Accelerate, connect, deliver

Alex Wynaendts

CEO

BoA-ML Banking & Insurance CEO Conference
London – September 2016

Helping people achieve a lifetime of financial security

AEGON
Transform Tomorrow

Overview

Aegon today

- Transformed the profile of the company by focusing on fee business
- Financial market risk reduced, as a result of proactive management actions
- Solid capital position, completed EUR 400 million share buyback in H1 2016
- Continued execution of strategy in volatile market environment
- Ambition to improve growth and return profile by 2018

Priorities going forward

- Broaden relationships with customers throughout their financial lifecycles
- Expand in asset management, administration and guidance & advice
- Reduce annual operating expenses by EUR 200 million by 2018
- Achieve a return on equity of 10% by 2018
- Increase capital return to shareholders through growing dividends

Transformed company profile

As a result of executing on our strategy

Addressed legacy issues

- ✓ Divested EUR 4.1bn non-core activities at ~0.8x P/B on average (2011-2016)
- ✓ Improved quality of our financial modeling
- ✓ Addressed several long-dated disputes

Optimized value of backbook

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

While growing our fee business

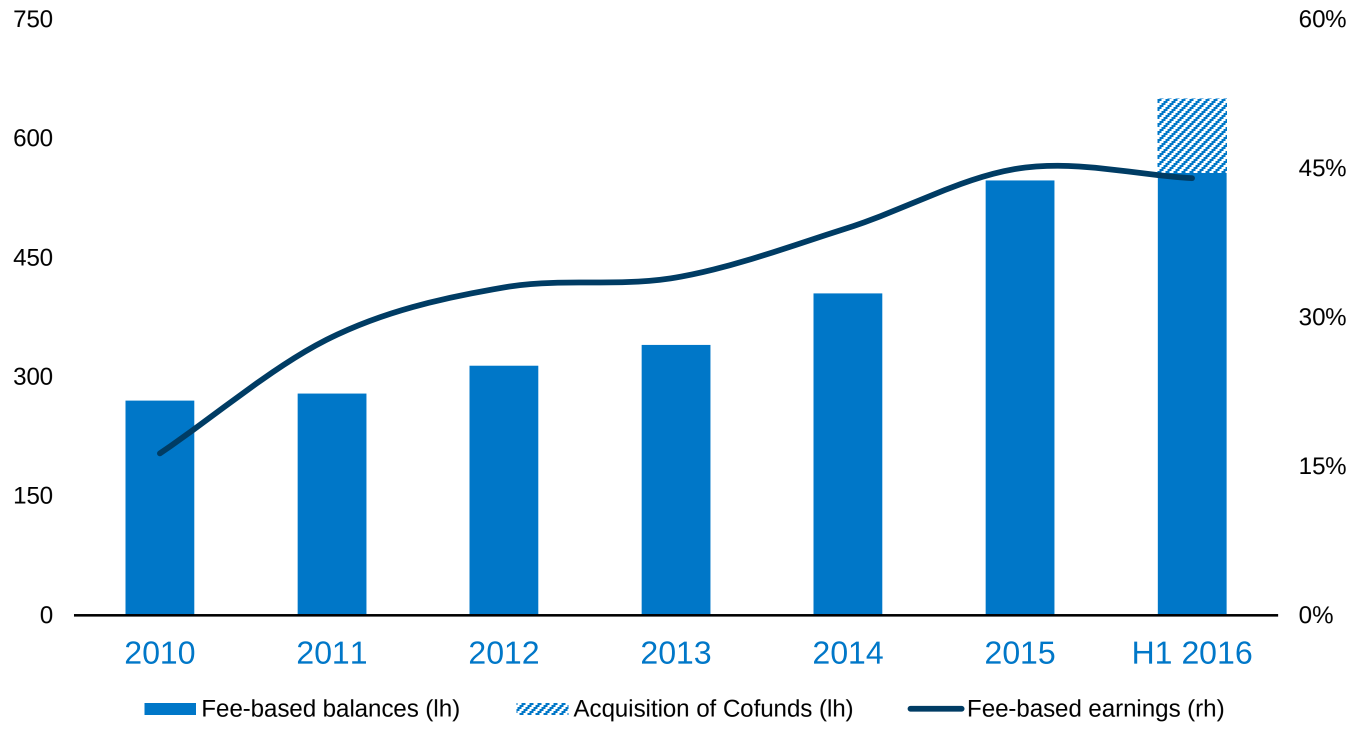
- ✓ Generated average annual sales growth of 12% from 2010 to 2015
- ✓ Invested in digital business models
- ✓ Created highly successful asset manager
- ✓ Secured distribution deals and JVs with strong partners
- ✓ Grew our pension customer base from 6 to 11 million

Clear transformation

Successful shift from spread- to fee-based businesses

Development of fee-based balances and earnings

(balances in EUR billion and earnings as % of total earnings)



- Strong growth in fee-based earnings; percentage nearly tripled since 2010
- Organic growth supplemented with acquisitions to enhance growth of fee-based balances to EUR 650 billion
- Doubling of free cash flows from 2010 to 2015 mainly as growth of fee-based businesses more than offset lower spread-related cash flows

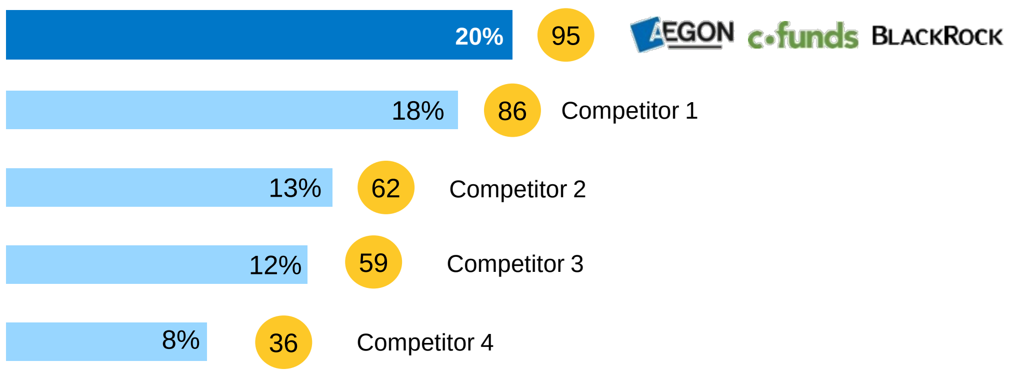
Clear leader in fast-growing market

Accelerating strategic transformation in the UK

- Number 1 retail platform and number 3 in workplace savings market
- Leveraging state-of-the-art technology to become a pure play digital provider
- Targeting cost savings of GBP ~60 million by reducing UK digital cost base ~25%*
- Expanding distribution through strategic partnerships

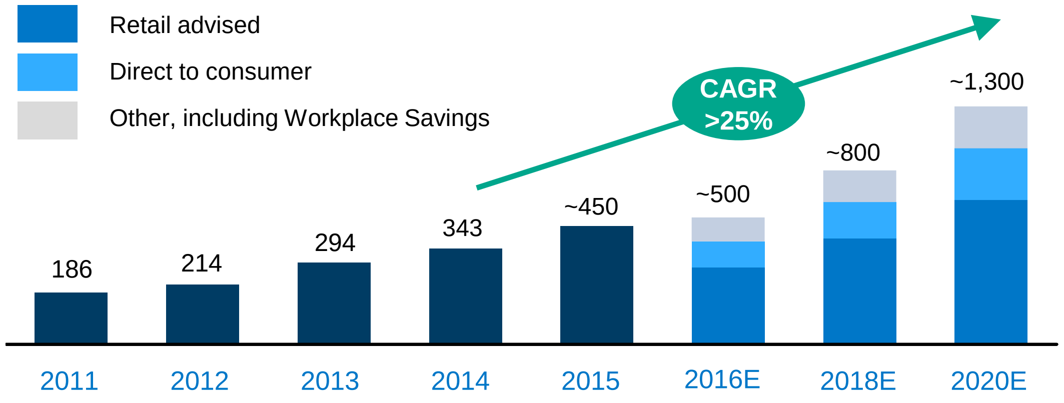
Leading market position**

(4Q15, market share in %, assets in GBP billion)



Continued platform market growth

(in GBP billion)



Sources: Fundscape, Platforum, Spence Johnson, company estimates
**Cost savings against 2015 actual cost base for Digital Solutions and acquisitions announced in 2016*
*** Pro forma for announced acquisitions by Aegon and competitors. Includes both retail and workplace platform businesses*

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Living up to our purpose

To help people achieve a lifetime of financial security

From worksite relationship…

…through guidance and advice…

…to trusted provider of retail solutions

Working life

Situation	Developing career and starting a family
Primary relationships	Pension administration and protection
Aegon's focus	Grow scale in administration and selectively offer protection products

Wealth accumulation

Situation	Increasingly focusing on retirement
Primary relationships	Asset management and advice
Aegon's focus	Increase customer engagement and provide investment solutions

At & after retirement

Situation	Retirees looking for income and wealth transfer
Primary relationships	Advice and asset management
Aegon's focus	Offer guaranteed income and solutions to manage wealth

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Aegon's strategic priorities

Loyal Customers

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

Operational Excellence

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

Optimized Portfolio

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

Empowered Employees

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

Addressing investor concerns

1. **Low interest rates**
2. **Capital position**
3. **Capital generation & deployment**
4. **Regulatory environment**
5. **Underperformance in the US**
6. **Expense levels**

Challenging interest rate environment

Active management to limit impact of ‘lower for longer’

Sales

- Adjusting products throughout the business
- Changing the business mix
- Focusing on new business profitability, not on volumes

Earnings

- Strategic shift from spread- to fee-based business
- Launch of expense savings program
- Introducing five part plan in the US

Capital

- Running off capital intensive businesses
- Enhancing hedging programs group-wide
- Group Solvency II ratio well within target range at 158% at Q2 2016

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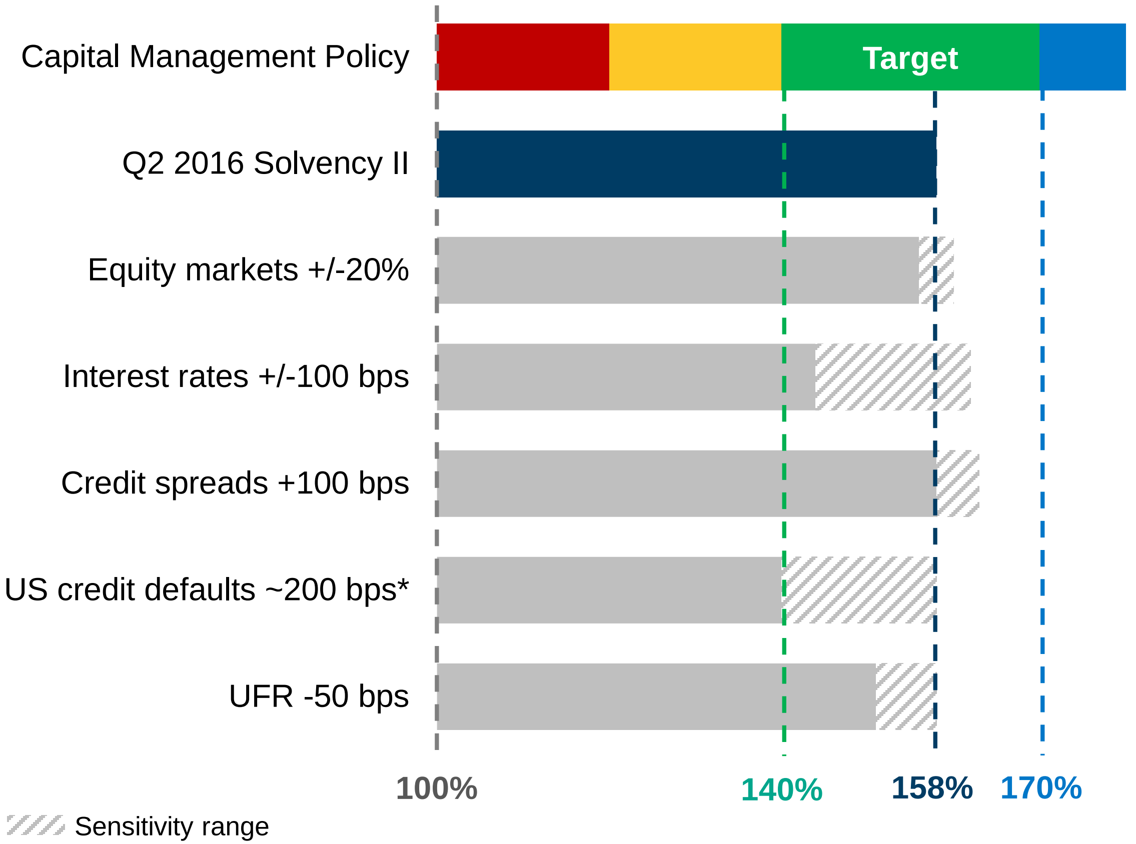
Solid capital position

Well positioned to withstand headwinds

Group Solvency II ratio & sensitivity ranges Q2 2016



*Additional defaults for 1 year including rating migration
** Credit spreads excluding government bonds

- Group Solvency II ratio well within target zone of capital management policy
- Immaterial sensitivity to equity markets
- UK annuity portfolio divestment fundamentally changed the risk profile of the UK business
- Lower interest rate starting points increased sensitivities
  - 10-yr government bond yields per June 30, 2016 of 1.47% (US), 0.87% (UK), and 0.01% (NL)
- Continued credit spread basis risk between Dutch investments and EIOPA volatility adjuster reference portfolio

Growing capital generation

Supported by increasing contributions from growth markets

Solvency II capital generation*

(EUR million)

	2016	Direction
Americas	~900	Stable
Netherlands	~225	Stable
United Kingdom & Ireland**	~25	Grow
Asset Management	~100	Grow
Central & Eastern Europe, Spain & Portugal	~50	Grow
Asia	~(100)	Improve
Total capital generation	**~1,200**	**Grow**
Holding funding & operating expenses	~(300)	Stable
Total free cash flow	**~900**	**Grow**

Capital generation developments

Impact neutral

- Lower earnings in the Americas (-)
- Higher UFR amortization in NL (-)
- Lower new business strain (+)

Growing diversity

- Expected remittances from UK
- Increasing importance of growth businesses

New business

- Investments to drive future earnings growth
- Increasing economic value
- Providing future capital generation

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

Capital deployment strategy

On track to return EUR 2.1 billion capital to shareholders in 2016-2018

Dividends
EUR 1.7 billion

2016 interim dividend increased 8%

Share buyback
EUR 0.4 billion

Completed

EUR 950 million of capital return to shareholders in 2016

Navigating the regulatory environment

Limited impact on strong US capital position

Regulation	Change	Impact
Principal Based Reserves (Life) January 1, 2017	Reserve requirements will become more economic, resulting in the disappearance of the majority of redundant reserves for new business	Not material
Captives (VAs) January 1, 2018 at the earliest	Proposal designed to reform variable annuity reserves and capital with a stronger alignment between hedges and liabilities under RBC framework	Not material
RBC asset charges January 1, 2017	Proposed change from 6 to 21 NAIC designations is designed to better align capital charges with appropriate risk for invested assets	Negative 20 to 25%-points on RBC ratio

Note: Expected impacts based on current interpretation of proposals

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Addressing underperformance in the US

5 part plan to enhance earnings and improve returns

1 — Address deterioration of profitability in Life & Health businesses

- Implementing increases on monthly deduction rates
- Requesting LTC rate increases
- Assessing other blocks to identify ways to improve RoC

2 — Strategic overhaul of business lines and product offerings

- Rigorous review of product portfolio
- Pivot from multi-channel, to simpler & more customer-friendly products
- Easier product administration to support cost savings

3 — Disposition of non-core assets

- Review options for BOLI/COLI & Payout annuities
- Other closed blocks being assessed for disposal potential
- Exploring sale of non-core legal entities

4 — Rationalized location strategy following ONE Transamerica restructure

- US geographic footprint under evaluation
- Further improve operational excellence
- Leverage synergies and improve group collaboration

5 — Focused and disciplined expense management

- Implementation of One Recordkeeping system
- Mercer business integration and digitize transactions
- Further measures being identified

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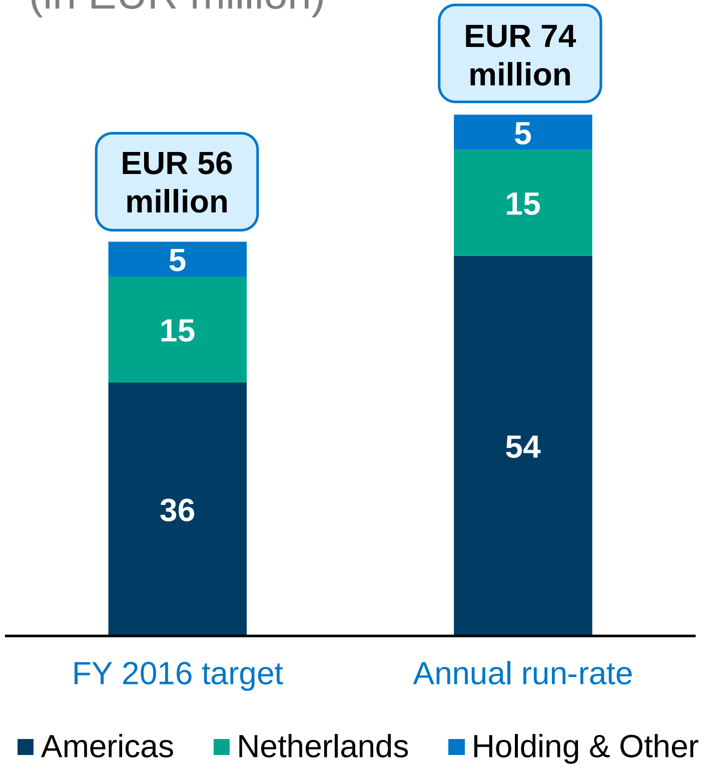
Expense savings on track

Americas ahead of planned expense savings

Expense savings vs target

(in EUR million)



2018 target

Americas

- Reducing complexity by transforming to ONE Transamerica
- Completed voluntary separation incentive plan
- Reducing consulting related costs
- Rationalize location strategy

USD 150 million

The Netherlands

- Continuing to reduce legacy systems
- Simplifying products
- Streamlining existing book and support functions
- Reducing Solvency II costs after implementation

EUR 50 million

Holding & Other

- Aligning reporting structure with business units
- Reducing complexity and streamlining processes
- Continuing to reduce legacy systems
- Improving procurement across organization

EUR 10 million

Progress on financial targets

Capital return, excess capital and expense savings on track

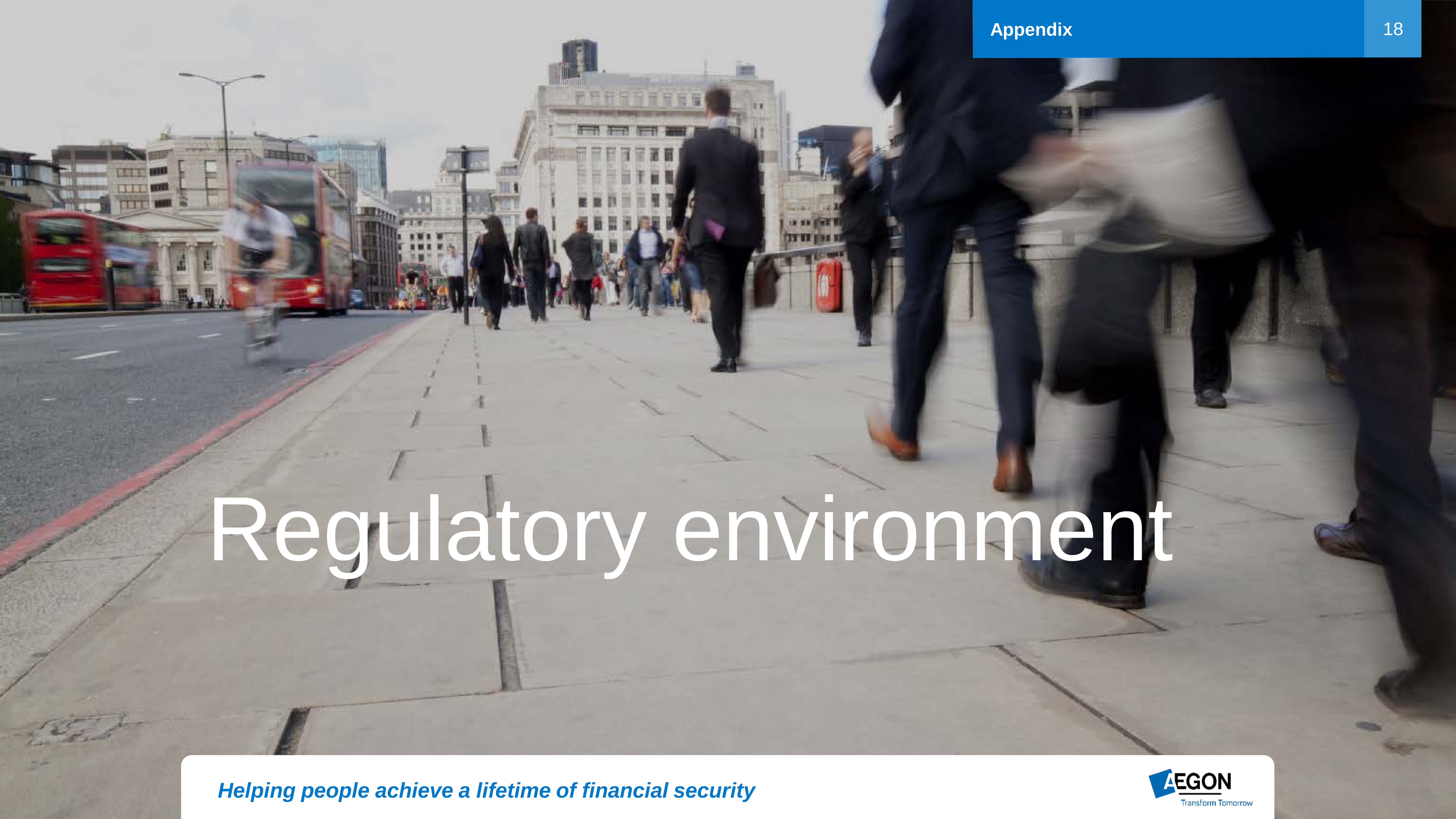
Commitment	Year-end 2018 target	Half-year 2016 results
Strong sales growth	CAGR of 10%	>10%
Reduce operating expenses	EUR 200 million	EUR 74 million
Increase RoE	10%	7.1%
Excess capital at Holding	EUR 1.0 – 1.5 billion	EUR 1.1 billion
Return capital to shareholders	EUR 2.1 billion	EUR 950 million*

** Includes interim dividend announced at Q2 2016 results and paid out in Q3 2016*

Priorities moving forward

Continue successful execution of strategy

- Maintain solid capital position while returning capital to shareholders
- Management actions to mitigate low interest rates
- Improve returns in the Americas through execution of 5 part plan
- Execute expense savings program
- Accelerate shift from spread to fee-based businesses



Regulatory environment

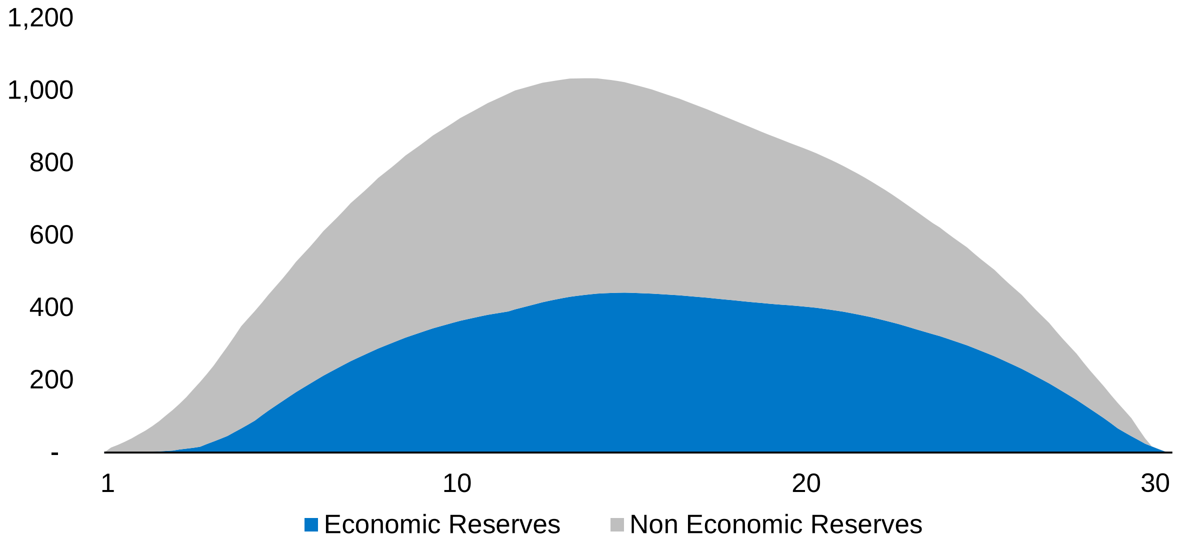
Life captives grandfathered

Principle Based Reserves to be introduced in 2017

- Life captives finance redundant reserves
- US state regulators recognize the non-economic nature of these reserves that were required by actuarial guidelines, resulting in the development and introduction of Principle Based Reserving for new business as of January 1, 2017
- Reserve requirements will become more economic, resulting in the disappearance of the majority of redundant reserves for new business
- Current structures (captives, letters of credit and reinsurance) will be grandfathered and historical reserve requirements will not change

Example build up of US statutory reserves

(Statutory reserves in USD millions and years)



Note: Example of Term/Universal life product mix

NAIC VA reserve & capital reform

Proposal supported by Aegon

- NAIC commissioned Oliver Wyman to review reserve and capital framework for variable annuities
- Captives for variable annuities are used to manage valuation mismatch between hedges and liabilities under the RBC framework
- Presented proposals to address this mismatch and reduce incentive to use captives
- On balance, the impact on our RBC ratio is not expected to be material
  - The assets held in the captive are sufficient to offset the required capital anticipated in the new framework

Positives	Negatives
• Better alignment between hedging and regulatory requirements leading to lower volatility of capital	• Standardized capital market assumptions
• More tax offsets recognized in capital requirements	• Standardized standard scenario policyholder assumptions

Note: Expected impacts based on current interpretation of proposals

Cofunds acquisition

Building on complementary strengths

Leveraging strong existing skillset

	cofunds	BlackRock	AEGON
Profile	• Assets: GBP 77bn (GBP 28bn retail) • Customers: 750,000 (retail) • Locations: London, Witham	• Assets: GBP 12bn • Customers: 350,000 • Locations: London, Peterborough	• Assets: GBP 8bn Platform, GBP 46bn Traditional (GBP 21bn to be upgraded) • Customers: 2 million • Locations: Edinburgh, London
Key products	• Individual savings account (ISA) • General investment account (GIA)	• Trust-based products • Investment-only products	• Self invested personal pension (SIPP) • Protection, and with profits
Core capability	• Distribution reach • Large customer base on retail platform	• Expertise in large schemes • Strong footprint in workplace solutions	• Modern technology • Integrated platform for workplace, advised and retail business

Note: AuM per end-2015. Aegon AuM based on pension business only

Profile of the Cofunds business

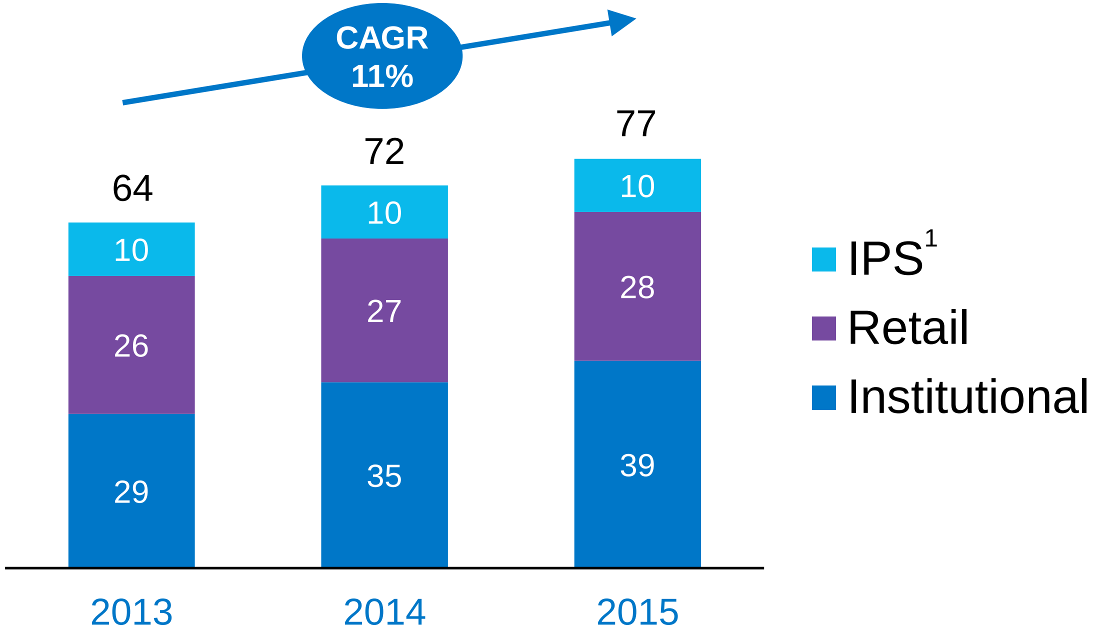
Cofunds provides platform services to advisors charging fees over assets

Offering

- Cofunds, founded in 2001 as a first mover in the UK Platform Market and currently the market leader with GBP 77 billion in assets, provides investment platform services to advisors and institutional clients who manage assets for their customers
- Cofunds' investment platform enables advisors to place a selection of funds from many different fund providers into one consolidated portfolio. Portfolios can be constructed and managed in one place using the Cofunds website

Asset development

(in GBP billion)



1. Investor Portfolio Services

Modest investment drives cash flow growth

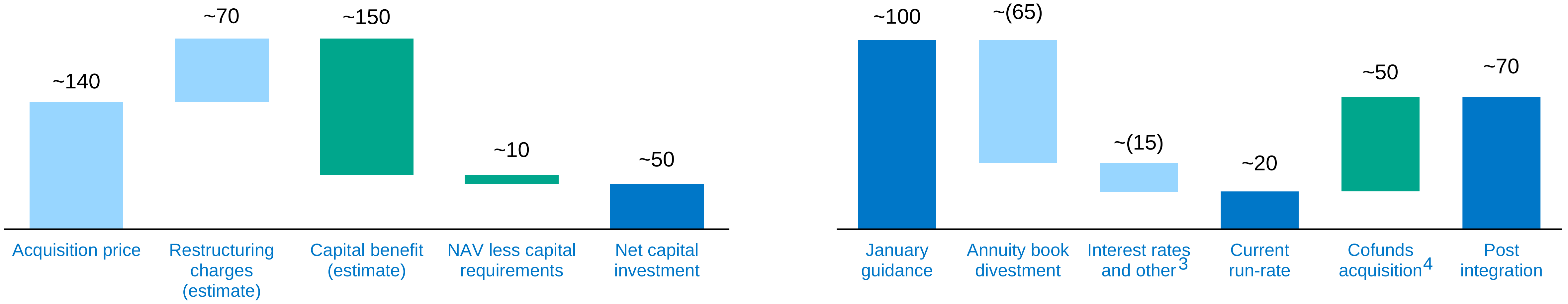
- Capital benefit from cost savings limits net investment for Cofunds acquisition
- Aegon will recognize GBP ~150 million Solvency II benefit as a result of cost savings[1]
  - Cost synergies will be equally split between Aegon's existing insurance business and Cofunds
- Annual capital generation post-integration of GBP ~70 million
  - Cofunds contributes GBP ~50 million of capital generation, which reflects net underlying earnings

Net capital investment until end-2017[2]

(in GBP million)

Updated capital generation guidance

(in GBP million)



1. Capital benefit from reallocating expenses from Scottish Equitable Plc (SE) to Cofunds, of which the renewal expenses are fully capitalized under Solvency II
2. Restructuring charges (net of tax) and capital benefit will arise between completion and the end of 2017
3. Includes impact on MCVNB from annuity distribution deal with Legal & General 4. Capital generation from the deal in SE and Cofunds post-integration

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Appealing financial rationale

Cofunds acquisition to deliver substantial value

Modest investment	✓	Capital benefit of GBP ~150 million resulting from cost savings Net capital investment for acquisition and restructuring of GBP ~50 million[1]
Attractive returns	✓	Payback period of acquisition of 3 years Transaction will contribute to achieving the group return on equity target
Solid capital position	✓	Solvency II ratio of Aegon UK remains within target range Aegon UK expected to resume dividend payments to the group in 2017

1. See slide 19 for details

Advisor and customer benefits

Substantially enhancing adviser proposition and distribution capability

Superior proposition

- Continuous platform enhancement leads to better user experience
- More straight-through processing
- Broader investment range

Minimal disruption

- No requirement for an advisor transaction
- Advisor forum created to support integration process

Enhanced distribution

- Cofunds and Aegon focus on mass affluent market
- Limited overlap of top new business firms
- Significant cross-sell opportunity

Major new business relationship

- New business relationship with Nationwide
- Nationwide is the UK’s leading mutual
- Aegon to support relaunched investment service

Capital update

Capital management policy

140-170% target Solvency II range at Group level

EEA country units (1)

Target: 130% – 150% SII Ratio

Americas (2)

Target*	350 – 450% life RBC
US holding**	-70%
SII equivalence @250%	120 – 160%

Holding (3)

Cash buffer target
EUR 1.0 – 1.5 billion

Aegon Group

	Group SII ratio
Opportunity	
	170% SCR
Target	
	140% SCR
Caution	
	120% SCR
Recovery	
	100% SCR
Regulatory Plan	

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

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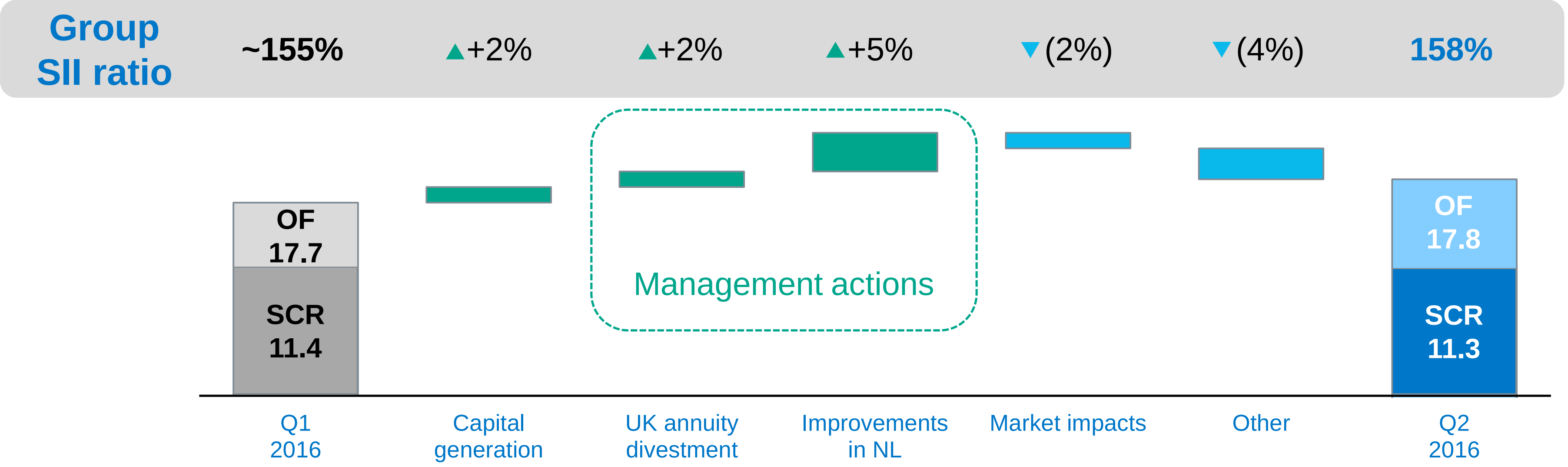
Increased Solvency II ratio

Management actions drive Solvency II ratio up



Local solvency ratio by unit

US	NL	UK
~450%	154%	145%
RBC	SII	SII

- Estimated group Solvency II ratio increased to 158% mainly due to management actions
- NL management actions include a more thorough application of the volatility adjuster, additional interest rate hedges and lower risk margin related to future expense levels
- Market impacts relating to declining interest rates were partly offset by spread tightening in NL
- Other movements include tiering capacity limits, diversification and FX impacts

Note: OF = Own funds; SCR = Solvency capital requirement

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Netherlands Solvency II refinements

Management actions improve Solvency II ratio

What changed?	Why change?
Additional interest rate hedges have been implemented pre-Brexit	Reduce the sensitivity of the ratio for changes in market conditions and volatility in staff pension plan in NL
More thorough application of our methodology regarding the Volatility Adjuster	As a result of a deep dive into our models, areas were identified where methodology could be applied more rigorously
Appropriately reflect actions that could be taken to manage expenses in stressed conditions	The previous approach did not fully reflect expenses and actions that could be taken in the long-term in stressed conditions
Other model and data refinements	Previous prudent approach replaced with more granular data

Impact on ratio?

$$\frac{\text{Higher own funds}}{\text{Lower SCR}} = \text{Higher SII ratio}$$

Solvency II sensitivities updated

Group sensitivities updated for NL hedging changes and UK divestment

Solvency II sensitivities
(in percentage points)

	Scenario	Group	US	NL	UK
Capital markets					
Equity markets	+20%	Negligible (+/- 2%)			
Equity markets	-20%				
Interest rates	+100 bps	+4%	0%	+14%	+6%
Interest rates	-100 bps	-14%	-14%	-20%	-8%
Credit spreads*	+100 bps	+5%	0%	+14%	+6%
US credit defaults**	~200 bps	-18%	-32%	-	-
Dutch mortgage spreads***	+50 bps	-3%	-	-10%	-
Ultimate Forward Rate	-50 bps	-7%	-	-19%	-

- Group Solvency II ratio well within target zone of capital management policy
- Immaterial sensitivity to equity markets
- UK annuity portfolio divestment fundamentally changed the risk profile of the business
- Lower interest rate starting points increased sensitivities
  - 10-yr government bond yields per June 30, 2016 of 1.47% (US), 0.88% (UK), and 0.01% (NL)
- Base risk related to volatility adjuster continuous to lead to quarterly volatility of the Solvency II ratio

** Credit spreads excluding government bonds*
*** Additional defaults for 1 year including rating migration*
**** Assumes no effect from the volatility adjuster*

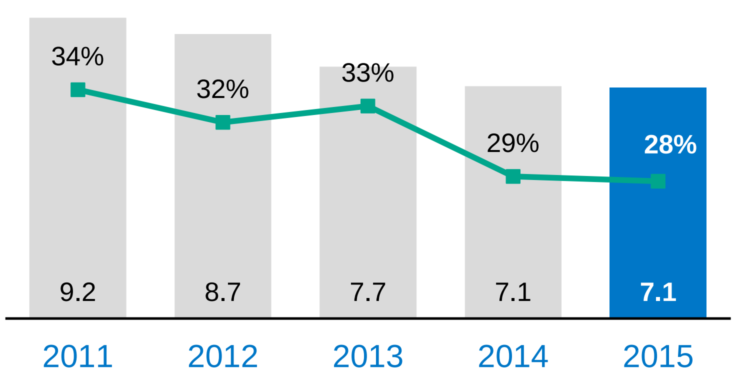
Leverage and fixed charge coverage

Remain within target ranges

- Gross financial leverage of 29.6% as of Q2 2016
  - Leverage cut by ~25% since 2011
- Fixed charge coverage of 6.7x full year 2015
  - Fixed charges reduced by more than 40%
  - Preferred dividend eliminated

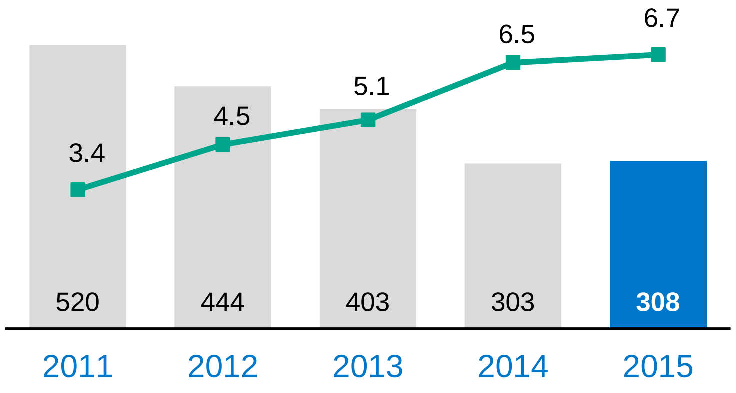
Gross leverage

(in EUR billion, %)



Funding costs

(in EUR million, fixed charge coverage)



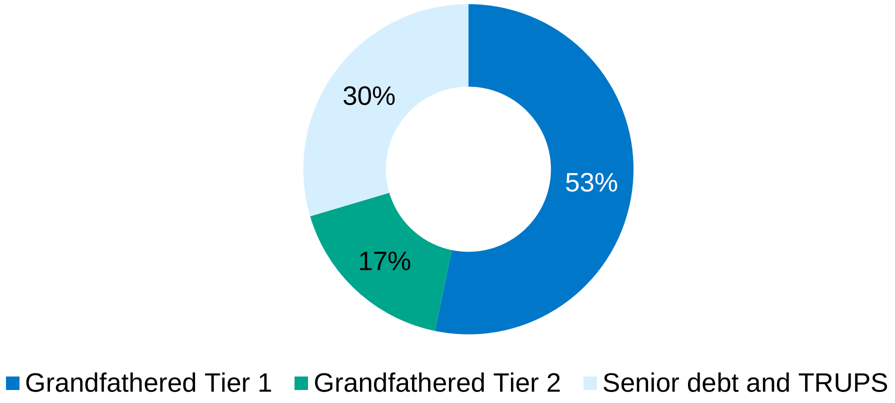
Maturity schedule and treatment of debt instruments

- Solvency II treatment of outstanding debt instruments
  - Perpetual securities are grandfathered as Tier 1 capital*
  - Dated subordinated notes are grandfathered as Tier 2 capital
- Trust pass-through securities and senior debt instruments are treated as liabilities when calculating Solvency II capital (Own Funds)

** Aegon has committed to only call or amend these securities subject to prior approval by DNB*

Solvency II treatment of debt instruments

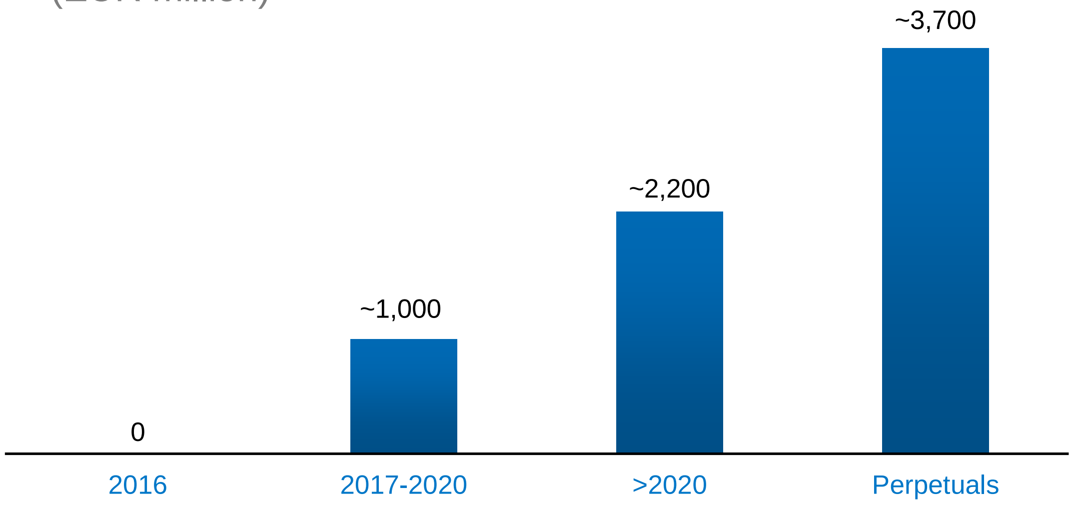
(in % of total debt instruments)



Based on notionals and FX rates as of 31/12/15

Senior and subordinated debt maturity schedule

(EUR million)



Based on notionals and FX rates as of 31/12/15, using contractual maturities

Ample access to money and capital markets

Aegon NV & Aegon Funding Corp (debt)

- USD 4.5 billion French, Euro and US commercial paper programs
- USD 6.0 billion Euro MTN program
- European registration document
- US shelf registration (WKSI)

Asset backed financing

- EUR 5.0 billion Covered Bond Program
  - Aegon Bank
- SAECURE
  - Dutch residential mortgage funding program

Liquidity facilities

- EUR 2.0 billion revolving credit facility maturing in 2019
- USD 2.6 billion Syndicated letter of credit facility maturing in 2021
- Various types of bilateral liquidity

Share listings (equity)

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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Q2 2016 Results

Solid capital ratio despite volatile markets

Net loss of EUR 385 million mainly due to divestment of UK annuity book

- Solvency II ratio increased to an estimated 158% as capital generation and management actions more than offset adverse market impacts
- Underlying earnings before tax impacted by adverse claims experience, low interest rates and lower variable annuity earnings
- Continued strong sales from deposit businesses; new life sales reflects focus on profitability
- Interim dividend increased by 8% to EUR 0.13 per share

Solvency II	Capital generation	Earnings	Return on Equity	Sales
158%	€ 0.3bn	€ 435m	6.8%	€ 2.8bn
+3pp compared with Q1 2016	excluding one-time items and market impacts of EUR 0.6bn	**-14%** compared with Q2 2015	**-0.8pp** compared with Q2 2015	**+18%** compared with Q2 2015

Note: Earnings = underlying earnings before tax; Solvency II ratio is management best estimate

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Underlying earnings before tax

Results impacted by adverse claims experience in the US

- Lower Americas earnings mainly due to adverse claims experience, low interest rates and lower earnings from Variable Annuities
- Higher earnings from Europe as a result of lower DPAC amortization in the UK and normalization of surrenders in Poland
- Aegon Asset Management earnings decreased, mainly resulting from lower performance fees

Underlying earnings before tax comparison

(in EUR million)

Note: DPAC = Deferred policy acquisition costs

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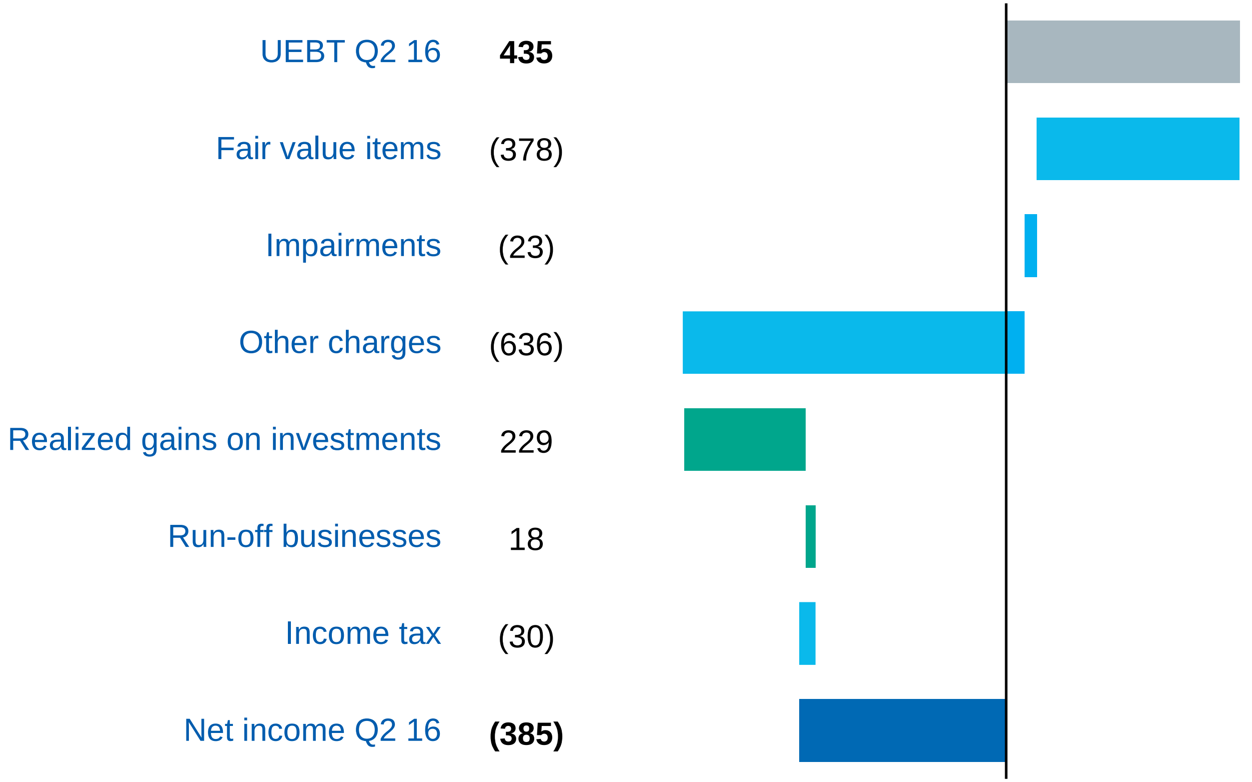
Net loss mainly due to Other charges

UK annuity divestments and fair value items offset realized gains

Underlying earnings to net income development in Q2 2016

(in EUR million)



Fair value items

Americas:
- Alternative investments
- Equity and interest rate volatility

Netherlands:
- Interest rate hedges due to mismatch on IFRS basis
- Tightened credit spreads

Other charges

United Kingdom:
- Book loss on annuity portfolio divestments

Americas:
- Book gain on divestment of certain assets of TFA

Realized gains on investments

United Kingdom:
- Gains from rebalancing investment portfolio following divestments

Netherlands:
- Asset and liability adjustments

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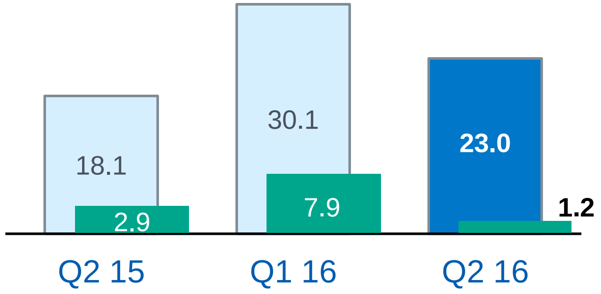
Continued strong gross deposits

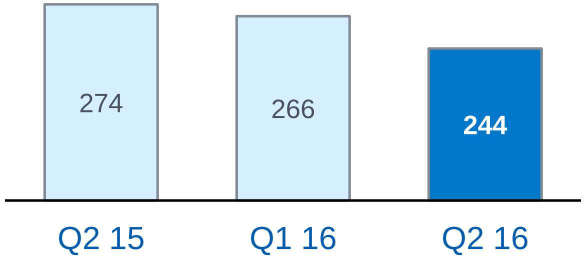
Life sales reflects focus on profitability

- Higher gross deposits driven by US retirement plans, asset management, savings deposits in NL and external growth of the platform business in the UK
  - Net deposits amounted to EUR 1.2 billion
- New life sales declined due to maintaining a strict pricing policy in the current low interest environment
- New premium production for accident & health was down as product exits and lower portfolio acquisitions more than offset higher sales in Spain and Hungary

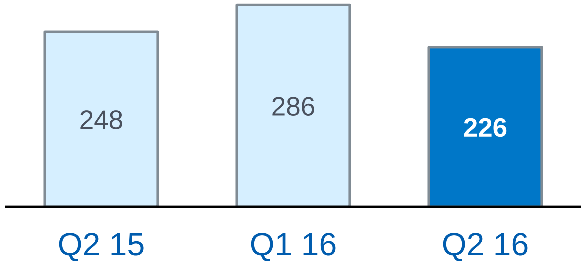
Deposits
(in EUR billion)



New life sales
(in EUR million)



A&H and general insurance
(in EUR million)



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

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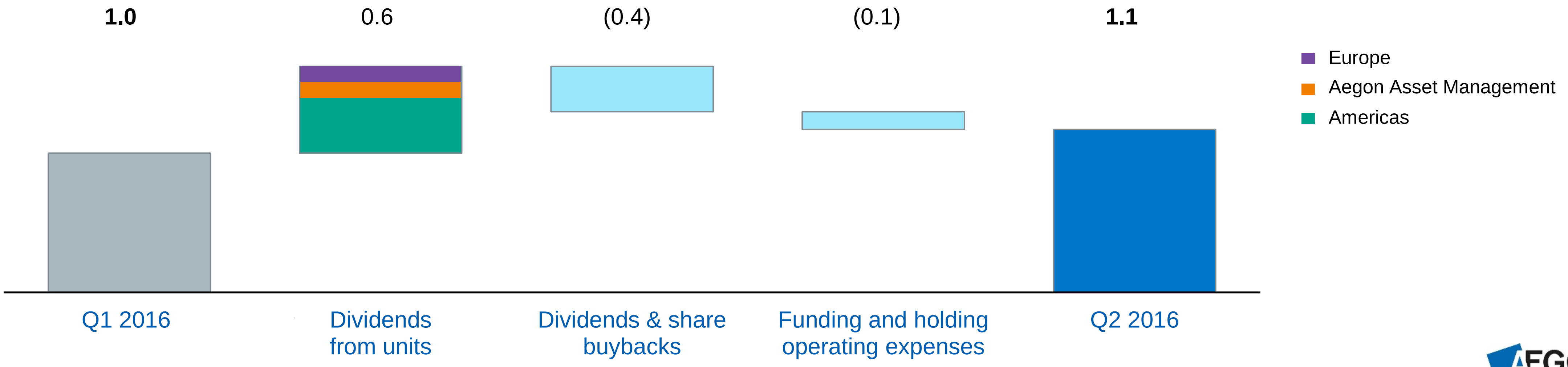
Holding excess capital at EUR 1.1 billion

Net dividends from the units offset capital return and holding expenses

- Regular dividends supported by capital generated at the units
- Dividends received from the Americas, CEE, Spain and Aegon Asset Management
- Expected total 2016 capital return to shareholders of EUR 950 million

Excess capital development
(in EUR million)



AEGON Transform Tomorrow

Q2 2016 Results - appendix

Analyst & Investor conference

Hosted in New York on Thursday December 8, 2016

- Please mark in your calendar
- Invitation to follow soon

Aegon at a glance

Focus

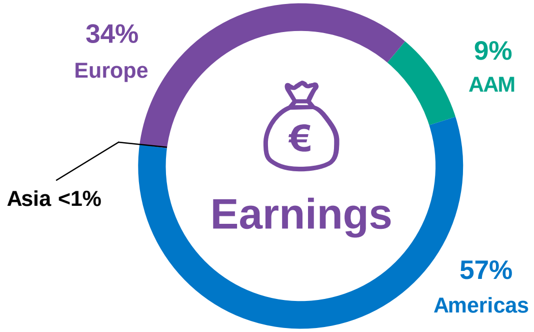
Life insurance, pensions & asset management for **30 million customers**

History

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

Employees

Over 29,000 employees (June 30, 2016)



Underlying earnings before tax of **EUR 897 million** (2016 YTD)

Investments

Revenue-generating investments are **EUR 717 billion** (June 30, 2016)

Paid out

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

AEGON Transform Tomorrow

Responsible business

Embedded in our operations

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

Putting our customers at the center of what we do

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

Having a responsible investments approach

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

Empowering our employees

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

Promoting retirement readiness

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

Aegon's approach to sustainability is recognized externally

Dow Jones Sustainability Indexes
MSCI 2014 Constituent MSCI Global Sustainability Indexes
FTSE4Good
SUSTAINALYTICS
vigeo
Corporate Responsibility Prime rated by oekom research
EIRIS

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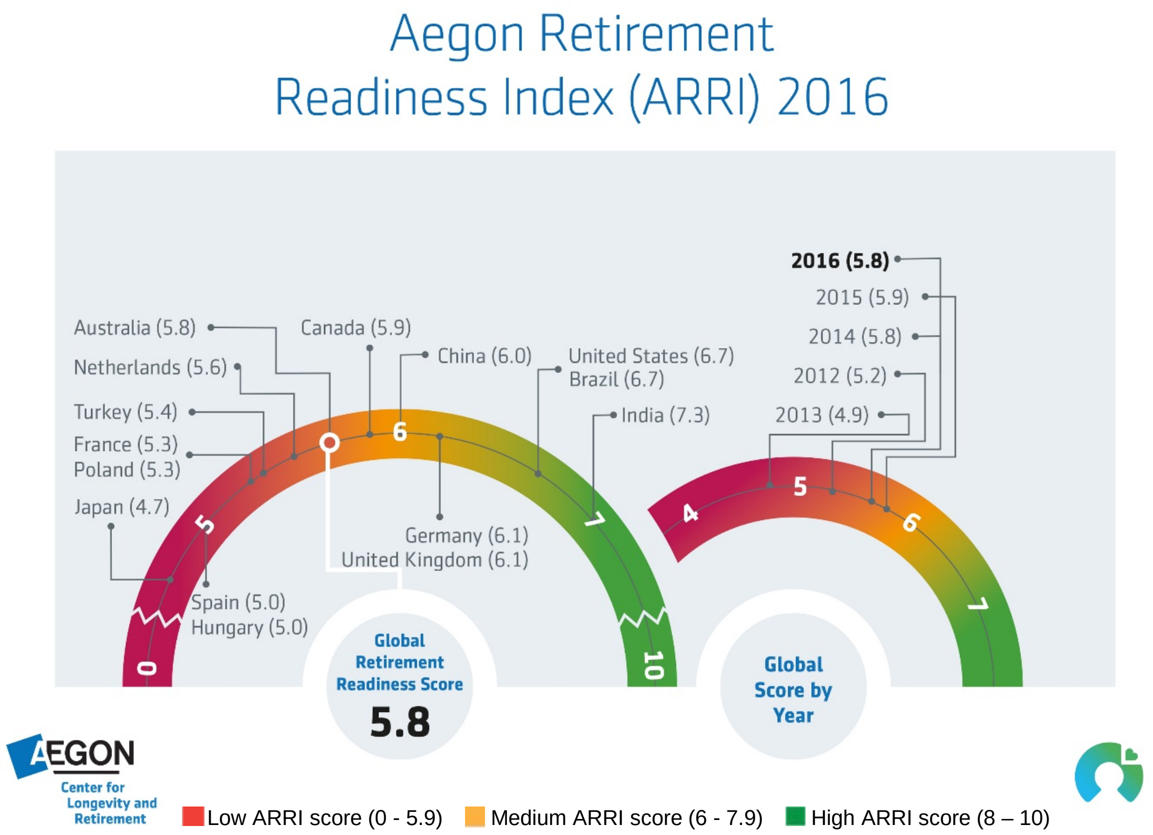
Raising awareness

Second quarter retirement research highlights



Research publication

Published the 5th Aegon Retirement Readiness survey covering 16,000 people in 15 countries.

Global presence

Launched new longevity institute in Brazil collaborating with the Aegon Center for Longevity and Retirement in Europe and the Transamerica Institute in the US

Contributing to debate

Presented research at OECD Forum 2016 and testified before US Senate's Special Committee on Aging

General account investments

By geography

June 30, 2016 **amounts in EUR millions, except for the impairment data**

	Americas	Europe	Asia	Holding & other	Total
Cash/Treasuries/Agencies	20,731	18,415	280	221	39,647
Investment grade corporates	42,015	5,808	3,401	-	51,223
High yield (and other) corporates	2,944	260	110	-	3,313
Emerging markets debt	1,586	1,220	117	-	2,924
Commercial MBS	4,956	246	540	-	5,741
Residential MBS	4,131	741	85	-	4,957
Non-housing related ABS	3,142	2,349	346	-	5,837
Housing related ABS	-	65	-	-	65
Subtotal	**79,504**	**29,104**	**4,879**	**221**	**113,708**
Residential mortgage loans	23	26,018	-	-	26,041
Commercial mortgage loans	7,709	62	-	-	7,771
Total mortgages	**7,732**	**26,080**	**-**	**-**	**33,812**
Convertibles & preferred stock	294	2	-	-	296
Common equity & bond funds	486	712	-	90	1,289
Private equity & hedge funds	1,856	110	-	2	1,968
Total equity like	**2,636**	**825**	**-**	**92**	**3,552**
Real estate	1,304	1,164	-	-	2,469
Other	792	3,480	-	7	4,279
General account (excl. policy loans)	**91,969**	**60,652**	**4,879**	**321**	**157,820**
Policyholder loans	2,086	9	17	-	2,113
Investments general account	**94,054**	**60,661**	**4,896**	**321**	**159,933**
Impairments as bps (Q2 2016)	**2**	**1**	**-**	**-**	**1**

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Structured assets and corporate bonds

By rating

June 30, 2016 **amounts in EUR millions**

	AAA	AA	A	BBB	<BBB	NR	Total
Structured assets by rating							
Commercial MBS	4,322	946	254	88	132	-	5,741
Residential MBS	2,208	329	197	214	2,010	-	4,957
Non-housing related ABS	3,215	902	1,154	317	250	-	5,837
Housing related ABS	-	20	18	26	-	-	65
Total	**9,745**	**2,196**	**1,622**	**645**	**2,392**	**-**	**16,600**
Credits by rating							
IG Corporates	882	4,336	22,537	23,468	-	-	51,223
High yield corporate	-	-	2	3	3,308	-	3,313
Emerging markets debt	53	95	931	1,076	766	3	2,924
Total	**935**	**4,430**	**23,471**	**24,547**	**4,074**	**3**	**57,461**
Cash/Treasuries/Agencies							39,647
Total	**10,680**	**6,626**	**25,094**	**25,192**	**6,466**	**3**	**113,708**

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US energy & commodity exposure

Direct and indirect by rating

June 30, 2016 — amounts in EUR millions

	AAA	AA	A	BBB	<BBB/NR	Total	Unrealized gain / (loss)
Independent	-	3	364	721	151	1,238	69
Oil field services	-	-	195	41	145	382	(19)
Midstream	-	-	251	1,107	98	1,457	82
Integrated	2	552	471	400	164	1,588	134
Refining	-	-	-	127	43	170	1
Total energy related	**2**	**553**	**1,281**	**2,397**	**600**	**4,835**	**267**
Metals and mining	-	-	254	336	188	778	(14)
Total corporate bonds	**2**	**555**	**1,535**	**2,732**	**788**	**5,613**	**253**
Commercial paper	-	-	-	77	-	77	-
Real estate LP	-	-	-	-	-	180	-
Total general account exposure	**2**	**555**	**1,535**	**2,809**	**788**	**5,870**	**253**
					% of US general account	**6.2%**	
CDS exposure (notional)	-	-	33	224	23	280	

Note: Amounts are fair value per June 30, 2016; 104.7% fair value to amortized cost for corporate bonds

Fair value items

Impacted by alternative investments and hedge programs

Total of EUR (378) million

FV investments	FV hedging with accounting match	FV hedging without accounting match	FV other
EUR (14) million	EUR (283) million	EUR (74) million	EUR (7) million
	Derivatives Δ: EUR 1,217m Liability Δ: EUR (1,500)m	Derivatives Δ: EUR (139)m Liability Δ: EUR 65m	

Americas: (47)
- Alternative investments (-)
- Real estate (-)
- Credit derivatives (+)

Netherlands: 33
- Real estate (+)

US GMWB: (58)
- Interest rates (-)
- Equity (-)
- Other (-)

Netherlands guarantees: (225)
- Accounting mismatch on interest rate hedges (-)
- Tightened credit spreads (-)
- Other (+)

US macro hedging: (2)
- Equity (-)
- Interest rate hedges (+)
- Other (+)

Netherlands: (10)
- Longevity swap (-)
- Duration management (-)
- Other (+)

Holding: (46)
- Perpetual securities and LT debt (-)

UK: (16)
- Equity (-)

Other: (7)
- Chinese equity portfolio (-)
- VA Europe FX and hedge result (+)
- Other FV items (-)

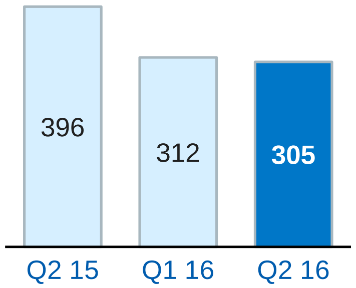
Underlying earnings

Declined to EUR 435 million

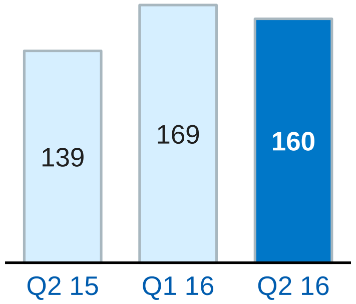
- Lower earnings in Americas as a result of adverse claims experience, lower earnings from VA due to reduction of closed block and lower margins and the recurring impact following assumption changes and model updates implemented in Q3 2015
- Earnings in Europe increased as a result of the write down of DPAC in the UK and normalization of surrenders in Poland
- Asia earnings declined due to increase in Aegon's strategic partnership in India from 26% to 49%
- Earnings in asset management decreased resulting from lower performance fees and adverse currency movements

Underlying earnings before tax

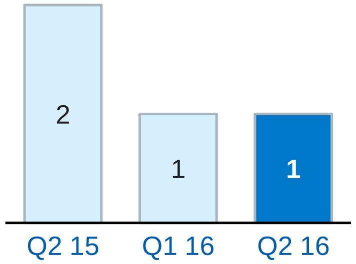
Americas
(in USD million)



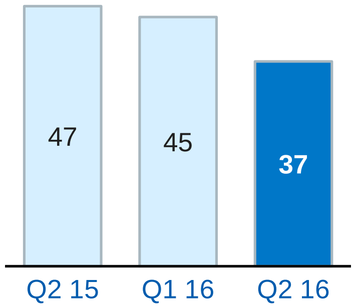
Europe
(in EUR million)



Asia
(in USD million)



Asset management
(in EUR million)



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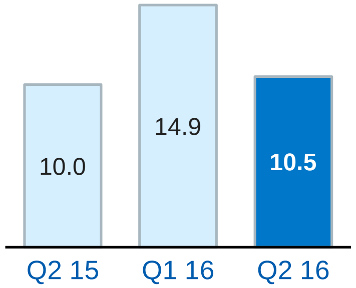
Gross deposits

Increased to EUR 23.0 billion

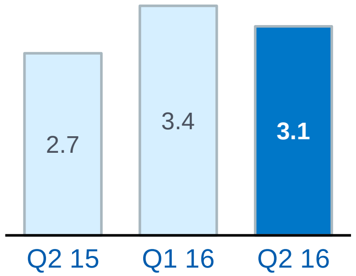
- Higher gross deposits in the Americas as a result of the acquisition of Mercer’s DC business, partially offset by lower deposits in Variable Annuities
- Gross deposits in Europe up 13% due to continued strong performance from Knab and external growth of the platform business in the UK
- Gross deposits in Asia increased mainly driven by favorable currency movements
- Growth in third party gross flows in asset management increased by 68% as a result of higher recognized gross flows in AIFMC, higher gross inflows in the US and proportional inclusion of LBPAM

Gross deposits

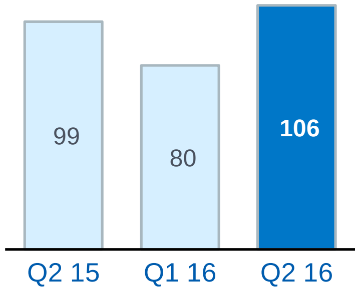
Americas
(in USD billion)



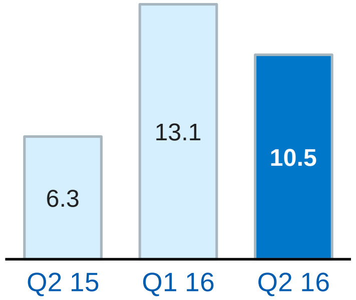
Europe
(in EUR billion)



Asia
(in USD million)



Asset management
(Third party; in EUR billion)



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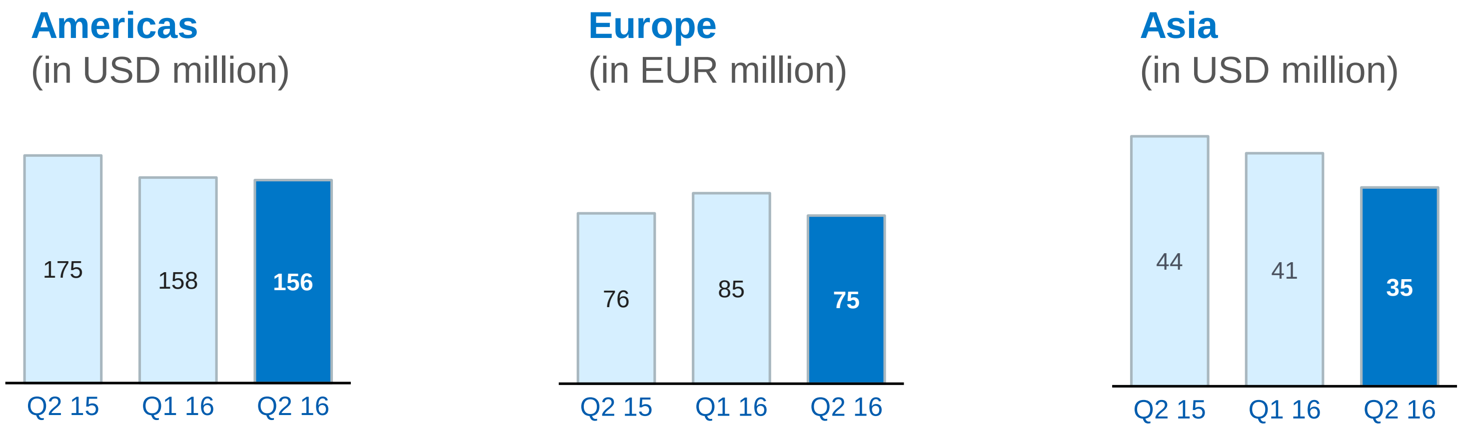
New life sales

Amounted to EUR 244 million

- New life sales in the Americas decreased, driven by all product categories
- New life sales in Europe were stable as higher sales in Turkey, Hungary and Spain were offset by lower sales in Poland and pensions in the Netherlands
- New life sales in Asia declined, as higher sales in strategic partnerships were more than offset by lower High Net Worth sales

New life sales

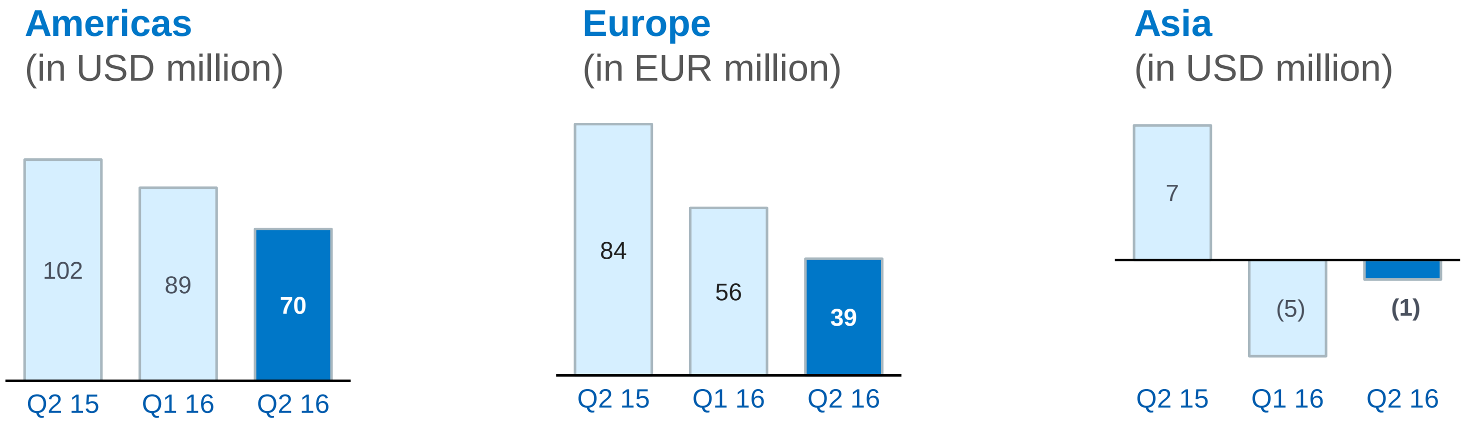


MCVNB of EUR 100 million

Impacted by margin pressure, low interest rates and methodology change

- Lower MCVNB in the Americas as a higher contribution from life insurance was more than offset by a lower contribution from Variable Annuities
- MCVNB in Europe down due to the exclusion of Aegon Bank in the Netherlands as of 2016
- MCVNB in Asia declined, driven by lower life sales and lower interest rates

Market consistent value of new business



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

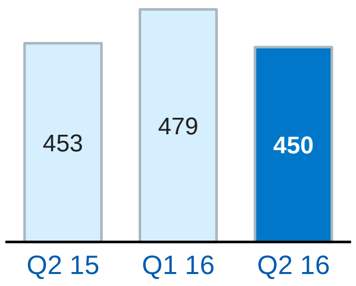
Operating expenses

Stable at EUR 926 million

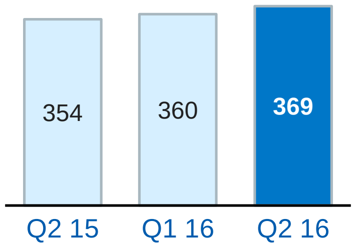
- Operating expenses in the Americas decreased, as the benefit of cost savings programs was partly offset by the Mercer acquisition and restructuring expenses
- Operating expenses in Europe were up due to higher Solvency II expenses in NL, higher IT costs and investment in growth of the business
- Increase in operating expenses in Asia driven by the increase in Aegon's stake in its strategic partnership in India from 26% to 49%
- Operating expenses in asset management declined as business growth investments and elevated employee expenses were more than offset by favorable currency movements

Operating expenses

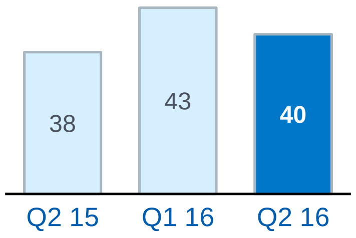
Americas
(in USD million)



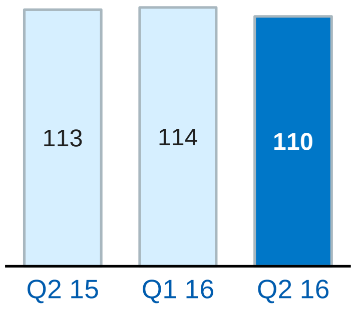
Europe
(in EUR million)



Asia
(in USD million)



Asset management
(in EUR million)



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Capital generation and capital buffer

Impacted by adverse financial markets

- Capital generation of EUR 0.3 billion, excluding market impacts of EUR (0.2) billion and one-time items of EUR 0.8 billion
- Capital buffer in the holding increased to EUR 1.1 billion driven by net dividends received from the units, partly offset by the second tranche of the share buyback and 2015 final cash dividend payment

Capital generation
(in EUR billion)

	Q2 16
Capital generation	**0.9**
Market impacts & one-time items	0.6
Capital generation excluding market impacts & one-time items	**0.3**
Holding funding & operating expenses	(0.1)
Free cash flow	**0.2**

Holding capital buffer development
(in EUR billion)

	Q1 16	Q2 16
Starting position	**1.4**	**1.0**
Net dividends received from units	(0.1)	0.6
Acquisitions & divestments	-	-
Dividends & share buyback	(0.2)	(0.4)
Funding & operating expenses	(0.1)	(0.1)
Leverage issuances/redemptions	-	-
Other	(0.0)	0.0
Ending position	**1.0**	**1.1**

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Capital allocated to run-off businesses

Further reduced in 2016

- Current capital allocated to run-off businesses of USD 1.3 billion
- Capital intensive run-off businesses negatively impact return on equity
  - Capital allocated to run-off businesses included in RoE calculations, but earnings are excluded
  - Reduction of USD 0.3 billion of capital due to accounting change announced in January 2016
  - Part of the ambition to reduce capital allocated to run-off businesses by USD 1 billion by 2018

Allocated capital to run-off businesses
(in USD billion)

	2012	2013	2014	2015	Q2 2016
• Payout annuities	0.5	0.5	0.4	0.4	0.4
• Institutional spread-based business	0.6	0.4	0.3	0.3	0.3
• BOLI/COLI	0.5	0.5	0.6	0.4	0.4
• Life reinsurance	1.1	0.7	0.6	0.6	0.3
	2.7	**2.1**	**2.0**	**1.7**	**1.3**

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Main economic assumptions

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

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

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

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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

Broker contacts at Citibank:
Telephone: New York: +1 212 723 5435
London: +44 207 500 2030
E-mail: citiadr@citi.com

AEG LISTED NYSE

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Disclaimer

Cautionary note regarding non-IFRS measures

This document includes the following non-IFRS financial measures: underlying earnings before tax, income tax, income before tax and market consistent value of new business. These non-IFRS measures are calculated by consolidating on a proportionate basis Aegon's joint ventures and associated companies. The reconciliation of these measures, except for market consistent value of new business, to the most comparable IFRS measure is provided in note 3 'Segment information' of Aegon's Condensed Consolidated Interim Financial Statements. Market consistent value of new business is not based on IFRS, which are used to report Aegon's primary financial statements and should not be viewed as a substitute for IFRS financial measures. Aegon may define and calculate market consistent value of new business differently than other companies. Aegon believes that these non-IFRS measures, together with the IFRS information, provide meaningful information about the underlying operating results of Aegon's business including insight into the financial measures that senior management uses in managing the business. In addition, return on equity is a ratio using a non-IFRS measure and is calculated by dividing the net underlying earnings after cost of leverage by the average shareholders' equity excluding the preferred shares, the revaluation reserve and the reserves related to defined benefit plans.

Local currencies and constant currency exchange rates

This document contains certain information about Aegon's results, financial condition and revenue generating investments presented in USD for the Americas and Asia, and in GBP for the United Kingdom, because those businesses operate and are managed primarily in those currencies. Certain comparative information presented on a constant currency basis eliminates the effects of changes in currency exchange rates. None of this information is a substitute for or superior to financial information about Aegon presented in EUR, which is the currency of Aegon's primary financial statements.

Forward-looking statements

The statements contained in this document that are not historical facts are forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995. The following are words that identify such forward-looking statements: aim, believe, estimate, target, intend, may, expect, anticipate, predict, project, counting on, plan, continue, want, forecast, goal, should, would, is confident, will, and similar expressions as they relate to Aegon. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Aegon undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which merely reflect company expectations at the time of writing. Actual results may differ materially from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:

- Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom;
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
  - The frequency and severity of defaults by issuers in Aegon's fixed income investment portfolios;
  - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities Aegon holds; and
  - The effects of declining creditworthiness of certain private sector securities and the resulting decline in the value of sovereign exposure that Aegon holds;
- Changes in the performance of Aegon's investment portfolio and decline in ratings of Aegon's counterparties;
- Consequences of a potential (partial) break-up of the euro;
- 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 also Aegon sells, including legal, regulatory or commercial necessity to meet changing customer expectations;
- Acts of God, acts of terrorism, acts of war and pandemics;
- Changes in the policies of central banks and/or governments;
- Lowering of one or more of Aegon's debt ratings issued by recognized rating organizations and the adverse impact such action may have on Aegon's ability to raise capital and on its liquidity and financial condition;
- Lowering of one or more of insurer financial strength ratings of Aegon's insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability and liquidity of its insurance subsidiaries;
- The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain;
- Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
- As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, a computer system failure or security breach may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
- Customer responsiveness to both new products and distribution channels;
- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- Changes in accounting regulations and policies or a change by Aegon in applying such regulations and policies, voluntarily or otherwise, which may affect Aegon's reported results and shareholders' equity;
- 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 capital and leverage ratio management initiatives.

Further details of potential risks and uncertainties affecting Aegon are described in its filings with the Netherlands Authority for the Financial Markets and the US Securities and Exchange Commission, including the Annual Report. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, Aegon expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Aegon's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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