Solid capital position in testing times

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CFO

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Helping people achieve a lifetime of financial security

Resilient and robust capital position

Capital position

- Solid Group capital position in testing times
- Capital ratios of businesses in the US, NL and UK all estimated to be well above the bottom-end of their respective target zones
- Movements of capital ratios are in line with the published sensitivities and hedge programs are effective

Resilient to low interest rates

- Sufficient buffers to avoid asset adequacy testing impacts in the US at 0% interest rate level[1]
- Normalized capital generation covers remittances well; 2019 remittance ratio of 73% from the US

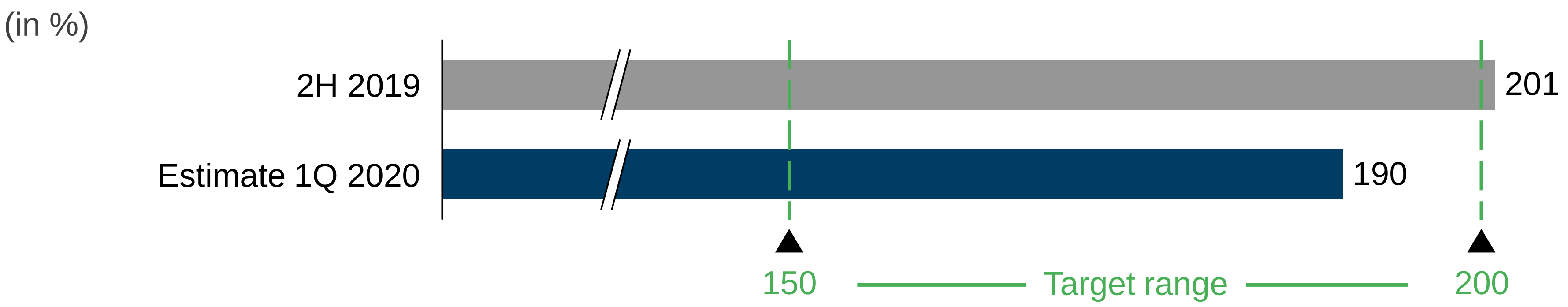
Dividend sustainability

- US expected to remit around USD 900 million to the Group in 2020, final 2019 dividend of EUR 0.16 per common share to be proposed to AGM; both absent a further significant deterioration of market circumstances

1. Subject to legal merger of Transamerica Premier Life Insurance Company and Transamerica Life Insurance Company, which are both entities domiciled in Iowa

Solid Group capital position in testing times

Group Solvency II ratio estimate based on March 12, 2020 markets

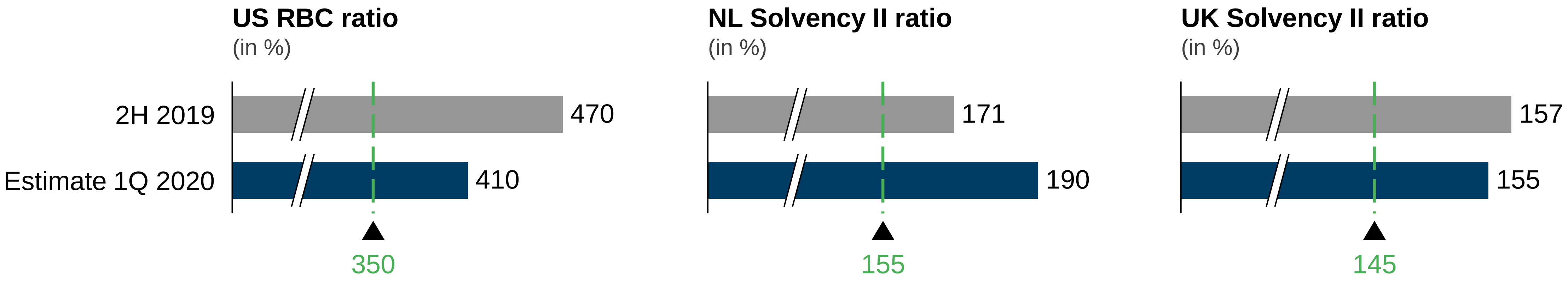


- Estimated Group Solvency II ratio well **within the upper half of the target zone** at current market levels after allowing for payment of proposed final 2019 dividend. No impact of potential credit rating migration included
- Movements of Group Solvency II ratio is in line with the published sensitivities and **hedge programs are effective**
- Potential impact of additional death claims due to a pandemic[1] on the Group Solvency II ratio is estimated at between 2%-points (Asian flu, 1957) and 18%-points (Spanish flu, 1919); currently, **no material adverse impacts on claims ratios have been observed**
- Solid capital position of the main Group entities allow for **planned level of remittances** to Group. In line with earlier announcement and absent a further significant deterioration of market circumstances, a **final 2019 dividend of EUR 0.16 per common share** will be proposed at the AGM currently scheduled for May 15, 2020

1. Mortality shocks were applied as a uniform one year increase in mortality rates at all ages

Solid capital position of the Group's main entities

Capital position estimate per 1Q 2020 based on March 12, 2020 markets



- US RBC ratio, even in current severe market circumstances, well above bottom end of target zone
- Lower equity markets and interest rates lead to increasing variable annuity and life reserves
- No impact of potential credit rating migration included

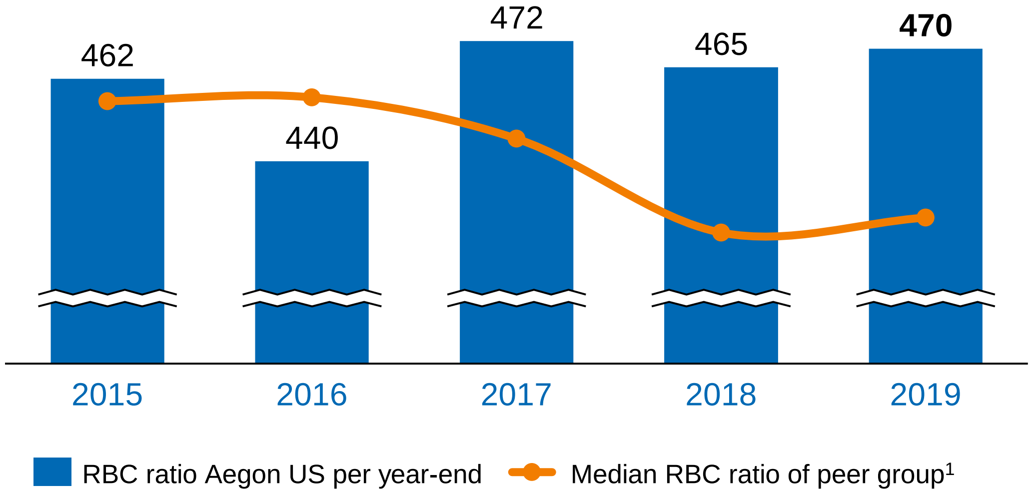
- NL Solvency II ratio well above the bottom end of target zone
- NL Solvency II ratio benefits from increased EIOPA VA
- Mortgage spreads have increased since the beginning of the year and negatively impact the Solvency II ratio

- Fairly stable UK Solvency II ratio even in severe market circumstances
- Market volatility is well hedged

Focus on maintaining a strong RBC ratio

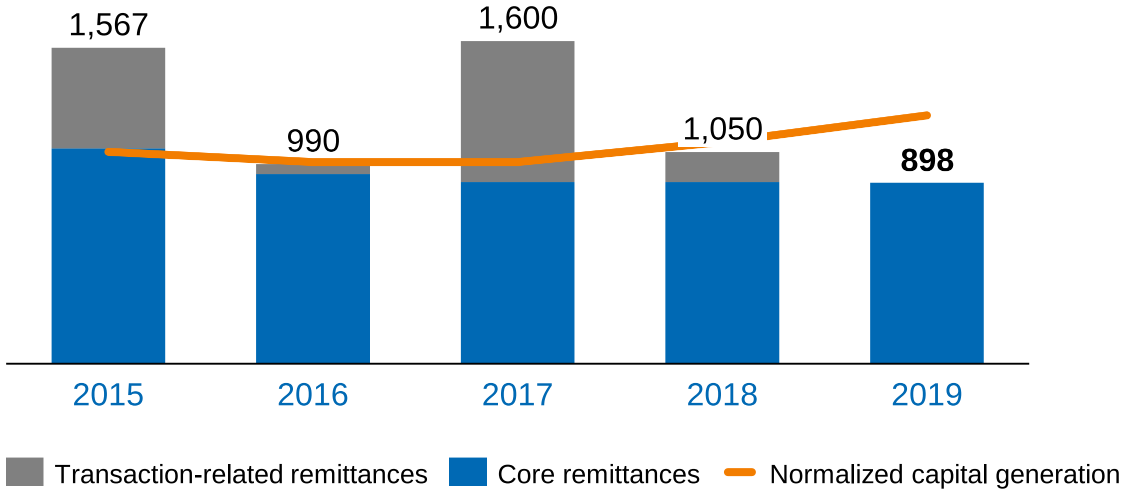
RBC ratio and US remittances

US RBC ratio
(in %)



- RBC ratio significantly above median of peer group
- Management actions strengthened the capital position

US normalized capital generation and remittance to Holding
(in USD million)



- Since 2010, total core remittances paid of USD 11 billion and total remittances paid from transactions of USD 3 billion
- US expected to remit USD 900 million to the Group, absent a further significant deterioration in market circumstances

1. Median RBC ratio at 2Q19, we use 4Q18 data for those companies not disclosing 2Q19 data

Well-managed capital sensitivities

US capital sensitivities

(in percentage points, 2H 2019)

	Scenario	US SII	US RBC
Equity markets	+25%	+33%	+42%
Equity markets	-10%	-17%	-22%
Equity markets	-25%	-27%	-28%
Equity markets	-40%	-31%	-27%
Interest rates	+50 bps	+13%	+19%
Interest rates	-50 bps	-13%	-17%
Interest rates	-100 bps	-27%	-36%
US credit defaults	1 in 10 years	-17%	-27%
US credit defaults[1]	1 in 40 years	-37%	-63%
Longevity[2]	+5%	-3%	-5%

- Please note that these are discrete shocks, combined shocks might have more severe impacts
- Equity markets shocks show effect of macro hedge, limiting the impact on the RBC ratio
- The macro hedge has performed according to expectation as per mid March 2020
- For the risks hedged, Transamerica is over 95% effective
- Interest rate sensitivities remain roughly linear for shocks up to -100 bps, starting from year-end 2019 rates
- Even for interest rates at 0%, asset adequacy test shows sufficiency assuming legal merger of TLIC and TPLIC will be executed
- RBC ratio remains sensitive to credit rating migrations

1. Equivalent to ~200 bps, which consists of additional 130bps defaults for 1 year plus assumed rating migration
2. Reduction of annual mortality rates assumption by 5%

Management actions to further strengthen the capital position and simplify legal structure

Management actions to improve RBC ratio

2018: Firebird Re

- Legal merger of a variable annuity captive Firebird Re into TLIC
- Compensating the impact of tax reform with USD ~1bn capital benefit from merger

2019: TALIC

- Legal merger of TALIC into TLIC
- USD 274m benefit on required capital, ca +14%-pts on RBC ratio

2020: Pyramid

- Statutory book gain of envisaged Pyramid complex sale provides flexibility to further simplify legal entity structure

2020: TPLIC

- Legal merger of TPLIC into TLIC, allowing for merger of a captive with TLIC and improving sufficiency

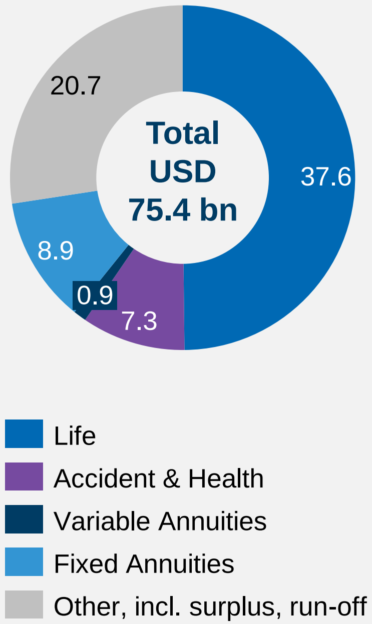
TALIC = Transamerica Advisors Life Insurance Company, domiciled in Arkansas. TPLIC = Transamerica Premier Life Insurance Company, TLIC = Transamerica Life Insurance Company. Both TPLIC and TLIC are domiciled in Iowa

Reinvestments and DAC unlocking impact earnings

IFRS interest rate sensitivity of the US business

Reinvestment yield impact

General account balances[1]
(Dec 31, 2019, in USD billion)

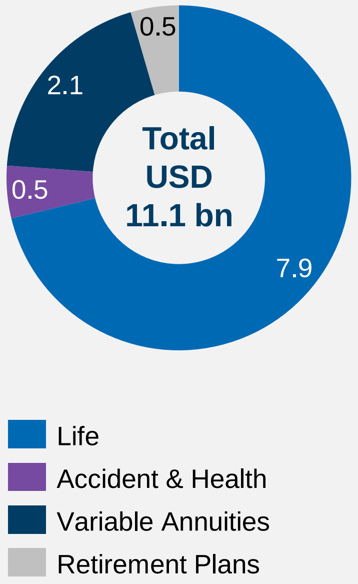


Reinvestment yield impact

- Annual reinvestment volumes of USD 4 – 5 billion, i.e. 5 – 6% of the general account balance
- At year-end 2019, reinvesting at 94 bps lower than book yield
- Estimated earnings impact of USD 40 – 50 million per year for every 100 bps difference between reinvestment and back-book yield[2]
- Impact accumulates should interest rates stay lower for longer
- Guaranteed rates on Universal Life in 2H19 similar to reinvestment yields

Intangible unlocking impact

DAC / VOBA / FSR balances
(Dec 31, 2019, in USD billion)



Impact from current interest rates

- Intangible balances mainly in Life and VA businesses
- Low interest rates impact gross economic profit profiles for intangible amortization, as well as credit spread movements
- Changes in asset allocation may mitigate some of the direct interest rate impact

Impact if Transamerica were to change the long term interest rate assumption

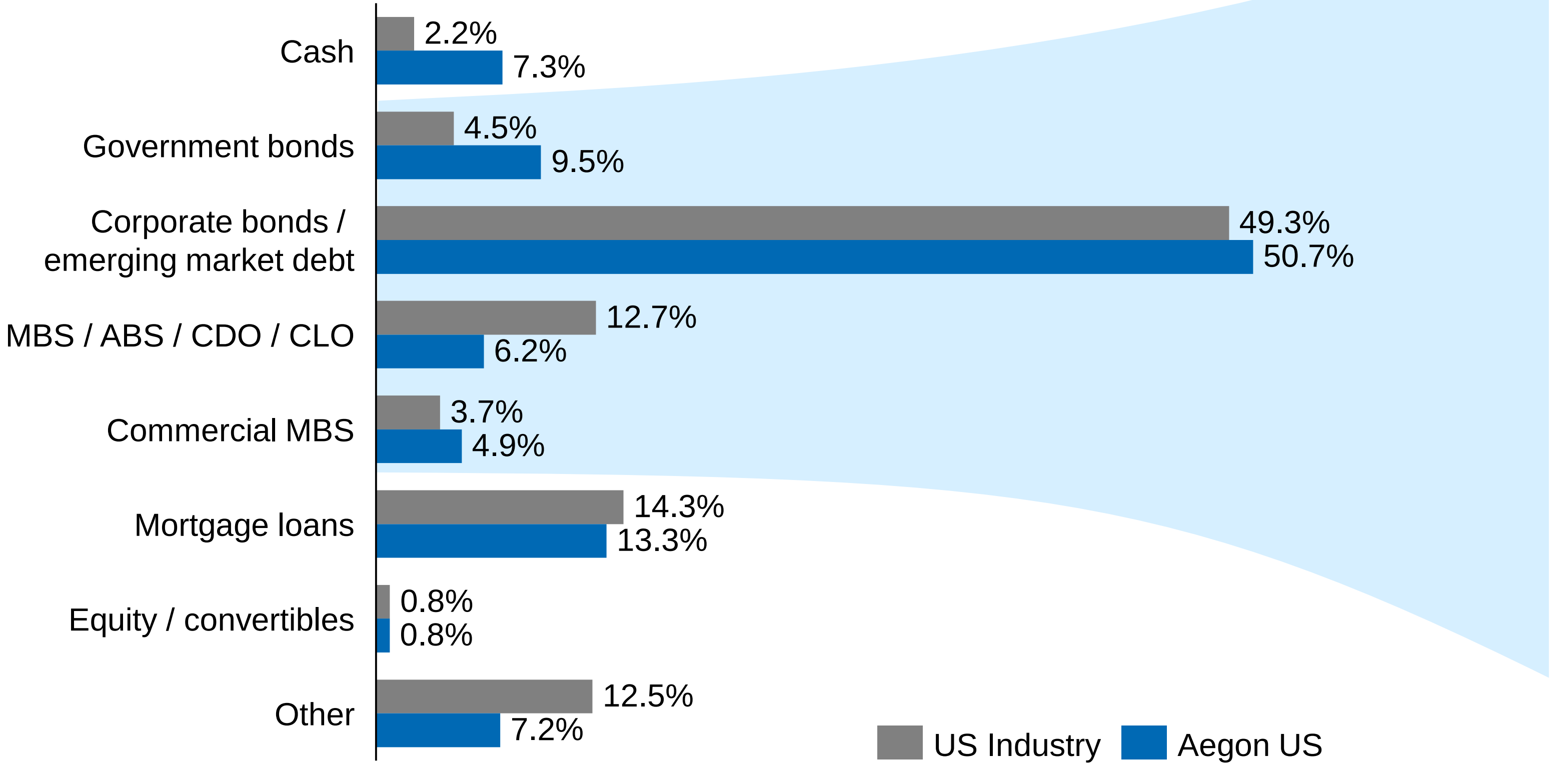
- General account: USD 100 million expected impact from lowering long-term interest rate assumption by 50 bps to 3.75% with grading over 10 years[3]
- Separate account: About USD 50 – 100 million expected impact from lowering long-term interest rate assumption by 50 bps to 3.75% with grading over 10 years[3]

Note: All earnings impacts are pre tax
1. Aegon US general account assets based on book value with interest rate and FX hedges for AFS assets included, and market value for FVTPL assets; for the business lines the general account balances as per the Financial Supplement 2H 2019 are shown; 2. Reflects the benefit from forward starting swaps and the impact from higher yielding assets running off the back book; 3. Based on yield curves per December 31, 2019. This is sensitive to starting interest rates

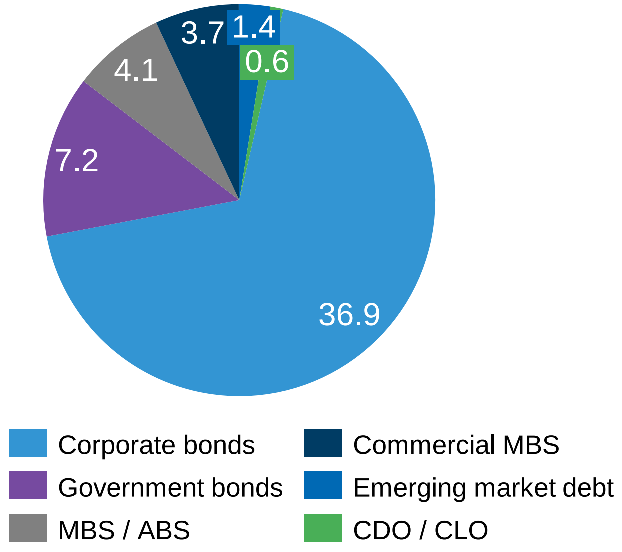
US business has a more conservative asset allocation than peers

Asset allocation

Asset allocation compared to industry[1]
General account Aegon US, 100% = USD 75.4 billion[2]



Aegon US fixed income securities[2]
(in USD billion, 100% = USD 53.9 bn)



1. Aegon US at Dec 31, 2019, excluding additional exposure from CDS with a notional value of USD 5.0 billion; Industry data based on JPMorgan 2018 annual survey of top 20 US insurance companies as of December 31, 2018
2. Aegon US values are on an IFRS amortized cost basis (Bonds/MBS/ABS/CDO/CLO/Commerical MBS shown at book value with hedges for AFS and book value for FVTPL assets, unrealized gains from bonds/MBS/ABS/CDO/CLO/Commerical MBS in Other), whereas US Industry numbers are based on US statutory carrying value; policyholder loans are excluded

Exposure to below investment grade bonds decreases

US bond portfolio quality

NAIC Class	Rating Agency Equivalent	2013	2016	2019
1	AAA, AA, A	61.1%	64.3%	60.8%
2	BBB	31.7%	29.7%	33.9%
3	BB	3.5%	3.3%	2.7%
4	B	2.7%	1.8%	1.8%
5	CCC	0.7%	0.7%	0.7%
6	CC, C, D	0.3%	0.2%	0.2%
Total %[1]		100.0%	100.0%	100.0%
Total in USD billion[2]				**53.9**

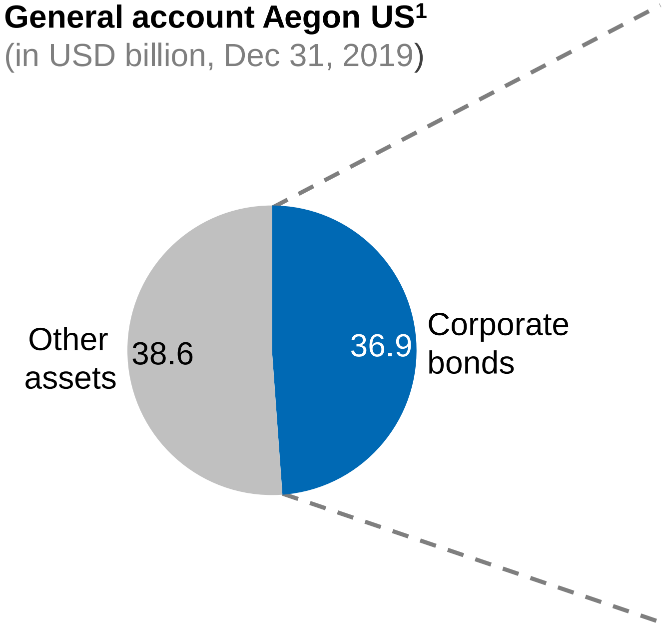
- Bond portfolio heavily weighted towards investment grade bonds
- Investment grade bonds increased steadily from 93% of the total bond portfolio in 2013 to 95% in 2019; consequently, below investment grade bonds now represent only 5% of the portfolio
- Of the total invested assets in the US[3], less than 4% are below investment grade bonds

1. Percentages based on amortized cost value, excluding hedges for available-for-sale assets and book value for FVTPL assets;
2. Based on amortized cost value, including interest rate and FX hedges for available-for-sale assets and market value for FVTPL assets
3. Total general account assets on an IFRS amortized cost basis, excluding policyholder loans

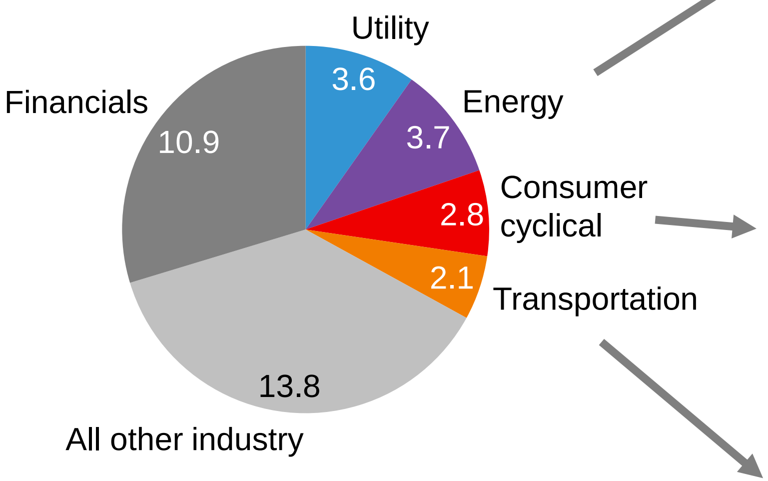
Well-diversified and investment grade rated corporate credit exposure

Selected details to corporate bond exposure in the US

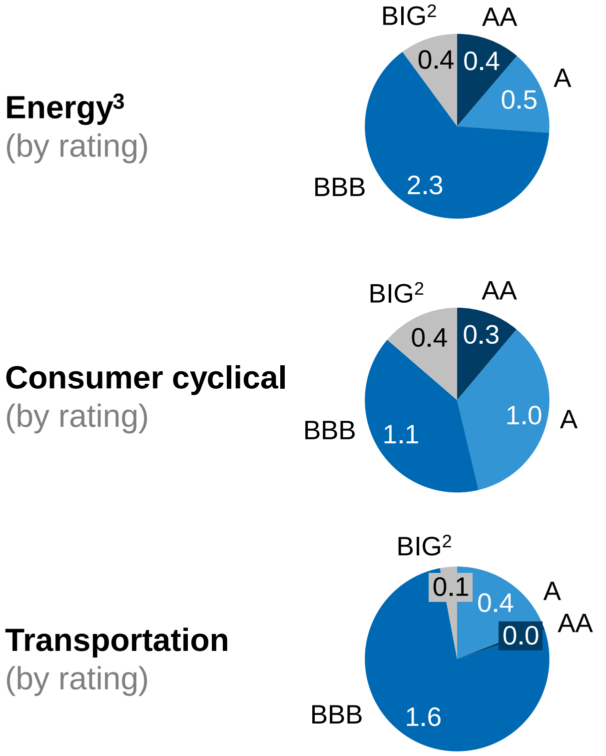
General account Aegon US[1]
(in USD billion, Dec 31, 2019)



Corporate bond exposure[1] by industry
(in USD billion, Dec 31, 2019, amortized cost)



Corporate bond exposure[1] for selected industry sectors
(in USD billion, Dec 31, 2019, US general account)



1. Corporate bonds at book value with hedges for AFS and book value for FVTPL assets, Other assets at book value with interest rate and FX hedges for AFS and market value for FVTPL assets and including unrealized gains for corporate bonds
2. BIG = Below investment grade, i.e., rating below BBB including not rated
3. In addition, USD 641 million general account energy exposure in Real Estate LP outside of corporate bonds

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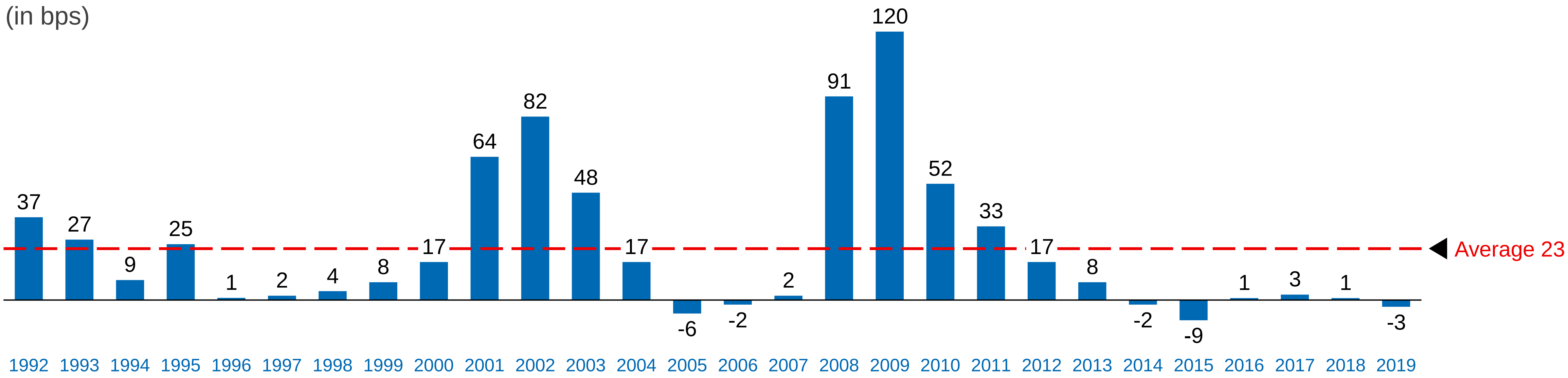
Manageable impairments through different credit cycles

Impairments on US general account fixed income assets



- Almost all fixed income instruments are held as available for sale securities, and as such are impaired through earnings if we expect to receive less than full principal and interest; the impairment amount is the difference between the amortized cost and market value of the security

Periods prior to 2005 are based on Dutch Accounting Principles (DAP)
Periods 2005 and later are based on International Financial Reporting Standards (IFRS)

Solid position in severe markets

- Group's Solvency II position remains in the upper end of the target range
- The three main units operate capital positions well above bottom end of target range

- Even for interest rates at 0%, US asset adequacy test shows sufficiency, assuming legal merger of TLIC and TPLIC will be executed

Absent a further significant deterioration in market circumstances:

- Solid capital position of the main Group entities allows for planned level of remittances to Group
- Final dividend for the year 2019 of EUR 0.16 per common share is proposed to AGM

Appendix

For questions please contact
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LAT deficit sensitivity to market movements

As a result of the LAT deficiency, future IFRS results in Aegon NL will become more sensitive to credit spread movements, especially in case basis risk materializes

Sensitivity market movements on LAT deficit of Aegon the Netherlands
(in EUR billion, year-end 2019)

	Scenario	LAT deficit impact
Mortgage spreads	+50 bps	(0.6)
Mortgage spreads	-50 bps	0.6
Illiquidity premium[1]	+5 bps	0.1
Illiquidity premium[1]	-5 bps	(0.1)

1. IFRS illiquidity premium is based on 50% of the spreads on European corporate bonds (EU iBoxx investment grade corporate spreads) minus 40bps

Well-managed capital sensitivities

Solvency II sensitivities

(in percentage points, 2H 2019)

	Scenario	Group	NL	UK	US	US RBC
Equity markets	+25%	+12%	+2%	0%	+33%	+42%
Equity markets	-25%	-12%	-7%	-4%	-27%	-28%
Interest rates	+50 bps	+4%	-2%	+2%	+13%	+19%
Interest rates	-50 bps	-4%	+2%	-2%	-13%	-17%
Credit spreads*	+50 bps	+6%	+14%	+5%	+4%	0%
Credit spreads*	-50 bps	-8%	-15%	-10%	-3%	0%
Government spreads	+50 bps	-3%	-5%	-4%	0%	0%
Government spreads	-50 bps	+7%	+16%	+5%	0%	0%
US credit defaults**	~200 bps	-19%	n/a	n/a	-37%	-63%
Mortgage spreads	+50 bps	-5%	-14%	n/a	n/a	n/a
Mortgage spreads	-50 bps	+6%	+14%	n/a	n/a	n/a
EIOPA VA	+5 bps	+3%	+9%	n/a	n/a	n/a
EIOPA VA	-5 bps	-3%	-9%	n/a	n/a	n/a
Ultimate Forward Rate	-15 bps	-2%	-5%	n/a	n/a	n/a
Longevity***	+5%	-4%	-8%	-3%	-3%	-5%

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

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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.

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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. The reconciliation of these measures, except for market consistent value of new business and return on equity, to the most comparable IFRS-EU measure is provided in the notes to this press release. 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;
- 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 written premium, 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;
- 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;
- Catastrophic events, either manmade or by nature, including by way of example acts of God, acts of terrorism, acts of war and pandemics, could result in material losses and significantly interrupt Aegon's business;
- 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;
- 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;
- Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
- 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;
- Customer responsiveness to both new products and distribution channels;
- 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;
- 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;
- 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;
- Changes in the policies of central banks and/or governments;
- Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- Consequences of an actual or potential break-up of the European monetary union in whole or in part, or the exit of the United Kingdom from the European Union and potential consequences if other European Union countries leave the European Union;
- 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); and
- 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.

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.