



Accelerate, connect, deliver

Investor presentation

May-June 2016

Helping people achieve a lifetime of financial security

AEGON
Transform Tomorrow

Story line

Achievements since 2010

- Transformed the profile of the company by focusing on fee business
- Substantially improved the strength of our balance sheet
- Doubled free cash flows after holding expenses

Priorities going forward

- Broaden relationships with our customers throughout their financial lifecycles
- Expand in asset management, administration and guidance & advice
- Improve our performance by growing our business and reducing expenses
- Allocate capital to businesses that create value and cash flow growth

Financial targets

- Achieve a return on equity of 10% by 2018
- Reduce annual operating expenses by EUR 200 million by 2018
- Increase capital return to shareholders: EUR 400 million share buyback and growing dividends



Achievements and priorities

Helping people achieve a lifetime of financial security

Changed company profile

Result of executing on our strategy

Addressed legacy issues

- ✓ Divested EUR 3.4bn non-core activities at >0.8x P/B on average
- ✓ Improved quality of our financial modeling
- ✓ Addressed several long-dated disputes

Optimized value of backbook

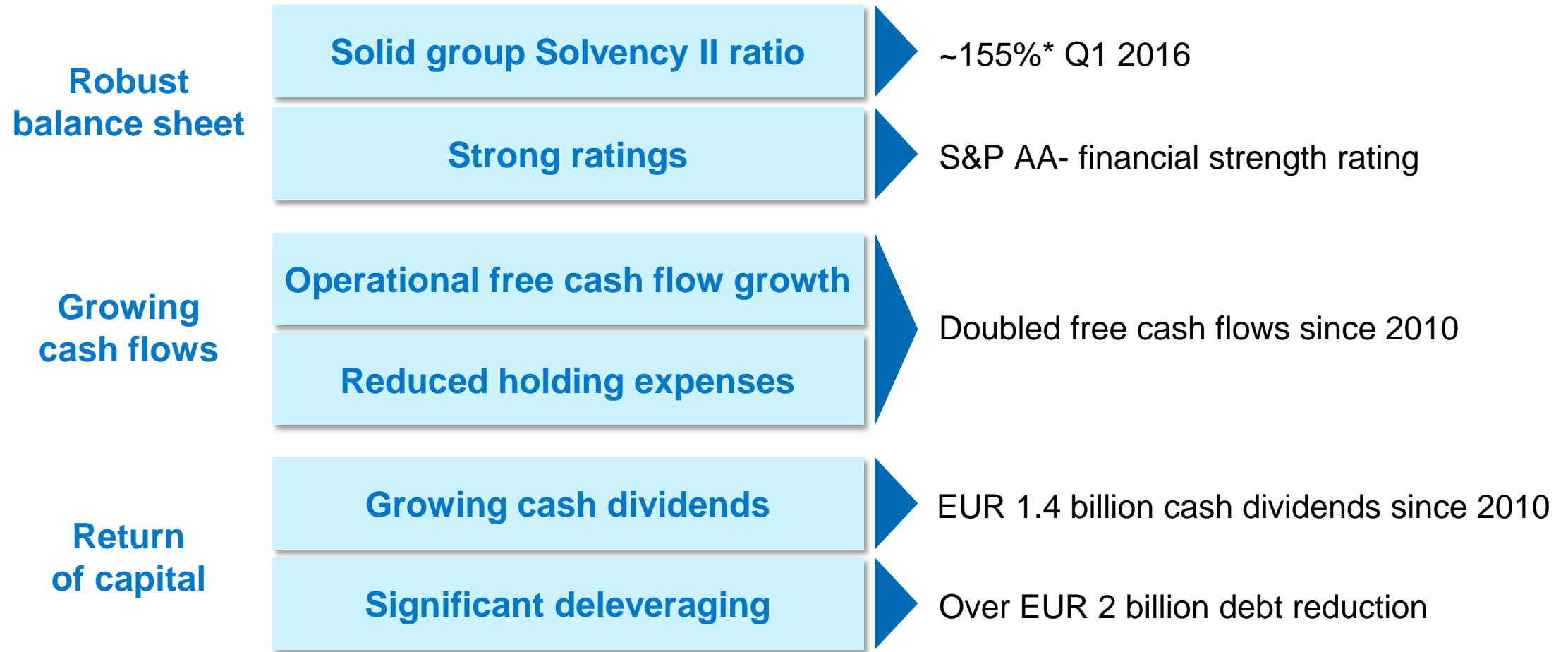
- ✓ Realized material cost savings in established markets
- ✓ Significantly reduced size of run-off portfolio
- ✓ Freed up capital from legacy annuity businesses
- ✓ Optimized hedging of financial market and underwriting risks

While growing our fee business

- ✓ Generated average annual sales growth of 12% since 2010
- ✓ Invested in digital business models
- ✓ Created highly successful asset manager
- ✓ Secured distribution deals and JVs with strong partners
- ✓ Grew our pension customer base from 6 to 11 million

Maintained a strong capital position

Allowing dividends to shareholders of EUR 1.4 billion since 2010



* Pro forma basis includes reinsurance of 2/3 of UK annuity book pre-Part VII transfer

Aegon's strategic priorities

- Offer solutions throughout the lifecycle
- Provide omni-channel distribution
- Expand guidance and advice capabilities
- Engage directly and connect digitally with our customers



- Allocate capital to businesses that create value and cash flow growth
- Enhance value of backbooks
- Achieve scale in New Markets
- Divest non-core businesses



- EUR 200 million expense reduction program in US, NL and holding
- Simplifying our business by digitizing processes and increasing self-service
- Grow scale in asset management, administration and advisory services



- Increase digital capabilities and expertise to support growth
- Focus leadership on advocating ownership, agility and customer-centricity
- Additions to management board reflect key strategic priorities



Benefit from global trends

Well positioned to capitalize on new trends and regulation



Persistently **low interest rates**



Shift from state and corporate benefits to **individual responsibility** for financial security



Increased competition as a result of blurring boundaries in the financial services industry



Reduced accessibility to traditional advice for mass customer segments



Consumer demand shifting towards **digital first, multi-channel access** and **personalized** offerings



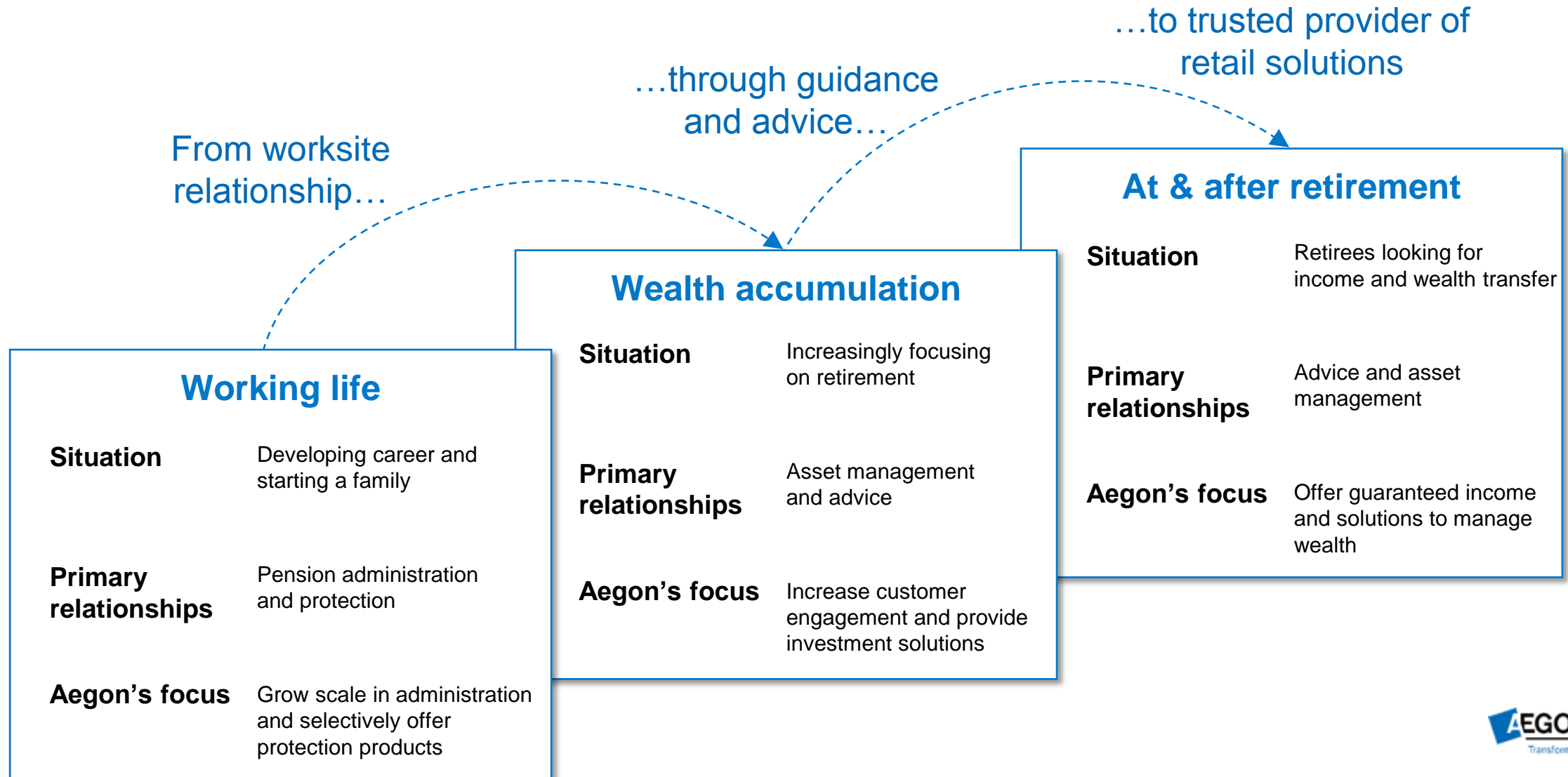
Customers expect **transparent, simple, superior service** and **fair products**



A tightened **regulatory environment** that **increases complexity** and **reduces returns**

Serving customers throughout their lives

Opportunity to provide products and services across the lifecycle



Reducing expenses

Achieving cost savings by simplifying our businesses

Strong expense track record 2010-2015



Expenses up only 1% per year while growing sales by 8% per year*



Reduced expense base of insurance activities by ~20% or EUR 100 million



Expense base reduced by ~35% or GBP 100 million since 2010

Additional cost savings in 2016-2018...

USD 150 million savings

EUR 50 million savings

Stabilize cost at low level

...by simplifying the business

- Reduce complexity
- Taking out management layers
- Straight-through processing
- Customer self-service
- Product simplification
- Outsourcing

Note: Cost savings based on adjusted operating expenses. Total cost savings target of EUR 200 million includes cost savings at the holding

** Percentages shown are compounded average growth rates for 2010 to 2015 year-to-date*

Strategically allocated capital

Continue to increase capital to core businesses

Optimized Portfolio

Divest non-core business

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

Enhance backbook value

- Operationally separate 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 40 billion by 2018

2018 financial targets

Executing on our strategy

Commitment	Year-end 2018 target	Management actions
Strong sales growth	CAGR of 10%	<ul style="list-style-type: none"> Sales driven by higher gross deposits in Retirement plans and Asset Management during Q1
Reduce operating expenses	EUR 200 million	<ul style="list-style-type: none"> Completed voluntary separation plan in the Americas Holding and NL implementing cost savings Savings to begin second half of 2016
Increase RoE	10%	<ul style="list-style-type: none"> Increase during Q1 due to higher net underlying earnings and lower shareholder's equity
Cash buffer at Holding	EUR 1.0 – 1.5 billion	<ul style="list-style-type: none"> EUR 200 million reduction in Q1 due to first tranche of SBB Capital contributions of EUR 100 million into growth areas Cash buffer at Holding was EUR 1.0 billion at end of Q1 2016
Return capital to shareholders	EUR 2.1 billion	<ul style="list-style-type: none"> EUR 400 million share buyback completed on May 19, 2016 Vereniging Aegon sold EUR 58 million of Aegon shares to maintain voting rights

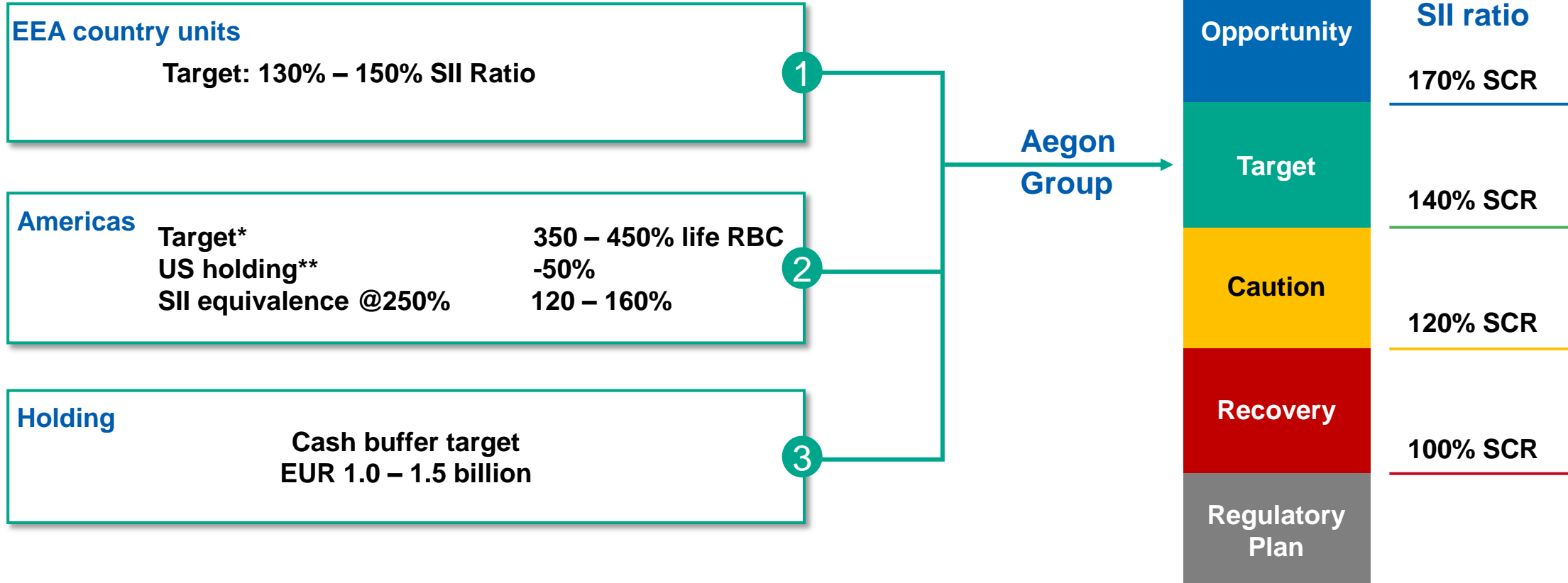


Capital update

Helping people achieve a lifetime of financial security

Capital management policy

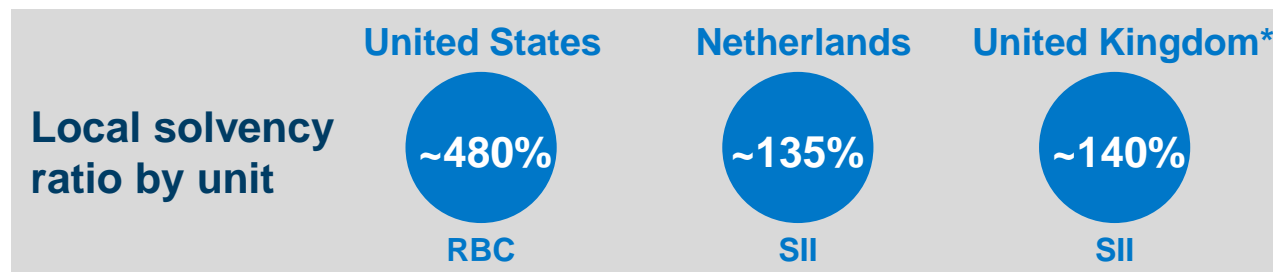
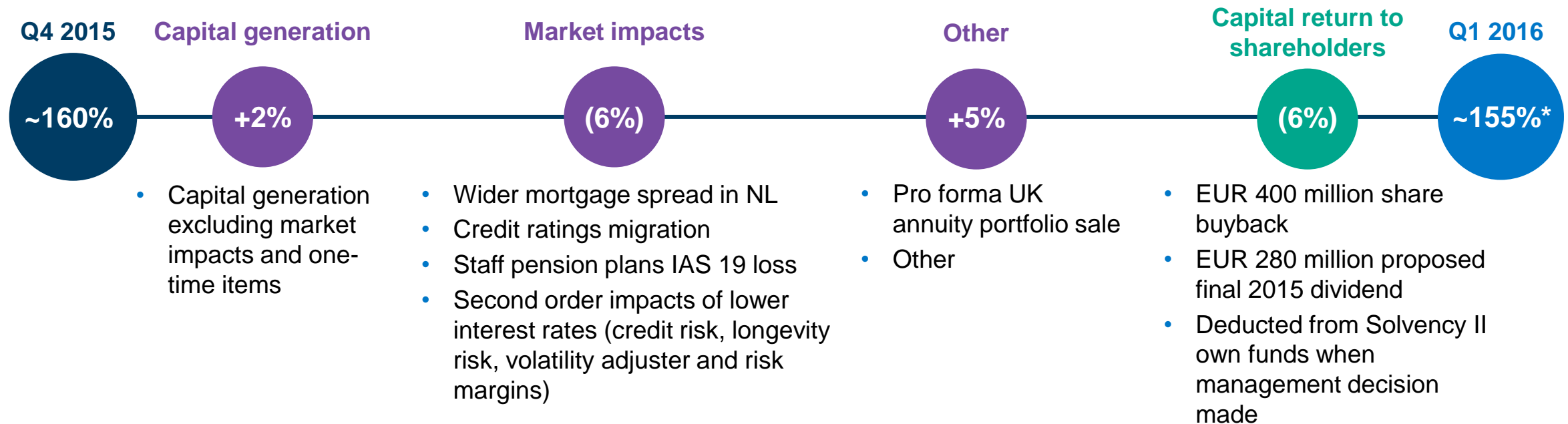
140-170% target Solvency II range at Group level



* Could be lowered if interest rates rise or RBC asset factors are increased
 ** Primarily impact of US holding companies, including US employee pension plan

Solvency II ratio at ~155%

Ratios mainly impacted by adverse market impacts



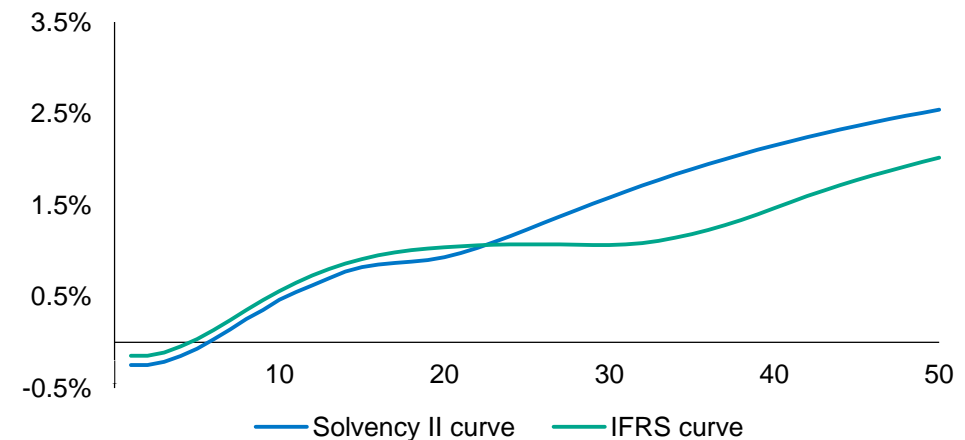
* Pro forma basis includes reinsurance of 2/3 of UK annuity book pre-Part VII transfer

ALM rebalancing in the Netherlands

Results volatility due to difference in valuation curves

- NL guarantee hedges adjusted to Solvency II curve, resulting in lowered hedge durations
- IFRS results volatility due to difference in valuation curves; IFRS curve to be reviewed in Q3
- IAS 19 and second order SCR impacts under Solvency II remain unhedged
- Sensitivities to be updated

Solvency II curve vs IFRS curve Q1 2016
(in years)



Cash and capital deployment

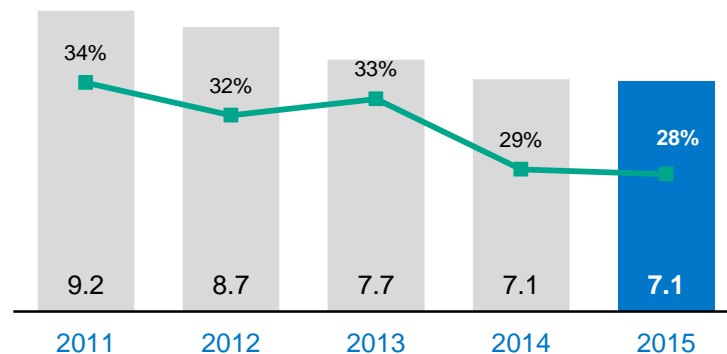
Leverage and fixed charge coverage

Remain within target ranges

- Gross financial leverage of 28.7% as of Q1 2016
 - Leverage cut by ~25% since 2011
- Fixed charge coverage of 6.7x full year 2015
 - Fixed charges reduced by more than 40%
 - Preferred dividend eliminated

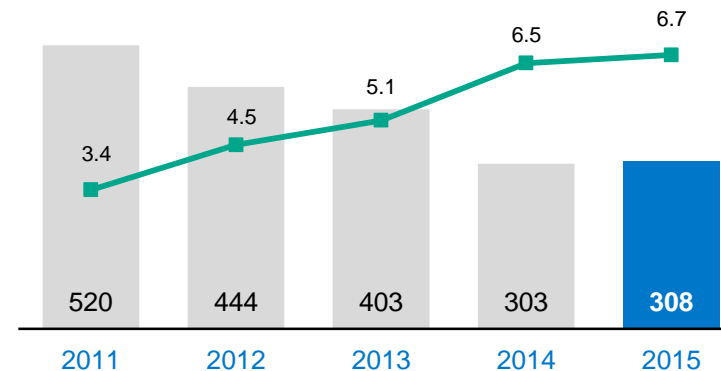
Gross leverage

(EUR billion, %)



Funding costs

(EUR million, fixed charge coverage)



Recalibrated cash flows

In line with Solvency II framework

- Americas operational free cash flows expected to grow after 2018, as growth of the fee businesses more than offsets a lower contribution from fixed annuities and run-off businesses
- Netherlands remains stable despite shift from DB to DC
- Investments in new business in Asia to support growth

SII capital generation*

(EUR million)

	2016	Direction
Americas	~900	Stable
Netherlands	~250	Stable
United Kingdom & Ireland**	~100	Grow
Asset Management	~100	Grow
Central & Eastern Europe, Spain & Portugal	~50	Grow
Asia	~(100)	Improve
Total free cash flow	~1,300	Grow

* Best estimate capital generation excluding impact of financial markets and one-time items;

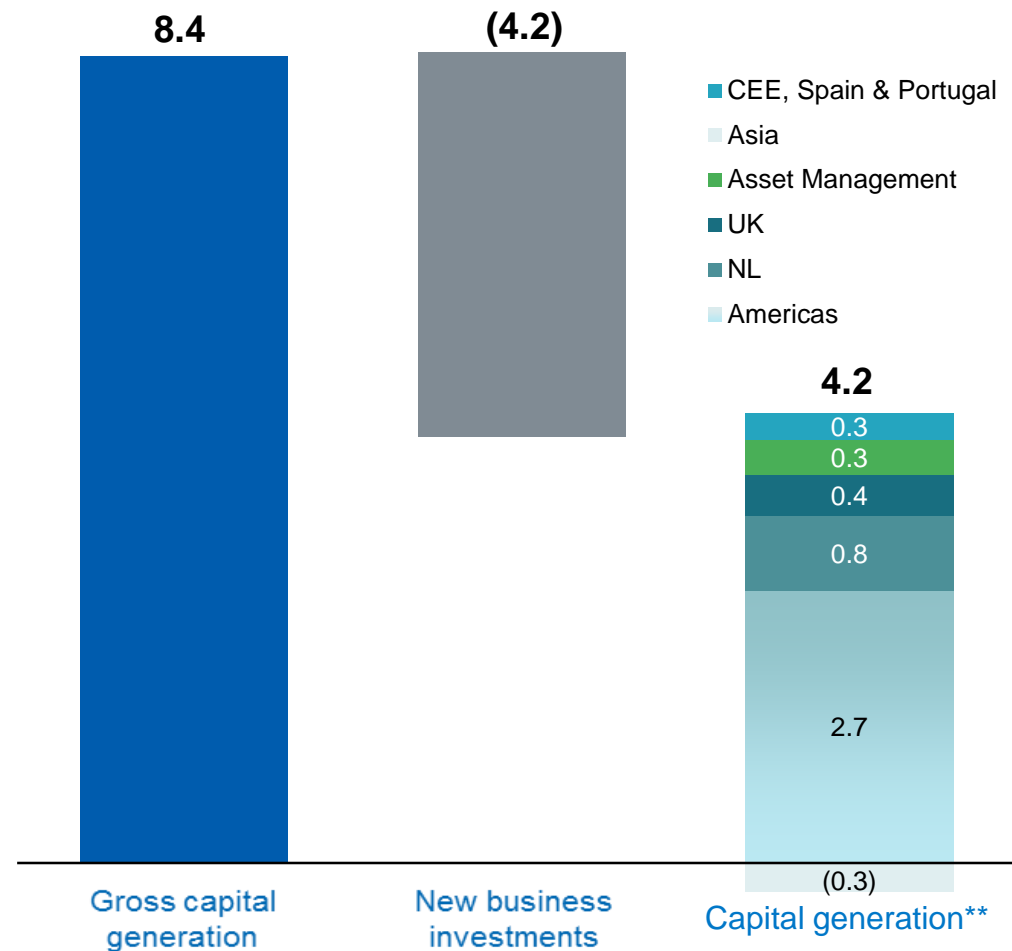
** Excluding sale of UK annuity book

Capital generation

Mainly driven by the Americas

Capital generation* 2016-2018

(EUR billion)



- Gross capital generation in the Americas and NL benefits from cost savings
- Rising contribution to free cash flow generation from UK, Asset Management, CEE and Spain & Portugal due to organic growth
- Investments in new business to drive
 - Earnings growth
 - Economic value (measured by MCVNB)
 - Future operational free cash flows

*Best estimate capital generation excluding impact of financial markets and one-time items

** Excluding sale of UK annuity book

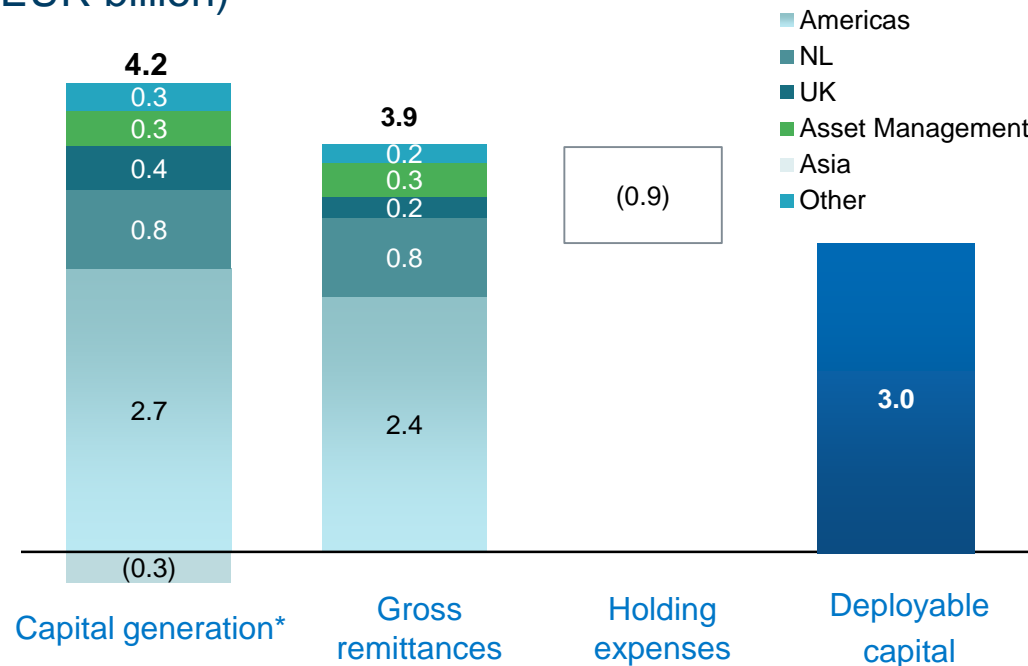
Capital deployment strategy

Focused on returning capital to shareholders

- 70% of EUR 3.0 billion deployable capital allocated to dividends and share buyback
- Capital injections mainly in Asia to support growth

Capital deployment 2016-2018

(EUR billion)



1
Dividends

EUR 1.7 billion

- Pay-out ratio 50% of free cash flows

2
Execution
of strategic
priorities

EUR 1.3 billion

- Capital injections: EUR 0.3 billion
- Share buyback: EUR 0.4 billion
- Flexibility: EUR 0.6 billion

* Excluding sale of UK annuity book



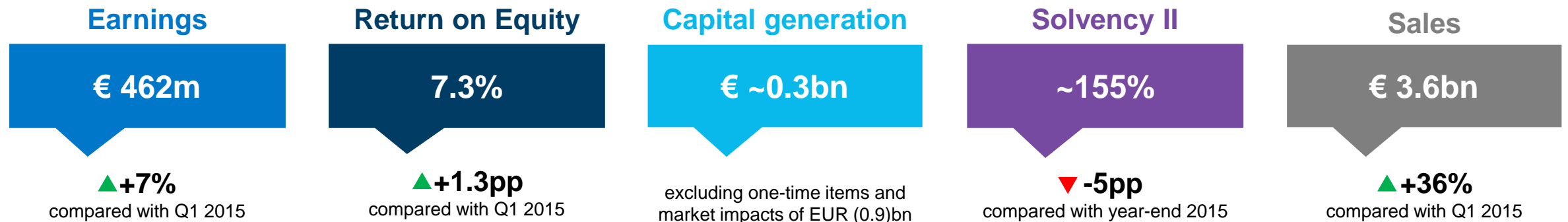
Q1 2016 results

Helping people achieve a lifetime of financial security

Q1 results impacted by volatile markets

Strong sales momentum reflects successful implementation of strategy

- Underlying earnings were up as higher earnings from Europe more than offset lower US earnings
- Solvency II ratio at end of Q1 2016 ~155% as a result of the share buyback, 2015 final dividend and negative capital generation driven by adverse market movements
- Continued strong sales from fee-based deposit businesses



Note: Earnings = underlying earnings before tax

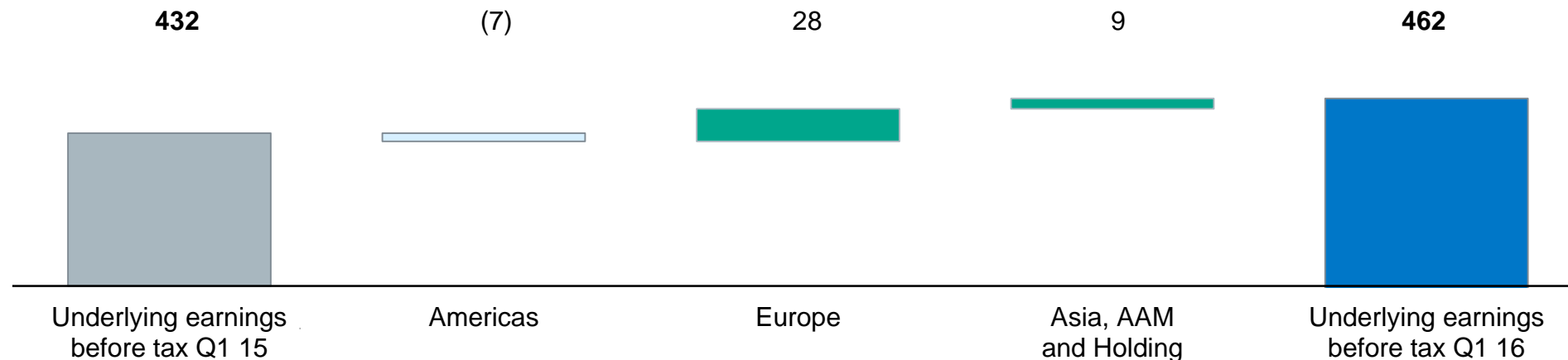
Underlying earnings before tax increased

Results impacted by lower equity markets

- In the Americas earnings declined mainly because of the recurring impact of the Q3 2015 actuarial assumption changes and model updates and lower fee income from lower average equity markets
- Higher earnings from Europe as a result of lower DPAC amortization in the UK and normalization of surrenders in Poland
- Asset Management earnings remained stable, while Asia improved and Holding costs were lower

Underlying earnings before tax comparison

(EUR million)



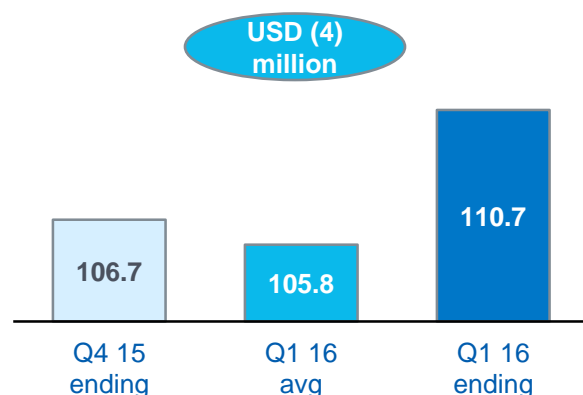
Lower fee earnings in the Americas

Lower average balances as a result of lower average equity markets

- Unfavorable equity market returns during the first half of the quarter resulted in lower average account balances
- Lower average account balances resulted in USD 15 million lower fee earnings compared with YE 2015
 - Retirement Plans (RP) impacted by USD 4 million, Variable Annuities (VA) by USD 10 million and Mutual Funds (MF) by USD 1 million

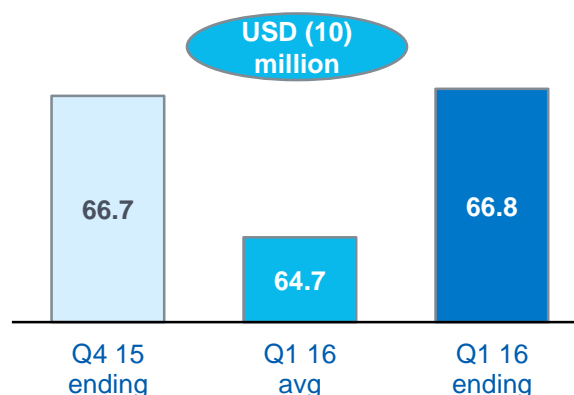
RP* account balances

(USD billion)



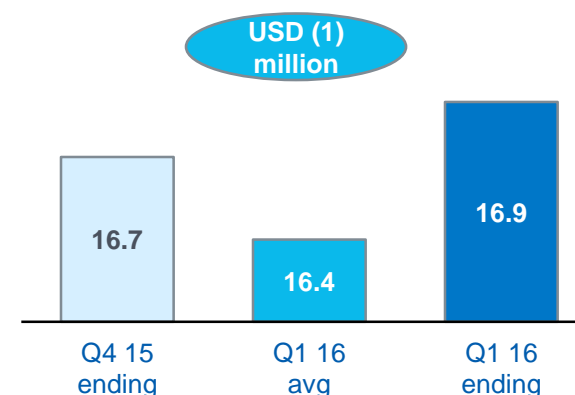
VA account balances

(USD billion)



MF account balances

(USD billion)



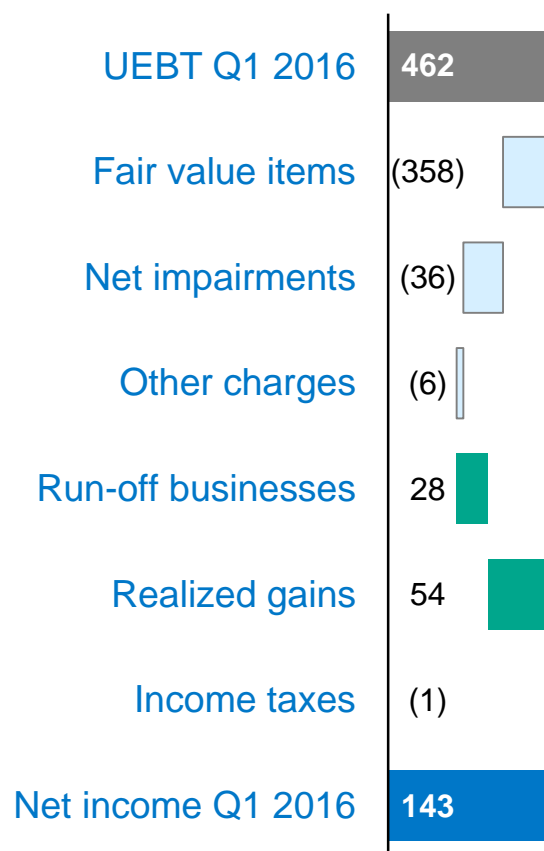
* Retirement Plans' account balances, excluding Mercer acquired business which is priced on a per participant basis, as well as balances where the earnings are based off an investment spread

Net income impacted by fair value items

Losses on alternative investments and hedges

UEBT to net income development in Q1 2016

(EUR million)



1
FV investments
EUR (104) million

- Americas: (135)
- Netherlands: 31

2
FV hedging with
accounting match
EUR (101) million

- US GMWB: 7
- Netherlands guarantees: (108)

3
FV hedging without
accounting match
EUR (152) million

- US Macro: (92)
- Netherlands: (26)
- Holding: (41)
- UK: 7

- 1 Alternative investment losses in Americas mainly the result of poor hedge funds returns
- 2 Losses on fair value items with an accounting match due to the differences between Solvency II and IFRS on Aegon's interest rate hedges in the Netherlands. Liabilities moved by EUR (2.4) billion and derivatives moved by EUR 2.3 billion
- 3 Fair value hedging without an accounting match negative as a result of hedge mismatches in the US caused by high market volatility, and negative results in NL and the Holding

Continued strong sales

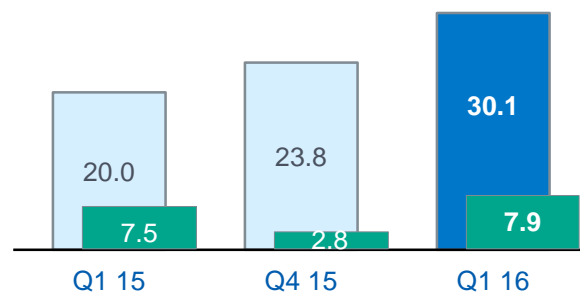
A result of strategic shift to fee-based businesses

- Gross deposits up to EUR 30 billion driven by US Retirement Plans and Asset Management
 - Net deposits increased to EUR 7.9 billion
- New life sales were lower as higher indexed universal life sales in the United States were more than offset by lower High Net Worth sales in Asia, and a decline of unit linked sales in Poland
- New premium production for accident & health and general insurance declined as a result of lower portfolio takeovers and product re-pricing in the US

Deposits

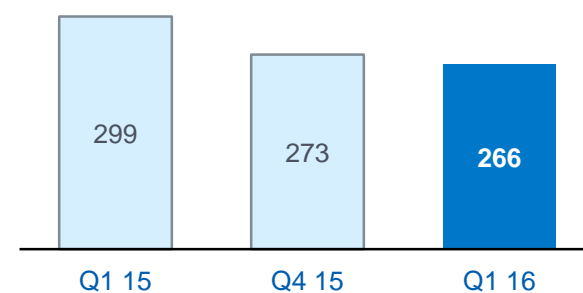
(EUR billion)

■ Gross
■ Net



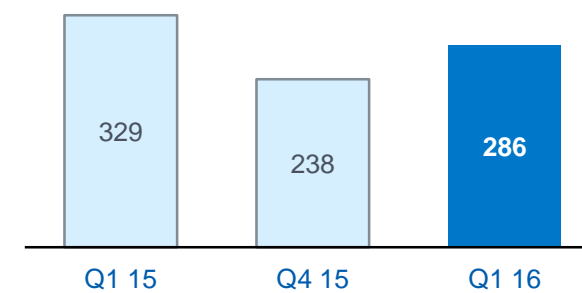
New life sales

(EUR million)



A&H and general insurance

(EUR million)



Note: Total sales consists of new life sales plus 1/10th of gross deposits plus new premiums for accident & health and general insurance; Gross and net deposits exclude run-off businesses and stable value solutions

Final DOL Fiduciary Rule

Better understanding the implications of the complex regulation

Key takeaways

- Comes into full effect as of January 1, 2018 (with certain aspects effective April 2017)
- Concerns remain about access to financial advice for individuals
- Work still needs to be done together with the industry and distribution networks to fully understand the impact of the final DOL rule

Potential impact

- Short-term negative impact of 10 - 20% on VA sales in line with industry expectations
- No meaningful impact on VA back book
- Impact on other businesses
 - Rollovers (-)
 - Mutual funds (-)
 - Retirement plans (+)
- Higher implementation and compliance related expenses

Actions

- Focused on ensuring organizational readiness for the DOL rule
- Developing a variety of solutions that support the needs of customers and distribution partners
- Continue to help people achieve a lifetime of financial security

Cost savings programs progressing

Benefits of cost savings program to be reflected as of second half of 2016

Americas

- Reduce complexity by transforming to ONE Transamerica
- Completed voluntary separation incentive plan in Q1 2016
- Announced additional position eliminations in Q1
- USD 40 million of benefits to be reflected in second half of 2016

Netherlands

- Cost savings identified on existing book in:
 - Operations
 - IT
 - Support
 - Commerce costs
- Continuing reduction of legacy systems
- Product simplification
- Customer self-service

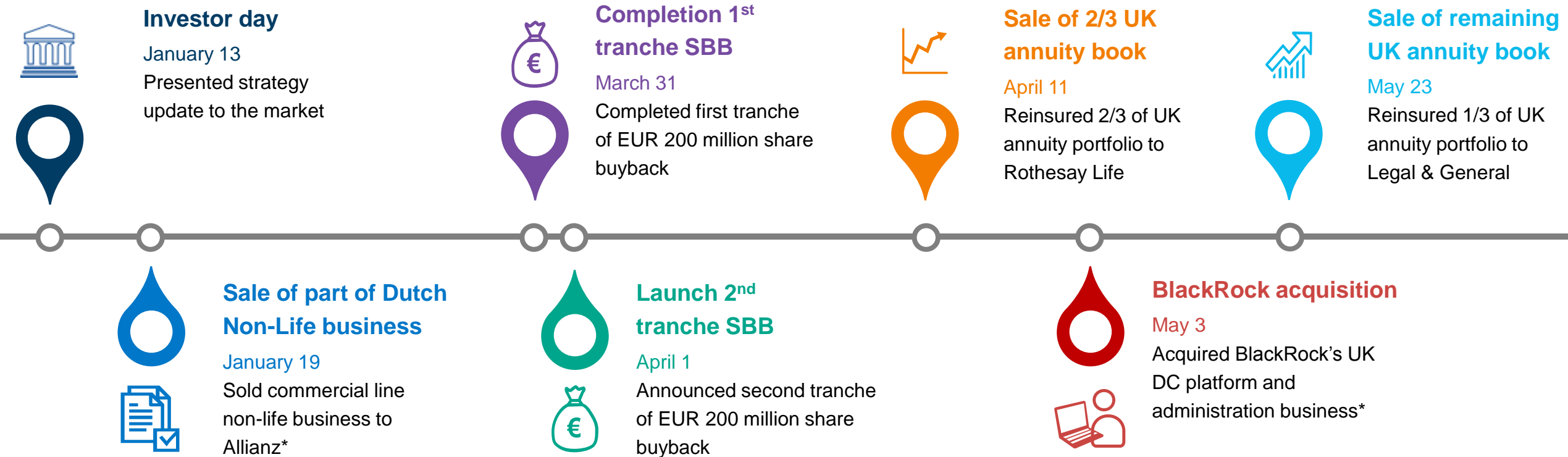
Holding & Other

- Aligning reporting structure with business units
- Reduce complexity and streamline processes
- Reduction of legacy systems
- Improve procurement across the organization

Total annual cost savings of EUR 200 million by year end 2018

Executing on strategy

Focus on core growth areas and capital return



* Pending regulatory approval

Appendix

**For questions please contact
Investor Relations**

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Upcoming events

May

New York, May 31
Deutsche Bank Global
Financials Conference



London, May 25
JP Morgan Insurance
Conference

+

Amsterdam

ABN AMRO Equities
Conference

June

London, June 8
Barclays UK Savings
Conference



Paris, June 7
Goldman Sachs
Financials
Conference

London, June 23
Autonomous Insurance
Rendez-Vous



Amsterdam, June 22
Kepler Cheuvreux
One stop shop

+

London

Rabobank Investor
Conference

Des Moines, June 28
Des Moines
Insurance Conference



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**Strategy
support**

Slide 33-35

**Q1 2016
Asset portfolio**

Slide 36-38

**Q1 2016
Financials**

Slide 39-50

Aegon at a glance



Focus

Life insurance, pensions & asset management for **30 million customers**



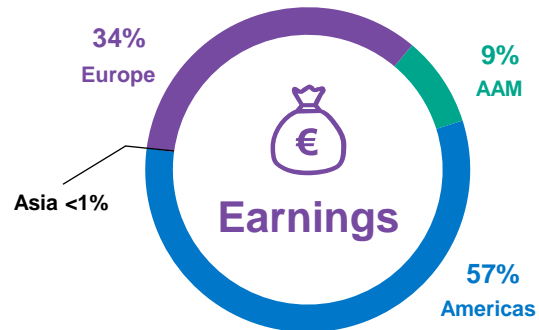
History

Our roots date back to the first half of the **19th century**



Employees

Close to **30,000** employees
(March 31, 2016)



Earnings

Underlying earnings before tax of **EUR 462 million**
(2016 YTD)



Investments

Revenue-generating investments are **EUR 705 billion**
(March 31, 2016)



Paid out

in claims and benefits **EUR 43 billion**
(2015)

Responsible business

Embedded in our operations

Our commitment: “To act responsibly and to create positive impact for all our stakeholders”

Putting our customers at the center of what we do

- Deliver products and services customers can trust (market conduct standards)
- Take value for the customer into account at every step of the product development process

Having a responsible investments approach

- Extend Responsible Investment approach to externally managed assets where possible
- Investigate the risks represented by climate change, and adapt our investment strategy if required
- Investigate the investment opportunities in the transition to a low-carbon economy as part of the Impact Investment program

Empowering our employees

- Invest in our workforce by providing training and development opportunities related to the strategic direction of the company
- Create a positive, open working environment that stimulates diversity and inclusion

Promoting retirement readiness

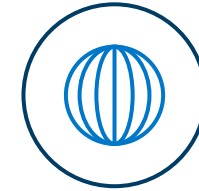
- Educate our customers, employees and society at large on issues surrounding retirement security, longevity and population aging
- Explore opportunities for product and services that improve our customers' Retirement Readiness and promote healthy aging

Aegon's approach to sustainability is recognized externally



Committed to financial education

Conduct research, educate the public and lead dialogue on financial issues



International presence

Established Centers for longevity and retirement in the US, the Netherlands and Brazil



Partnering up

Building relationships with respected partners in the field of longevity, retirement and health



Research publication

Publication of original research regarding: retirement, longevity, population aging, retirement security, healthcare coverage and health & wellness



Leveraging expertise

The Centers for longevity and retirement are a collaboration of experts from Aegon's businesses in Europe, the Americas and Asia

Helping people achieve a lifetime of financial security

General account investments

By geography

March 31, 2016

amounts in EUR millions, except for the impairment data

	Americas	Europe	Asia	Holding & other	Total
Cash/Treasuries/Agencies	18,316	20,952	261	62	39,592
Investment grade corporates	39,434	10,024	3,071	-	52,528
High yield (and other) corporates	2,913	280	110	-	3,303
Emerging markets debt	1,502	1,474	107	-	3,083
Commercial MBS	4,899	634	526	-	6,059
Residential MBS	4,316	798	74	-	5,189
Non-housing related ABS	2,928	3,264	307	-	6,500
Housing related ABS	-	987	-	-	987
Subtotal	74,308	38,413	4,456	62	117,240
Residential mortgage loans	24	25,614	-	-	25,638
Commercial mortgage loans	7,493	61	-	-	7,553
Total mortgages	7,517	25,675	-	-	33,192
Convertibles & preferred stock	295	2	-	-	297
Common equity & bond funds	436	875	-	114	1,425
Private equity & hedge funds	1,971	122	-	3	2,095
Total equity like	2,701	999	-	117	3,817
Real estate	1,202	1,160	-	-	2,362
Other	815	3,274	-	7	4,096
General account (excl. policy loans)	86,543	69,521	4,456	187	160,706
Policyholder loans	2,052	9	18	-	2,079
Investments general account	88,595	69,530	4,473	187	162,784
Impairments as bps (Q1 2016)	4	-	1	-	2

Structured assets and corporate bonds

By rating

March 31, 2016

amounts in EUR millions

	AAA	AA	A	BBB	<BBB	NR	Total
Structured assets by rating							
Commercial MBS	4,396	1,068	317	144	135	-	6,059
Residential MBS	2,351	304	205	221	2,109	-	5,189
Non-housing related ABS	3,059	900	1,783	500	258	-	6,500
Housing related ABS	-	289	669	28	-	-	987
Total	9,805	2,560	2,975	893	2,502	-	18,735
Credits by rating							
IG Corporates	1,168	4,450	22,465	24,444	-	-	52,528
High yield corporate	-	-	3	3	3,297	-	3,303
Emerging markets debt	82	167	1,042	1,066	720	6	3,083
Total	1,250	4,617	23,510	25,512	4,017	6	58,913
Cash/Treasuries/Agencies							39,592
Total	11,056	7,177	26,484	26,405	6,519	6	117,240

US energy & commodity exposure

Direct and indirect by rating

March 31, 2016

amounts in EUR millions

	AAA	AA	A	BBB	<BBB/NR	Total	Unrealized gain / (loss)
Independent	-	3	327	634	139	1,104	(57)
Oil field services	-	41	181	1	157	380	(77)
Midstream	-	-	231	1,002	85	1,317	(21)
Integrated	145	385	445	362	149	1,486	67
Refining	-	-	-	128	48	176	(2)
Total energy related	145	429	1,185	2,126	577	4,463	(89)
Metals and mining	-	-	234	303	167	704	(77)
Total corporate bonds	145	429	1,419	2,429	744	5,167	(166)
Commercial paper	-	-	-	69	-	69	-
Real estate LP	-	-	-	-	-	154	-
Total general account exposure	145	429	1,419	2,499	744	5,390	(166)
					% of US general account	6.1%	
CDS exposure (notional)	-	-	31	232	49	313	

Note: Amounts are fair value per March 31, 2016; 96.9% fair value to amortized cost for corporate bonds

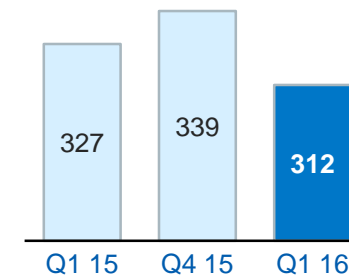
Underlying earnings

Increased to EUR 462 million

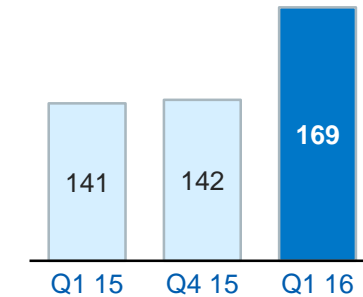
- Lower earnings in Americas as a result of lower fee income from lower markets, one-time employee expenses, reduction of VA closed block balances and recurring earnings impact following assumption changes and model updates implemented in Q3 2015
- Earnings in Europe increased as a result of the write down of DPAC in the UK and normalization of surrenders in Poland
- Asia earnings improved due to higher earnings from High Net Worth businesses
- Earnings in Asset Management remained high, as higher management and performance fees were offset by higher expenses mainly related to growth of the business

Underlying earnings before tax

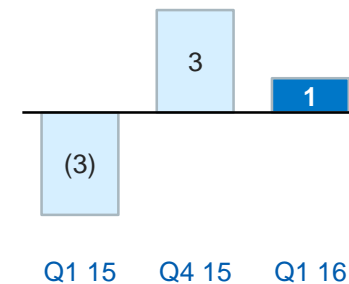
Americas
(USD million)



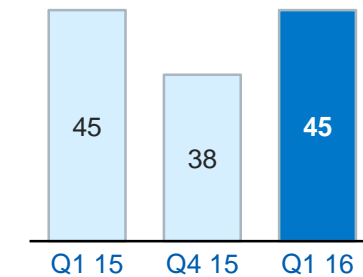
Europe
(EUR million)



Asia
(USD million)



Asset Management
(EUR million)



Fair value items

Impacted by alternative investments and hedge programs

Total of EUR (358) million

FV investments
EUR (104) million

FV hedging with
accounting match

EUR (101) million

Derivatives Δ : EUR 2,314m
Liability Δ : EUR (2,415)m

FV hedging without
accounting match

EUR (152) million

Derivatives Δ : EUR (110)m
Liability Δ : EUR (42)m

FV other
EUR (1) million

Americas: (135)

- Alternative investments (-)
- Real estate (-)
- Credit derivatives (-)

Netherlands: 31

- Real estate (+)

US GMWB: 7

- Interest rates (-)
- Other (+)

Netherlands guarantees: (108)

- Credit related hedges (+)
- Accounting mismatch on interest rate hedges (-)
- Other (-)

US macro hedging: (92)

- Equity (-)
- IUL product hedge (-)
- Interest rate hedges (+)
- Other (-)

Netherlands: (26)

- Duration management (-)
- Other (+)

Holding: (41)

- Perpetual securities and LT debt (-)

UK: 7

- Inflation hedge (+)
- Equity (+)

Other: (1)

- Chinese equity portfolio (-)
- Other FV items (+)

Note: FV hedging with accounting match excludes changes in own credit spread and other non-hedged items

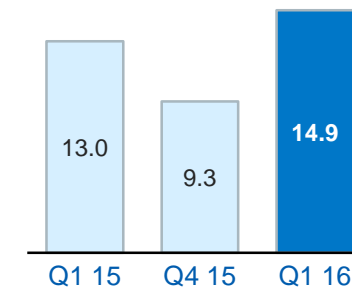
Gross deposits

Increased to EUR 30.1 billion

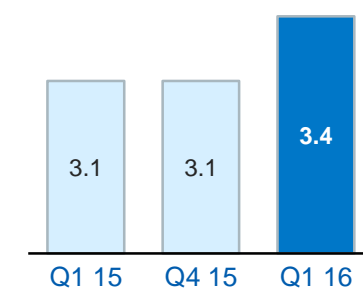
- Higher gross deposits in the Americas as a result of the Mercer acquisition, growth in pensions and mutual funds, partially offset by lower deposits in variable annuities
- Gross deposits in Europe up 12% due to continued strong performance from Knab and growth of the platform business in the UK
- Gross deposits in Asia were down as the comparable quarter in 2015 benefited from higher deposits in anticipation of lower commissions on VA in Japan
- Growth in third party gross flows in Asset Management more than doubled as a result of higher flows in AIFMC, driven by a higher recognized gross flows, and proportional inclusion of LBPAM

Gross deposits

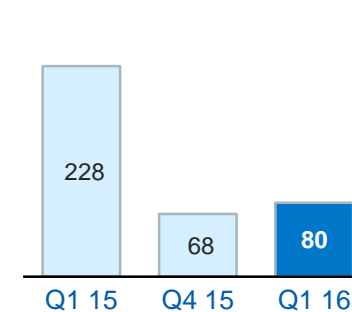
Americas
(USD billion)



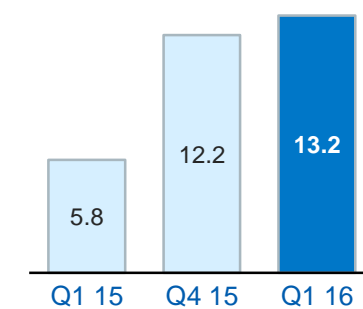
Europe
(EUR billion)



Asia
(USD million)



Asset Management
(Third party; EUR billion)



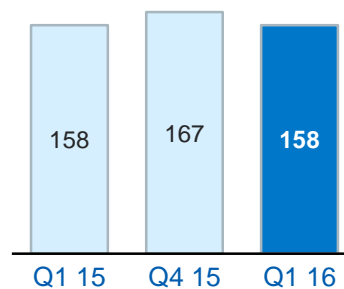
New life sales

Amounted to EUR 266 million

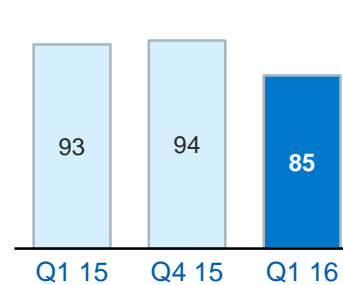
- New life sales in the Americas were stable, as higher indexed UL sales offset lower sales in standard UL and term life products
- Lower new life sales in Europe as higher sales in Turkey were more than offset by lower sales in Poland
- New life sales in Asia declined, as higher sales in strategic partnerships were more than offset by lower sales from High Net Worth businesses

New life sales

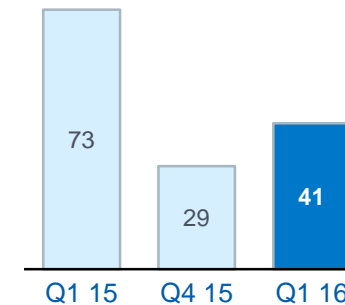
Americas
(USD million)



Europe
(EUR million)



Asia
(USD million)

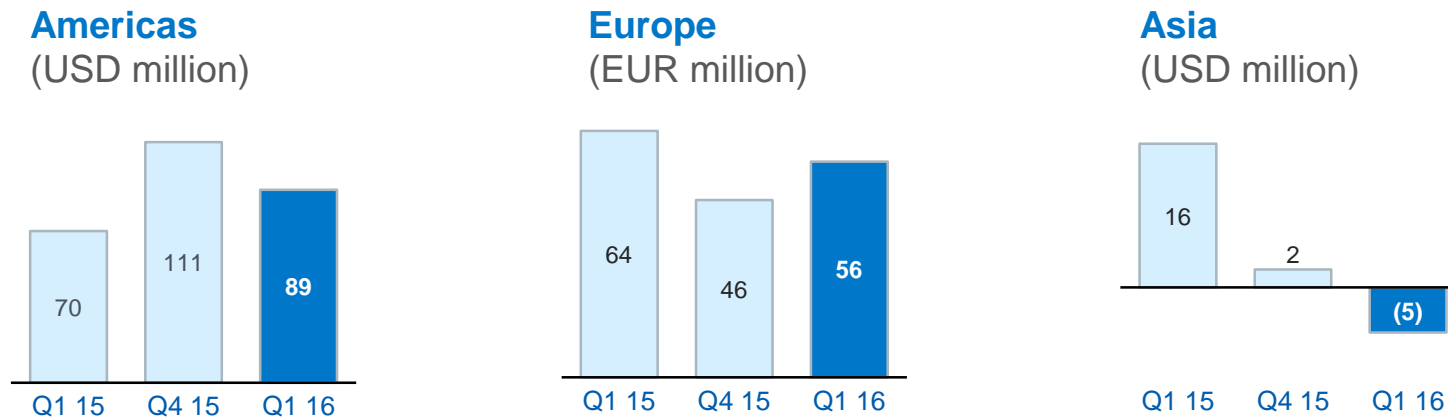


MCVNB of EUR 133 million

Impacted by margin pressure, low interest rates and methodology change

- Higher MCVNB in the Americas mainly driven by a higher contribution from life insurance, offsetting a lower contribution from VA
- MCVNB in Europe decreased as a result of a change in the product mix for pensions in the Netherlands
- MCVNB in Asia declined, driven by lower sales, lower interest rates and widening credit spreads

Market consistent value of new business



Note: There is no MCVNB recognized on new Asset Management business

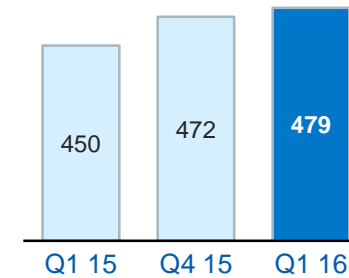
Operating expenses

Increased to EUR 960 million

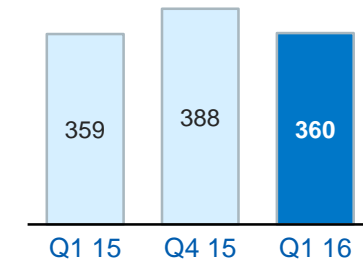
- Operating expenses in the Americas increased driven by the Mercer acquisition and one-time employee expenses
- Operating expenses in Europe remained stable as lower restructuring expenses in NL were offset by expense growth in the UK as a result of upgrading policies from the back book and Spain
- Increase in operating expenses in Asia driven by higher expenses in China and the increase in Aegon's stake in its strategic partnership in India from 26% to 49%
- Operating expenses in Asset Management up mainly due to business growth, currency movements, elevated project-related expenses and the inclusion of costs relating to the partnership with LBPAM

Operating expenses

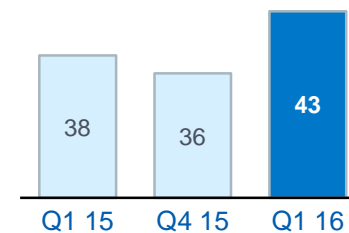
Americas
(USD million)



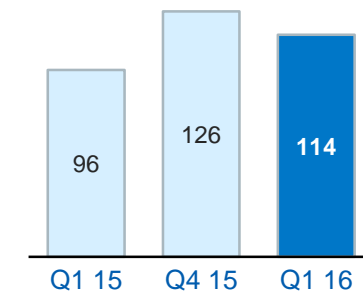
Europe
(EUR million)



Asia
(USD million)



Asset Management
(EUR million)



Capital generation and capital buffer

Impacted by adverse financial markets

- Capital generation of EUR 0.3 billion, excluding market impacts of EUR (0.7) billion and one-time items of EUR (0.2) billion
- Capital buffer in the holding decreased to EUR 1.0 billion driven by completion of the first tranche of the share buyback and investments in country units

Capital generation

(EUR billion)

	Q1 16
Capital generation	(0.6)
Market impacts & one-time items	(0.9)
Capital generation excluding market impacts & one-time items	0.3
Holding funding & operating expenses	(0.1)
Free cash flow	0.2

Holding capital buffer development

(EUR billion)

	Q4 15	Q1 16
Starting position	1.8	1.4
Net dividends received from units	0.2	(0.1)
Acquisitions & divestments	-	-
Dividends & share buyback	-	(0.2)
Funding & operating expenses	(0.1)	(0.1)
Leverage issuances/redemptions	(0.5)	-
Other	0.0	(0.0)
Ending position	1.4	1.0

Capital allocated to run-off businesses

Further reduced in Q1 2016

- Current capital allocated to run-off businesses of USD 1.3 billion
- Capital intensive run-off businesses negatively impact return on equity
 - Capital allocated to run-off businesses included in RoE calculations, but earnings are excluded
- Reduction of USD 0.3 billion of capital due to accounting change
 - Part of the ambition to reduce capital allocated to run-off businesses by USD 1 billion by 2018

Allocated capital to run-off businesses

(USD billion)

	2012	2013	2014	2015	Q1 2016
▪ Payout annuities	0.5	0.5	0.4	0.4	0.4
▪ Institutional spread-based business	0.6	0.4	0.3	0.3	0.2
▪ BOLI/COLI	0.5	0.5	0.6	0.4	0.4
▪ Life reinsurance	1.1	0.7	0.6	0.6	0.3
	2.7	2.1	2.0	1.7	1.3

Main economic assumptions

Overall assumptions

	US	NL	UK
Exchange rate against euro	1.10	n.a.	0.71
Annual gross equity market return (price appreciation + dividends)	8%	7%	7%

Main assumptions for financial targets

	US	NL	UK
10-year government bond yields	Develop in line with forward curves per year-end 2015		

Main assumptions for US DAC recoverability

10-year government bond yields	Grade to 4.25% in 10 years time
Credit spreads	Grade from current levels to 110 bps over four years
Bond funds	Return of 4% for 10 years and 6% thereafter
Money market rates	Remain flat at 0.2% for two quarters followed by a 9.5-year grading to 2.5%

Earnings sensitivities

To equity markets and reinvestment yields

- Protection of capital position main purpose of macro hedging program
- IFRS accounting mismatch between hedges and liabilities
 - GMIB liability carried at amortized cost (SOP 03-1)
 - Macro hedge carried at fair value

Macro hedge equity sensitivity estimates

Total equity return in quarter Fair value items impact

-8%	~USD (10) million
+2% (base case)	~USD (60) million
+12%	~USD (140) million

- Limited reinvestment risk moderates impact on underlying earnings of low US interest rates
 - ~5% of general account assets reinvested per annum as a result of declining spread balances

Estimated sensitivity for underlying earnings to flat reinvestment yields*

2016	~USD (10) million per quarter
2017	~USD (15) million per quarter
2018	~USD (25) million per quarter

* Average impact of flat reinvestment yields on underlying earnings per quarter in 2016, 2017 and 2018 compared to 2015

Investing in Aegon

- Aegon ordinary shares
 - Traded on Euronext Amsterdam since 1969 and quoted in euros
- Aegon New York Registry Shares (NYRS)
 - Traded on NYSE since 1991 and quoted in US dollars
 - One Aegon NYRS equals one Aegon Amsterdam-listed common share
 - Cost effective way to hold international securities

Aegon's ordinary shares

Ticker symbol	AGN NA
ISIN	NL0000303709
SEDOL	5927375NL
Trading Platform	Euronext Amsterdam
Country	Netherlands

Aegon's New York Registry Shares

Ticker symbol	AEG US
NYRS ISIN	US0079241032
NYRS SEDOL	2008411US
Trading Platform	NYSE
Country	USA
NYRS Transfer Agent	Citibank, N.A.

Aegon NYRS contact details

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 E-mail: citiadr@citi.com

AEG
 LISTED
 NYSE

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 and market consistent value of new business. 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. 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. In addition, 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 excluding the preferred shares, the revaluation reserve and the reserves related to defined benefit plans.

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 or the potential exit of the United Kingdom and/or Greece 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, 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 also 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;
- 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.

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.