Financial results second half 2018

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The Hague, February 14, 2019

Helping people achieve a lifetime of financial security

Important milestones achieved

Operational excellence

- Achieved EUR 350 million expense savings target
- Strong progress on Cofunds service issues. On track for Nationwide integration

Maintained strong capital position

- Continued strong Group Solvency II ratio of 211% despite unfavorable market impacts
- Holding excess cash within target range at EUR 1.3 billion
- Leverage ratio managed down by 160 basis points to 29.2%[1] in 2H 2018

Growing, fungible capital generation

- Normalized capital generation after holding expenses of EUR 1.4 billion in full-year 2018[2]
- EUR 1.4 billion gross remittances from units or EUR 1.6 billion including divestments in 2018
- Full-year 2018 DPS increase by 2 cents to EUR 0.29[3]

1. 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
2. Capital generation excluding market impact and one-time items after holding funding & operation expenses
3. Proposed final dividend is subject to approval at the Annual General Meeting of Shareholders on May 17, 2019

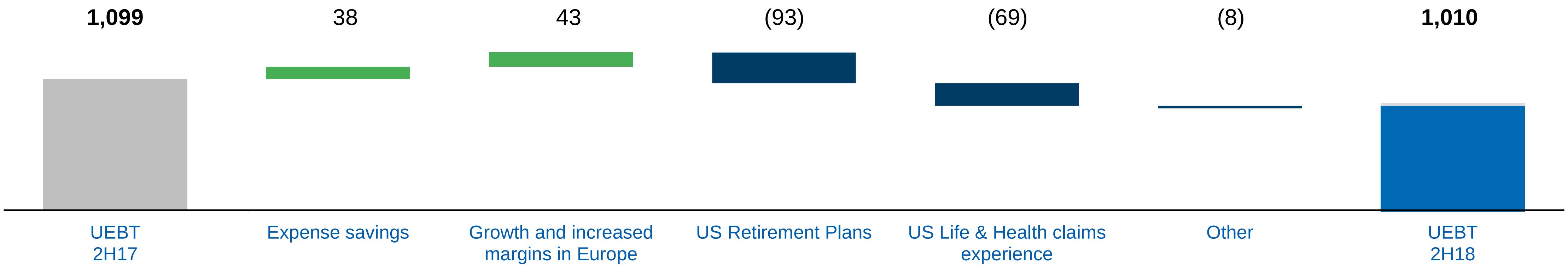
Underlying earnings before tax

US Retirement Plans and claims experience drive 8% decline in UEBT

- Continued expense savings, especially in the Netherlands, contribute to earnings growth
- Business growth and higher investment, and underwriting margins in Spain & Portugal, NL and UK
- US Retirement Plans business earnings impacted by investments, declining asset balances and one-time items
- Favorable claims experience in 2H 2017 did not reoccur; Long-Term Care experience continues to track expectations

Underlying earnings before tax

(EUR million)



Expense savings

Delivered EUR 350 million expense savings target

- Annualized run-rate savings achieved of approximately EUR 355 million over 2016-2018 period
- US short of target as a result of investments in operations and technology to improve the Workplace experience and position the business to accelerate growth. TCS partnership generated ~1/3 of US savings
- In the Netherlands, digitization of the business, automation of processes and efficiencies in the marketing and sales organization led to over delivery on savings target
- Expense savings at the holding driven by tight expense control

Annualized run-rate savings of EUR 355 million

Cumulative run-rate savings since year-end 2015

USD 270 million ~
Americas

EUR 79 million ✓
Netherlands

EUR 19 million ✓
Holding

Note: Run-rate annualized savings include the full benefits from the partnership with TCS. Target and delivery based on EUR/USD 1.05 exchange rate

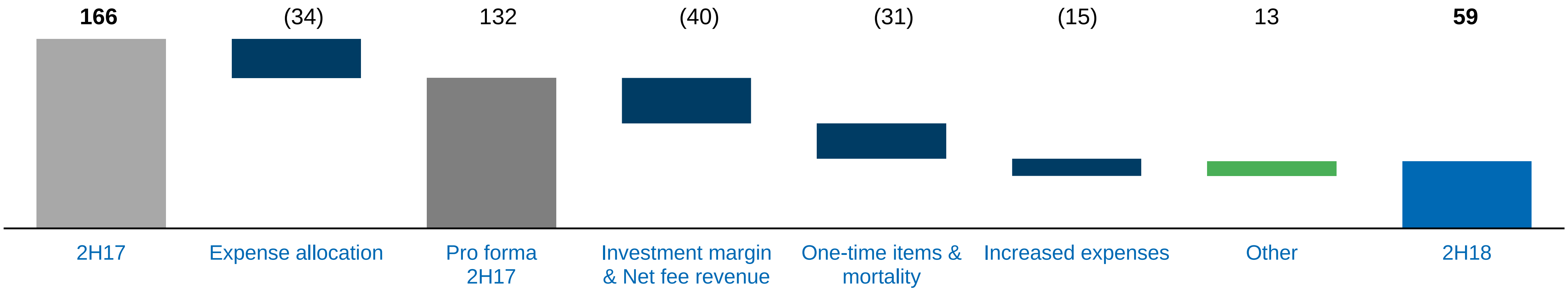
US Retirement Plans underlying earnings

Decline in UEBT mainly driven by lower investment income and fee revenue

- Retirement Plans earnings impacted by investments in the business, declining balances and one-time items
- Decline in investment margin and net fee revenue mainly due to declining balances, which were driven by market impacts, net outflows and fee rate changes
- Increased expenses to improve the Workplace experience and position the business to accelerate growth
- Broad initiatives to accelerate growth, including driving Managed Advice® inclusion in new DC plans and penetration in existing DC plans, and grow share of revenue enhancing services[1]

US Retirement Plan UEBT development

(USD million)

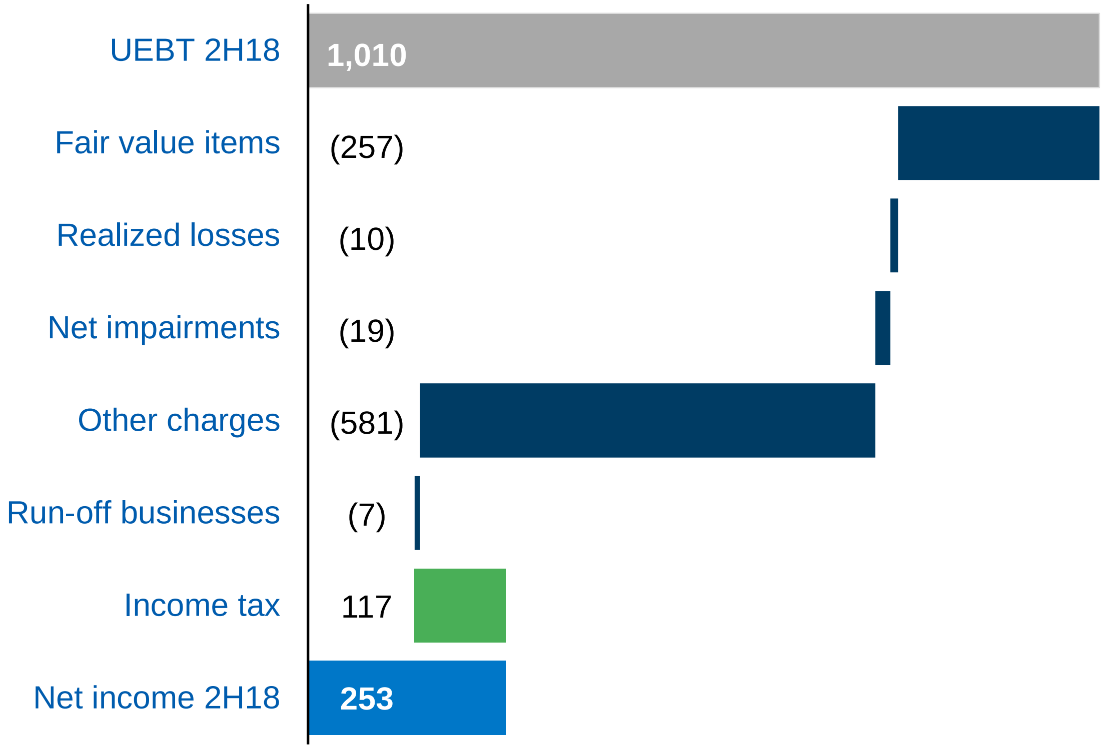


1. Includes Investment-Solutions-Stable Value (SA&GA) and proprietary mutual funds

Net income amounts to EUR 253 million

Underlying earnings to net income development in 2H18

(EUR million)



Fair value items

- Fair value gains in Europe mainly from hedging benefits in addition to real estate revaluations in NL
- Losses in the US were largely from impact of declining equity markets on reserve movements

Other charges

Other charges mainly driven by a provision related to litigation and a book loss on the sale of life reinsurance business in the US, assumption changes in NL and restructuring expenses in the UK and US

Income tax

One-time tax benefits in NL and US from lower tax rates, tax exempt income and other benefits

Note: UEBT = underlying earnings before tax

Other charges of EUR 581 million

		Previously announced
US	Provision of EUR 147 million related to settlement of litigation	✓
	Book loss of EUR 94 million on the sale of life reinsurance business	✓
	Transition and conversion charges of EUR 27 million related to TCS	✓
	Provision of EUR 26 million for unclaimed property	—
NL	EUR 138 million related to updated mortality and lapse assumptions – Annual update of mortality assumptions based on additional European data – Refined modelling of lapse behavior for individual life portfolio	—
UK	Integration expenses for Cofunds and BlackRock's DC's business of EUR 35 million	✓
	Transition and conversion charges of EUR 19 million related to Atos	✓
	Policyholder tax (offset in the income tax line)	—
	IFRS 9 / 17 implementation expense for the group	✓

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Macro hedge results

Fair value result impacted by lower than anticipated change in implied volatility

- Macro hedge designed to limit impact on RBC ratio to 25 points in a 25% equity market decline and 40 points in a 40% equity market decline
- Program is fully option based since 3Q 2017 with reduced run rate costs of USD 45 million per quarter based on 8% total equity market return per year
- Hedge performed in line with expectations and guidance over the last two years with 8% average annual equity market return over 2017 and 2018
- 4Q18 fair value result primarily driven by GMIB/DB reserve movements
- Macro hedge strategy assumes rising implied volatility as markets fall based on historic correlation; Unexpectedly, implied volatility did not increase in December 2018 despite 14% decline in S&P 500 index
- Lack of increase in implied volatility drove USD 96 million deviation from the expected hedge result in 2H18, which assumed ~5% increase in implied volatility given sharp decline in equity markets

On average macro hedge performs in line with expectations

(Fair value result incl. GMIB/DB reserve movements in USD million)

	1Q	2Q	3Q	4Q
2017 experience	(34)	(4)	51	74
2018 experience	(64)	(47)	56	(448)
	Average experience (52)			

Implied volatility did not rise as anticipated in December

(in %)

	June 2010	June 2011	Aug. 2015	March 2018	Dec. 2018
S&P 500 index	-14%	-15%	-11%	-8%	-14%
Change in implied volatility	+10%	+8%	+2%	+5%	<+1%

Cofunds integration

Successful measures to solve operational and customer services issues in the UK

- Following measures established to address service issues that occurred following the retail migration, core trading and service levels returned to target levels
- Focus going forward will be on the Nationwide migration and improving ease of use and functionality of the retail platform
  - The Nationwide migration is the final element of the Cofunds integration and will take place in the first half of 2019
- Aegon so far has realized 2/3 of the total of GBP 60 million annualized expense savings related to the Cofunds integration

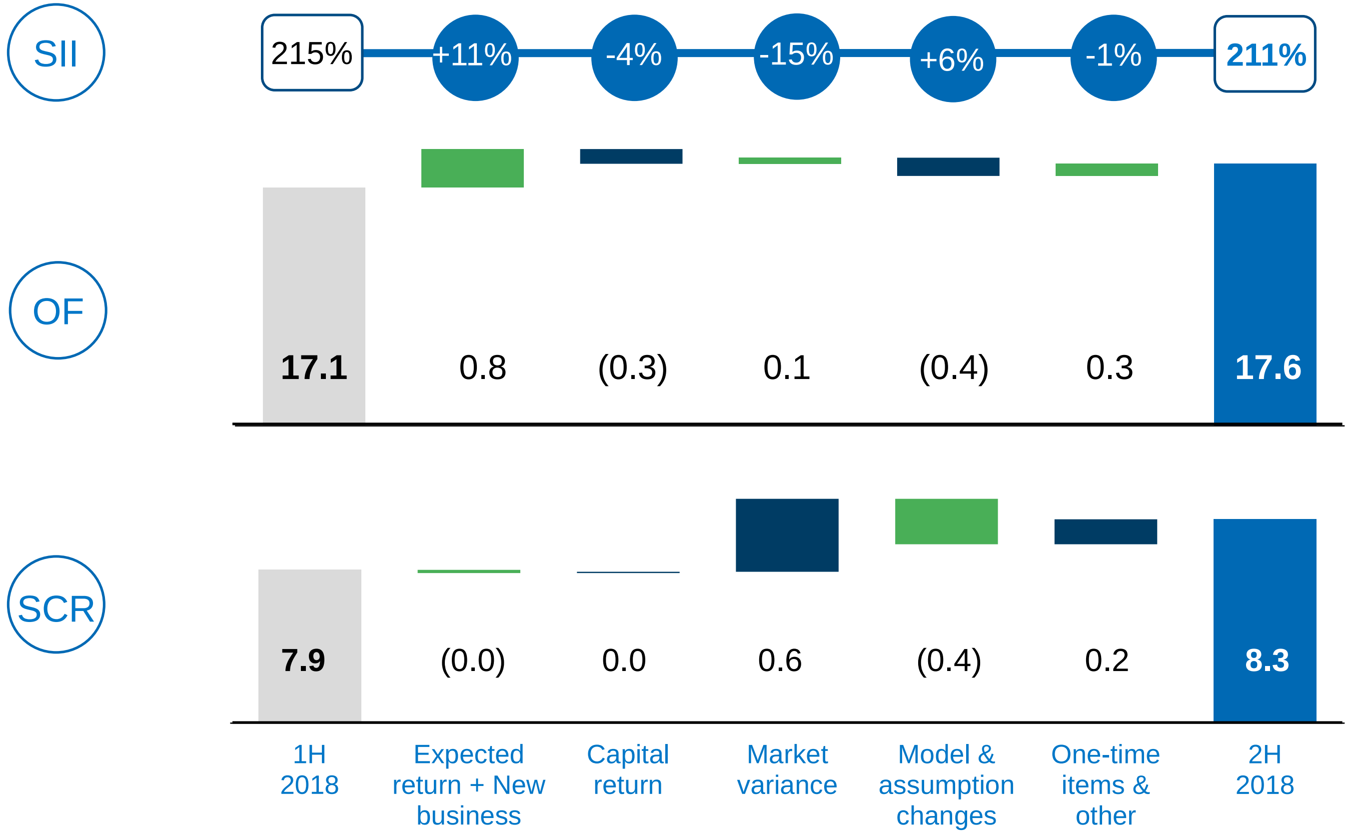
Calls	Payments in	Transfer out	Withdrawals	Produce Illustration
Average call waiting times 19 seconds	96%	98%	100%	99%

Note: percentages completed within the time of the service level agreements (SLA) in December 2018

Group Solvency ratio II of 211%

OF and SCR development

(EUR billion)



Notes: 1) OF = Own funds; SCR = Solvency capital requirement, 2) Numbers are based on management's best estimates

- Expected return (+11%) reflects strong business performance
- Capital return (-4%) primarily driven by external dividends to shareholders
- Market variances (-15%) driven by unfavorable equity markets in the US and impact of adverse credit spread movements in NL
- Model & assumption changes (+6%) mainly driven by NL
  - Credit modelling leading to lower SCR and increased sensitivities
  - Assumption changes led to lower OF on balance
- One-time items (-1%)
  - US one-time items largely offset each other, as the impact of US tax reform is offset by the elimination of a variably annuity captive

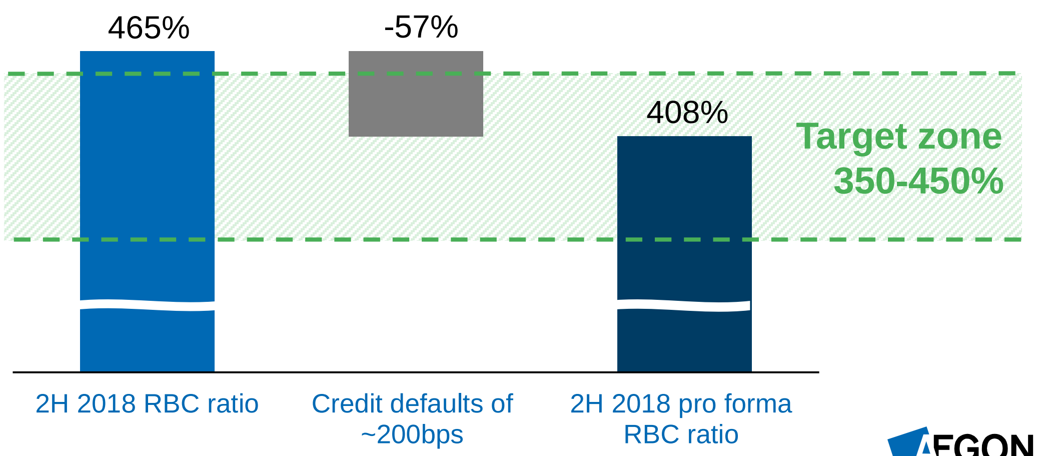
Manageable sensitivity to US credit risk

- General Account has significantly decreased due to increased focus on fee-based businesses resulting in divestments and product re-designing
- US RBC ratio is well positioned to absorb credit losses
  - The US RBC ratio remains well within the target range of 350-450% in a 1-in-40 year shock (assuming increased defaults in addition to the impact of anticipated rating migration)
  - This scenario assumes similar credit defaults as observed in 2009

Development US General Account

	2007	2018
General account	USD 135bn	USD 81bn
General account versus RBC Available Capital	13x	8x

RBC ratio
(in %)



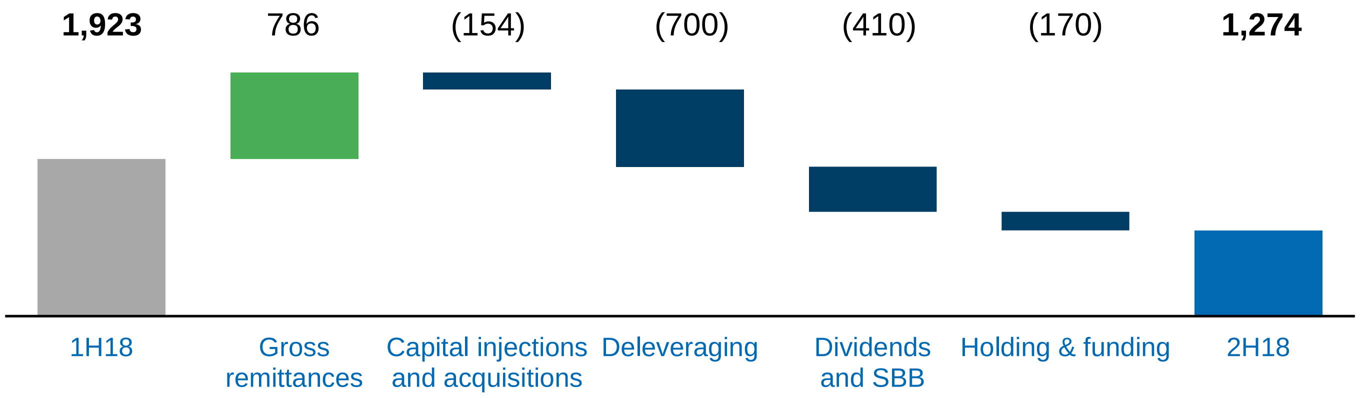
Note: Additional defaults for 1 year and credit migrations equivalent to a 1-in-40 year shock

Holding excess cash

Remains within target range

- Holding excess cash remained within target range of EUR 1.0 - 1.5 billion
  - Decline was mainly driven by the previously announced EUR 700 million of debt redemptions in 2H18
- The Holding received EUR 786 million in gross remittances from subsidiaries in 2H18, including EUR 215 million from Europe driven by the Netherlands and United Kingdom
- Capital injections of EUR 57 million primarily related to investments in business growth. Acquisition of Robidus led to a cash out of EUR 97 million

Holding excess cash development
(EUR million)



Gross remittances to Holding
(Second half 2018, EUR million)

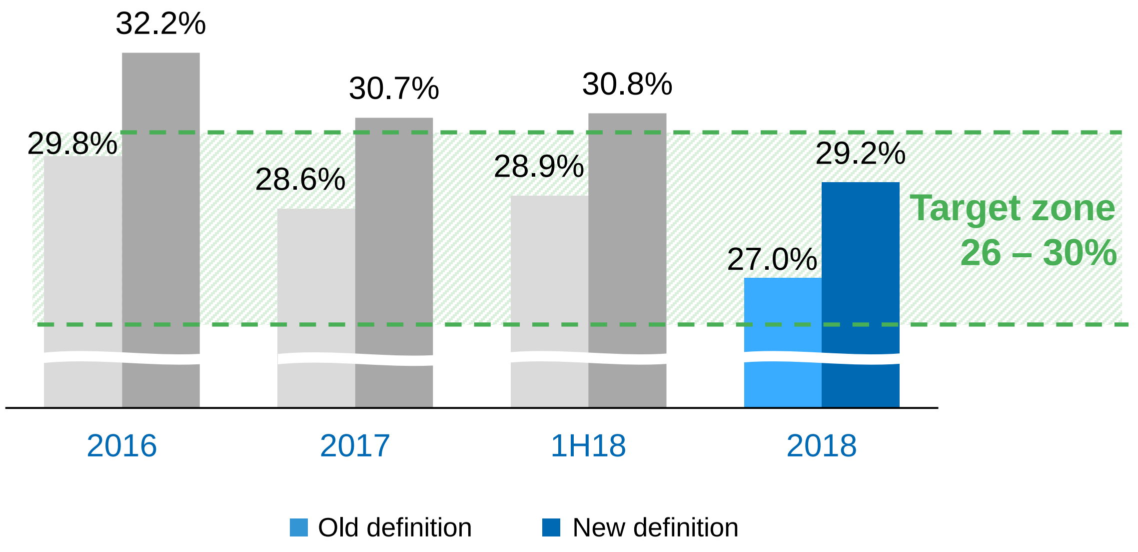
Americas	518
Netherlands	100
United Kingdom	56
Central & Eastern Europe	20
Spain & Portugal	40
AAM, Asia and other	53
Gross remittances	**786**

Leverage ratio within target range of 26 – 30%

Focus on further deleveraging the group as target range is maintained on more conservative definition

Gross financial leverage

(in %, restated using more conservative definition)



- 2018 gross financial leverage ratio well within target zone
- More conservative calculation to align with peers and rating agencies
  - Capitalization no longer adjusted for remeasurement of DB plans
  - Pro forma impact on leverage ratio of over 200 basis points
- Maintaining target range of 26 – 30% reflects focus on further deleveraging of the group
- Successful deleveraging expected to continue
  - Retained earnings to lead to gradually declining ratio

Note: 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

Group targets

The Hague, February 14, 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

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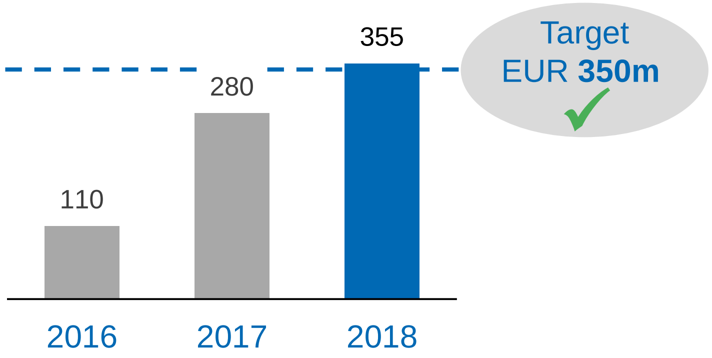
Delivery on targets 2016 – 2018

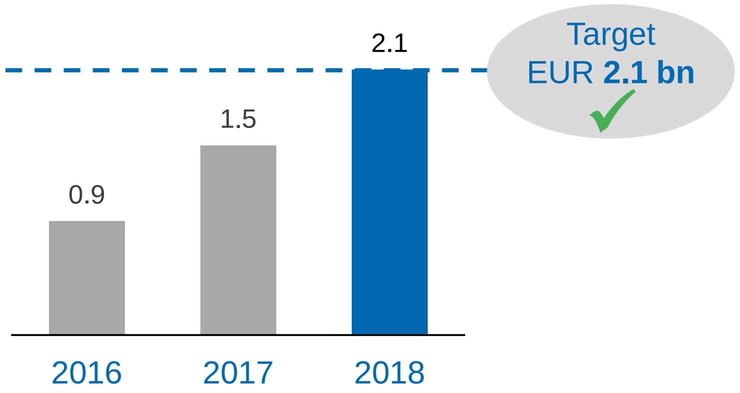
Delivered on expense savings and capital return; strong progress on RoE

Run-rate expense savings
(EUR million)



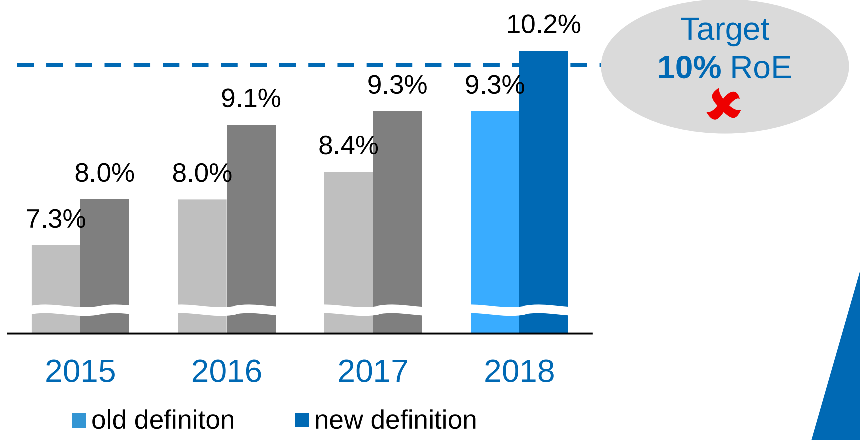
- ✓ Completed expense savings program
- ✓ Reorganization and digitization in NL
- ~ 'One Transamerica' reorganization
- ✓ Implemented TCS partnership

Capital return to shareholders
(EUR billion, cumulative)



- ✓ Strongly increased capital ratio
- ✓ Over EUR 2billion divestments at 0.8x P/B
- ✓ 2018 dividend increased by 2 cent to EUR 0.29 dividend per share[1]

Return on equity
(%)



- ✓ Benefit from US tax reform
- ✗ US claims experience
- ✗ Increase in Dutch capital base
- ✗ Delay Cofunds integration
- ✓ Alignment of KPI with peers[2]

1. Proposed final dividend of EUR 0.15 is subject to approval at the Annual General Meeting of Shareholders on May 17, 2019

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 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

Focus on growth in 2019 – 2021

Engaging our large customer base and growing in core markets

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

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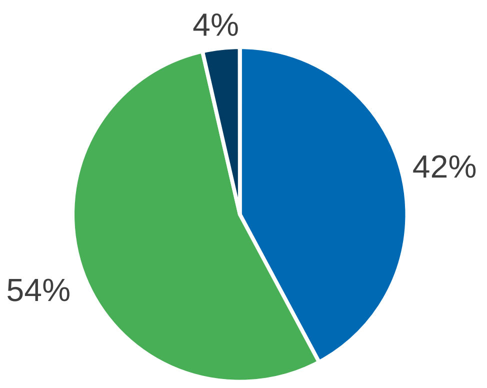
Attractive portfolio structure

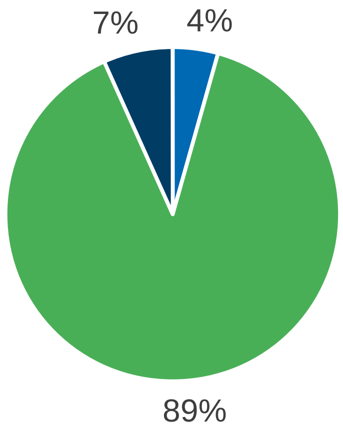
Strong portfolio with businesses at different development stages

- 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

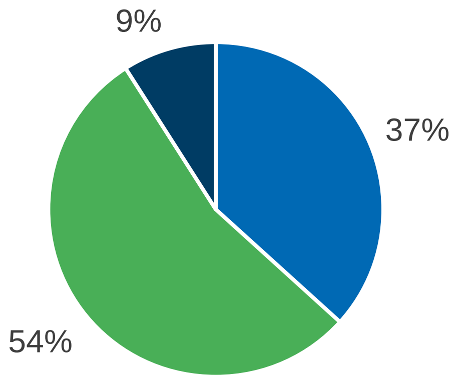
Normalized capital generation
(in %, 2018)



New business strain
(in %, 2018)



IFRS capital allocated
(in %, 2018)



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

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Targeting EUR 4.1 bn normalized capital generation

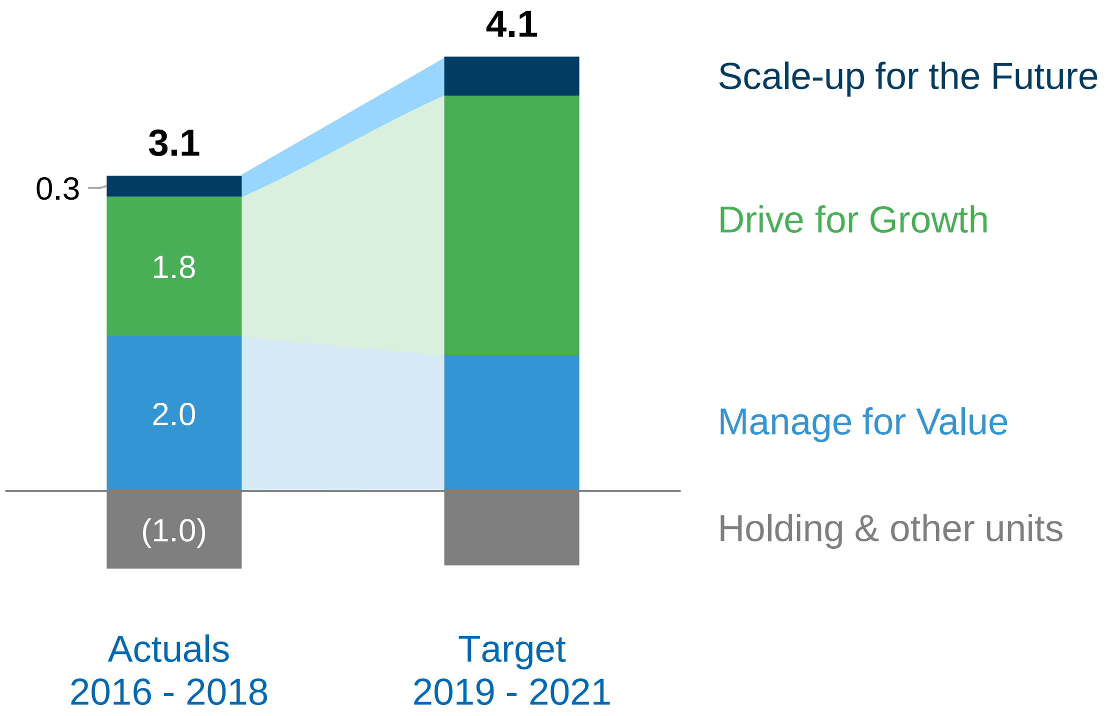
Sustainably growing capital generation mainly driven by Drive for Growth category[1]

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)



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

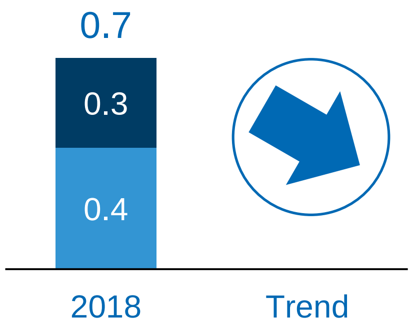
Europe

- NL – Life
- UK – Existing business

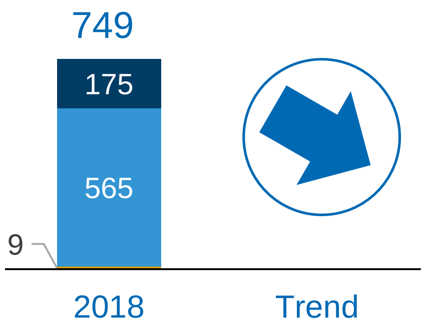
Asia

- Insights

Normalized capital generation[1]
(in EUR billion)



Underlying earnings before tax
(in EUR million)



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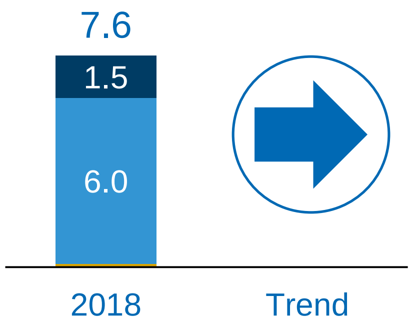
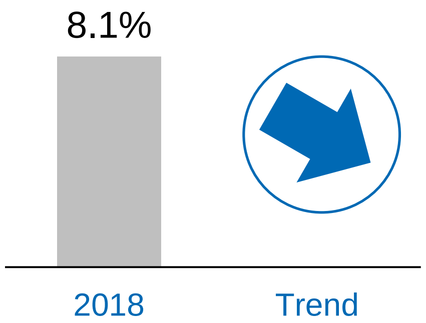
(in EUR billion)



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*

Drive for Growth businesses

Capturing market share and growing customer base with well established businesses

Drive for Growth businesses

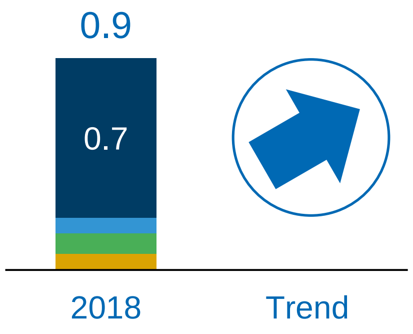
Americas
- Life
- Accident & Health
- Retirement Plans
- Variable Annuities

Europe
- UK – Digital Solutions
- CEE[2]

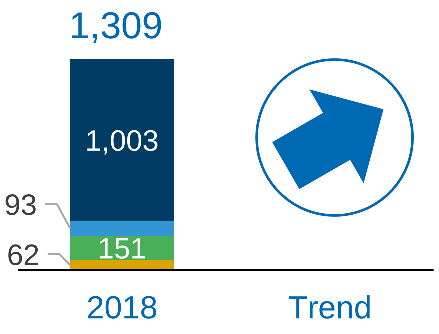
Asset Management

Asia
- HNW

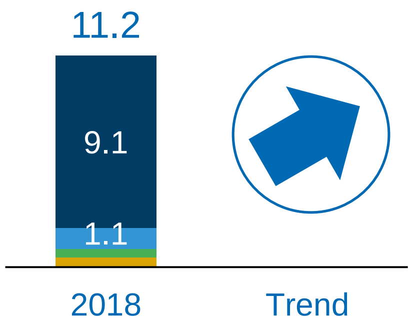
Normalized capital generation[1]
(in EUR billion)



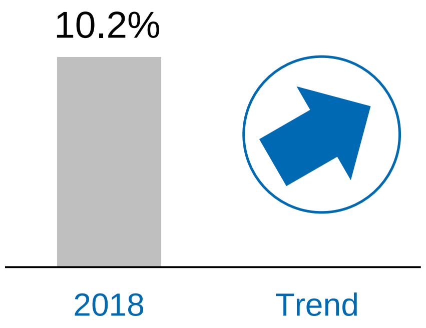
Underlying earnings before tax
(in EUR million)



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*

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Scale-up for the Future businesses

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

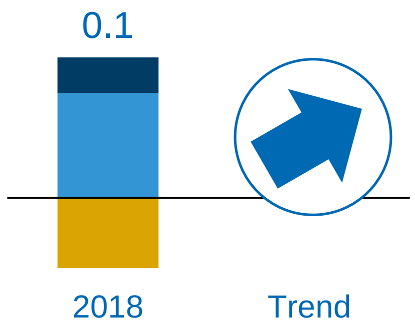
Scale-up for the Future businesses

Americas
- Mutual Funds
- Latin America

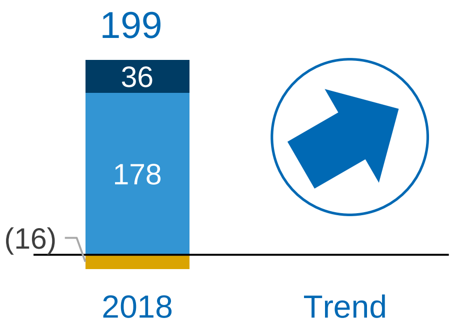
Europe
- NL – Bank
- NL – Non-life & income protection
- NL – Service business
- Spain & Portugal

Asia
- Joint ventures

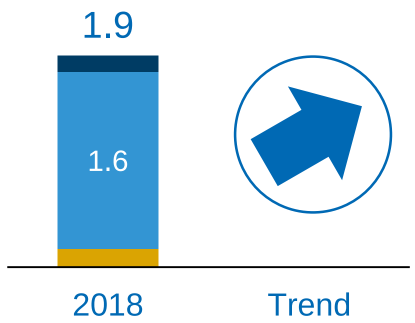
Normalized capital generation[1]
(in EUR billion)



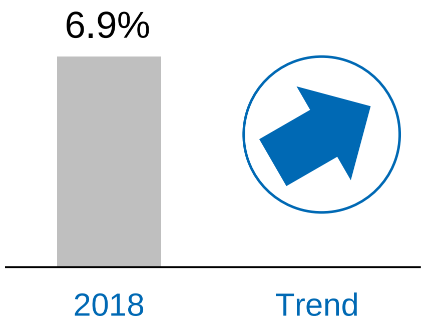
Underlying earnings before tax
(in EUR million)



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*

Increasing returns to shareholders

45 – 55% of normalized capital generation will be returned to shareholders

EUR 0.29 DPS

Full-year 2018
+7% year-on-year

EUR 1.5 billion

Gross remittances
2019

45 – 55%

Dividend pay-out ratio
of normalized capital generation
in 2019 – 2021[1]

[1] Capital generation excluding market impact and one-time items after holding funding & operation expenses. Dividend pay-out ratio 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

Focus 2019 – 2021

Attractive returns to shareholder based on a strong global franchise

- Large customer base
- Strong market positions
- Solid capital position
- Active portfolio management

Focus on profitable growth and sustainable capital generation

Thank You!

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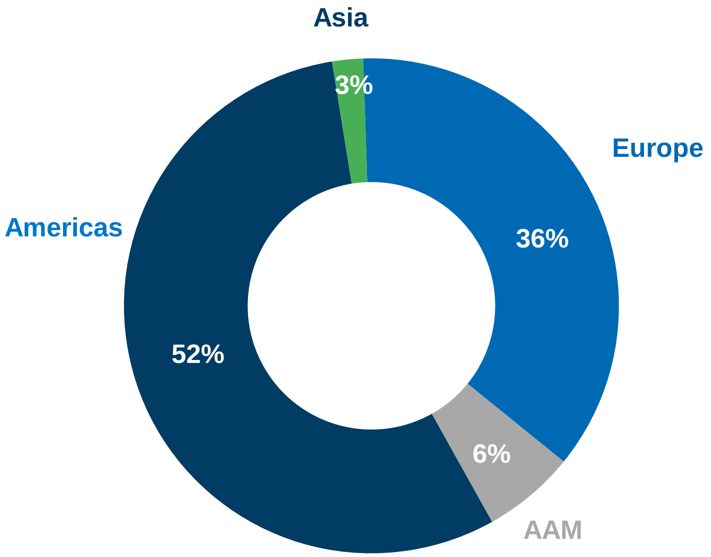
Helping people achieve a lifetime of financial security

Aegon at a glance



Earnings
Underlying earnings before tax
€1,010 million
(2H18)

What we do
Life insurance, pensions & asset management for approximately
29 million customers
(YE17)

Deposits
Net deposits **€(8.5) billion**
(2H18)

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

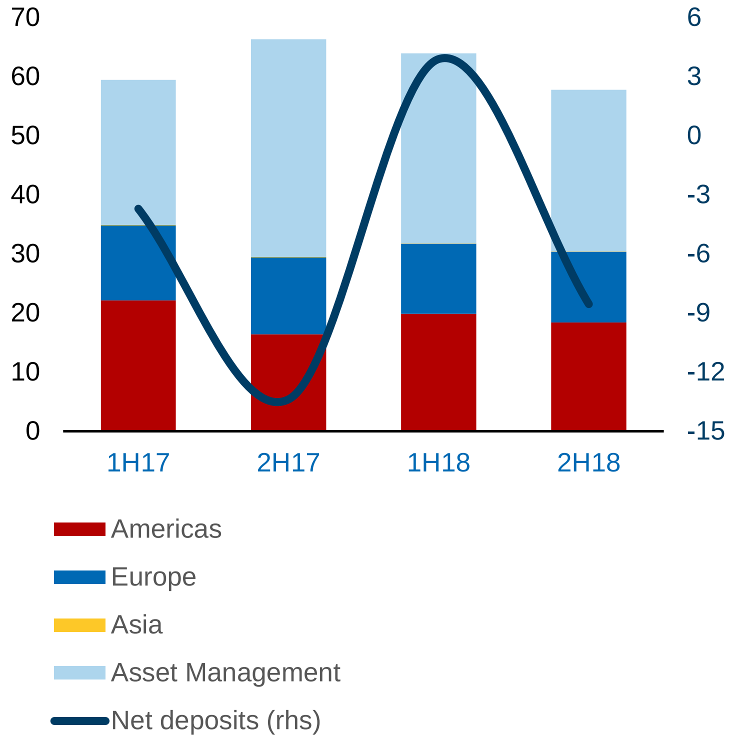
Employees
Over **26,000** employees
(2H18)

Investments
Revenue-generating investments
€804 billion
(YE18)

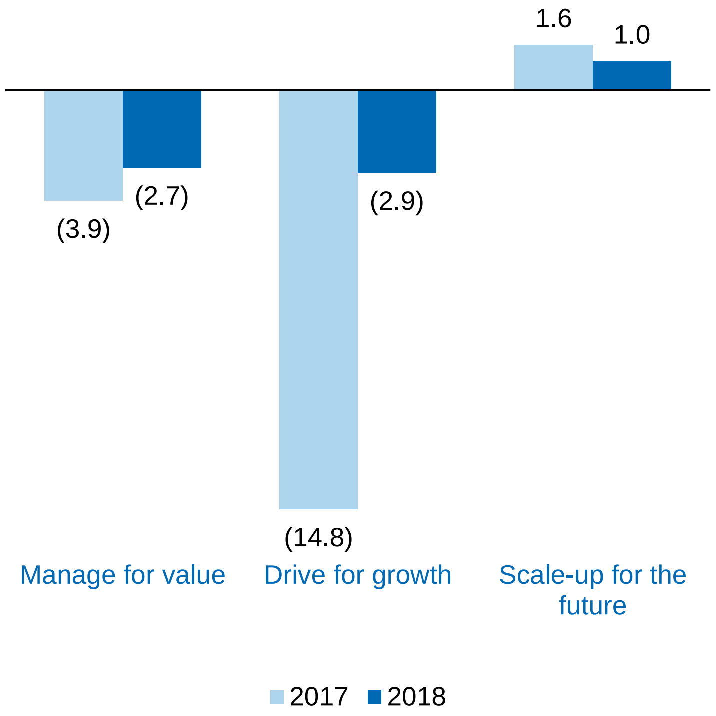
Growth in deposits

Return to positive net deposits driven by Drive for Growth businesses

Gross and net deposits
(APE, in EUR billion and %)



Net deposits by category
(in EUR billion)



Second half year

- Gross deposits decreased by 13% to EUR 57.8 billion in 2H 2018 vs. 2H 2017
- Main contributor to the decrease are lower deposits on UK platform and in Asset Management
- Net outflows in 2H18 amounted to EUR 8.5 billion driven by contract discontinuances in US Retirement Plan business

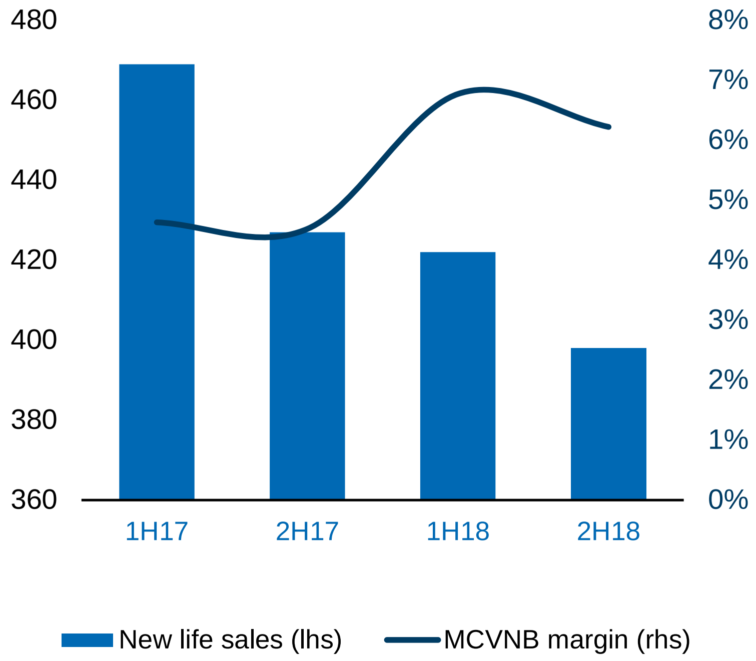
Full year

- Drive for Growth driven by EUR 7.5 billion net deposits in Asset Management and EUR 2.6 billion in UK Digital Solutions, albeit still negative EUR 10.6 billion outflows in US Retirement Plans
- Manage for Value net deposits negative as expected, driven by US Fixed Annuities and UK Existing business

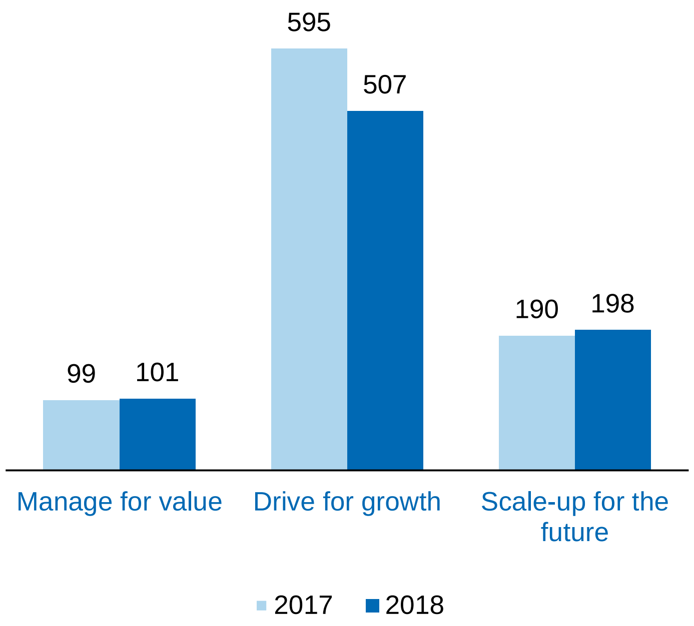
Growth in Life sales

Return to positive net deposits driven by Drive for Growth businesses

New life sales and Life MCVNB margin
(APE, in EUR million and %)



New life sales[1] by category
(in EUR million)



Second half year

- New life sales declined by 7% to EUR 398 million on a constant currency basis
- Main drivers are lower term life and Indexed Universal Life sales in the US and lower sales in Asia HNW business, both are Drive for Growth businesses

Full year

- Asia HNW business impacted by higher cost of premium financing due to increasing short-term interest rates
- Other Drive for Growth businesses in Life are UK Digital Solutions and CEE with stable results
- Scale-up for future businesses continue to grow by 4% driven mainly by Spain, Portugal, and Latin America

1. Excluding Czech Republic and Slovakia

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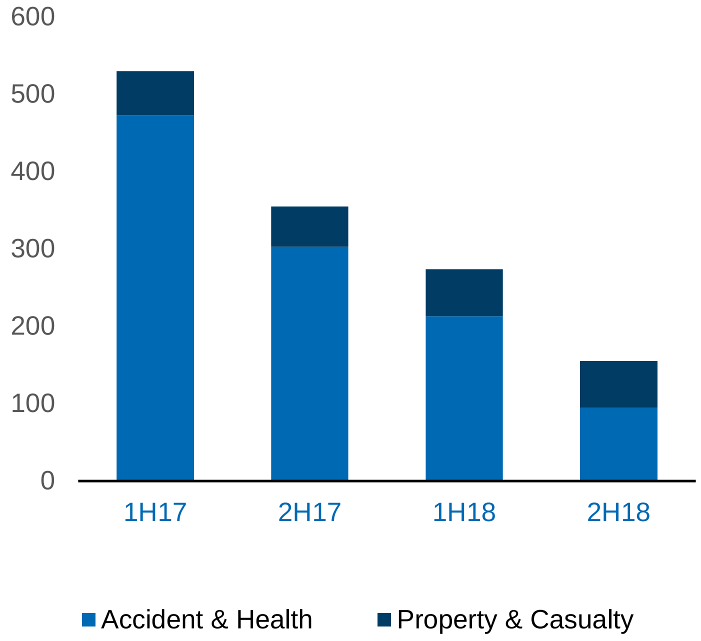
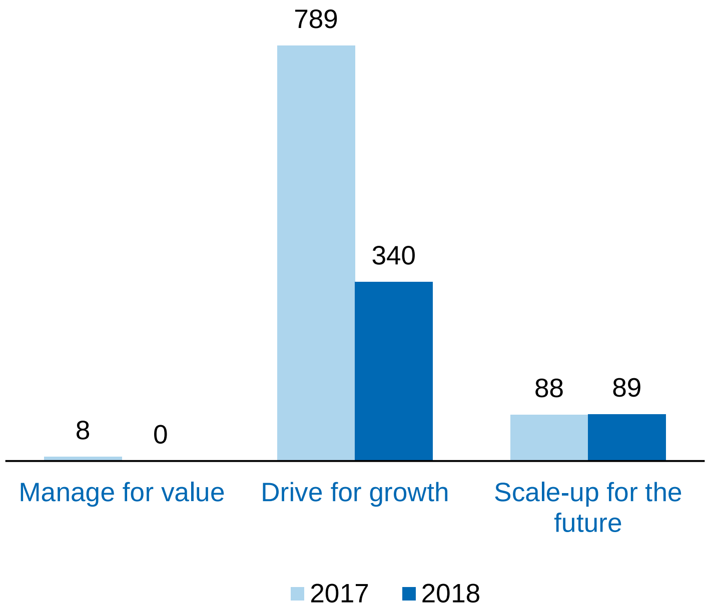
Growth in Accident & Health sales

Strong sales in Drive for Growth category underlines successes in the strategy

A&H and Property & Casualty sales
(in EUR million)



Non-Life sales by category
(in EUR million)



Second half year

- New premium production for accident & health decreased by 69% to EUR 95 million, driven by the decision to exit the Affinity, Direct TV and Direct Mail distribution channels in the US
- New premium production in property & casualty insurance increased by 15% to EUR 60 million, driven by higher sales in Hungary

Full year

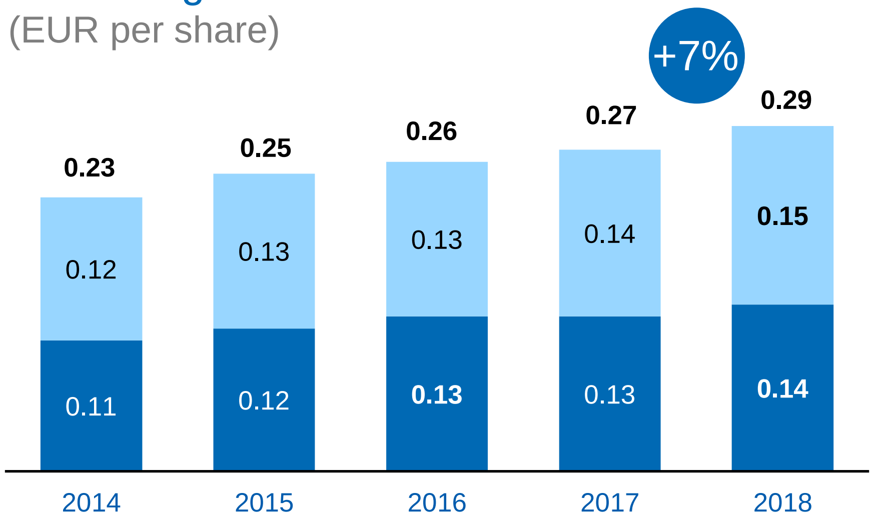
- Drive for growth new premium production declines due to exits in US Accident & Health business, partly compensated by growth in CEE
- Increased full-year new premium production in Spain & Portugal is compensated by decline in Netherlands Non-Life

Returned EUR 2.1 billion capital over 2016 – 2018

Free cash flows significantly increased

- Full year dividend for 2018 increased 2 cents to EUR 0.29 per common share
- Achieved EUR 2.1 billion capital return to shareholders over 2016 - 2018
- Dividend well covered by strong free cash flows
- Lower new business strain and positive underwriting experience contribute to increased capital generation in 2018

Increasing dividends
(EUR per share)



Growing capital generation
(in EUR million)

	FY17	FY18
Capital generation	2,062	**1,425**
Market impacts and one-time items	763	(306)
Capital generation excluding market impacts & one-time Items	1,299	**1,731**
Holding funding & operating expenses	(352)	(333)
Free cash flow	947	**1,398**
Announced dividend	554	**595**

Note: Proposed final dividend is subject to approval at the Annual General Meeting of Shareholders on May 17, 2019

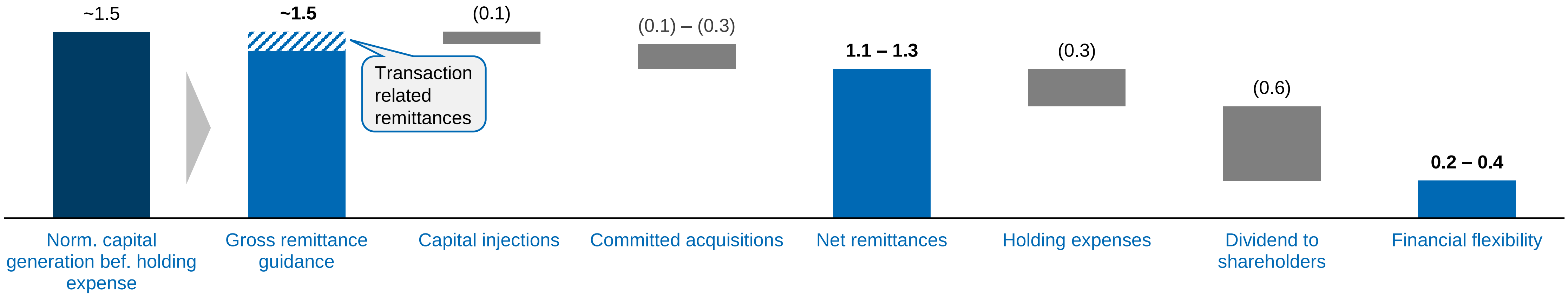
Capital framework

EUR 1.5bn remittance guidance underscores fungibility and ensure financial flexibility

- Gross remittances well covered by normalized capital generation before holding funding and operating expense
- EUR 1.5 billion guidance for gross remittance in 2019, includes proceeds of EUR 155 million from divestment of Czech Republic and Slovakia
- Net remittances after committed acquisition spend expected to cover 2019 dividends by ~2 times
- Remaining financial flexibility to be added to holding excess cash

Holding excess cash movements

(2019, in EUR billion)

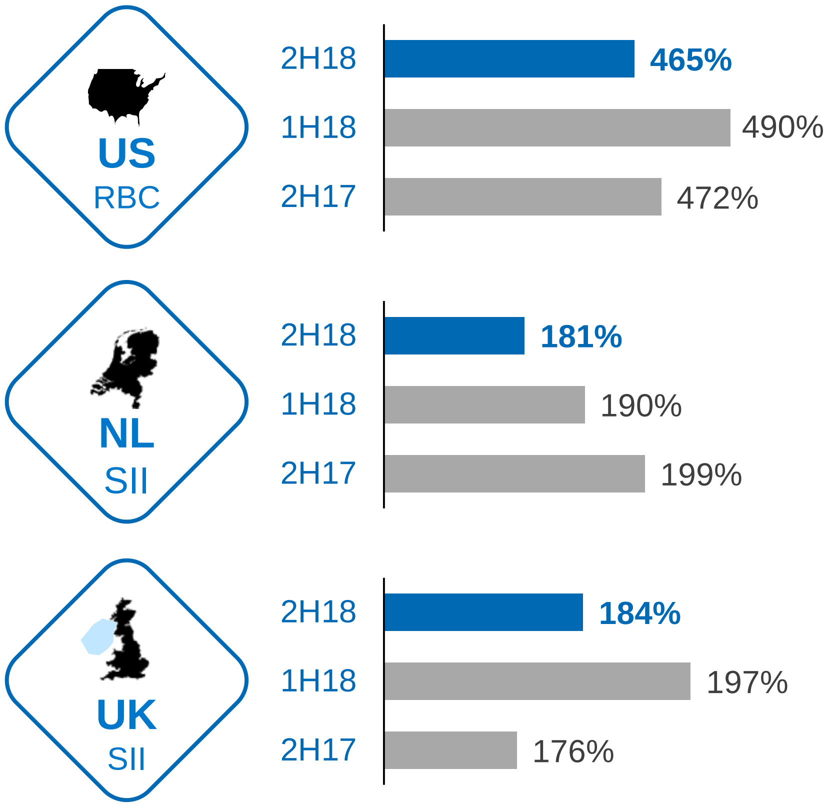


Note: Transaction related remittances includes Czech Republic and Slovakia (EUR 155m, 2019); Committed acquisitions include earn-outs and the potential payment to Santander in relation to the expansion of the partnership subject to several conditions

Main units solvency ratios remain within or above target zones

Local solvency ratio by unit

(%)



Market impacts & one-time items in 2H18

- Unfavorable market movements driven declining equity markets and lack of implied volatility gains, which had been anticipated
- One-time items largely offset each other, as the impact of US tax reform is offset by the elimination of a variably annuity captive

- Positive impact from credit modelling more than offsets other model & assumption changes
- Negative impact from adverse markets and tax changes

- Positive impact from expense and mortality assumption updates
- Negative impact from BlackRock’s DC business Part VII transfer, unfavorable interest rate movements and changes in the equity hedge program

US target range = 350-450% RBC; NL target range = 150-190% Solvency II and is currently under review as Aegon is considering increasing the mid-point of the target zone by 5-to-10%-points; UK target range = 145-185% Solvency II

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Updated Solvency II sensitivities

Solvency II sensitivities

(in percentage points)

	Scenario	Group	US	NL	UK
Equity markets	+25%	+15%	+34%	+2%	-7%
Equity markets	-25%	-11%	-23%	-5%	-2%
Interest rates	+50 bps	+3%	-0%	+3%	+2%
Interest rates	-50 bps	-6%	-14%	-1%	-4%
Credit spreads*	+50 bps	+5%	n/a	+7%	+8%
Credit spreads*	-50 bps	-5%	n/a	-7%	-10%
Longevity**	+5%	-6%	-4%	-9%	-3%
US credit defaults***	~200 bps	-19%	-35%	n/a	n/a
Ultimate Forward Rate	-15 bps	-1%	n/a	-3%	n/a

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

General account investments

December 31, 2018 | **amounts in EUR millions, except for the impairment data**

	Americas	Europe	Asia	Holdings & other	Total
Cash/Treasuries/Agencies	14,875	16,555	538	148	32,116
Investment grade corporates	31,148	3,861	3,819	-	38,828
High yield (and other) corporates	2,061	16	210	36	2,324
Emerging markets debt	1,384	1,096	156	1	2,638
Commercial MBS	3,314	162	537	-	4,013
Residential MBS	2,138	395	52	-	2,585
Non-housing related ABS	2,632	1,964	384	-	4,980
Housing related ABS	-	20	-	-	20
Subtotal	**57,551**	**24,068**	**5,696**	**186**	**87,502**
Residential mortgage loans	12	28,584	-	-	28,596
Commercial mortgage loans	7,989	53	-	-	8,043
Total mortgages	**8,002**	**28,637**	**-**	**-**	**36,639**
Convertibles & preferred stock	245	-	-	46	291
Common equity & bond funds	345	300	-	83	728
Private equity & hedge funds	1,449	1,206	-	8	2,664
Total equity like	**2,039**	**1,506**	**-**	**138**	**3,683**
Real estate	1,050	2,171	-	-	3,221
Other	470	5,516	7	13	6,006
General account (excl. policy loans)	**69,112**	**61,898**	**5,704**	**338**	**137,051**
Policyholder loans	1,943	13	16	-	1,973
Investments general account	**71,056**	**61,911**	**5,720**	**338**	**139,024**
Impairments as bps (Full year)	**(2)**	**6**	**10**	**-**	**2**

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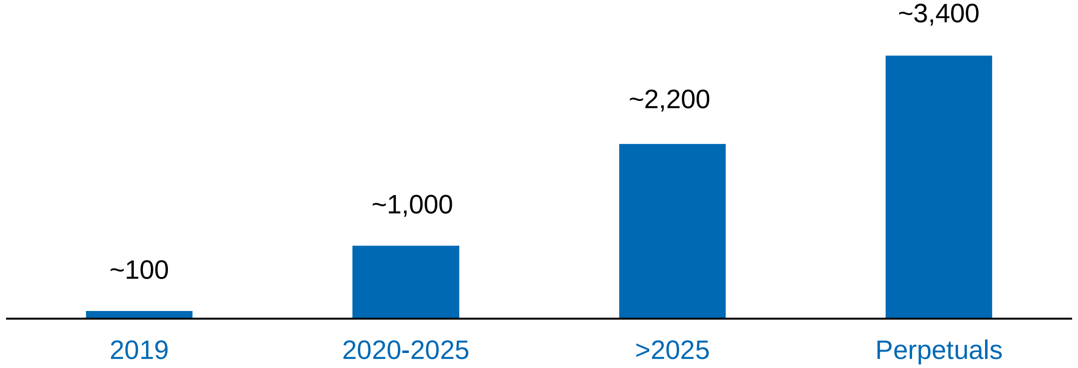
Flexibility in replacing grandfathered securities

- Grandfathered securities to be replaced before the end of the grandfathering period in 2025*
  - Securities would be treated as liabilities in 2026 if not replaced
- Significant flexibility in replacing securities due to limited short-term maturities and large amount of callable securities
- Flexibility illustrated by calls of grandfathered Restricted Tier 1 and Tier 2 securities in 2018

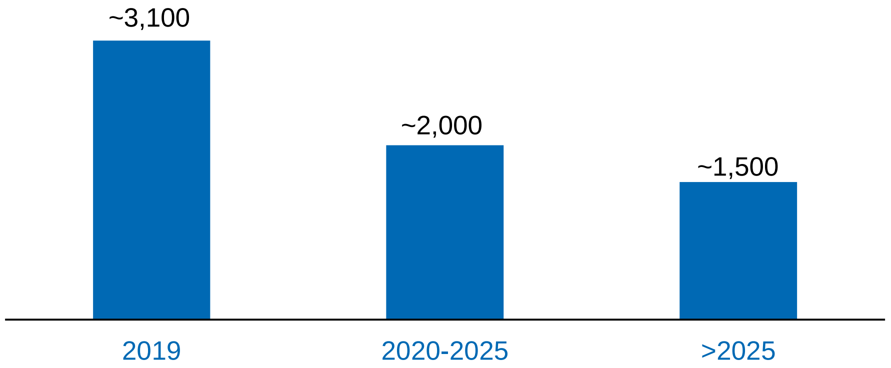
Limited financial leverage maturing in coming years

(Maturity schedule, EUR million)



Significant optionality in calling securities

(Call/redemption schedule, EUR million)



** Aegon has committed to only call or amend grandfathered Tier 1 securities subject to prior approval by DNB*
Note: Based on notionals and FX rates as of December 31, 2018

Gross financial leverage ratio and RoE

Moving towards a more conservative gross financial leverage ratio definition and aligning RoE correspondingly

Old definition

	2H2017	2H2018
Shareholders' equity	**20.57**	**19.54**
− Revaluation reserve	- 4.92	- 3.46
− Remeasurement of DB plans (IAS 19)	+ 1.67	+ 1.85
+ Non-controlling interest	+ 0.08	+ 0.08
+ Financial leverage	+ 6.98	+ 6.67
Total capitalization	**24.38**	**24.68**
− Financial leverage	- 6.98	- 6.67
Equity	**17.40**	**18.01**
Financial Leverage / Total capitalization = **Leverage ratio**	**28.6%**	**27.0%**
Net underlying earnings / Average equity = **RoE**	**8.8%**	**9.3%**

- Until 1H 2018, adjustment was made for 'remeasurement of DB plans', benefitting the financial leverage ratio

Note: Net underlying earnings after leverage allocation

New definition

	2H2017	2H2018
Shareholders' equity	**20.57**	**19.54**
− Revaluation reserve	- 4.92	- 3.46
+ Non-controlling interest	+ 0.08	+ 0.08
+ Financial leverage	+ 6.98	+ 6.67
Total capitalization	**22.71**	**22.82**
− Financial leverage	- 6.98	- 6.67
Equity	**15.73**	**16.15**
Financial Leverage / Total capitalization = **Leverage ratio**	**30.7%**	**29.2%**
Net underlying earnings / Average equity = **RoE**	**9.7%**	**10.2%**

- 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 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

Main economic assumptions

Overall assumptions

	US	NL	UK
Exchange rate against euro	1.15	n.a.	0.88
Annual gross equity market return (price appreciation + dividends)	8%	7%	7%

Main assumptions for financial targets

US 10-year government bond yields	Grade to 4.25% in 10 years time
NL 10-year government bond yields	Develop in line with forward curves
UK 10-year government bond yields	Grade to 3.7% in 10 years time

Main assumptions for US DAC recoverability

10-year government bond yields	Grade to 4.25% in 10 years time
Credit spreads, net of defaults and expenses	Grade from current levels to 114 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%

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. 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.

This document contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation (596/2014). Further details of potential risks and uncertainties affecting Aegon are described in its filings with the Netherlands Authority for the Financial Markets and the US Securities and Exchange Commission, including the Annual Report. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, Aegon expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Aegon's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.