Active portfolio management

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CFO

London, March 21, 2019

Helping people achieve a lifetime of financial security

Simplification and growth to create value

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

2011 - 2015	2016 - 2018	2019 >
• 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

AEGON

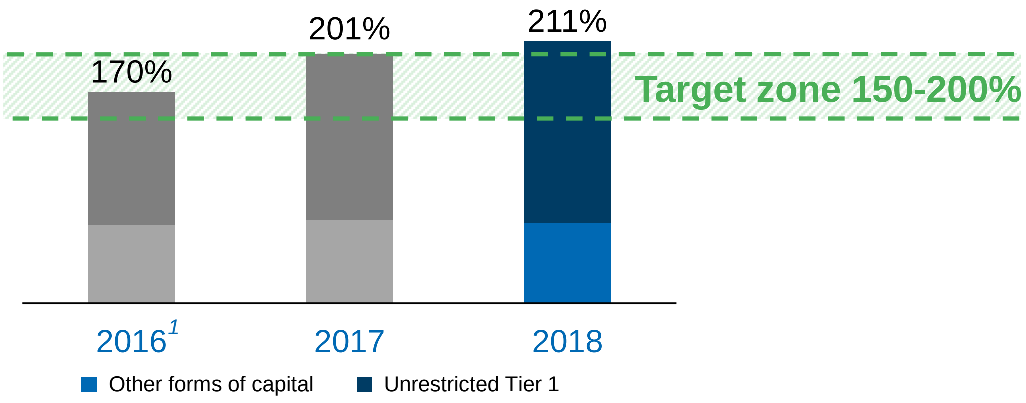
Strong capital position and reduced leverage

Quality of capital increased concurrently

- Strong improvement in level and quality of capital supported by increased capital generation, divestments and other management actions
  - Unrestricted Tier 1 capital as a percentage of SCR increased by 39%-pts since 2016
- Maintaining target range of 26 – 30% despite more conservative calculation of leverage ratio reflecting focus on further reduction in leverage ratio
  - Retained earnings to lead to gradually declining ratio in the coming years

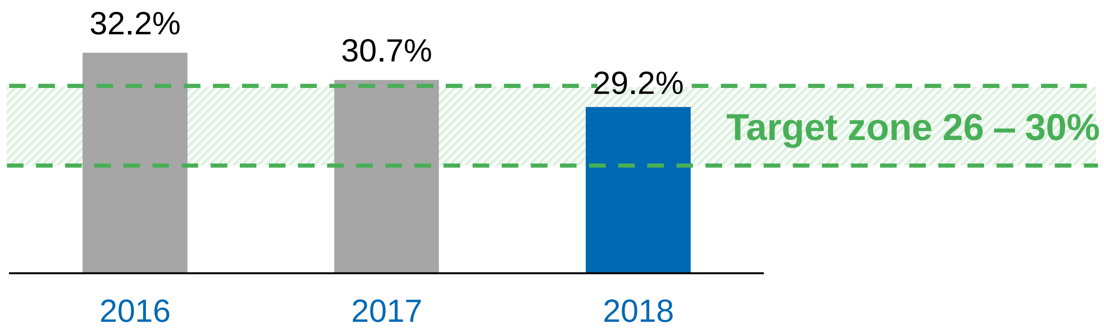
Group Solvency II ratio

(in %)



Gross financial leverage ratio[2]

(in %)



1. *Numbers are based on revised methodology as agreed with DNB in 2017, and confirmed in 2018*
2. *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 the gross financial leverage ratio. As of the second half of 2018, shareholders' equity will no longer be adjusted for the remeasurement of defined benefit plans. Comparative numbers have been adjusted accordingly*

Remittances supported by strong local capital ratios

Strong capital position supported by solid remittances provides financial flexibility

- All main units in the upper end or above the top-end of their local target ranges
  - Aegon the Netherlands has started a process to raise its capitalization zones as a result of higher capital sensitivities arising from the adoption of the new dynamic VA model per 4Q 2018 and the exclusion of Aegon Bank
  - Group Solvency II target zone likely to remain unchanged
- Strong capitalization levels and capital generation support remittances to the group
  - The Netherlands and United Kingdom resumed regular dividend payments in 2018

Local capital ratios

(2018 in %)

US RBC	NL SII	UK SII
465%	**181%**	**184%**
Target range 350 – 450%	Target range 150 – 190%	Target range 145 – 185%

Capital generation and remittances

(in EUR million, 2018)

	Capital generation[2]	Gross remittances
Americas	1,050	908
Netherlands	413	200
United Kingdom	95	113
All other units	173	159
Total before holding expenses	**1,731**	**1,380**
Holding funding & operating expense	(333)	(333)
Total after holding expenses	**1,398**	**1,047**

1. Changes are planned to become effective per May 2019
2. Capital generation excluding market impact and one-time items

Focus on growth in 2019 – 2021

Engaging our large customer base and growing in core markets based on a strong capital position

Customers

Goals

- Broader and longer customer relationship
- Improved customer engagement

Focus

- Offer bundled products and advisory
- Provide customers with relevant guidance
- Evolve operating model
- Use of data and data analytics

Markets

Goals

- Growth in key markets
- Benefits from secular retirement trends

Focus

- Leverage leading positions
- Grow market share
- Markets with growth opportunities
- Multi-product relationship potential

Helping people achieve a lifetime of financial security

Targets 2019 – 2021

Growth strategy will deliver sustainable and attractive returns to all stakeholders

- Strong focus on customer centricity
- Building on strong market positions
- Simplifications and optimizations executed successfully
- Sustainable business

Normalized capital generation Cumulative for 2019 – 2021[1]	**EUR 4.1 billion**
Dividend pay-out ratio Of normalized capital generation[2]	**45 – 55 %**
Return on equity Annual target[3]	**> 10 %**
Gross remittances Guidance for 2019	**EUR 1.5 billion**

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 will no longer be adjusted for the remeasurement of defined benefit plans

Active portfolio management

Grouping our businesses in three distinct categories

Implementing the growth strategy

- Manage portfolio actively
- Group businesses in three distinct strategic categories
- Recognize the distinct maturity of Aegon's businesses
- Apply focused strategies reflecting the business characteristics
- Unlock full potential of the larger customer base and market positions
- Leverage capabilities and attractive propositions in the right markets

Strategic categories

Manage for Value

- At scale business
- Single product relationship
- Mostly spread-based
- Capital generative

Drive for Growth

- At scale / leading market position
- Digital / platform, relationship-based
- Fee and protection-focused
- Multi-product relationships
- Capital generative; reinvesting in growth

Scale-up for Future

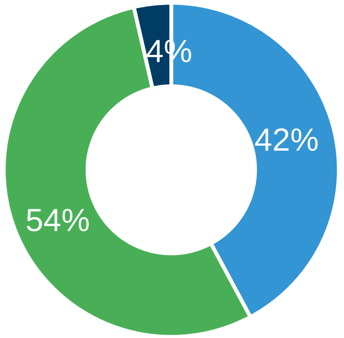
- Meaningful, scalable market opportunity
- Fee and protection-focused
- Multi-product relationship potential
- Balanced capital needs
- Investments in technology, new capabilities

Attractive portfolio structure

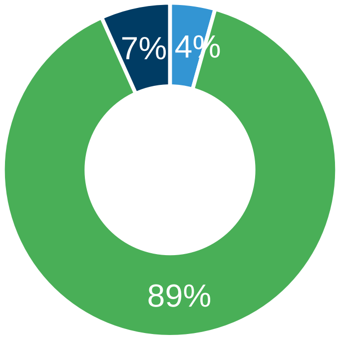
Strong portfolio with businesses at different development stages

- Drive for Growth and Manage for Value each generate about half of the capital
- Vast majority of new business strain in Drive for Growth category
  - Scale-up for Future with limited strain due to focus on fee and protection business
  - Manage for Value strain mainly due to new contributions on existing pension contracts

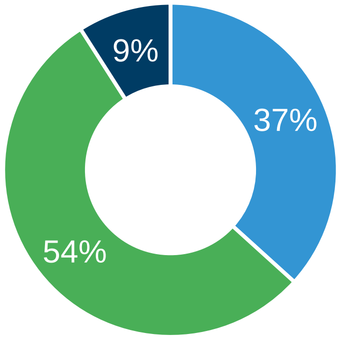
Normalized capital generation
(in %, 2018)



New business strain
(in %, 2018)



IFRS capital allocated
(in %, 2018)



Strategic categories: Manage for Value Drive for Growth Scale-up for the Future

AEGON

Targeting EUR 4.1 billion normalized capital generation

Sustainably growing capital generation mainly driven by Drive for Growth category[1]

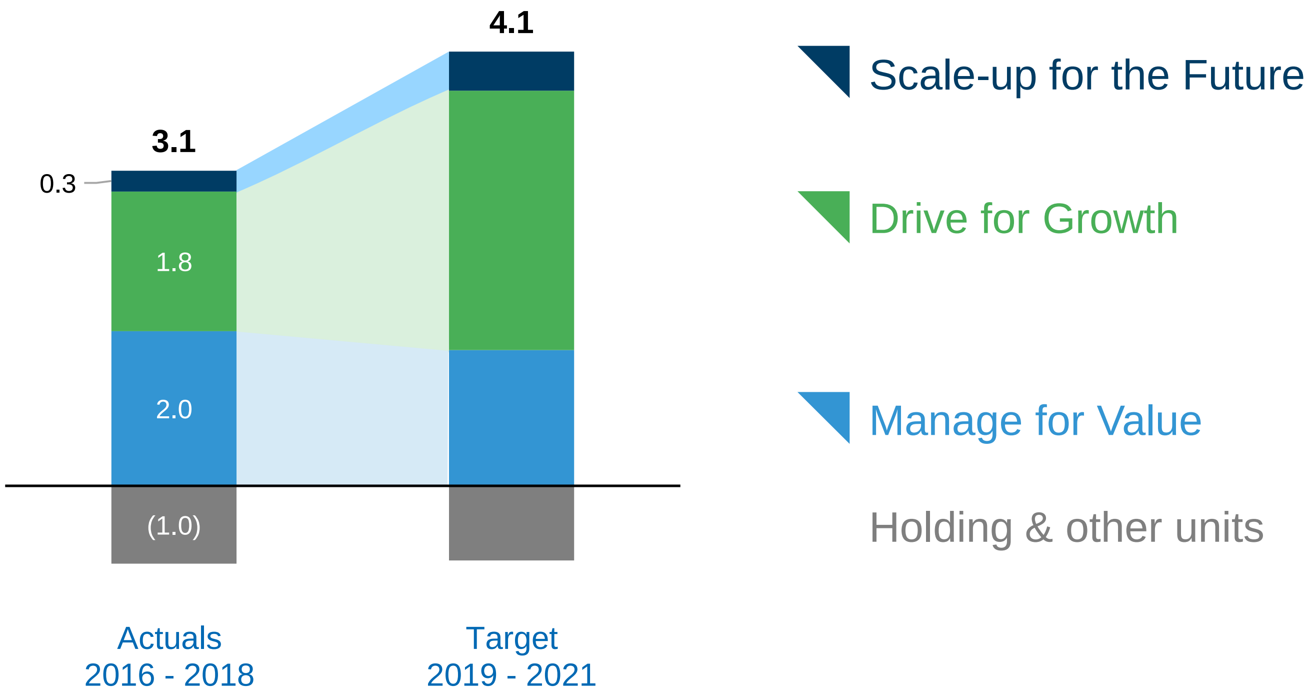
2019 – 2021 cumulatively:

Over EUR 8 billion normalized capital generation before new business strain and before holding funding and operating expenses expected, of which

- EUR ~3 billion new business strain supporting sustainable growth
- EUR ~1 billion holding funding and operating expenses
- EUR 4.1 billion target for normalized capital generation[1]

Normalized capital generation[1]
(in EUR billion, cumulative for 3 years)

Strategic categories of businesses



1. Capital generation excluding market impact and one-time items after holding funding & operation expenses

Manage for Value businesses

Focussing on efficiency and capital generation

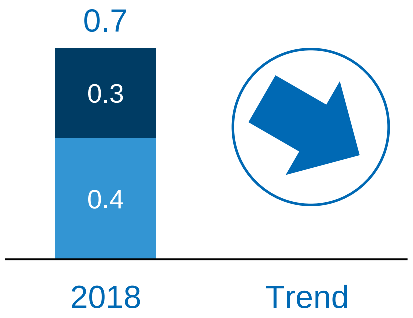
Manage for Value businesses

Americas
- Fixed Annuities
- Stable Value Solutions
- Run-off

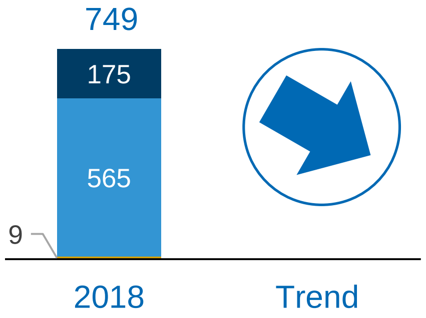
Europe
- NL – Life
- UK – Existing business

Asia
- Insights

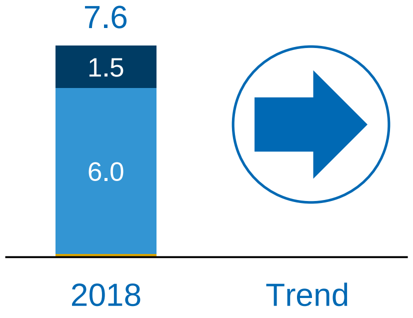
Normalized capital generation[1]
(in EUR billion)



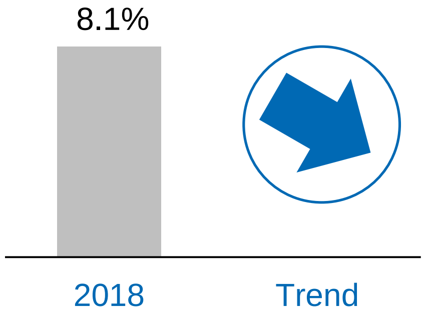
Underlying earnings before tax
(in EUR million)



IFRS capital allocated
(in EUR billion)



Return on capital
(in %)



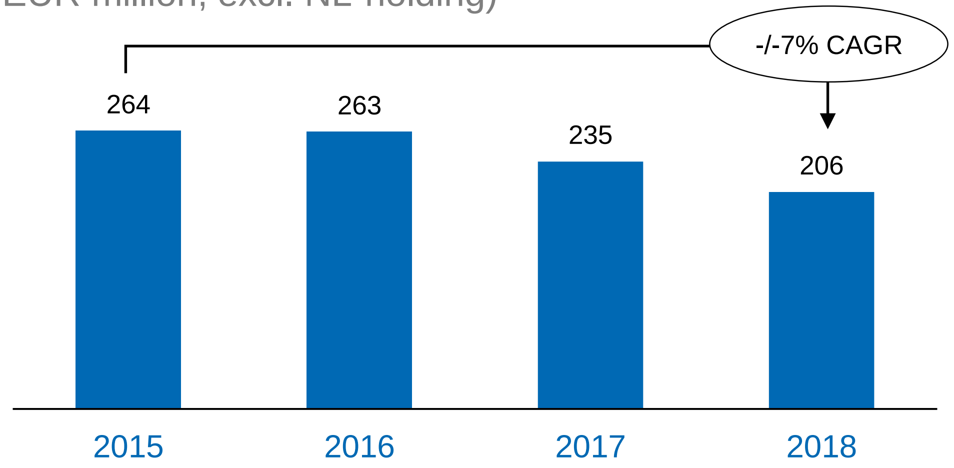
- Continue expense savings, e.g., in Netherlands Life and UK Existing Business
- Selectively consider options to optimize capital position and accelerate capital generation

1. Capital generation excluding market impact and one-time items after holding funding & operation expenses

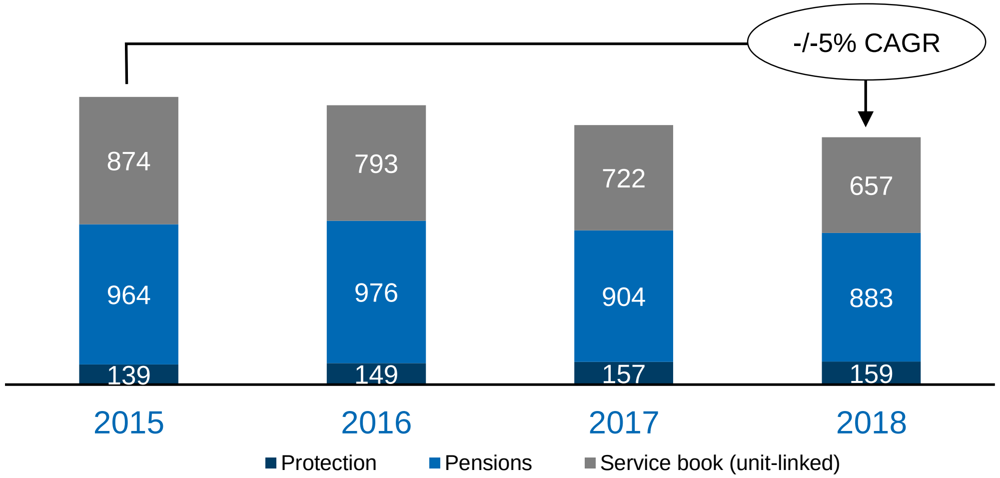
NL Life: Strong cost discipline

Development of portfolio requires lower and more variable expense base

Operating expenses NL Life
(in EUR million, excl. NL-holding)



Policy and participant count
(Participants for pensions, policies for other businesses, in thousands)



Strong track record of expense savings
- Broad initiatives towards digitization of business and automation of processes
- Increased efficiencies in the marketing and sales organization
- Aegon PPI and part of DC portfolio successfully transferred to TKP

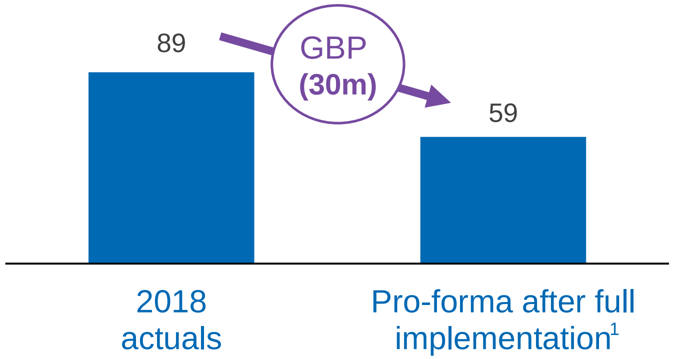
Continued expense discipline required going forward
- In line with industry-wide trends, policy and participant count are expected to decline
  - Number of unit-linked policies expected to halve within seven years
  - Number of pension participants declining due to switch to PPI
  - Protection business showing consistent growth

UK Existing Business: Optimizing administration

Increased shareholder value and improved long term customer experience

Lowering cost base

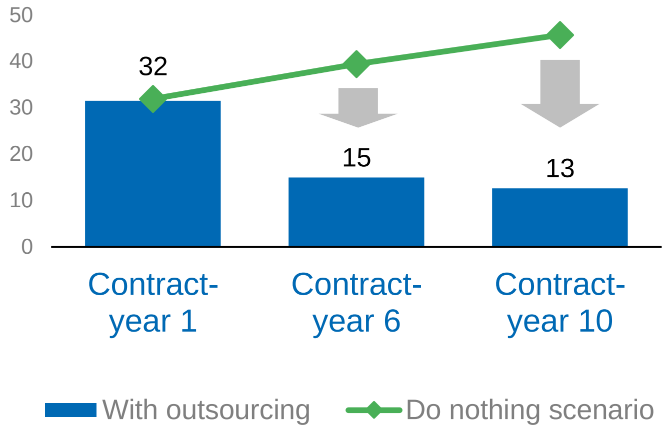
Adjusted operating expense
(in GBP million)



- Attractive return: GBP ~400 million benefit in underlying earnings over duration of contract for GBP 130 million investment

Making expenses variable

Average cost per policy
(in-scope cost[2], in GBP)



Improving customer experience

- Servicing ~1.4 million customers with a multitude of different policy types

Retaining AM fees

- GBP ~25 million annual AM revenues retained
- Continuous management of GBP 35 billion assets

Focusing on long-term

- Securing jobs in Edinburgh by transferring 800 employees to Atos
- 15 year contract with well-known partner

Note: AM = Asset Management
1. 2018 adjusted operating expenses pro forma for full benefit of extended partnership with Atos servicing and administering Existing Business in the UK
2. In-scope cost of outsourcing only, excludes other Existing Business cost

Drive for Growth businesses

Capturing market share and growing customer base with well established businesses

Drive for Growth businesses

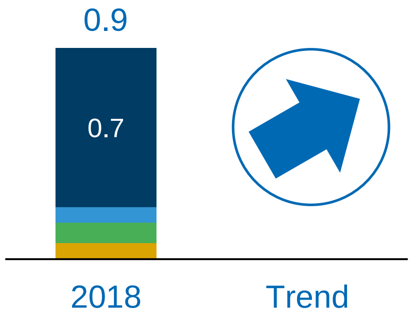
Americas
- Life
- Accident & Health
- Retirement Plans
- Variable Annuities

Europe
- UK – Digital Solutions
- CEE[2]

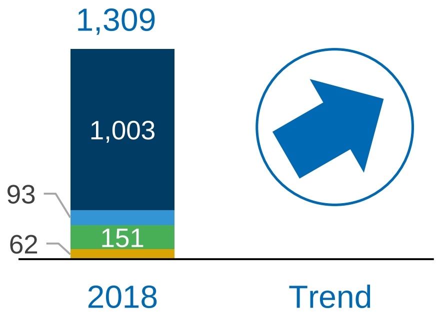
Asset Management

Asia
- HNW

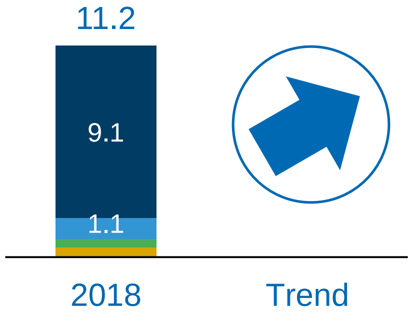
Normalized capital generation[1]
(in EUR billion)



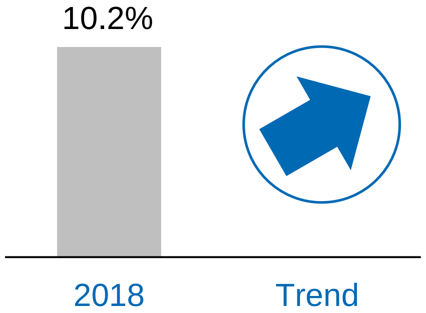
Underlying earnings before tax
(in EUR million)



IFRS capital allocated
(in EUR billion)



Return on capital
(in %)



- Reinvest in new business while growing capital generation
- Leverage platform propositions to deepen customer relationships
- Benefit from technology investments to increase efficiency and improve customer experience

1. Capital generation excluding market impact and one-time items after holding funding & operation expenses
2. Excluding Czech Republic and Slovakia

UK Digital Solutions: Positioned for growth

Leverage leading market position; Nationwide migration planned to complete in 1H19

Aegon UK platform (2018)

- ✓ Strong base: GBP 128 billion platform assets
- ✓ Growing business: GBP 2.5 billion net inflows
- ✓ Added capabilities with BlackRock's DC business
- ✓ Cofunds institutional and retail migrations completed
- ✓ Retail core trading and service levels returned to target levels
- ✓ 2/3 of GBP 60 million annual expense savings realized
- ✓ Upgrade program delivered GBP 14 billion assets to digital platform
- 1H2019: Completion of the Nationwide migration

Market leadership

- #1 retail platform and #3 in workplace savings market (2017)
- >20% market share in platform market

Growing platform market

- Market growth YOY is expected to be ~20% through 2021
- Market is expected to surpass GBP 1.2 trillion by 2021

Attractive market opportunities

- Leading position offers strong asset consolidation and cross-selling opportunities
- Diversified product mix across multiple business lines

Leveraging technology

- Becoming a digital provider
- Leveraging state-of-the-art technology

Achieving cost efficiency

- Scale and cost reductions drive future profitability
- Reactive continuation of upgrade program

Scale-up for the Future businesses

Investing in a diversified portfolio of opportunities as building blocks for the future

Scale-up for the Future businesses

Americas

- Mutual Funds
- Latin America

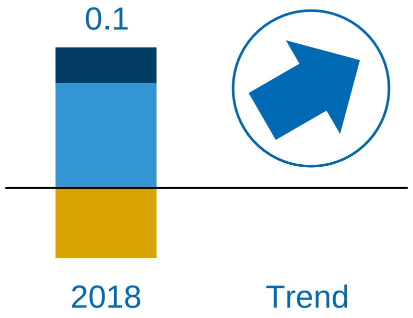
Europe

- NL – Bank
- NL – Non-life & income protection
- NL – Service business
- Spain & Portugal

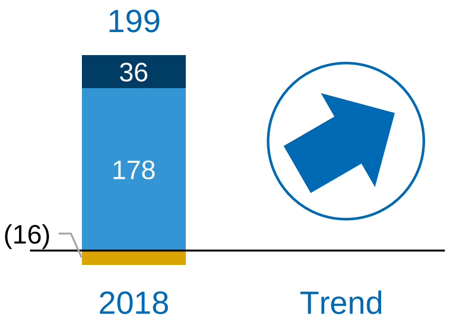
Asia

- Joint ventures

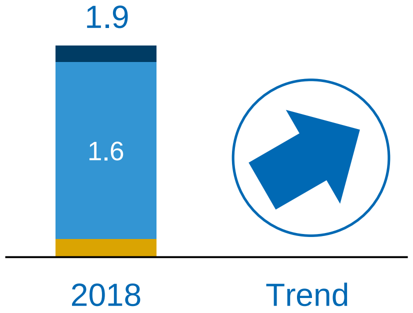
Normalized capital generation[1]
(in EUR billion)



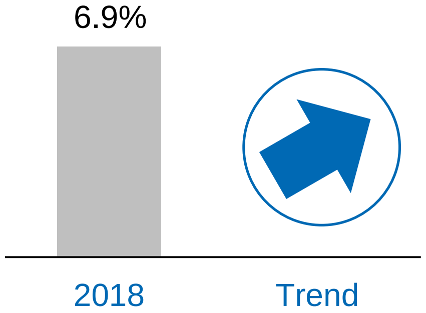
Underlying earnings before tax
(in EUR million)



IFRS capital allocated
(in EUR billion)



Return on capital
(in %)



- Develop profitable new business based on clear and closely tracked investment criteria
  - IRR > 10% plus country risk adjustment
  - Pay-back period <10 years
  - Positive MCVNB
- Invest in modern platforms, technology, and capabilities, such as Knab and digital propositions in Asia

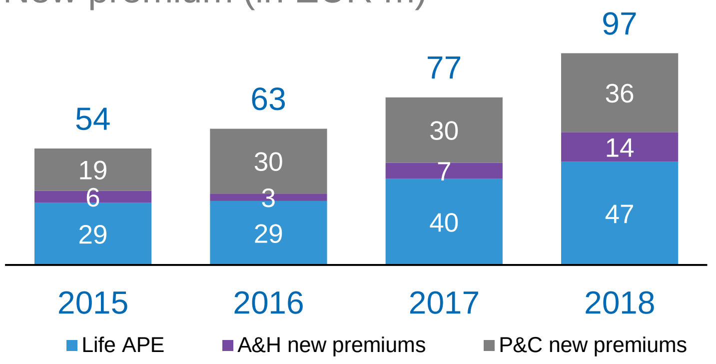
1. *Capital generation excluding market impact and one-time items after holding funding & operation expenses*

Spain and Portugal: Scaling-up joint ventures

Building a thriving JV business with significant growth and earnings potential

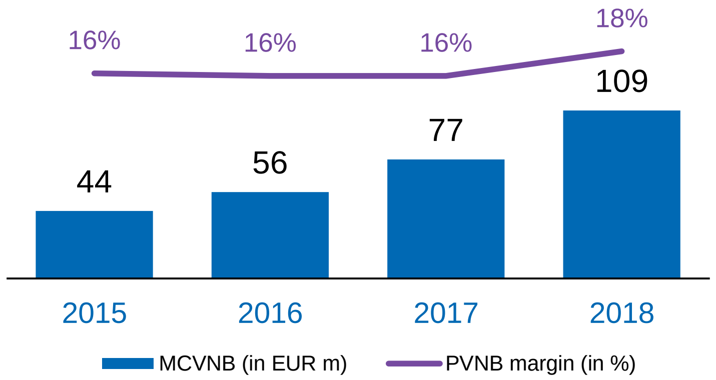
Strongly growing business …

New premium (in EUR m)



… with strong new business value

MCVNB (in EUR m, in %)

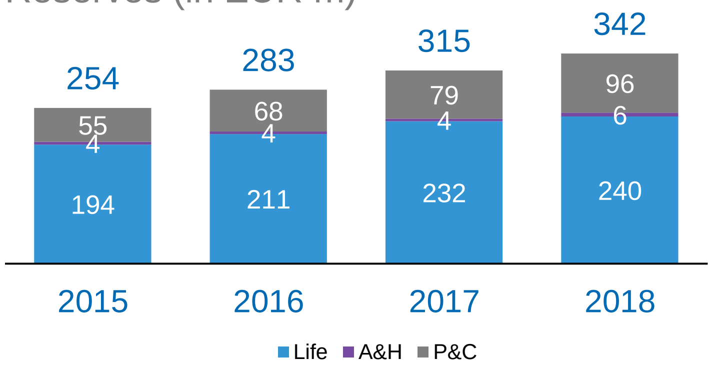


Strategic position

- Santander as key strong strategic joint venture partner
- Upfront investment in partnerships earned back over time
- Extensive distribution network of JV partners with 5,600 bank branches enables significant growth potential
- Agreement with Santander signed in 2018 to expand JVs in Spain and Portugal using Banco Popular’s distribution network
- Digitization and automation program well underway

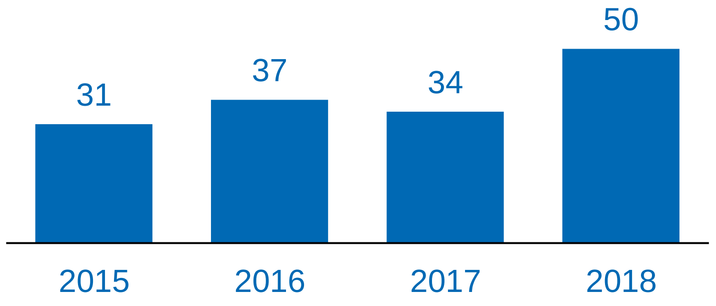
Building a strong back book …

Reserves (in EUR m)



… with growing earnings

Underlying earnings before tax (in EUR m)



Note: Figures based on Aegon’s share in join ventures in Spain and Portugal. These do not add-up to reported segment figures for Spain & Portugal due to exclusion of own business and local overhead expenses

AEGON

NL Services: Efficient service provider TKP

Experienced in onboarding complex third-party pension portfolios onto own system

	2017	
• Consolidator in the administration of pension funds	34	Pension and social funds
• Gaining economies of scale with an increasing number of active and retired participants	3.3m	Participants
• Ability to manage complex and tailored pension structures	63k	Employers
• Efficient and reliable processing with broad scope of services	120bn	Assets under administration

Pensioen Stichting Pensioenfonds PostNL
CAPPITAL PLAN YOUR FUTURE
Pensioenfonds Notariaat
Zoetwaren Stichting Bedrijfstakpensioenfonds voor de Zoetwarenindustrie
BPL Pensioen
Pensioenfonds UWV
TNT express pensioen Stichting Pensioenfonds TNT Express
MARS pensioenfonds
Honeywell
Bedrijfspensioenfonds voor het bakkersbedrijf
Stichting Douwe Egberts Pensioenfonds
GE Pensioen
kpn pensioen
Pensioenfonds Vervoer
Pensioenfonds Recreatie
Cargill Stichting Pensioenfonds Cargill B.V.
Stichting Pensioenfonds IBM Nederland
Pensioenfonds Detailhandel
AEGON
Pensioenfonds Particuliere Beveiliging
stap
Stichting Pensioenfonds Gasunie

NL Services: Increasing operational efficiency

Growing TKP service business

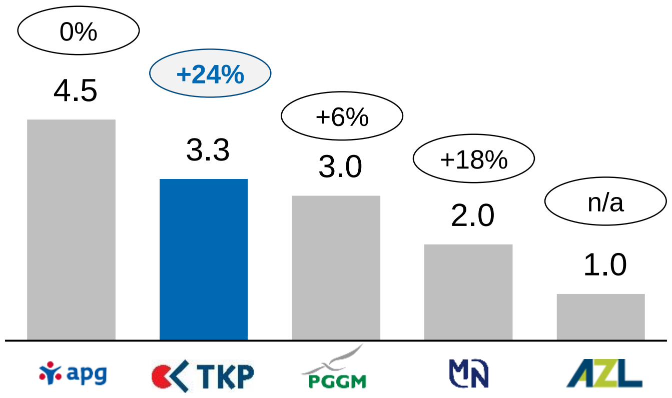
- Consistently adding large-company and industry-wide pension funds to grow participant base
- Low cost service provider enabling benefits elsewhere in Aegon, e.g. more variable expenses
- Aegon's PPI portfolio has successfully been transferred to TKP; transfer of Aegon's DC book is in process

Increasing operational efficiency

- Ongoing investments in digital pension platform to further increase customer satisfaction and drive scalability
- Cost per policy depends on complexity of contract and status of the participants (active, pensioner, dormant)
- Exploring opportunities to administer Aegon's defined benefit books and closed books

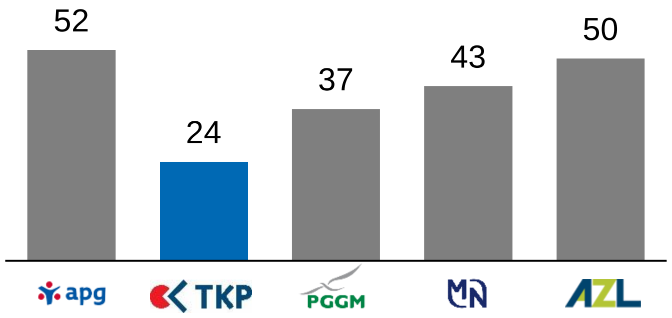
Participants and growth

(in million, CAGR 2014-17)



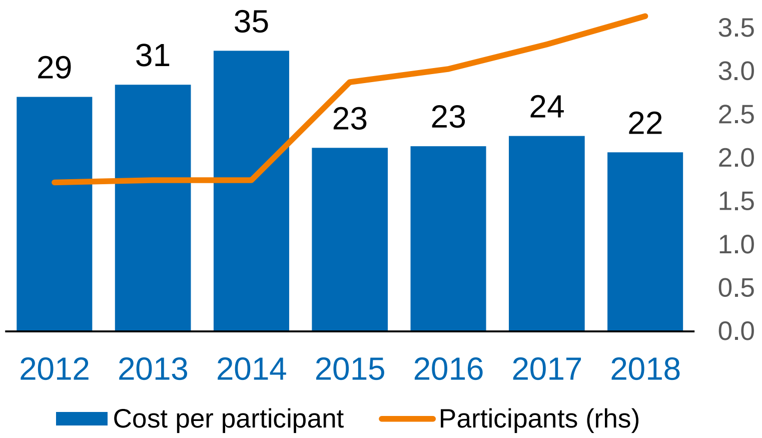
Cost per participant

(in EUR, 2017)



Cost per participant for TKP

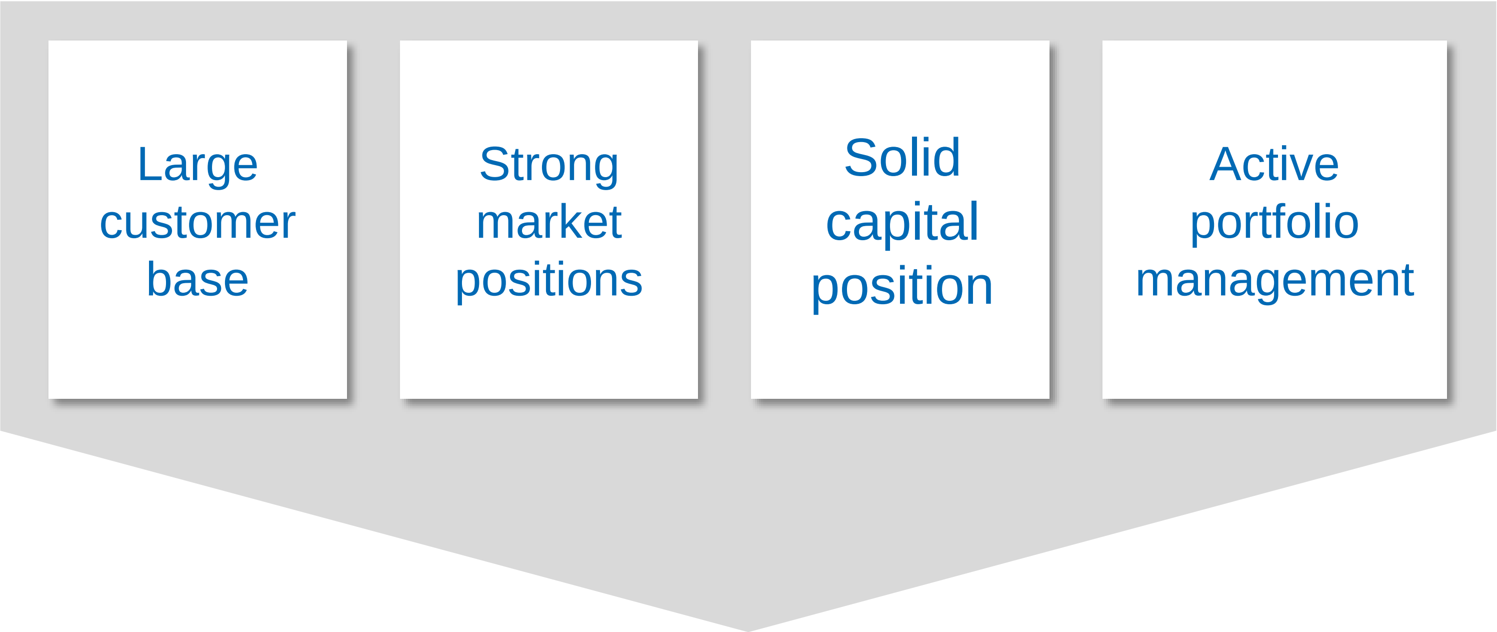
(in EUR, in million)



Source: Company data
Note: APG owned by ABP, AZL is owned by NN Group

Focus 2019 – 2021

Attractive returns to shareholder based on a strong global franchise



Focus on profitable growth and sustainable capital generation

Thank You!

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Helping people achieve a lifetime of financial security

Disclaimer

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-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 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, 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.

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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