# 2Q 2017 Results & Capital update

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*Helping people achieve a lifetime of financial security*

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# Highlights

**Strengthening Dutch capital position**

- Capital injection of EUR 1 billion contributes to pro forma NL solvency ratio of ~175%[1]
- NL ratio well within new 150–190% target range; LAC-DT set at 75% at 2Q 2017
- Aegon NL to resume dividend payments; expected 2017 dividend of EUR 100 million in 1H 2018[2]

**Group solvency ratio improved**

- Solvency ratio improved by 28%-points to 185%, well within new target range of 150–200%
- Agreement with regulator to amend conversion methodology for US under Solvency II
- On comparable basis, ratio up by 13%-points due to divestments and capital generation

**Continued strong results**

- Fourth consecutive quarter of year-on-year underlying earnings growth
- Strong sales lead to gross deposits of EUR 35 billion and net deposits of EUR 2.3 billion
- Interim dividend of EUR 0.13 per share

*[1] As of 2Q 2017 on pro forma basis, see slide 10 for details*
*[2] Subject to market conditions and regular governance in line with capital management policy*

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# Highlights 2Q 2017 results

- Underlying earnings increase significantly driven by improved claims experience and favorable markets
- Return on equity improves 160 basis points to 8.4% due to strong net underlying earnings
- Group solvency ratio increases significantly to 185%
- Strong sales and improved margins
- Divested majority of US run-off businesses releases USD 700 million of capital

| Earnings | Return on equity | Group solvency ratio | Capital generation | Sales |
|---|---|---|---|---|
| €535m | 8.4% | 185% | €0.3bn | €3.9bn |
| +23% compared with 2Q 2016 | +1.6pp compared with 2Q 2016 | +28pp compared with 1Q 2017 | Excluding one-time items and market impacts | +42% compared with 2Q 2016 |

*Note: Earnings = underlying earnings before tax; Group solvency ratio is management's best estimate and includes 15pp uplift from amended US conversion methodology*

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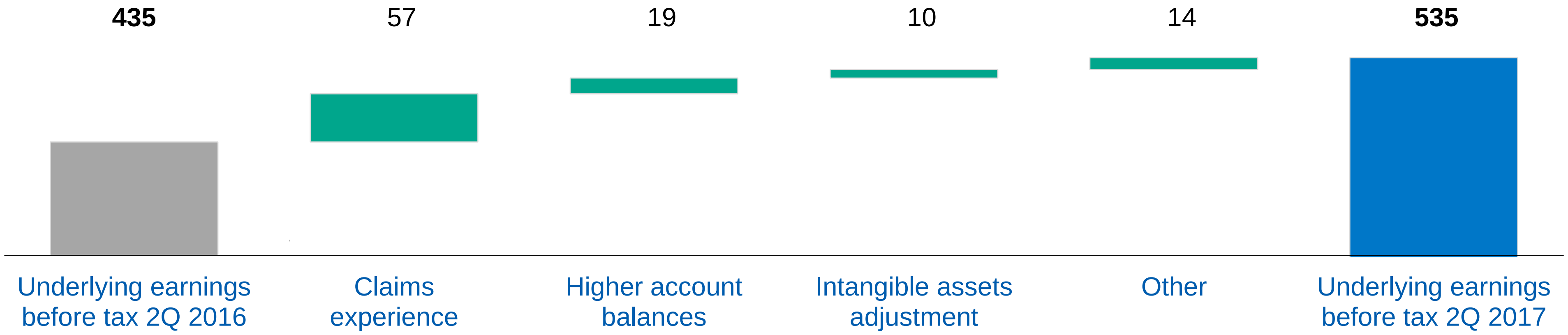
# Earnings up due to improved claims and favorable markets

- Improved claims experience in Life and Health in the US and Dutch non-life business
- Favorable markets drive higher account balances resulting in higher fee-based earnings
- Lower negative adjustment to intangible assets as a result of improved reinvestment yields
- Other includes the benefits of expense initiatives that are well on track

## Underlying earnings before tax roll-forward

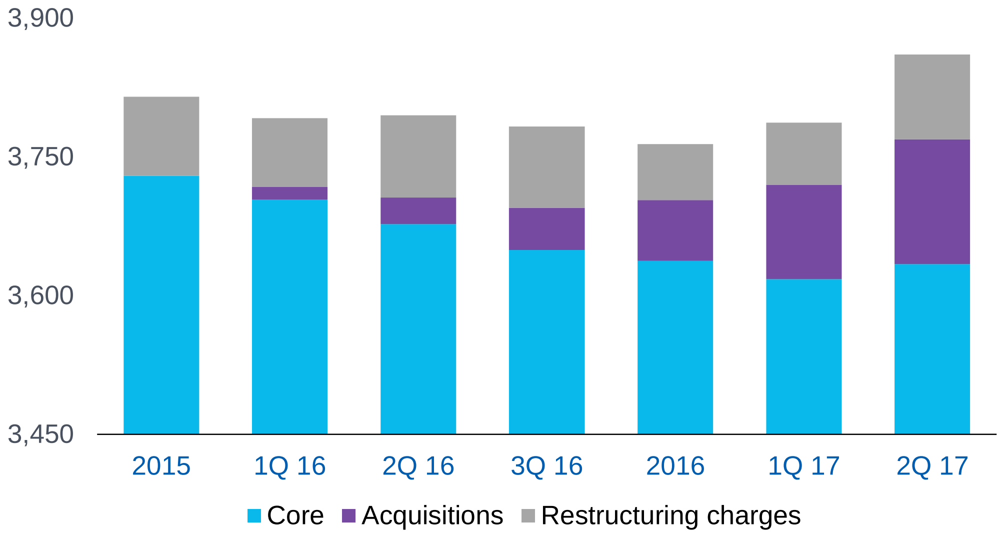
(EUR million)



# Expense reductions of EUR 350 million on track for 2018

## Declining core operating expenses

(EUR million – rolling 4 quarters )

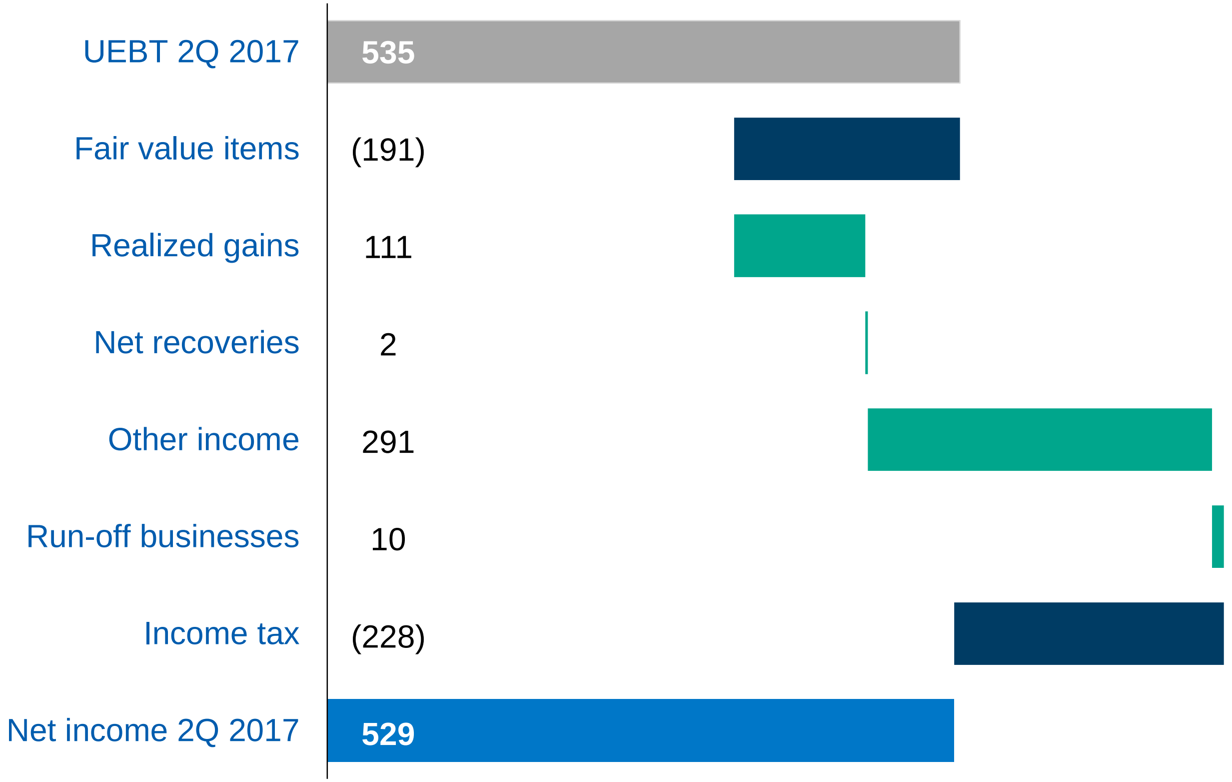



Cumulative run-rate savings since year-end 2015


- Successful expense savings program drives reduction in core operating expenses
- Acquisitions in US and UK in key business lines add to scale. Related cost synergies will be fully realized by year-end 2018
- Restructuring charges to reduce as expense reduction program matures

# Strong net income mainly due to gain on divestment

## Underlying earnings to net income development in 2Q 2017
(EUR million)




### Loss from fair value items
Mainly driven by adverse credit spread movements and losses on hedges to protect capital

### Realized gains on investments
Mainly related to the sale of corporate bonds in NL

### Other income
Mainly driven by a EUR 231 million pre-tax gain on the divestment of the US run-off businesses. Whereas the transaction itself resulted in a book loss, the overall result also includes the release of deferred gains related to the discontinuance of hedge accounting for certain cash flow hedges

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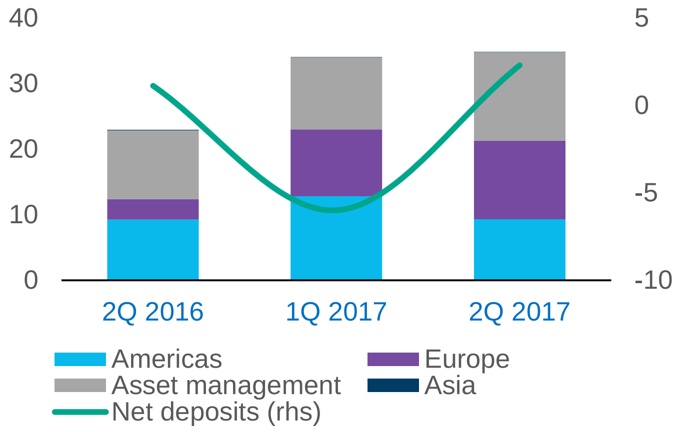
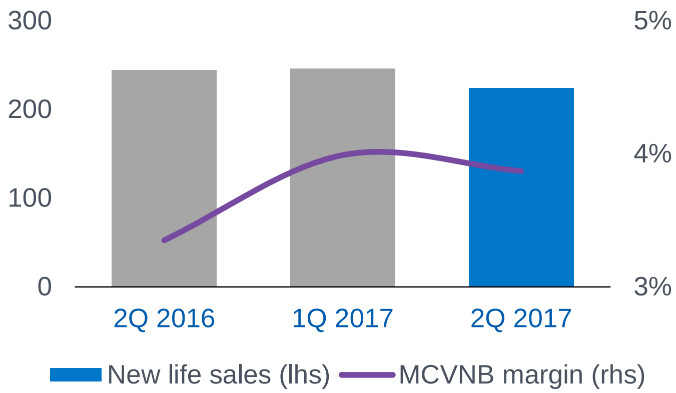
# Solid sales and improved margins

- Gross deposits of EUR 35 billion mainly driven by strong institutional platform sales in the UK
  - Asset management and UK platform flows drove net deposits of EUR 2.3 billion
- Lower new life sales driven by lower US term life and indexed universal life sales, exit from UK annuities, partly offset by higher sales in Asia
- MCVNB margin continues to remain well above 3.5% for new life sales due to strict pricing policy
- A&H sales were stable with higher travel sales offsetting lower group voluntary benefit sales

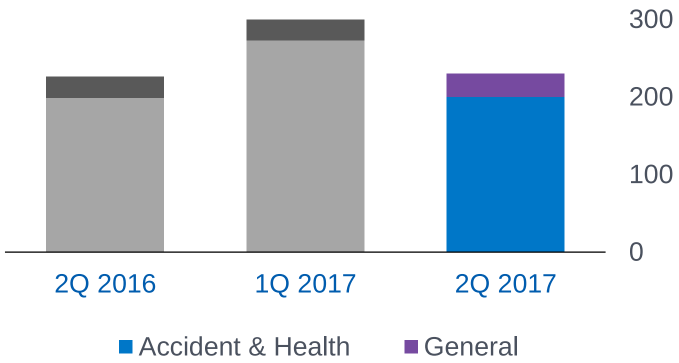
## Gross and net deposits
(EUR billion)




## New life sales & MCVNB
(EUR million and margin %)




## A&H and general insurance
(EUR million)

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# Capital update

# Highlights of capital update

**Strengthening Dutch capital position**

- Capital injection of EUR 1 billion contributes to pro forma NL solvency ratio of ~175%[1]
- NL ratio well within new 150–190% target range; LAC-DT set at 75% at 2Q 2017
- Solid capital position and growing capital generation to enable Aegon NL to resume dividend payments; expected 2017 dividend of EUR 100 million in first half of 2018[2]

**Higher group ratio and reaffirming capital return**

- Solvency ratio improved by 28%-points to 185%, well within new target range of 150–200%
- Agreement with regulator to amend conversion methodology for US under Solvency II
- Target to return EUR 2.1 billion of capital over 2016–2018 period reaffirmed

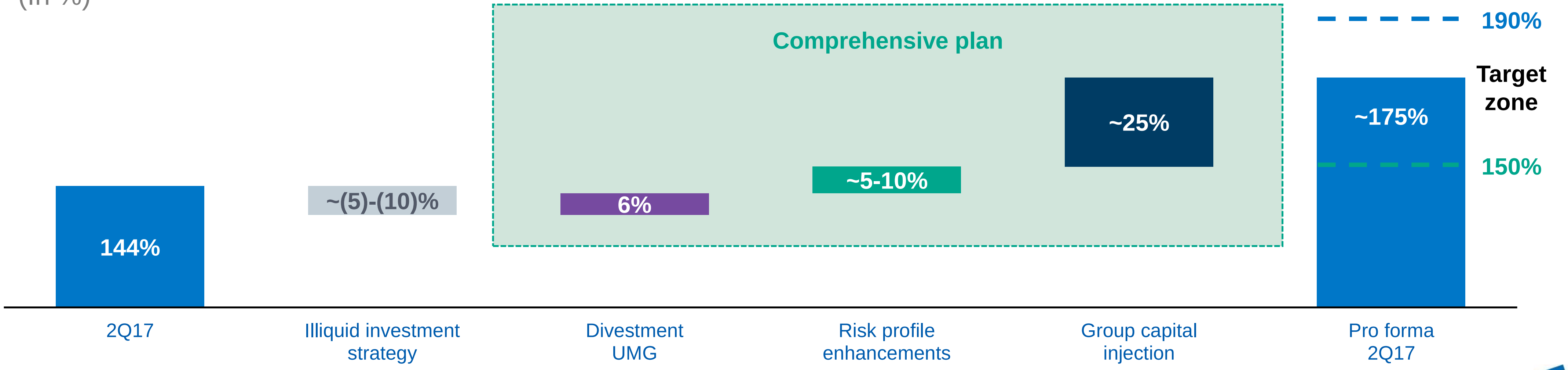
[1] *As of 2Q 2017 on pro forma basis, see slide 10 for details*
[2] *Subject to market conditions and regular governance in line with capital management policy*

# Comprehensive plan to increase NL capitalization level

- Comprehensive plan adds ~40%-points and brings NL Solvency II ratio to ~175% on a pro forma basis
- Increased ratio well within new target range of 150–190%
- Closed current methodological discussions with DNB
  - LAC-DT factor unchanged at 75%[1] at June 30, 2017 following agreement on methodology

## Aegon NL Solvency ratio development

(In %)




[1] *The LAC-DT factor will be recalibrated on a quarterly basis based on the agreed methodology*

# Clear benefits for Aegon NL from increased capital ratio

**Illiquid investments ~(5)-(10)%**

## Benefiting from higher capital ratio

- Resuming dividend payments to group; expected 2017 dividend of EUR 100m in 1H18[1]
- Regaining focus on execution of strategy; investing in core fee-based solutions
- Executing illiquid investment strategy to maximize value of backbook

## Maximizing value of backbook through illiquid strategy

- EUR 3–4 billion investments in illiquid assets in 2017–2019
  - Investments in real estate, direct lending, infrastructure and private equity
- Illiquid investments anticipated to lead to EUR ~50 million capital generation step-up

[1] *Subject to market conditions and regular governance in line with capital management policy*

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# Divestment of UMG at attractive price

**UMG divestment ~6%**

## Monetizing top-3 position

- Divestment to Aon for EUR 295 million; attractive 21x P/E ratio
- EUR ~225 million uplift in own funds to drive 6%-points solvency ratio uplift for Aegon NL

## Clear rationale for divestment of UMG

- Sale is in line with strategy to focus on innovation in core insurance, banking and services businesses
- Divestment of UMG further enhances financial flexibility of Aegon the Netherlands

# On track to execute on risk profile enhancements

**Risk profile ~5-10%**

| | Action | Solvency impact[1] | Timing | Comment |
|---|---|---|---|---|
| Completed +2% | General account derisking | +2% pts | 2Q 2017 | Completed |
| In progress ~5-10% | Internal model improvements | + ~5% pts[2] | 3Q 2017 | Approved by DNB |
| | Other | +0-5% pts | 2H 2017 | On track for execution |

- Derisking actions include selling EUR ~1 billion worth of corporate bonds, mostly BBB-rated
- Internal model improvements include amending the credit risk shock for non-safe haven sovereigns
- Other includes hedging for part of the credit risk exposure related to the separate account with guarantees

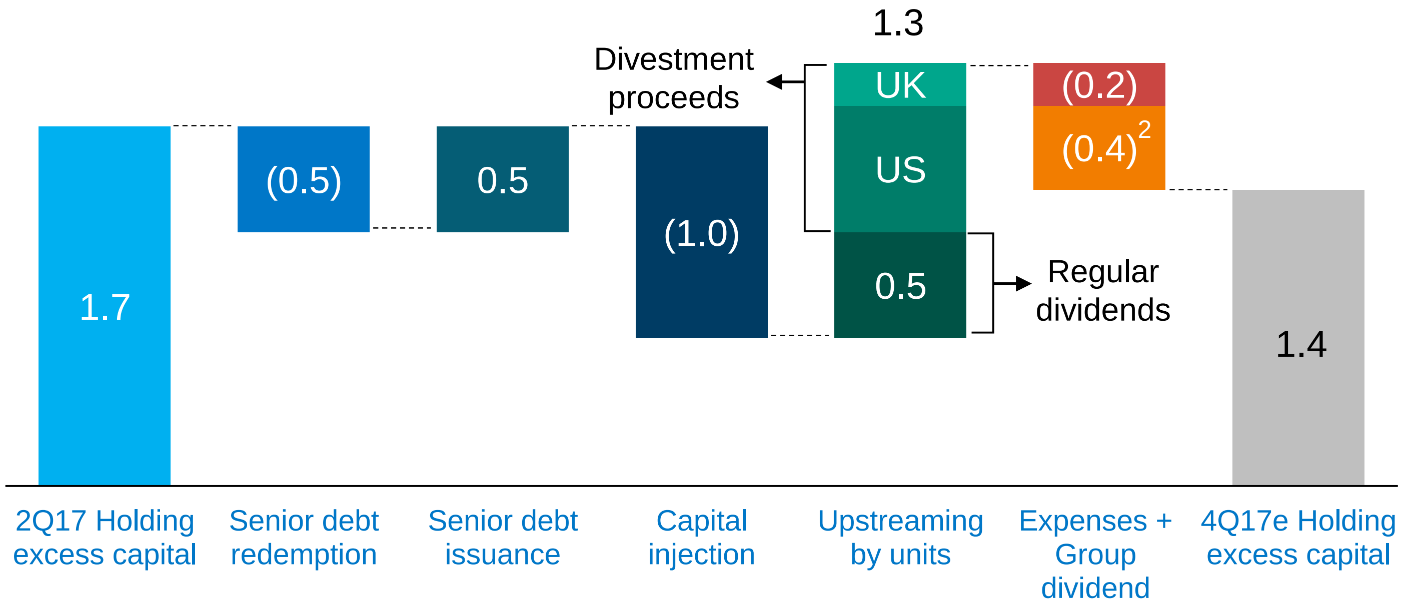
*[1] Percentage points reflect impact from management action on Aegon the Netherlands' Solvency II ratio*
*[2] Depends on market circumstances and composition of the EIOPA volatility adjustment reference portfolio*

# Increased financial flexibility allows for capital injection

**Capital injection ~25%**

- Holding excess capital increased to EUR 1.7 billion in 2Q 2017
  - Regular US and CEE dividends of EUR 0.4 billion and EUR 0.2 billion special dividend from Asia received in 2Q 2017
- EUR 1 billion capital injection from holding excess capital in 3Q 2017
  - EUR 500 million 1-year senior debt to be issued in 3Q 2017 to prefund expected cash inflows in 2H 2017
- EUR 0.5 billion regular dividends and EUR 0.8 billion divestment proceeds will be upstreamed by units in 2H 2017[1]

**Holding cash flows**
(2H 2017, in EUR billion)

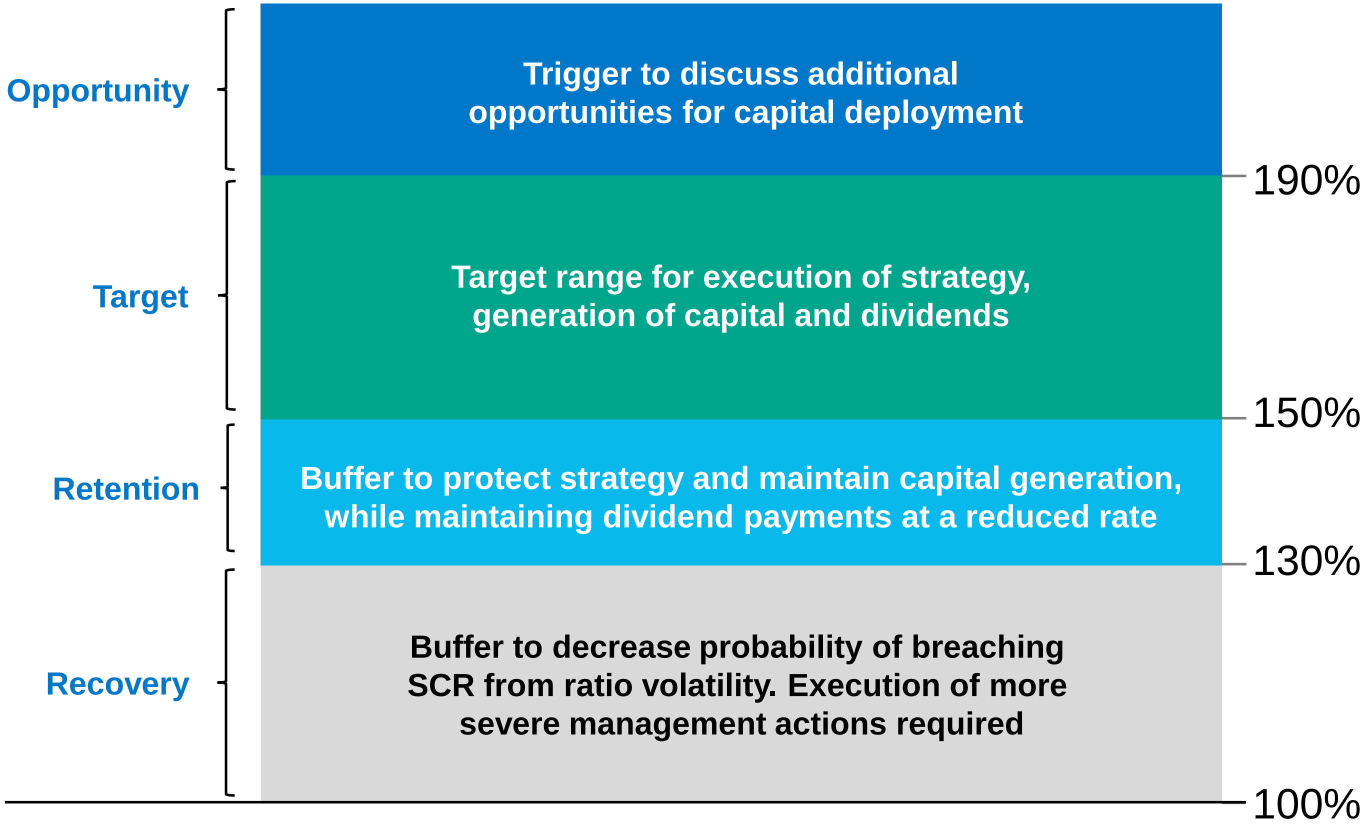



[1] *Subject to regulatory approval and market circumstances*
[2] *Aegon intends to neutralize the dilutive effect of the final 2016 and interim 2017 stock dividend on earnings per share in the fourth quarter of 2017*

# Capital management focused on protecting capital generation

## New capital management policy Aegon NL

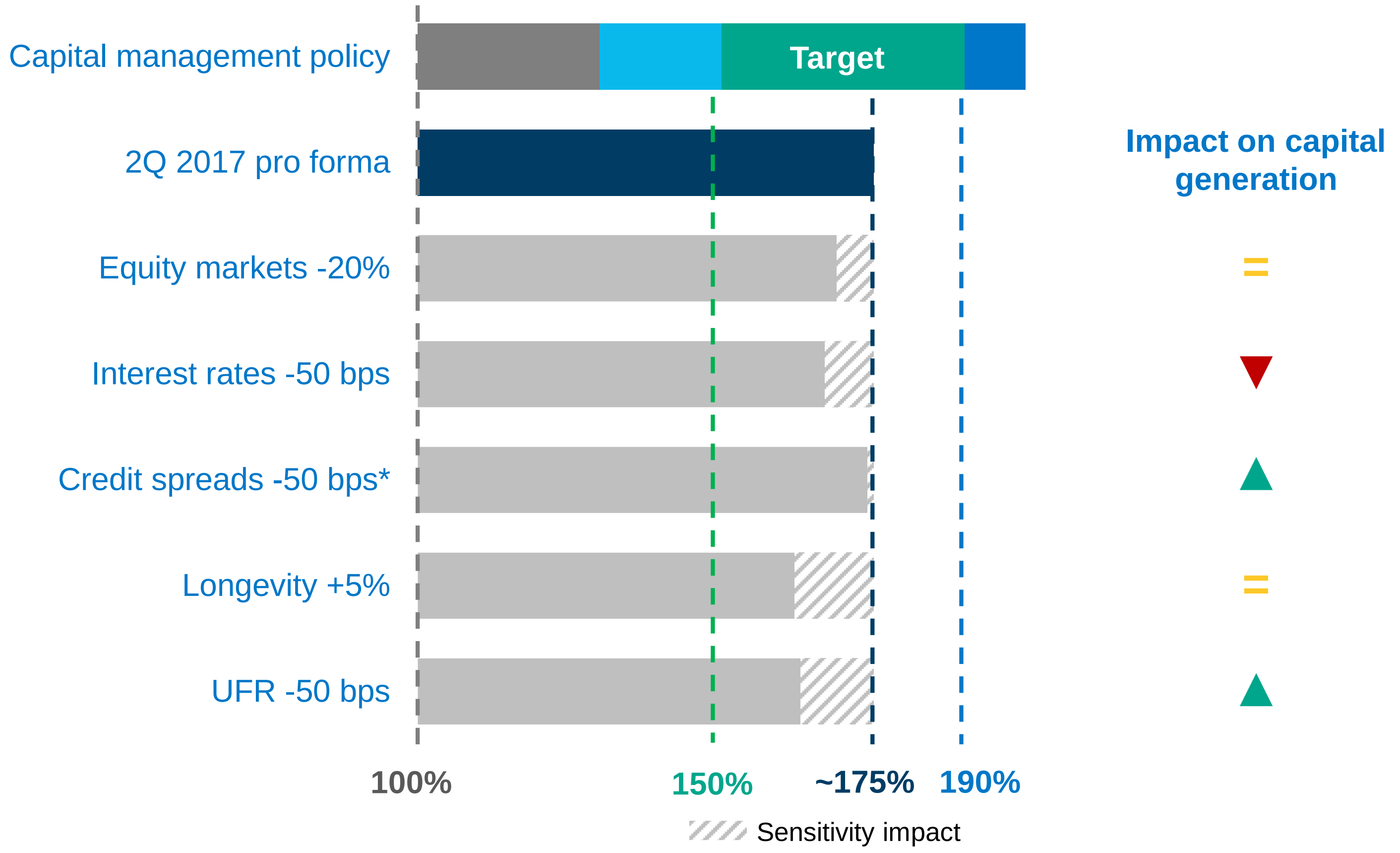
- New capital management policy based on amended philosophy
- Target zone lifted and widened from 130–150% to 150–190% to be able to absorb market volatility
- Added buffers to enable strategy execution, and protect capital generation and dividends
  - Enables Aegon NL to maintain its risk profile without having to take measures that adversely impact capital generation
  - When in retention zone, maintain dividend payments at reduced rate to return to target range



# Increased capital position improves shock absorbency

## Aegon NL Solvency II sensitivities

(Pro forma for comprehensive plan)




- Additional buffer added resulting in higher target of 150–190%, which improves the ability to absorb shocks
- Pro forma Solvency II ratio for Aegon NL of ~175% at high end of new target zone
  - Aegon Leven on a pro forma 2Q 2017 basis has a Solvency II ratio of >160%
- Most relevant sensitivities are to lower UFR and interest rates
  - Lowering the UFR leads to a lower Solvency II ratio, while it increases future capital generation
  - The ratio and capital generation effect of interest rate shocks has the same direction

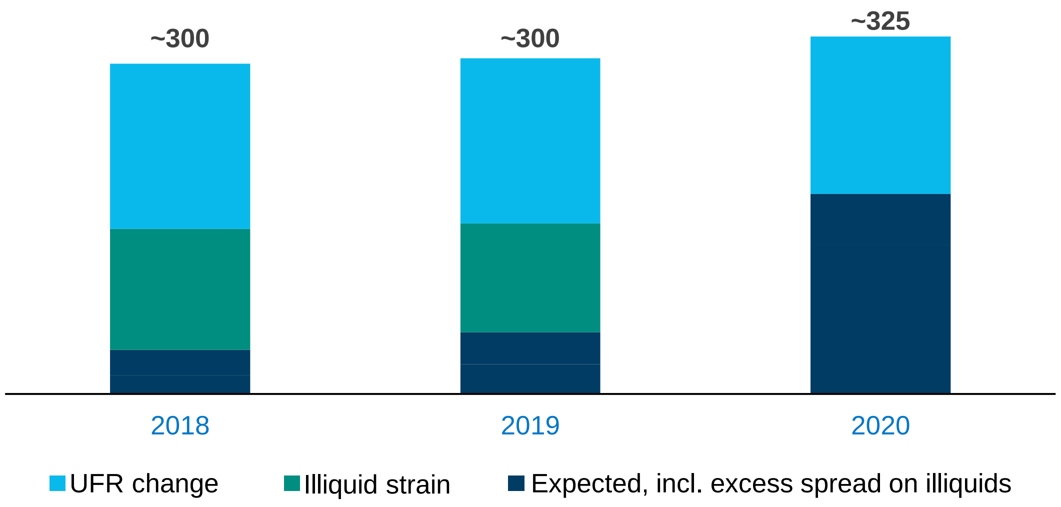
** Credit spreads excluding government bonds*
*Note: Refer to slide 33 for full sensitivities*

# Sustainable capital generation and dividends from Aegon NL

- Growth in capital generation as a result of illiquid investment strategy and reduction in capital intensity
  - Shift to illiquid investments limits short-term SCR release, while it drives EUR ~50 million step-up in excess spread from 2017 to 2020
- Aegon NL to resume dividend payments, expected 2017 dividend of EUR 100 million in first half of 2018[1]

## Normalized capital generation[2]

(Aegon NL, EUR million)




## Capital generation 2018[2]

(Aegon NL, approximations, EUR million)

| | | |
|---|---|---|
| Cash generating life insurance | Excess spread, incl. on illiquid assets | 275 |
| | Amortization UFR benefit | (200) |
| | MCVNB net of new business strain | - |
| | Release of risk margin | 100 |
| | Regular SCR release | 100 |
| | **Sub-total life normalized** | **275** |
| Growth businesses | Mortgage origination, TKP, non-life, etc. | 25 |
| | **Total Aegon NL normalized** | **300** |
| Illiquid strain & UFR change | Strain illiquid investments | (100) |
| | Lowering UFR by 15bps | (150) |
| | **Total Aegon NL expected** | **50** |

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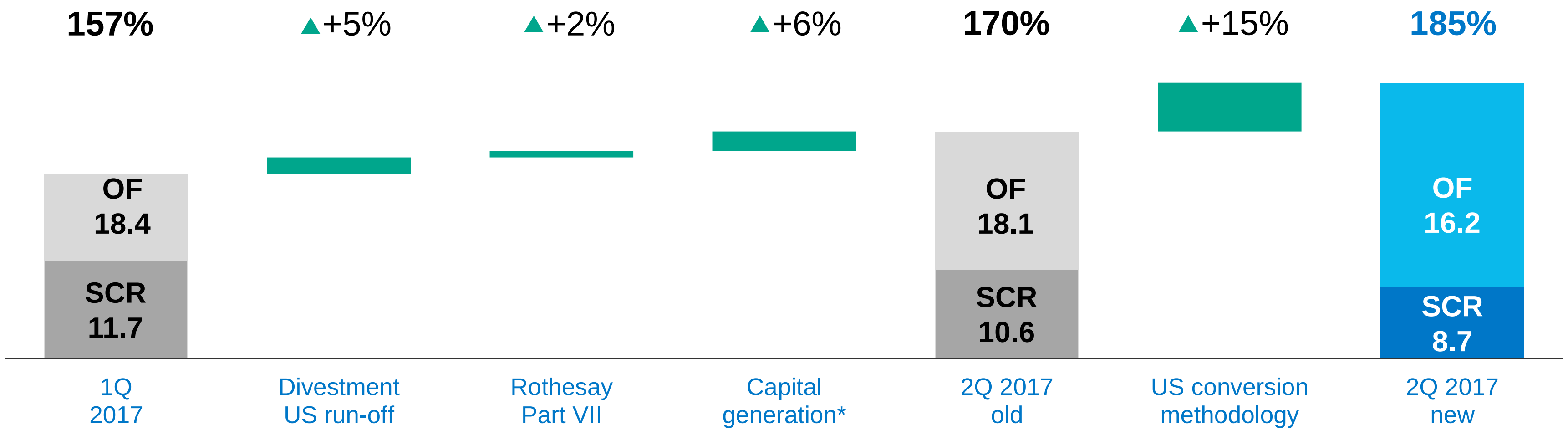
*[1] Subject to market conditions and regular governance in line with capital management policy*
*[2] Excluding one-time items and assuming interest rates move in line with forward curves, otherwise stable market conditions. SCR release at mid-point of target range*

# Group solvency ratio increases significantly to 185%

- Divestment of majority of US run-off businesses and completion of the Rothesay Part VII transaction combined were the main drivers of the increased ratio on a comparable basis
- Capital generation of EUR 0.6 billion including market impacts and one-time items of EUR 0.3 billion
- Regulatory approval obtained to amend US conversion methodology resulted in a 15%-points uplift

## Group solvency ratio

(EUR billion)




### Local solvency ratio by unit

| US | NL | UK |
|---|---|---|
| 464% | 144% | 169% |
| RBC | SII | SII |

*Note: OF = Own funds; SCR = Solvency capital requirement*
** Capital generation includes market impacts and one-time items*

# Amendment of US conversion methodology

- Agreement with DNB to amend deduction & aggregation methodology for US, to be reviewed annually
  - Conversion factor lowered from 250% to 150%[1] for US regulated entities
  - Own funds reduced by 100% RBC requirement[1] to reflect transferability restrictions
- Regular dividends from US operations to holding not impacted by change in methodology
- Quality of capital increased significantly, as transferability restriction leads to lower deferred tax assets

## Solvency II tiering

(As % of SCR, per June 30, 2017)


[1] *Company action level*

# Updated group capital zones

**Europe**

**NL: 150–190% Solvency II**
**UK: 145–185% Solvency II** New

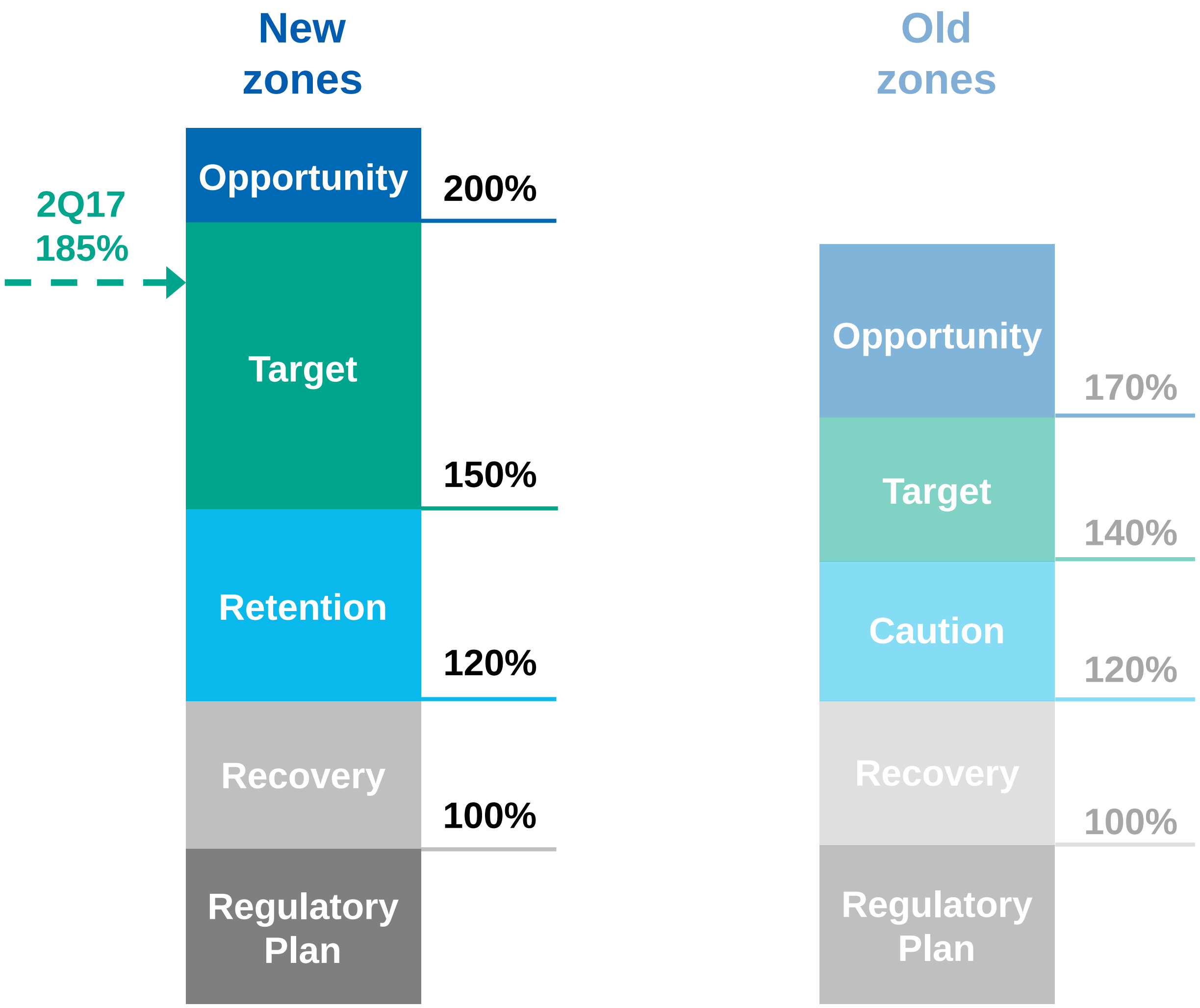
**Americas[1]**

| | |
|---|---|
| **US regulated entities:** | **350–450% RBC** |
| *Transferability restriction:* | *-100% on own funds* |
| *Conversion factor:* | *150%* |

New

**Holding**

**Excess capital target**
**EUR 1.0–1.5 billion**




[1] *Converted ratio is before -31%-pts adjustment for other impacts, including own employee pension plan at US holding*

# Strong capital generation outlook for the group

## Normalized capital generation
(EUR million)

| Region | Old[1] | 2018[2] | Comments |
|---|---|---|---|
| Americas[3] | ~900 | ~850 | Capital generation stable at USD 1 billion; after run-off divestment |
| Netherlands[4] | ~225 | ~300 | Excludes UFR change & temporary illiquid strain; after UMG sale |
| United Kingdom | ~25 | ~100 | Strong equity markets and benefits from Cofunds integration |
| Asset Management | ~100 | ~100 | Third-party earnings to compensate for lost general account earnings |
| Rest of Europe | ~50 | ~50 | To develop in line with business expansion |
| Asia | ~(100) | ~0 | Benefiting from management actions |
| **Normalized capital generation** | **~1,200** | **~1,400** | **Normalized capital generation to improve in the medium term** |
| Holding funding & Opex | ~(300) | ~(300) | |
| **Normalized free cash flow** | **~900** | **~1,100** | |

*[1] As provided at BofA-ML Financials Conference in September 2016*
*[2] Assuming interest rates move in line with forward curves, otherwise stable market conditions. Excluding one-time items and with SCR release at mid-point of target range*
*[3] Based on 1.18 USD / EUR exchange rate for 2018, 1.10 USD / EUR for old guidance*
*[4] UFR reduces by 15 bps in 2018, impact of EUR ~150 million; illiquid strain impact of EUR ~100 million in 2018*

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# Conclusion

- ✓ Strengthened Dutch capital position allows for dividend payments
- ✓ Closed current methodological discussions with regulator
- ✓ Achieved level playing field with amended US conversion methodology
- ✓ Recalibrated target zones protect capital generation and dividends

**Committed to returning EUR 2.1 billion to shareholders over 2016–2018**

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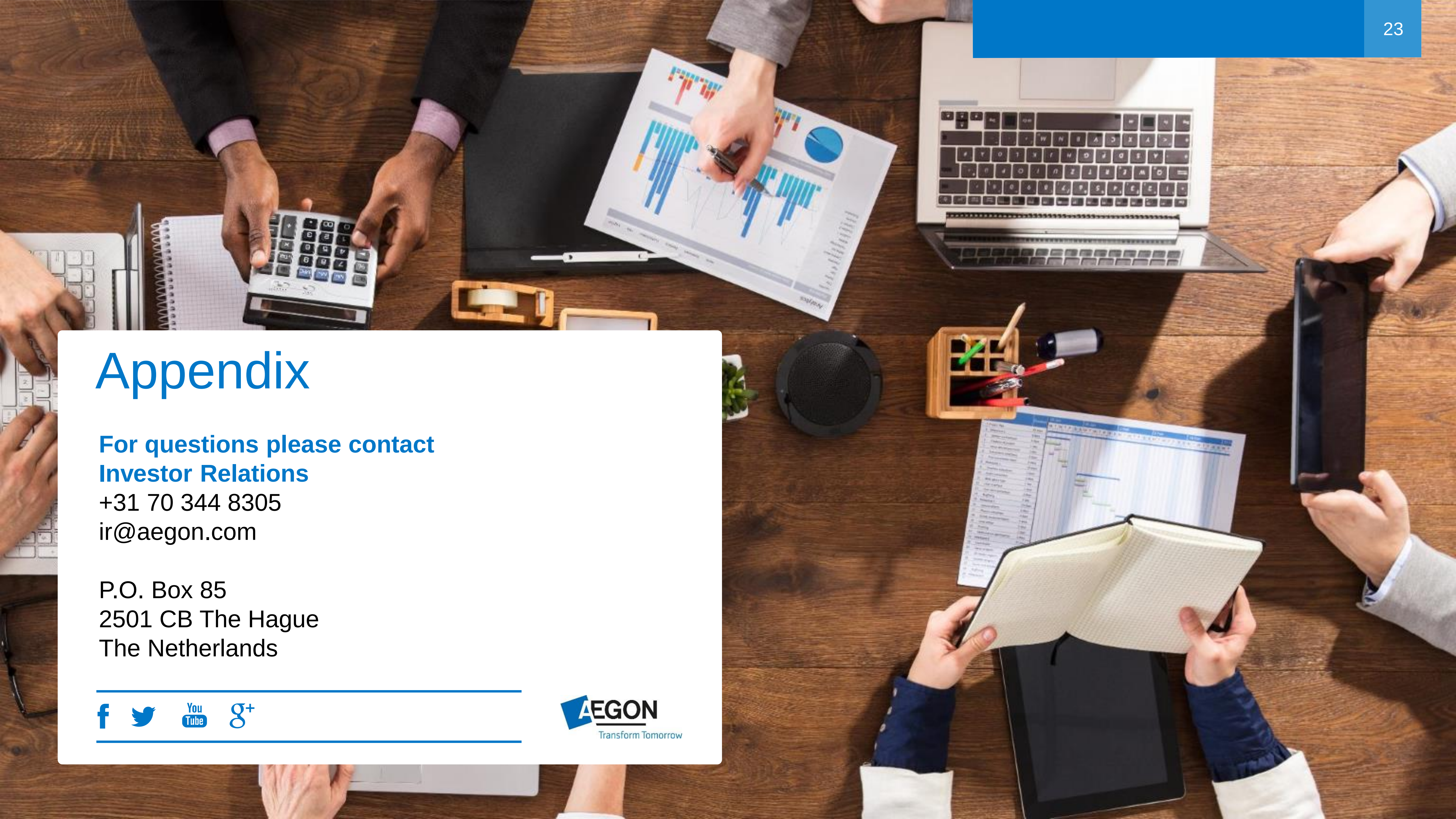

# Appendix


**For questions please contact**
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# Calendar of events

**Singapore, Aug 16**
Roadshow

**Hong Kong, Aug 18**
Roadshow

**Netherlands, Sep 7**
Roadshow

**New York, Sep 7**
KBW Insurance Conference

**London, Sep 12**
Roadshow

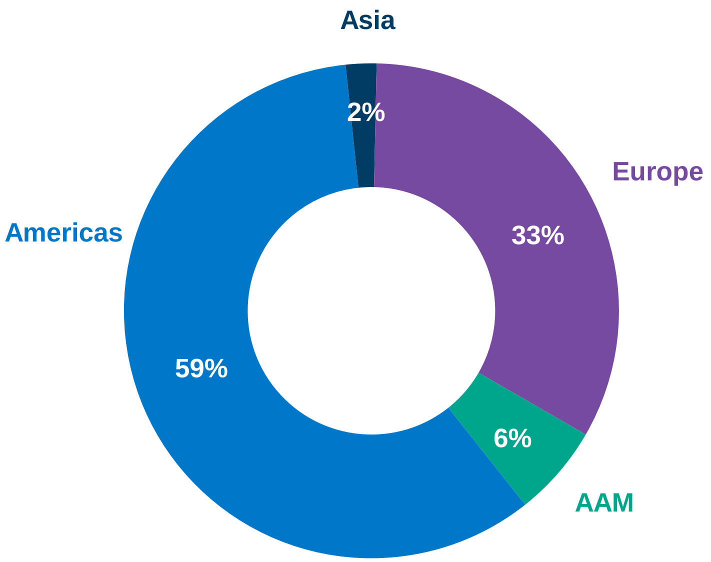
**Paris, Sep 14**
Kepler Cheuvreux Autumn Conference

**London, Sep 21**
Aegon UK deep dive

**London, Sep 27 & 28**
Bank of America Merrill Lynch Conference

**Milan, Sep 28**
JPMorgan Investor Forum

# Aegon at a glance




## Earnings
Underlying earnings before tax of **€ 1,022m**
(2017 YTD)

## Focus
Life insurance, pensions & asset management for over **26 million customers**

## Sales
Total sales of
**€ 7.9bn**
(2017 YTD)

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

## Employees
Over **29,000** employees
(June 30, 2017)

## Investments
Revenue-generating investments **€ 817bn**
(June 30, 2017)

## Paid out
in claims and benefits **€ 59bn**
(2016)

# Americas: Strong earnings improvement

- Underlying earnings up to USD 374 million, mostly driven by improved claims experience and favorable equity markets
- Operating expenses increased by 4% due to higher restructuring charges and one-time favorable variable employee expenses in 2Q 2016
- New life sales decreased to USD 137 million due to lower indexed universal life and term life sales
- Net outflows of USD 2.3 billion primarily due to lower retirement plan takeover deposits and lower VA sales
  - Outflows from contract discontinuances in the Mercer business are expected to increase significantly in the second half of 2017

| Earnings | Operating expenses | New life sales | Net deposits | MCVNB |
|---|---|---|---|---|
| **$374m** | **$466m** | **$137m** | **$(2.3)bn** | **$97m** |
| **+23%** compared with 2Q 2016 | **+4%** compared with 2Q 2016 | **-12%** compared with 2Q 2016 | **n.m.** compared with 2Q 2016 | **+39%** compared with 2Q 2016 |

*Note: Earnings = underlying earnings before tax*

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# Europe: Favorable markets drive solid earnings

- Underlying earnings increased to EUR 195 million mainly driven by higher account balances and favorable markets in the UK and improved claims experience in Dutch non-life business
- Operating expenses increased by 12% due primarily to the acquisitions in the UK
- New life sales declined by 13% mainly reflecting the exit from UK annuities
- Net deposits of EUR 1.9 billion reflect increased platform inflows in the UK and continued Knab deposits

| Earnings | Operating expenses | New life sales | Net deposits | MCVNB |
|---|---|---|---|---|
| €195m | €412m | €65m | €1.9bn | €31m |
| +21% compared with 2Q 2016 | +12% compared with 2Q 2016 | -13% compared with 2Q 2016 | n.m. compared with 2Q 2016 | -21% compared with 2Q 2016 |

*Note: Earnings = underlying earnings before tax*

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# Asia: Continued earnings growth in HNW and China

- Underlying earnings increased to USD 12 million, mainly due to higher earnings from HNW business and China
- New life sales increased by 7% as a result of strong demand for new critical illness product in China
- Net deposits decreased mainly due to lower sales and higher lapses in Japanese Yen-denominated VAs
- MCVNB increased to USD 18 million primarily due to strong profitability on the recently launched critical illness product in China and higher interest rates

| Earnings | Operating expenses | New life sales | Net deposits | MCVNB |
|---|---|---|---|---|
| $12m | $41m | $38m | $34m | $18m |
| n.m. compared with 2Q 2016 | +2% compared with 2Q 2016 | +7% compared with 2Q 2016 | -62% compared with 2Q 2016 | n.m. compared with 2Q 2016 |

*Note: Earnings = underlying earnings before tax; HNW = High Net Worth businesses*

# Asset management: Improved net deposits

- Underlying earnings declined by 14% as lower expenses were more than offset by lower management fees
- Lower operating expenses driven by lower expenses in the Americas
- Net inflows of EUR 2.5 billion mainly from the Americas, the Netherlands and Strategic partnerships
- Assets under management decreased by 5%, as other third-party net inflows were more than offset by outflows following the divestment of the majority of the run-off businesses in the US, and adverse currency movements

| Earnings | Operating expenses | Cost / Income ratio | Net deposits | Assets |
|---|---|---|---|---|
| €32m | €109m | 78.1% | €2.5bn | €309bn |
| -14% compared with 2Q 2016 | -1% compared with 2Q 2016 | +3.8pp compared with 2Q 2016 | +138% compared with 2Q 2016 | -5% compared with 1Q 2017 |

*Note: Earnings = underlying earnings before tax; Net deposits = net flows other-third party; Assets = Assets under management*

# Capital generation and excess capital

- Capital generation excluding market impacts and one-time items of EUR 0.3 billion
- Holding excess capital increased to EUR 1.7 billion at the end of the second quarter due to the dividends received from the US and CEE, and special dividend from Asia
  - EUR 500 million of holding excess capital was utilized for the redemption of senior notes on July 18, 2017

## Capital generation

(EUR billion)

| | 1Q 17 | 2Q 17 |
|---|---|---|
| **Capital generation** | **0.5** | **0.6** |
| Market impacts & one-time items | 0.2 | 0.3 |
| **Capital generation excluding market impacts & one-time items** | **0.3** | **0.3** |
| Holding funding & operating expenses | (0.1) | (0.1) |
| **Free cash flow** | **0.2** | **0.2** |

## Holding excess capital development

(EUR billion)

| | 1Q 17 | 2Q 17 |
|---|---|---|
| **Starting position** | **1.5** | **1.4** |
| Net dividends received from units | - | 0.6 |
| Acquisitions & divestments | - | - |
| Dividends & share buyback | - | (0.1) |
| Funding & operating expenses | (0.1) | (0.1) |
| Leverage issuances/redemptions | - | - |
| Other | - | (0.0) |
| **Ending position** | **1.4** | **1.7** |

*Note: Numbers may not add up due to rounding*

# Progress on financial targets

| Commitment | Year-end 2018 target | 2Q 2017 results |
|---|---|---|
| **Strong sales growth** | CAGR of 10% | >10% |
| **Reduce operating expenses** | EUR 350 million | EUR ~160 million |
| **Increase RoE** | 10% | 8.4% |
| **Excess capital at Holding** | EUR 1.0 – 1.5 billion | EUR 1.7 billion |
| **Return capital to shareholders** | EUR 2.1 billion | EUR ~1.2 billion |

*Note: Capital return to shareholders as of 2Q 2017 includes 2016 dividends and expected share buyback to neutralize dilutive effect, 2017 interim dividend and share buyback; EUR 500 million of excess capital at the Holding was utilized for the redemption of senior notes on July 18, 2017*

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# General account investments

**June 30, 2017** — **amounts in EUR millions, except for the impairment data**

| | Americas | Europe | Asia | Holding & other | Total |
|---|---|---|---|---|---|
| Cash/Treasuries/Agencies | 18,079 | 16,904 | 371 | 163 | 35,517 |
| Investment grade corporates | 32,890 | 3,934 | 3,483 | - | 40,307 |
| High yield (and other ) corporates | 2,417 | 97 | 144 | - | 2,658 |
| Emerging markets debt | 1,498 | 974 | 1117 | - | 2,590 |
| Commercial MBS | 3,655 | 220 | 537 | - | 4,411 |
| Residential MBS | 3,220 | 671 | 74 | - | 3,965 |
| Non-housing related ABS | 3,104 | 1,869 | 370 | - | 5,343 |
| Housing related ABS | - | 38 | - | - | 38 |
| **Subtotal** | **64,863** | **24,709** | **5,095** | **163** | **94,830** |
| Residential mortgage loans | 19 | 26,237 | - | - | 26,256 |
| Commercial mortgage loans | 6,947 | 55 | - | - | 7,002 |
| **Total mortgages** | **6,966** | **26,292** | **-** | **-** | **33,258** |
| Convertibles & preferred stock | 267 | - | - | - | 267 |
| Common equity & bond funds | 509 | 702 | - | 61 | 1,273 |
| Private equity & hedge funds | 1,616 | 411 | - | 2 | 2,030 |
| **Total equity like** | **2,392** | **1,114** | **-** | **63** | **3,570** |
| Real estate | 1,223 | 1,349 | - | - | 2,572 |
| Other | 701 | 3,605 | 1 | 2 | 4,309 |
| **General account (excl. policy loans)** | **76,145** | **57,068** | **5,096** | **229** | **138,538** |
| Policyholder loans | 1,989 | 11 | 6 | - | 2,006 |
| **Investments general account** | **78,134** | **57,079** | **5,102** | **229** | **140,544** |
| | | | | | |
| **Impairments as bps for the quarter** | **(1)** | **1** | **-** | **-** | **-** |

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# Updated Solvency II sensitivities

## Solvency II sensitivities

(in percentage points)

| | Scenario | Group | US | NL | UK |
|---|---|---|---|---|---|
| **Capital markets** | | | | | |
| **Equity markets** | +20% | +3% | +2% | +3% | -7% |
| **Equity markets** | -20% | -5% | -10% | -6% | +8% |
| **Interest rates** | +100 bps | +13% | +3% | +15% | +13% |
| **Interest rates** | -100 bps | -19% | -14% | -16% | -17% |
| **Credit spreads*** | +100 bps | +3% | 0% | +8% | +15% |
| **Longevity**** | +5% | -7% | -2% | -13% | -4% |
| **US credit defaults***** | ~200 bps | -18% | -36% | - | - |
| **Ultimate Forward Rate** | -50 bps | -3% | - | -12% | - |

- Group Solvency II ratio well within target zone of capital management policy
- Sensitivities updated to reflect amended conversion methodology for US business
- Loss absorbing capacity of deferred taxes set at 75% per the second quarter of 2017

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

# Main economic assumptions

| Overall assumptions | US | NL | UK |
|---|---|---|---|
| Exchange rate against euro | 1.10 | n.a. | 0.85 |
| Annual gross equity market return (price appreciation + dividends) | 8% | 7% | 7% |

| Main assumptions for financial targets | US | NL | UK |
|---|---|---|---|
| 10-year government bond yields | Develop in line with forward curves per year-end 2015 | | |

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

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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. |

### Aegon NYRS contact details

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# Disclaimer

**Cautionary note regarding non-IFRS measures**
This document includes the following non-IFRS-EU financial measures: underlying earnings before tax, income tax, income before tax, market consistent value of new business and return on equity. These non-IFRS-EU measures are calculated by consolidating on a proportionate basis Aegon's joint ventures and associated companies. The reconciliation of these measures, except for market consistent value of new business, to the most comparable IFRS-EU measure is provided in note 3 'Segment information' of Aegon's Condensed Consolidated Interim Financial Statements. Market consistent value of new business is not based on IFRS-EU, which are used to report Aegon's primary financial statements and should not be viewed as a substitute for IFRS-EU financial measures. Aegon may define and calculate market consistent value of new business differently than other companies. Return on equity is a ratio using a non-IFRS-EU measure and is calculated by dividing the net underlying earnings after cost of leverage by the average shareholders' equity, the revaluation reserve and the reserves related to defined benefit plans. Aegon believes that these non-IFRS-EU measures, together with the IFRS-EU information, provide meaningful 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, is confident, will, and similar expressions as they relate to Aegon. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Aegon undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which merely reflect company expectations at the time of writing. Actual results may differ materially from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:

- Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom;
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
  - The frequency and severity of defaults by issuers in Aegon's fixed income investment portfolios;
  - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities Aegon holds; and
  - The effects of declining creditworthiness of certain 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 a potential (partial) break-up of the euro;
- Consequences of the anticipated exit of the United Kingdom from the European Union;
- The frequency and severity of insured loss events;
- Changes affecting longevity, mortality, morbidity, persistence and other factors that may impact the profitability of Aegon's insurance products;
- Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
- Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
- Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness;
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- Changes in laws and regulations, particularly those affecting Aegon's operations' ability to hire and retain key personnel, 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;
- As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, a computer system failure or security breach may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
- Customer responsiveness to both new products and distribution channels;
- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- Changes in accounting regulations and policies or a change by Aegon in applying such regulations and policies, voluntarily or otherwise, which may affect Aegon's reported results and shareholders' equity;
- 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;
- Aegon's failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving and excess capital and leverage ratio management initiatives; and
- This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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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