reach with existing employers and attract new employers
- Engage participants to maximize relationship value
- Leverage broad product portfolio and platforms

TRANSAMERICA® AEGON

Advice, guidance
& experience

Market drivers lead to changes across value chain

Regulation

Thriving within the new DOL regulatory framework

Adapting to SEC Best Interest regulations

Technology

Increased investments in advisors and cognitive systems

Cybercrime on the rise - improvements made in technology

Web chat services and digital communications enhance customer interactions

Market dynamics

Increasing need to communicate with insurance customers via digital channels

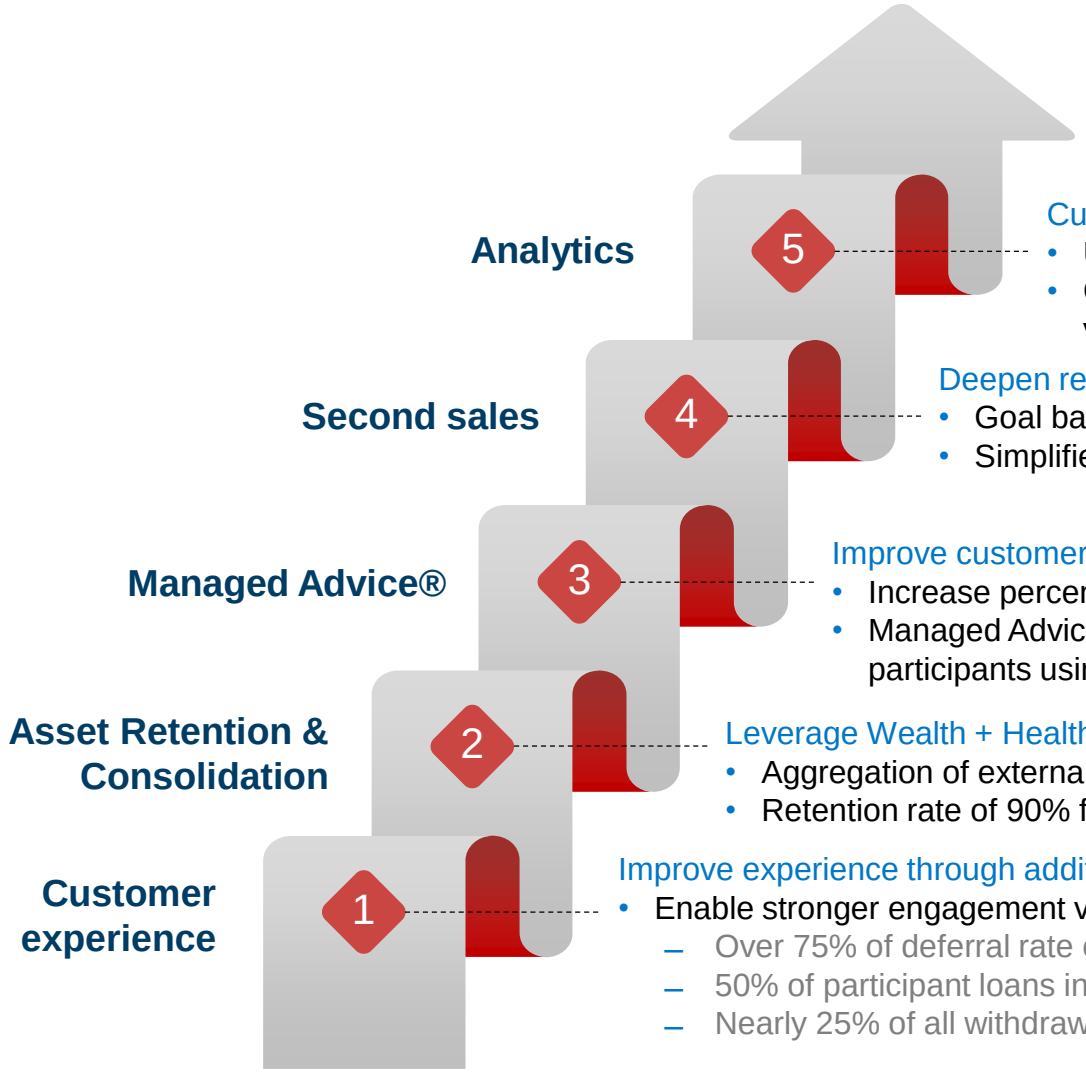
Scenario planning and retirement income solutions provide new ways to understand financial wellness

Customer demand

Increased demand for personalized offerings, pricing, and recommendations

Use insights to drive customer engagement

Advice, guidance & experience: Comprehensive plan to drive profitable growth



Analytics

Customer engagement plan driven by the use of analytics & data

- Use data analytics insights to improve retention
- Customer centric design process in place to respond to customer's highest valued needs

Second sales

Deepen relationships with additional solutions

- Goal based investments
- Simplified solutions to deliver on plan participant needs

Managed Advice®

Improve customer outcomes

- Increase percentage of large- and mid-sized plans issued have Managed Advice® offering
- Managed Advice® subscribers tend to save more. The average contribution rate for participants using Managed Advice® is 1% higher than non-Managed Advice® participants

Asset Retention & Consolidation

Leverage Wealth + Health to provide additional customer solutions

- Aggregation of external retirement accounts at enrollment and transition
- Retention rate of 90% for TPP (Transamerica Personalized Portfolios)

Customer experience

Improve experience through additional digitized services

- Enable stronger engagement via app and website
  - Over 75% of deferral rate changes were completed digitally
  - 50% of participant loans initiated online
  - Nearly 25% of all withdrawals were completed via web service

TRANSAMERICA® AEGON

Managed Advice®

Helping participants live better today and worry less about tomorrow

Personalized Advice

- Industry leader Morningstar® provides advice engine and portfolio construction
- Investment portfolios customized
- Big-picture recommendations

Lifetime Planning

- Automatic rebalancing, reallocation, and diversification
- Retirement readiness assessments
- Adjusts to changing circumstances & life events
- Strategy for navigating retirement
- Geared toward improving outcomes

Enhanced Digital Experience

- Mobile-first philosophy to drive engagement
- Optimized across devices
- Automated account aggregation

Build Loyalty

- One-on-one access to professional retirement advisors

Fees & Fiduciary Protection

- Up to two-thirds less than industry average
- Focus on cost-effective plan lineup components
- Transamerica serves as an ERISA 3(38) and 3(21) adviser

Managed Advice® subscribers:

A 25 year old could see **40%** more income in retirement

89% Chance a 25yr old will have greater retirement wealth

87% increased savings rates

Source: Investment News Research, 2016 Financial Performance Study, Morningstar

TRANSAMERICA® AEGON

Grow and modernize holistic Wealth + Health offering

Innovative, packaged and customizable offerings

Invest in transforming our operating and service model

Improve competitive position

Increase ease of doing business

Strongly positioned to sustainably grow capital generation

Disclaimer

Cautionary note regarding non-IFRS 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. The reconciliation of these measures, except for market consistent value of new business, to the most comparable IFRS-EU 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-EU, 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, the revaluation reserve and the reserves related to defined benefit plans. 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, counting on, plan, continue, want, forecast, goal, should, would, could, 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 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 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 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;
- Consequences of an actual or potential break-up of the European monetary union in whole or in part;
- Consequences of the anticipated exit of the United Kingdom from the European Union and potential consequences of other European Union countries leaving 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 or both;
- 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;
- 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, shareholders' equity or regulatory capital adequacy levels;
- 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 cash and leverage ratio management initiatives

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.

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