



# 2H19 Results

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CEO

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CFO

February 13, 2020

*Helping people achieve a lifetime of financial security*



# Continued focus on growth and capital in 2019



Low interest rates impacted return on equity. Outflows in US retirement and annuity businesses

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Commercial momentum improved. Increase in life and accident & health sales, gross deposits

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Strong normalized capital generation; dividend increased by 7%

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Releasing capital from mature businesses; capturing opportunities in fast-growing markets

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Successfully optimizing our portfolio

# Progress on 2019 – 2021 targets

## Target delivery in 2019

	Targets 2019 - 2021	Results FY 2019
<b>Normalized capital generation<sup>1</sup></b>	<b>EUR 4.1 billion</b> cumulative for 2019 – 2021	<b>EUR 1.6 billion</b> +12% vs 2018
<b>Dividend pay-out ratio</b> Of normalized capital generation <sup>1, 2</sup>	<b>45 – 55 %</b>	<b>41%</b> DPS up 7% vs. 2018
<b>Return on equity</b> Annualized	<b>&gt; 10 %</b>	<b>9.5%</b> -0.7%-pts. vs. 2018
<b>Gross remittances to the Holding</b>	<b>EUR 1.5 billion</b> guidance for 2019	<b>EUR 1.4 billion<sup>3</sup></b> EUR 1.5 billion including sale of stake in Japanese JVs <sup>4</sup>

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

2. Assuming markets move in line with management's best estimate, no material regulatory changes and no material one-time items other than already announced restructuring programs

3. Excludes EUR 100 million remittances by Aegon the Netherlands to the Group in February 2020

4. Sale of Japanese JVs was announced on May 17<sup>th</sup>, 2019 and closed on January 29<sup>th</sup>, 2020 with EUR 153 million proceeds

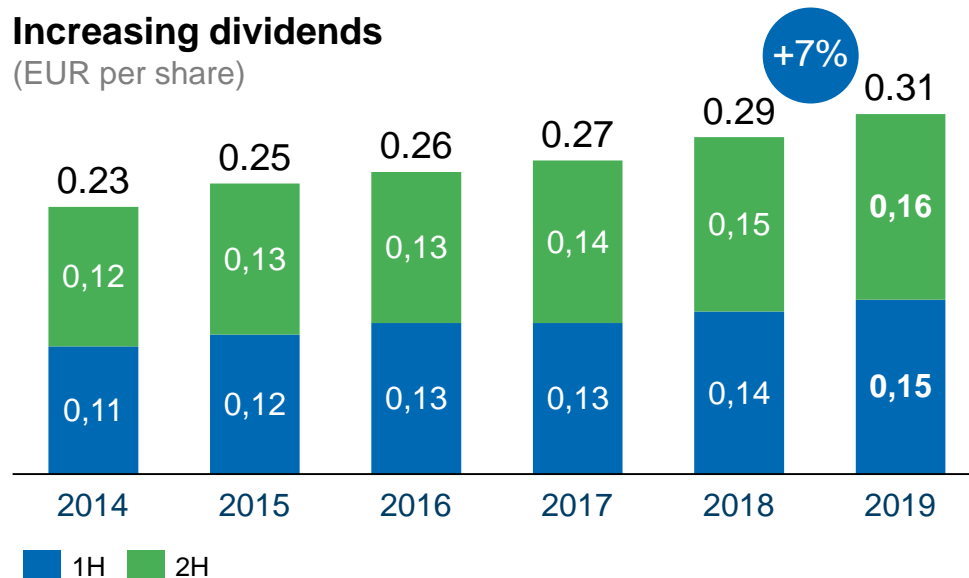
# Dividend increases by 7%

## Normalized capital generation increased in 2019

- Full year dividend for 2019 increased by 2 cents to EUR 0.31 per common share
  - Dividend decisions take into account normalized capital, capital position and holding excess cash
- Strong normalized capital generation in 2019 reflecting positive experience variance in the Netherlands and higher release of required capital

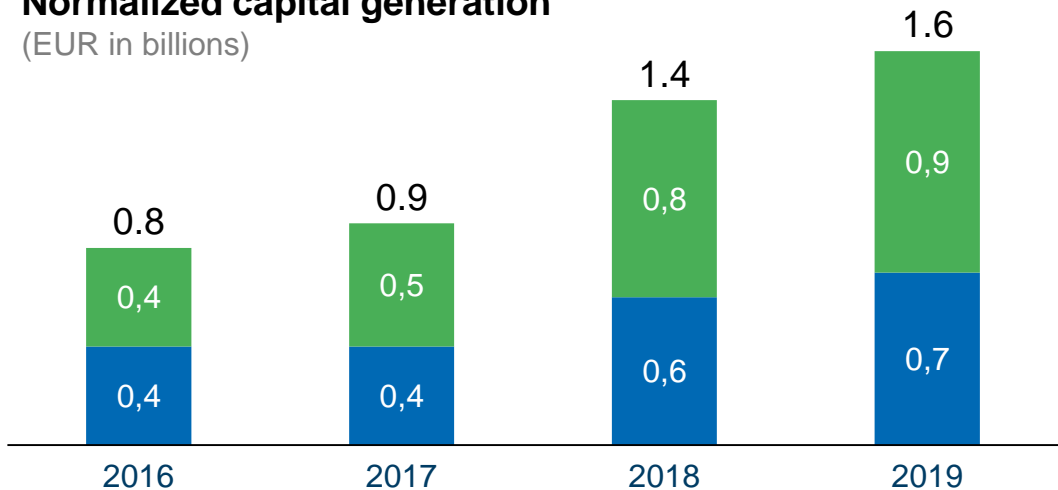
### Increasing dividends

(EUR per share)



### Normalized capital generation

(EUR in billions)



Note: Proposed final dividend is subject to approval at the Annual General Meeting of Shareholders on May 15, 2020

# Significant progress in all parts of the portfolio

## Portfolio actions 2H19 by strategic category

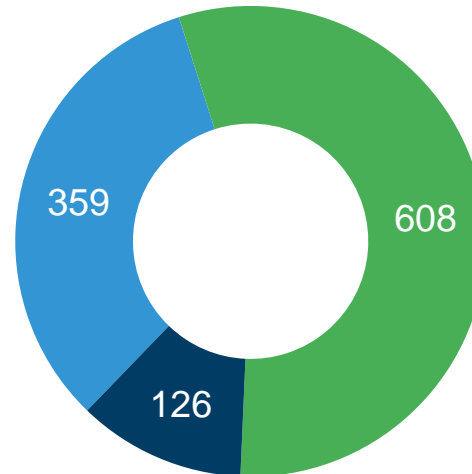
### Manage for Value

- **NL Life:** Completed a longevity reinsurance deal for approximately a quarter of longevity exposure
- **NL Life:** New own employee pension plan protects capital position and reduces volatility

### Scale-up for Future

- **China:** New partnership with a large e-commerce player in China, driving sales growth
- **Japan:** Completed divestment of variable annuity JVs in January 2020; EUR 153 million in proceeds<sup>1</sup>
- **NL Services:** Growth in mortgage being serviced to EUR 49 billion of which EUR 21 billion fee-based mortgages<sup>2</sup>
- **Spain & Portugal:** Expanded partnership with Banco Santander; further expense savings own business Spain

### Underlying earnings before tax (in EUR million, 2H19)



### Drive for Growth

- **AM:** Eighth consecutive full year of positive external third-party net inflows
- **US:** Continued focus on customer-centricity has led to improvements in early indicators for future growth
- **UK Digital Solutions:** Realized targeted expense savings from Cofunds integration

1. To be included in 2020 gross remittances

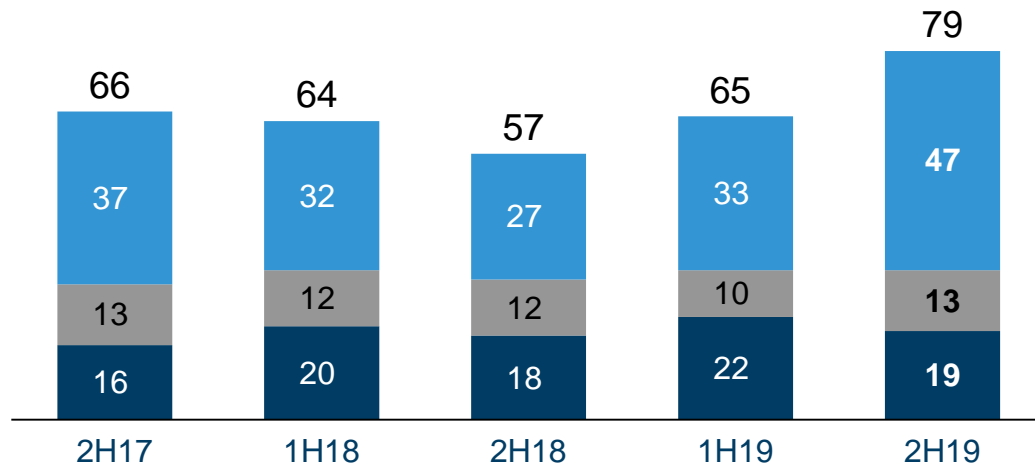
2. Based on amortized costs. Amounts shown are gross of savings related to the mortgages

# Higher gross deposits, net outflows in the US

## Deposits

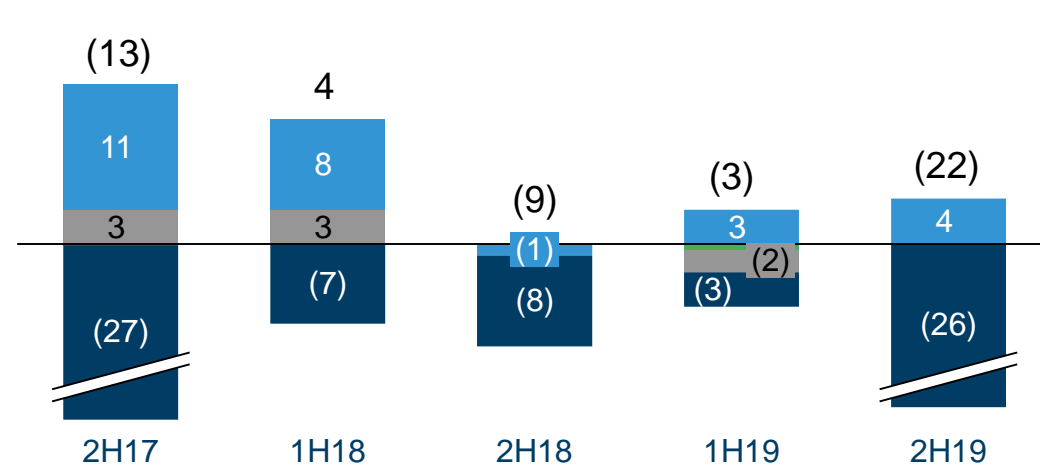
### Gross deposits

(in EUR billion)



### Net deposits

(in EUR billion)



- **AM:** Increased inflows in money market funds and the launch of two new equity funds in Chinese JV
- **US:** Strong gross deposits growth in Variable Annuities and Fixed Indexed Annuities
- **Europe:** Continued momentum at Knab and new-style DC pension solutions (so-called PPI products) in the Netherlands

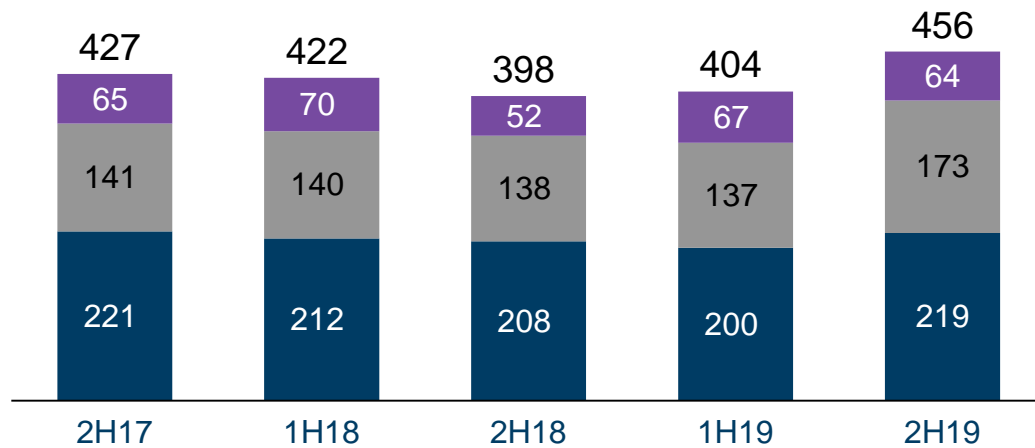
- **US:** Contract discontinuances in Retirement Plans; outflows in annuities businesses
- **Europe:** Improved retention in the UK, growing momentum at Knab
- **AM:** Continued net inflows driven by Chinese JV and strong performance of Dutch mortgage and ABS funds

# Life and protection sales gaining momentum

## Insurance sales development

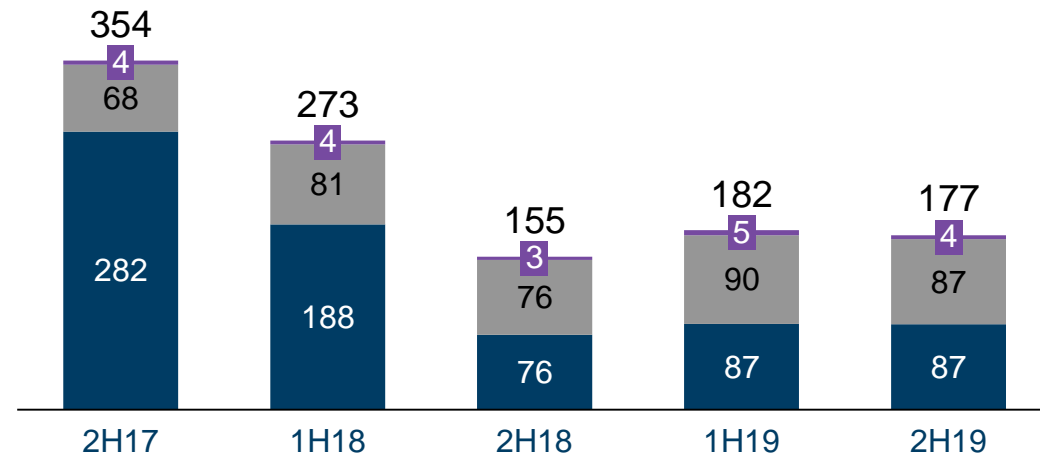
### New life sales

(APE, in EUR million)



### New business in A&H and P&C

(New premium production, in EUR million)



- **Europe:** Increase in sales resulting from a pension buy-out as well as purchase of pension indexation by existing customer
- **Asia:** Strong production in China from a partnership with a large e-commerce partner, macro-economic uncertainty slowing sales in HNW business
- **Americas:** Sales growth in Brazil, slightly lower life sales in the US. Momentum is building in term life

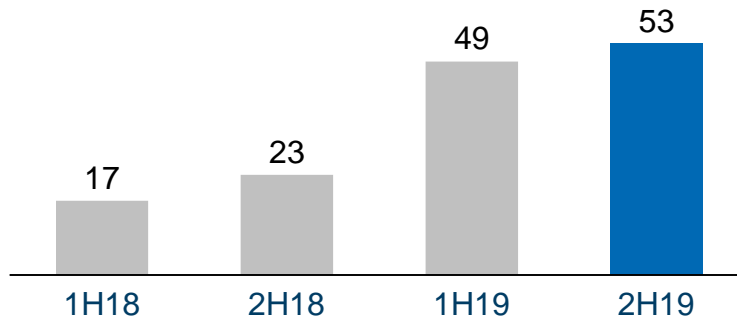
- **Americas:** Slight increase in overall sales driven by a large short-term disability contract onboarding, partially offset by strategic product exits
- **Europe:** Higher sales in Spain following the launch of a new accidental death and disability product as well as a successful marketing campaign for health products. Increased disability sales in the Netherlands

# Improved commercial momentum while investing in customer services

## US Workplace Solutions

### Customer centricity

#### Retirement Plan tNPS scores



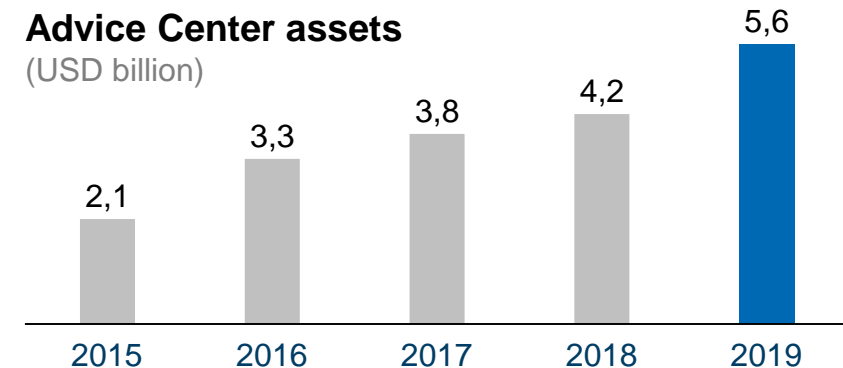
- Maintained **strong tNPS scores** in 2H19, which are show commitment to customer centricity
- 50% fewer RFP requests from current plan sponsors compared to 2018 and **increased retention** among current plan sponsors with RFP requests



### Commercial momentum

#### Advice Center assets

(USD billion)



- **Growing asset retention and consolidation**, including IRA rollovers from Retirement Plans via the Advice Center
- In addition, there is continued **growth in Managed Advice** participation along with strong growth in AuM
- Passage of the SECURE Act **expands access to multiple employer plans**, which offers opportunities for Transmaerica



# Improved commercial momentum while investing in customer services

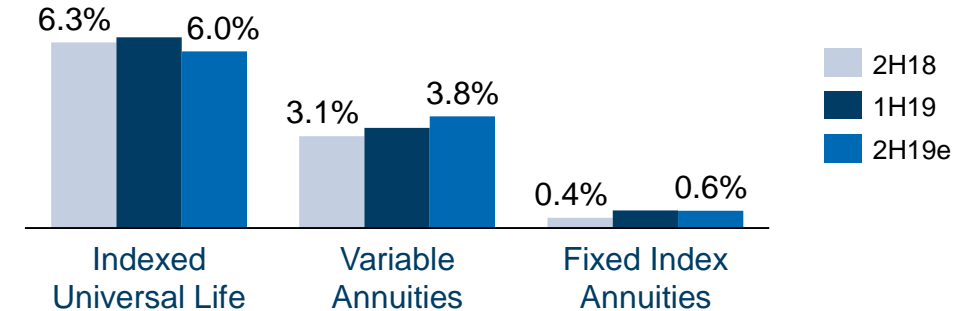
## US Individual Solutions

### Customer centricity

- Investing in wholesale relationships and launching **new products** through the **TCS platform** in 2020
- **Fixed Indexed Annuity availability extended** into California, a key geographic market, driving opportunities
- **Continued customer satisfaction** while making **progress towards implementing LTCG** as a partner for the administration of LTC book



### Commercial momentum in strategic products Market shares<sup>1</sup>



- **Stable Indexed Universal Life sales**, with slight decrease in market share
- Growing market share in Fixed and Variable Annuities
- Successfully **expanded distribution reach** for enhanced fixed indexed annuity product

1. Market share data from LIMRA. Second half of 2019 based on company estimate

# Successfully leveraging technology across Aegon

## 1 Automation

Increase throughput and productivity



### Asset Management and UK

**70**

FTE Reduction

Leveraged robotics automate and increase the speed of the software testing process

### Aegon NL

**75%**

Resolved customer interactions

Deployed a web-based customer assistant robot in 2019, (over 560,000) while improving NPS scores

## 2 Simplification

Cost optimization and leverage scale



### Procurement

**€ 40m**

Savings

Technology-related procurement savings in 2019

### Shared IT services

**€ 7m**

Savings

By shifting resources in Budapest, a 34% increase on 2018

## 3 Cloud Adoption

Scale, speed and future readiness



### Shared IT services

**25%**

of cloud services

Are designed flexibly to meet demand compared to the previous 24/7 fixed service

### Shared IT services

**>5,000**

Hours spent in training

Continuous learning programs have resulted in 13% of employees now hold formal cloud qualifications

# Taking our responsibility as investor and asset manager



€ 147 billion

General account



## Exclusions<sup>1</sup>

Coal	Companies that expand coal-related operations or exceed revenue threshold <sup>2</sup>
Tobacco companies	Companies that exceed revenue threshold <sup>3</sup>
Oil or tar sands	Companies that exceed production threshold <sup>4</sup> or operate pipelines
Controversial weapons	All companies



ESG at the heart of our asset management business



EUR 9 billion

ESG and impact investments AuM as of year end 2019



564

Engagements with companies in 2019

1. For more details refer to the Aegon N.V. Responsible Investment Policy

2. Threshold is currently 30% of revenues from exploration, mining, and refining of thermal coal; threshold will be decline over time to 5% in 2029

3. Threshold is currently 5% of revenues from tobacco production

4. Threshold is currently 30% of total oil equivalent production from oil sands



## 2H19 Financials

# Financial highlights

## IFRS 2H19



**Underlying earnings**  
**EUR 963 million**  
-5% compared with 2H18

**Net income**  
**EUR 910 million**  
Up EUR 657 million from 2H18

**Return on equity**  
**9.5%**  
-70bp compared with 2H18

## Capital position year-end 2019



**Group solvency ratio**  
**201%**  
+4pp compared with 1H19

**Holding excess cash**  
**EUR 1,192 million**  
Within target range

**Gross financial leverage**  
**28.5%**  
-80bp compared with 1H19

## FY19 capital generation and dividend



**Capital generation<sup>1</sup>**  
**EUR 1,569 million**  
+12% compared with 2018

**Dividend per share**  
**EUR 0.31**  
+7% compared with 2018

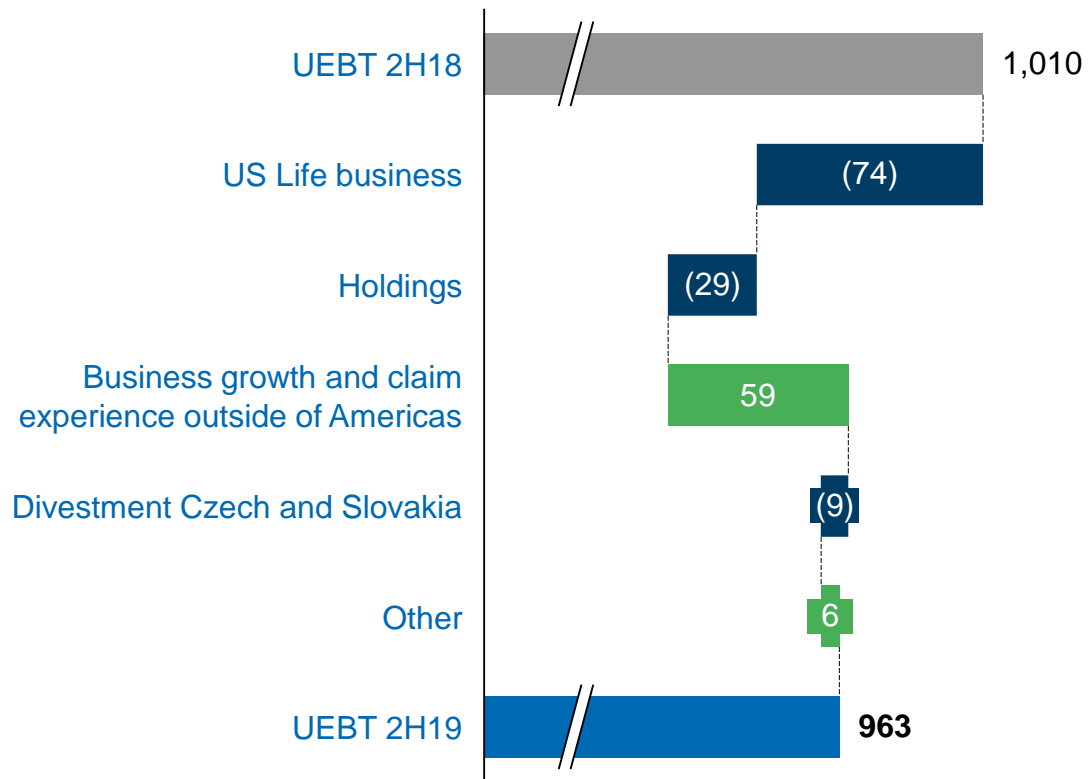
**Dividend pay-out ratio**  
**41%**  
of normalized capital generation<sup>1</sup>

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

# Underlying earnings impacted by adverse market movements; earnings growth outside the US

## Underlying earnings before tax (UEBT)

(in EUR million)



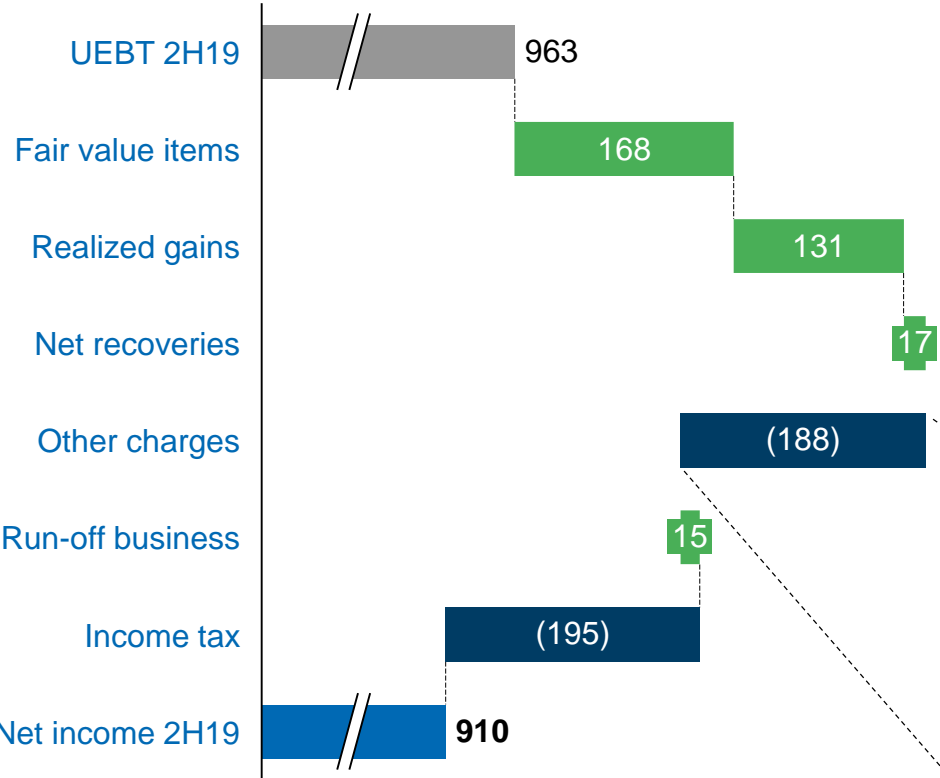
Note: UEBT = underlying earnings before tax

- US Life earnings decreased mainly because of negative impact from lower interest rates, tighter credit spreads and portfolio updates on intangibles. In addition, worse than expected persistency for a specific block of level term business
- Result from Holdings decreased due to debt refinancing
  - Change in recognition of interest expenses through income statement instead of equity led to lower underlying earnings despite lower coupon as a result of refinancing
- All other businesses showed good growth supplemented by generally favorable claims experience, including a one-time reserve release in NL for non-life business

# Net income amounts to EUR 910 million

## Underlying earnings to net income in 2H19

(in EUR million)



### Fair value items

- Positive real estate revaluations in the US and the Netherlands, and gains on the guarantee provision and interest rate hedges in NL

### Realized gains

- Primarily gains in the Americas, largely due to calls and prepayments on bonds, mortgage loan gains, and normal trading activity

### Other charges

- Model and assumption changes and restructuring costs drive Other charges
- Charges from model enhancements and expense assumption updates more than offset a benefit from favorable longevity assumption changes

	US	NL	Total
Model & assumption changes		(131)	(131)
Restructuring expenses		(124)	(124)
IFRS 9/17 implementation expenses		(50)	(50)
Pension provision release & other		117	117
<b>Total Other charges</b>		<b>(188)</b>	<b>(188)</b>

Note: UEBT = underlying earnings before tax

# Maintained strong capital position

## Focus on sustainably growing capital generation in challenging environment

- Interest rate fluctuations have limited impact on the Group's Solvency II ratio, reflecting extensive interest rate hedging. However, interest rates have an impact on capital generation
- Longevity reinsurance transaction at attractive cost of capital solidified the capital position of Aegon NL. The lower risk profile from this transaction and asset derisking leads to lower future capital generation
- Focus on sustainably growing long-term capital generation through investments in new business. These investments result in near-term pressure on capital generation
- Ongoing emphasis on expense savings to drive growth in capital generation
- Aim to steadily grow dividend subject to assessment of capital position, capital generation and outlook for financial performance

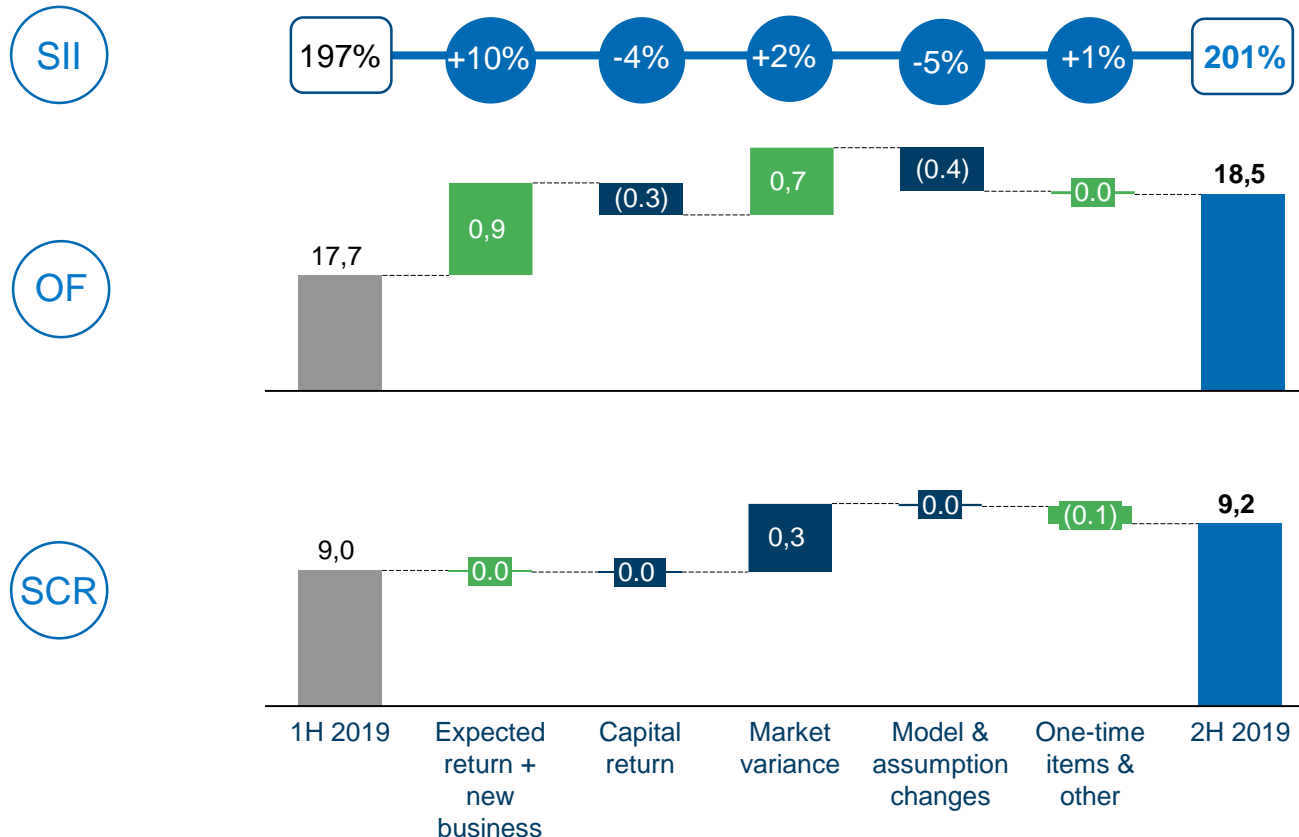
	Future interest rate movements (up/down)	Longevity reinsurance and derisking in 2019	Growth ambitions	Expense savings
Solvency II impact	~	↑	~	~
Normalized capital generation impact	↑ ↓	↓	↻	↑



# Group Solvency II ratio increases to 201%

## OF and SCR development

(in EUR billion)

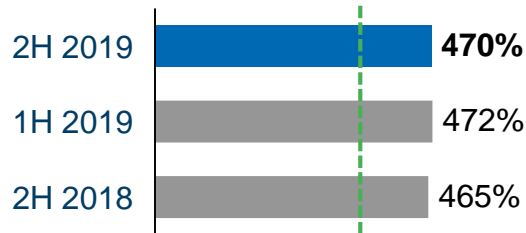


- Expected return (+10%) reflects strong business performance
- Capital return (-4%) primarily driven by external dividends to shareholders
- Market variances (+2%)
  - Different credit spread impacts in NL largely offset each other
- Model & assumption changes (-5%) mainly driven by:
  - Assumption updates in US, NL and UK; mainly on expenses
  - Adverse impact of lowering LAC-DT factor in NL
  - Model enhancements in DB pension book in NL were offset by favorable impact of longevity assumption changes
- One-time items (+1%) include:
  - Management actions mainly consist of longevity reinsurance deal and move from DB to DC pension plan in NL
  - Other impacts include reduced diversification benefit at Group level and funding expenses

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

# Solid capital position for all main units

## Local solvency ratio by unit



- Estimated RBC ratio remained far above the bottom-end of the target range of 350%
- Positive impacts from management actions such as the merger of TALIC and TLIC<sup>1</sup>
- Management actions offset by expense assumption changes and dividend payments from the US regulated entities to the US holding company in excess of capital generation. Dividend payments were partly used to fund own employee pension plan



- Positive changes mainly driven by management actions and normalized capital generation, as a result, the Netherlands is above the bottom-end of its target range
- The main management actions were a longevity reinsurance transaction and derisking of the asset portfolio
- Negative impact from model enhancements and expense assumption changes, which more than offset favorable longevity assumption changes
- Positive impact from mortgage spread tightening partly offset by government bond spread widening and corporate bond spread tightening



- Decrease was driven by a negative impact from assumption updates mainly due to expense assumptions, and the remittance to the holding

Note: Bottom-end of the target range US = 350% RBC; bottom-end of the target range NL = 155% Solvency II; bottom-end of the target range UK = 145% Solvency II  
 1. TALIC = Transamerica Advisors Life Insurance Company; TLIC = Transamerica Life Insurance Company

# Well diversified remittances and capital generation

## Capital generation and gross remittances

(2019, in EUR million)

Region	Normalized capital generation <sup>1</sup>	Gross remittances
Americas	1,110	809
Netherlands	470	-
United Kingdom	82	251
Southern & Eastern Europe	62	232
Asia	77	27
Asset Management	78	44
Other units	2	3
<b>Total before holding expenses</b>	<b>1,881</b>	<b>1,365</b>
Holding funding & operating expense	(312)	(312)
<b>Total after holding expenses</b>	<b>1,569</b>	<b>1,053</b>

- Normalized capital generation and remittances from United States remained strong
- Aegon the Netherlands is within its Solvency II target range, and paid EUR 100 million remittances to the Group in February 2020
- Extraordinary remittances from the UK and SEE in first half of 2019
- Group full year 2019 dividend of EUR 640 million is well covered by normalized capital generation and remittances

1. Capital generation excluding market impact and one-time items

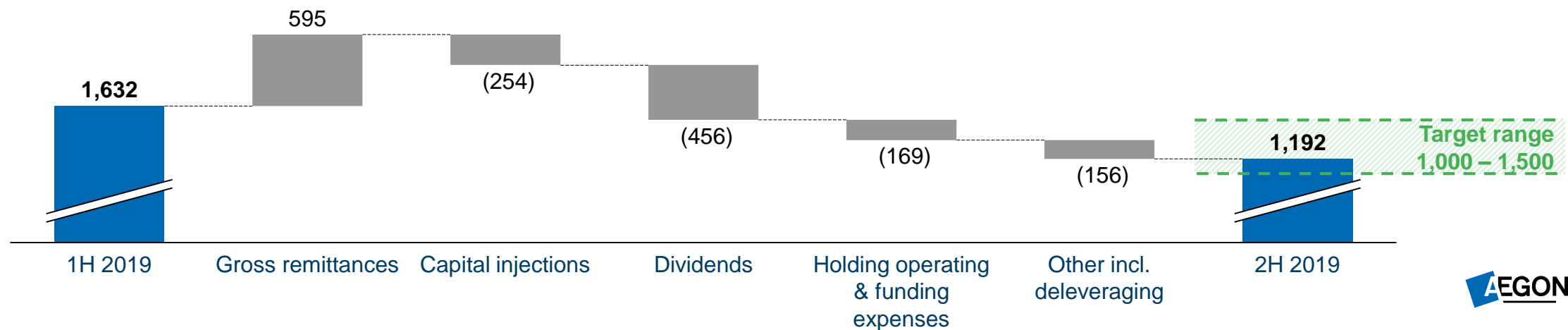
# Holding excess cash within the target range

## Holding excess cash development in 2H 2019

- The group received EUR 595 million gross remittances from subsidiaries, while Aegon the Netherlands retained its planned remittances in 2H19 and – following management actions – remitted EUR 100 million in February 2020
- Capital injections of EUR 254 million included earn-out payments of EUR 115 million to Santander, EUR 75 million capital injection in Aegon Spain, and the remainder supports future growth in Scale-up for Future businesses
- Debt reduction in 2H19 was in total EUR 140 million, including redemption of a EUR 75 million senior loan and replacing a grandfathered Tier 1 securities of USD 1 billion with a new USD 925 million Tier 2 security. As a result the leverage ratio decreased to 28.5%

### Holding excess cash development

(in EUR million)

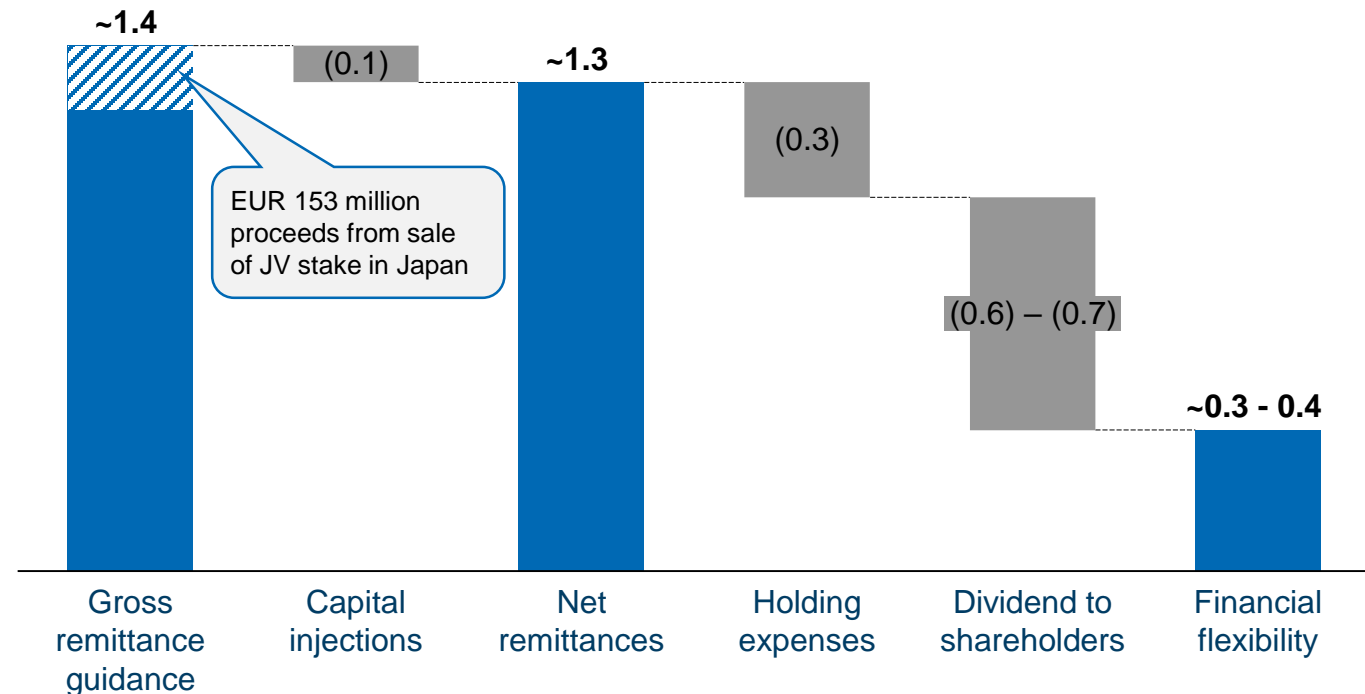


# EUR 1.4bn remittance guidance underscores fungibility and ensures financial flexibility

## Holding excess cash movements 2020

- EUR 1.4 billion guidance for gross remittances in 2020
- Gross remittances include proceeds of EUR 153 million from divestment of Aegon's stake in the joint ventures in Japan
- Capital injections consist of several smaller amounts to support business development
- Net remittances expected to cover 2020 dividend cash-out by ~2 times

**Holding excess cash movements**  
(2020, in EUR billion)



*Note: The previously mentioned potential payment to Santander of EUR 215 million in relation to the expansion of the partnership and the acquisition of Banco Popular by Santander is now expected for the second half of 2020 or first half of 2021, and is subject to several conditions*

# Delivering increasing returns to shareholders



**EUR 0.31  
DPS**

+7% vs. 2018



**EUR 1.4 billion  
gross remittances**

EUR 1.5 billion including sale of  
stake in Japanese JVs<sup>1</sup>



**41 %  
Dividend pay-out**

Dividend pay-out ratio of  
normalized capital generation

1. Sale of Japanese JVs was announced on May 17<sup>th</sup>, 2019 and closed on January 29<sup>th</sup>, 2020. Excludes EUR 100 million remittances by Aegon the Netherlands to the Group in February 2020

The background of the slide features a photograph of a man and a woman in business attire. The woman, on the left, has blonde hair and is wearing a dark blazer. The man, on the right, has dark hair and a beard, and is wearing a blue suit jacket. They are both smiling and looking at a tablet computer held by the woman. The scene is set in a bright office with large windows in the background, showing a cityscape.

## Appendix

For questions please contact  
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*Helping people achieve a lifetime of financial security*

# Aegon Investor Relations

## Stay in touch

### Upcoming events 2020

<b>2H roadshow, London</b>	February 18
<b>2H roadshow, Frankfurt</b>	February 20
<b>AIFA Conference, Boca Raton</b>	March 1-3
<b>2H roadshow, Boston</b>	March 2
<b>2H roadshow, The Netherlands</b>	March 13
<b>Morgan Stanley Financials Conference, London</b>	March 19
<b>HSBC West Coast Financials Conference, San Francisco</b>	March 30 - 31

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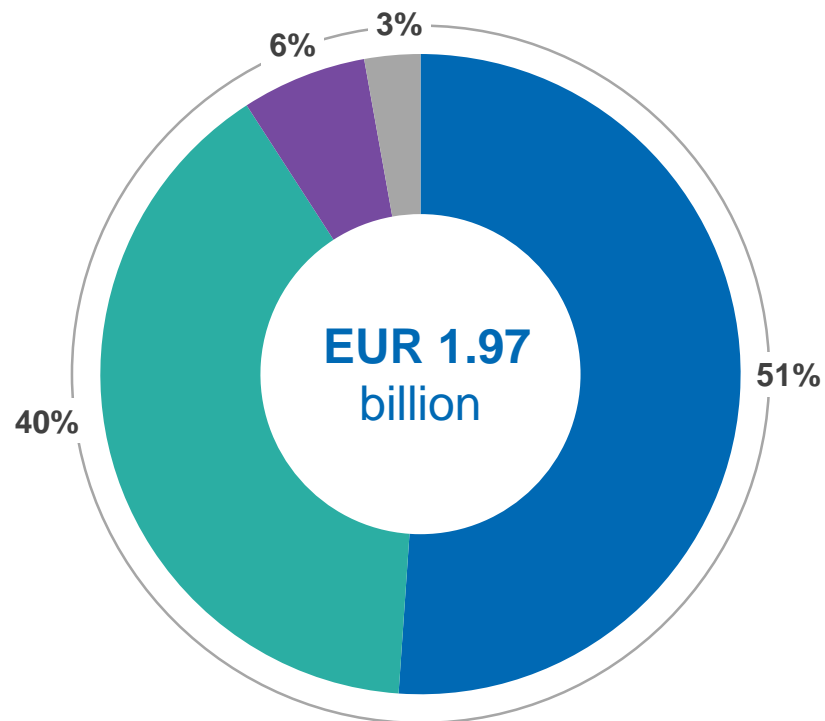




# An overview of who we are

## Earnings

(Underlying earnings before tax, full year 2019)



- Americas
- Europe
- Aegon Asset Management
- Asia

Note: Underlying earnings before tax split excluding result from Holdings & other



## What we do

Life insurance, pensions & asset management for almost

**30** million customers  
(2019)



## History

Our roots date back **175** years



## Paid out

**€54** billion in claims, benefits and plan withdrawals  
(Full year 2018)



## Employees

Over **23,000** employees



## Investments

Revenue-generating investments of **€898** billion  
(December 31, 2019)



## Deposits

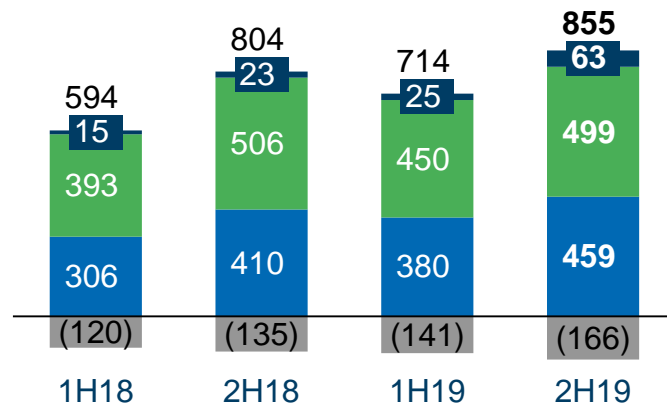
Gross deposits of **€145** billion  
(Full year 2019)

# Elevated normalized capital generation despite continued investment in new businesses

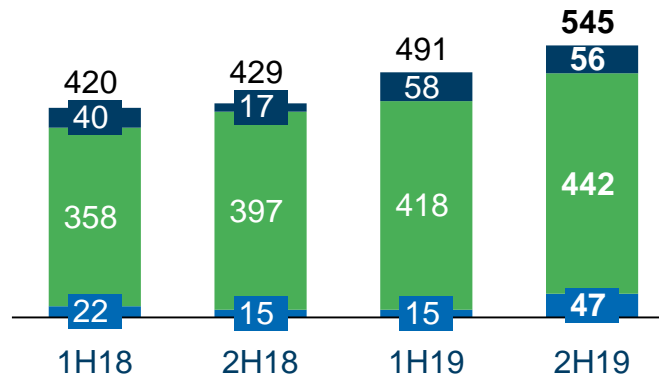
## Key portfolio metrics

- Strong normalized capital generation in 2019 reflecting positive experience variance and higher release of required capital
- Investing the vast majority of new business strain in Drive for Growth category
  - Plan sponsors in the US increasingly choosing Transamerica stable value options
  - Increased mid-market retirement plan sales in 2H19
- Higher new business strain in the Manage for Value category due to workplace sales in the UK and increased Fixed Indexed Annuity sales in the US
- IFRS capital allocation gradually shifting towards Drive for Growth category

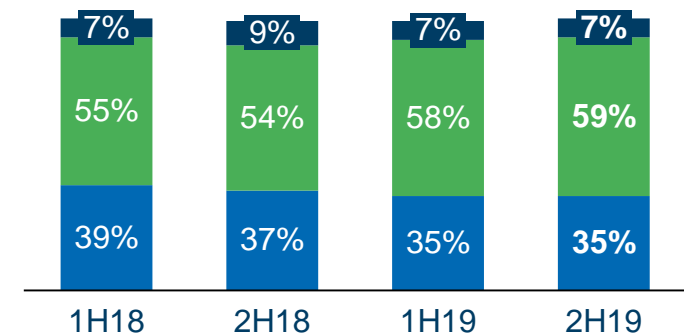
**Normalized capital generation<sup>1</sup>**  
(in EUR million)



**New business strain**  
(in EUR million)



**IFRS capital allocated**  
(in %)



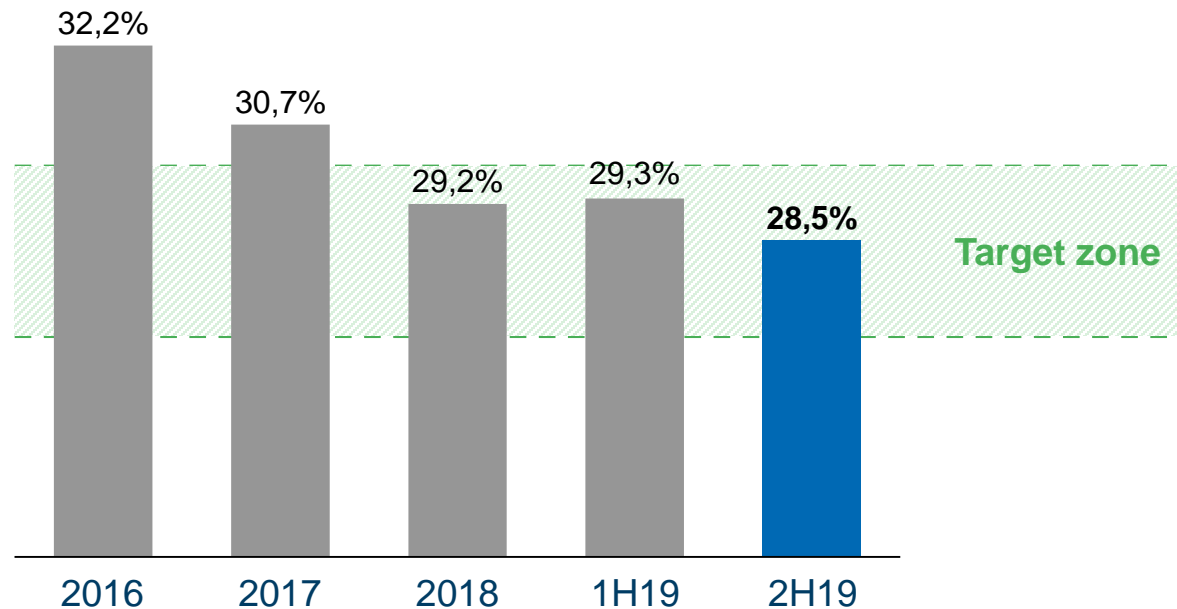
Strategic categories: ■ Manage for Value ■ Drive for Growth ■ Scale-up for Future ■ Holding & other units

1. 2018 figures have been adjusted, NL Banking reported as part of other in 2018

# Leverage ratio remains within target range of 26 – 30%

## Gross financial leverage ratio

(in %)



- Gross financial leverage ratio at 2H19 within target zone
- Slight decrease in leverage ratio in 2019
  - Positive impact of retained earnings and debt reduction
  - Negative impact from markets on defined benefit obligations
- Retained earnings to lead to gradually declining ratio

*Note: To align closer to definitions used by peers and rating agencies, Aegon has retrospectively changed its internal definition of adjusted shareholders' equity used in calculating return on equity for the group, return on capital for its units, and the gross financial leverage ratio. As of the second half of 2018, shareholders' equity is no longer adjusted for the remeasurement of defined benefit plans*

# Well-managed capital sensitivities

## Solvency II sensitivities

(in percentage points, 2H 2019)

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

\* Credit spreads excluding government bonds

\*\* Additional 130bps defaults for 1 year plus assumed rating migration

\*\*\* Reduction of annual mortality rates by 5%

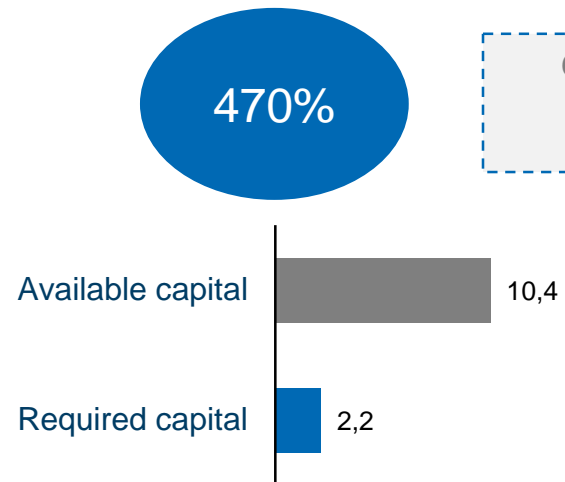
# Conversion of RBC to Solvency II

## Next review in 2H20

- Conversion methodology for US operations has been agreed with DNB, to be reviewed annually
- Calibration of US insurance entities followed by subsequent adjustment for US debt and Holding items
  - Calibration of US insurance entities is consistent with EIOPA's guidance and comparable with European peers
  - Subsequent inclusion of non-regulated Holding companies and US debt

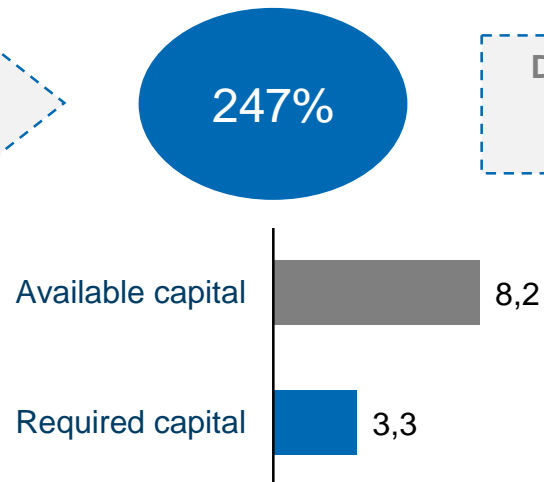
### RBC ratio US insurance entities

(USD billion, %, 2H19)



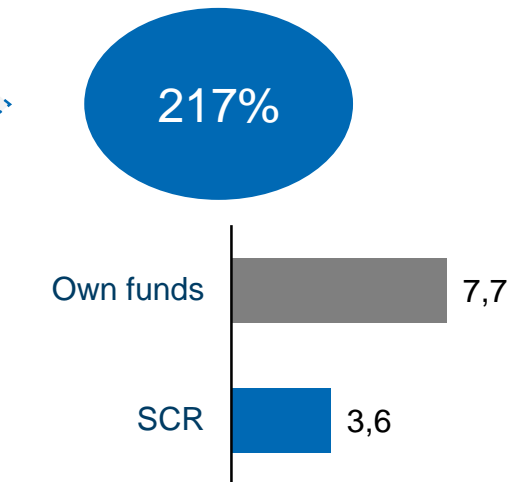
### Calibrated ratio US insurance entities

(USD billion, %, 2H19)



### Solvency II equivalent

(USD billion, %, 2H19)



Calibration to Solvency II<sup>1</sup>  
-223%-pts

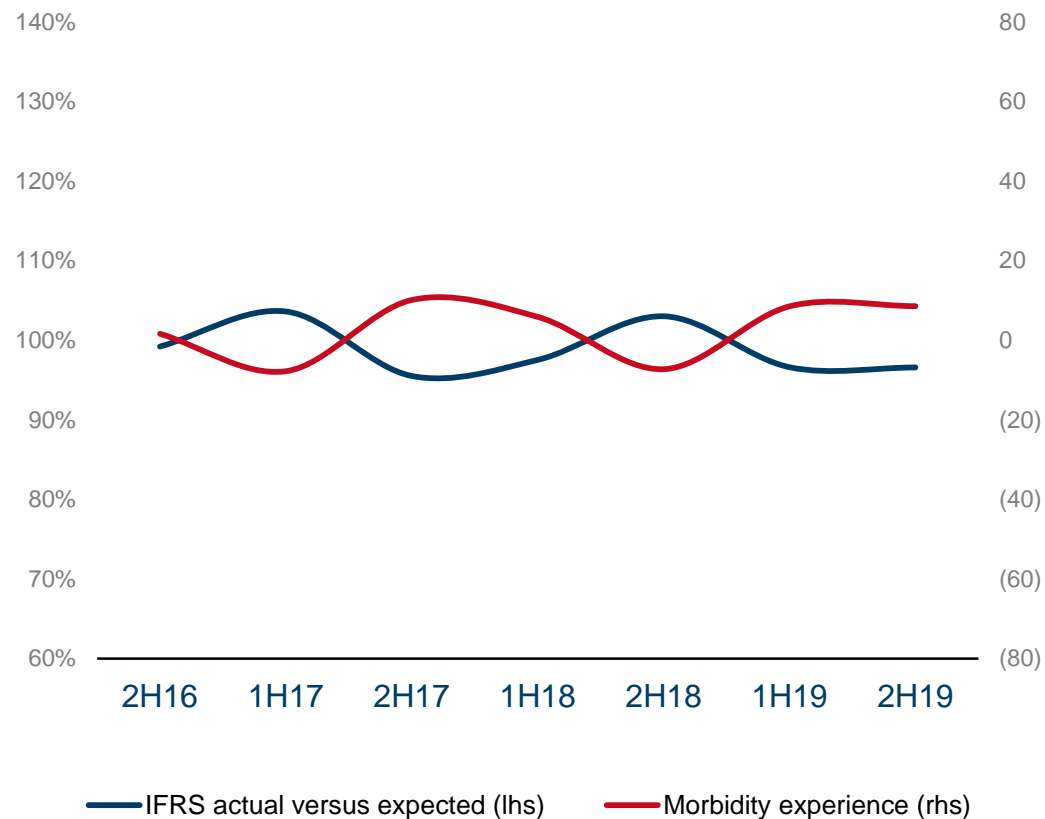
Debt and Holding items  
-30%-pts

1. Solvency II calibration reduces own funds by 100% RBC CAL to reflect transferability limitations and Required Capital is increased to 150% RBC CAL

# Long Term Care continues to develop in line with expectations

## LTC actual versus expected claims ratio

(in %, in USD million, closed block)

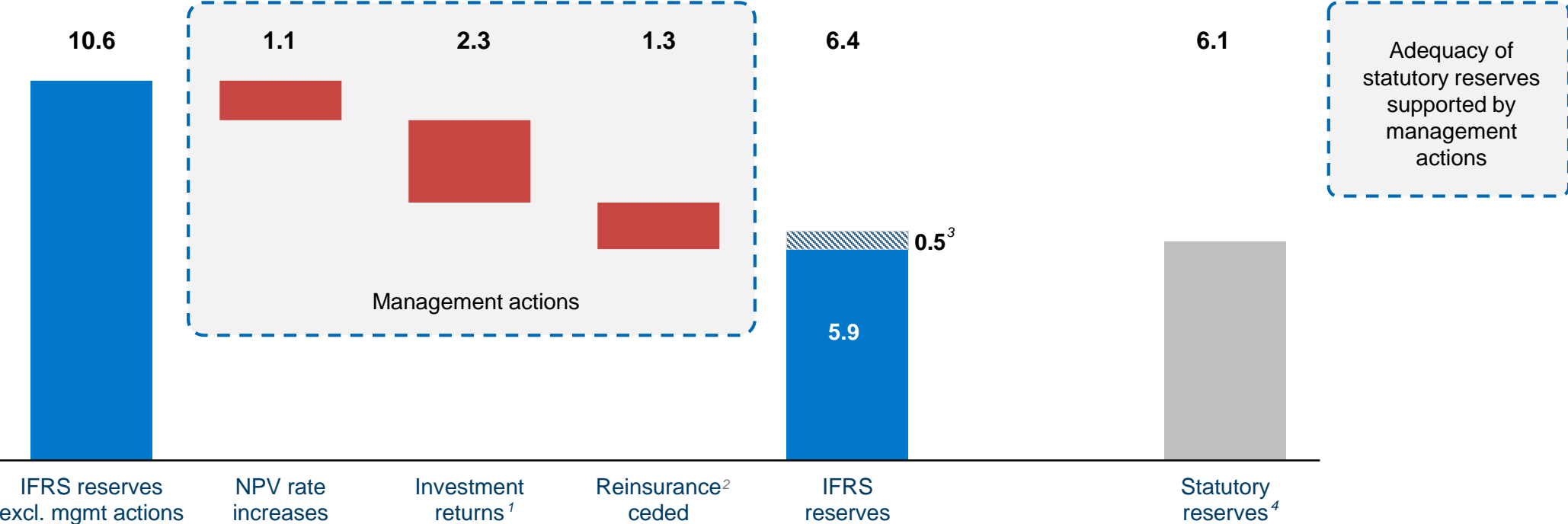


- IFRS assumptions are reviewed in detail annually; management monitors monthly emerging experience
- IFRS results are the leading indicator – most up to date, best estimate assumptions
- IFRS assumption review completed 1H19 with no material charges
- Annual statutory reserve premium deficiency testing shows sufficiency
- Over the last three years, actual LTC experience under IFRS tracked well against management's best estimate
- IFRS actual experience in 1H19 excludes reserve releases for paid-up Long Term Care policies

# LTC management actions support reserve sufficiency

## LTC reserves

(in USD billion, at December 31, 2019)



1. Impact of moving from IFRS discount rate based on investment returns to statutory discount rate  
 2. Reserves reflect LTC IFRS reserves net of USD 1.3 billion of reinsurance ceded  
 3. Reflects USD 5.9 billion of active life and claim reserves plus USD 0.5 billion of "shadow reserves" (investment mark to market)  
 4. Reserves are in part based on prescribed or locked-in assumptions, instead of best estimates. Adequacy of statutory reserves supported by successful rate increases and higher actual yields from forward starting swap program initiated in 2002

# General account investments

December 31, 2019

amounts in EUR millions, except for the impairment data

	Americas	Europe	Asia	Holdings & other	Total
Cash/Treasuries/Agencies	13,612	16,811	460	183	31,066
Investment grade corporates	34,872	5,933	4,582	3	45,390
High yield (and other ) corporates	2,021	44	187	49	2,301
Emerging markets debt	1,372	972	210	38	2,592
Commercial MBS	3,428	141	584	1	4,154
Residential MBS	2,289	311	128	-	2,729
Non-housing related ABS	2,243	1,179	457	-	3,878
Housing related ABS	-	22	-	-	22
<b>Subtotal</b>	<b>59,836</b>	<b>25,413</b>	<b>6,609</b>	274	<b>92,133</b>
Residential mortgage loans	9	29,533	-	-	29,542
Commercial mortgage loans	8,947	36	-	-	8,982
<b>Total mortgages</b>	<b>8,956</b>	<b>29,569</b>	-	-	<b>38,524</b>
Convertibles & preferred stock	254	-	-	72	325
Common equity & bond funds	291	195	-	105	591
Private equity & hedge funds	1,630	1,355	-	10	2,995
<b>Total equity like</b>	<b>2,175</b>	<b>1,550</b>	-	187	<b>3,911</b>
Real estate	1,674	2,248	-	0	3,922
Other	469	5,707	11	49	6,236
<b>General account (excl. policy loans)</b>	<b>73,109</b>	<b>64,487</b>	<b>6,620</b>	510	<b>144,726</b>
Policyholder loans	1,966	16	42	-	2,024
<b>Investments general account</b>	<b>75,076</b>	<b>64,502</b>	<b>6,662</b>	510	<b>146,750</b>
<b>Impairments as bps (Full year)</b>	<b>(3)</b>	<b>14</b>	-	109	<b>4</b>



# Main economic assumptions

## Overall assumptions

	US	NL	UK
Exchange rate against euro	1.15	n.a.	0.88
Annual gross equity market return (price appreciation + dividends)	8%	6.5%	6.5%

## Main assumptions for financial targets

US 10-year government bond yields	Grade to 4.25% in 10 years time
NL 10-year government bond yields	Develop in line with forward curves
UK 10-year government bond yields	Grade to 3.5% in 10 years time

## Main assumptions for US DAC recoverability

10-year government bond yields	Grade to 4.25% in 10 years time
Credit spreads, net of defaults and expenses	Grade from current levels to 122 bps over four years
Bond funds	Return of 4% for 10 years and 6% thereafter
Money market rates	Grade to 2.5% in 10 years time

# 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:

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E-mail: citiadr@citi.com

**AEG**  
**LISTED**  
**NYSE**

# Disclaimer

## Cautionary note regarding non-IFRS-EU measures

This document includes the following non-IFRS-EU financial measures: underlying earnings before tax, income tax, income before tax, market consistent value of new business and return on equity. These non-IFRS-EU measures are calculated by consolidating on a proportionate basis Aegon's joint ventures and associated companies. The reconciliation of these measures, except for market consistent value of new business and return on equity, to the most comparable IFRS-EU measure is provided in the notes to this press release. Market consistent value of new business is not based on IFRS-EU, which are used to report Aegon's primary financial statements and should not be viewed as a substitute for IFRS-EU financial measures. Aegon may define and calculate market consistent value of new business differently than other companies. Return on equity is a ratio using a non-IFRS-EU measure and is calculated by dividing the net underlying earnings after cost of leverage by the average shareholders' equity adjusted for the revaluation reserve. Aegon believes that these non-IFRS-EU measures, together with the IFRS-EU information, provide meaningful supplemental information about the underlying operating results of Aegon's business including insight into the financial measures that senior management uses in managing the business.

## Local currencies and constant currency exchange rates

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

## Forward-looking statements

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

- Changes in general economic and/or governmental conditions, particularly in the United States, the Netherlands and the United Kingdom;
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
  - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities Aegon holds; and
  - The effects of declining creditworthiness of certain public sector securities and the resulting decline in the value of government exposure that Aegon holds;
- Changes in the performance of Aegon's investment portfolio and decline in ratings of Aegon's counterparties;
- Lowering of one or more of Aegon's debt ratings issued by recognized rating organizations and the adverse impact such action may have on Aegon's ability to raise capital and on its liquidity and financial condition;
- Lowering of one or more of insurer financial strength ratings of Aegon's insurance subsidiaries and the adverse impact such action may have on the written premium, policy retention, profitability and liquidity of its insurance subsidiaries;
- The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain;
- Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
- Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness;
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- Catastrophic events, either manmade or by nature, including by way of example acts of God, acts of terrorism, acts of war and pandemics, could result in material losses and significantly interrupt Aegon's business;
- The frequency and severity of insured loss events;
- Changes affecting longevity, mortality, morbidity, persistence and other factors that may impact the profitability of Aegon's insurance products;
- Aegon's projected results are highly sensitive to complex mathematical models of financial markets, mortality, longevity, and other dynamic systems subject to shocks and unpredictable volatility. Should assumptions to these models later prove incorrect, or should errors in those models escape the controls in place to detect them, future performance will vary from projected results;
- Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
- Changes in customer behavior and public opinion in general related to, among other things, the type of products Aegon sells, including legal, regulatory or commercial necessity to meet changing customer expectations;
- Customer responsiveness to both new products and distribution channels;
- As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, operational risks such as system disruptions or failures, security or data privacy breaches, cyberattacks, human error, failure to safeguard personally identifiable information, changes in operational practices or inadequate controls including with respect to third parties with which we do business may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Aegon's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- Aegon's failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving and excess cash and leverage ratio management initiatives;
- Changes in the policies of central banks and/or governments;
- Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- Consequences of an actual or potential break-up of the European monetary union in whole or in part, or the exit of the United Kingdom from the European Union and potential consequences if other European Union countries leave the European Union;
- Changes in laws and regulations, particularly those affecting Aegon's operations' ability to hire and retain key personnel, taxation of Aegon companies, the products Aegon sells, and the attractiveness of certain products to its consumers;
- Regulatory changes relating to the pensions, investment, and insurance industries in the jurisdictions in which Aegon operates;
- Standard setting initiatives of supranational standard setting bodies such as the Financial Stability Board and the International Association of Insurance Supervisors or changes to such standards that may have an impact on regional (such as EU), national or US federal or state level financial regulation or the application thereof to Aegon, including the designation of Aegon by the Financial Stability Board as a Global Systemically Important Insurer (G-SII); and
- Changes in accounting regulations and policies or a change by Aegon in applying such regulations and policies, voluntarily or otherwise, which may affect Aegon's reported results, shareholders' equity or regulatory capital adequacy levels.

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