



1Q 2017 Results

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The Hague – May 11, 2017

Helping people achieve a lifetime of financial security

AEGON
Transform Tomorrow

Highlights 1Q 2017 results

- Underlying earnings up due to expense reductions and higher account balances
- Solvency II ratio remains stable; capital generation of EUR 0.3 billion excluding market impacts and one-time items
- Strong sales increase driven by higher UK platform deposits following the Cofunds acquisition

Earnings



€488m

+6%
compared with 1Q 2016

Return on equity



7.2%

-0.1pp
compared with 1Q 2016

Solvency II



157%

Stable
compared with 4Q 2016

Capital generation



€0.3bn

Excluding one-time items
and market impacts

Sales



€3.9bn

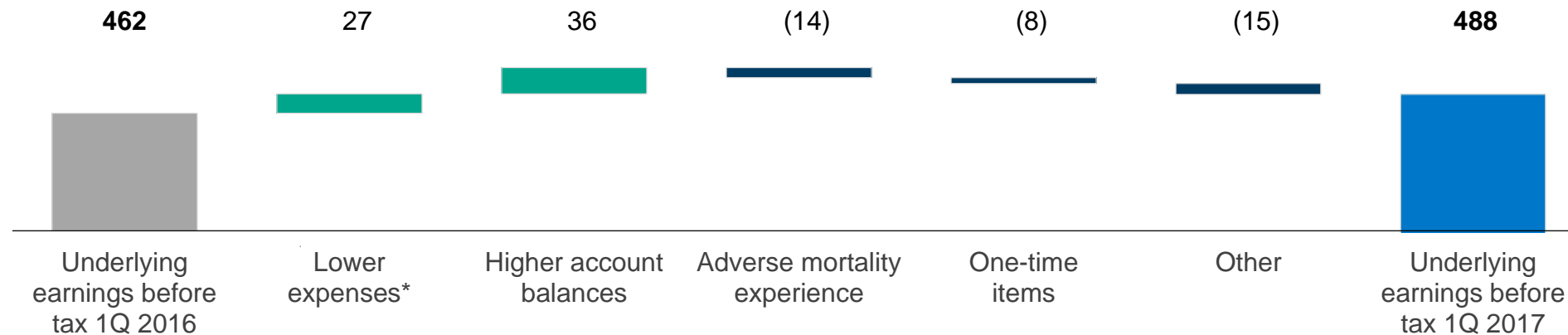
+11%
compared with 1Q 2016

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

Earnings up due to expense reductions and higher balances

- Lower expenses as a result of strong execution on expense reduction program
- Higher account balances in US and UK resulting in increased fee-based earnings
- Adverse mortality experience in the US in line with seasonal expectation
- Other mainly consist of lower performance fees in asset management and lower investment income in NL

Underlying earnings before tax roll-forward (EUR million)

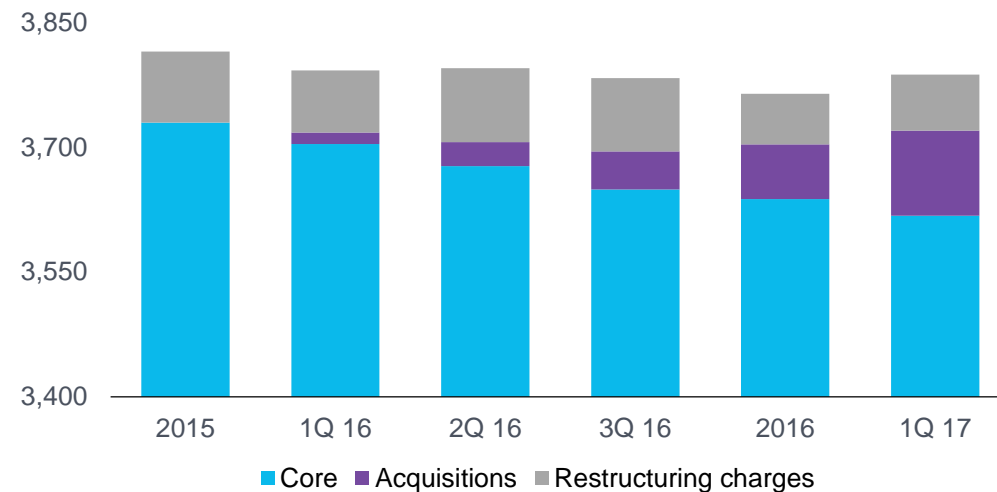


* At constant currencies, excluding the impact from acquisitions in the UK

Expense reductions of EUR 350 million on track for 2018

Declining core operating expenses

(EUR million – rolling 4 quarters)



Cumulative run-rate savings since year-end 2015

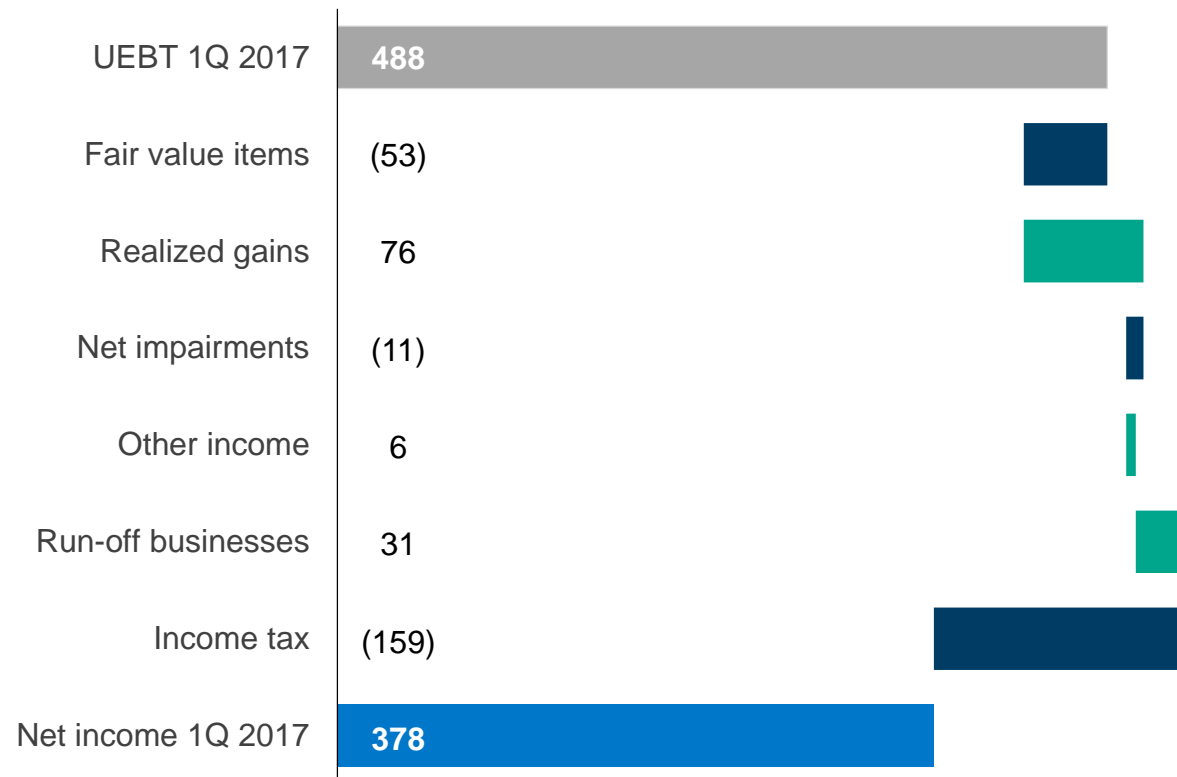


- Successful expense savings program drives reduction in core operating expenses
- Acquisitions in US and UK in key business lines add to scale. Related cost synergies will be fully realized by year-end 2018
- Restructuring charges to reduce as expense reduction program matures
- Netherlands and Holding expense reduction target to be achieved in 2018, following increased project-related expenses in 2017

Strong net income driven by favorable non-underlying earnings

Underlying earnings to net income development in 1Q 2017

(EUR million)



Loss from fair value items

Loss was mainly driven by hedges which are in place to protect capital position

Realized gains on investments

Related to the sale of sovereign bonds in NL

Net impairments

Benign credit environment continues

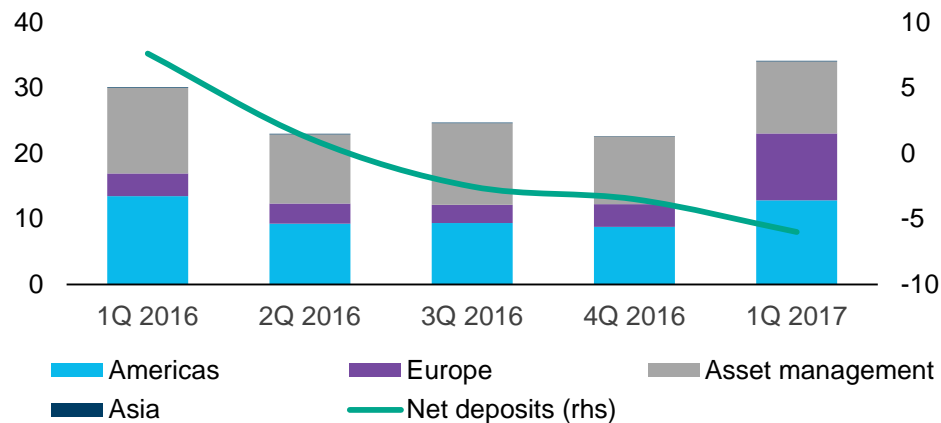
Run-off businesses

Result driven by one-off benefit in BOLI/COLI

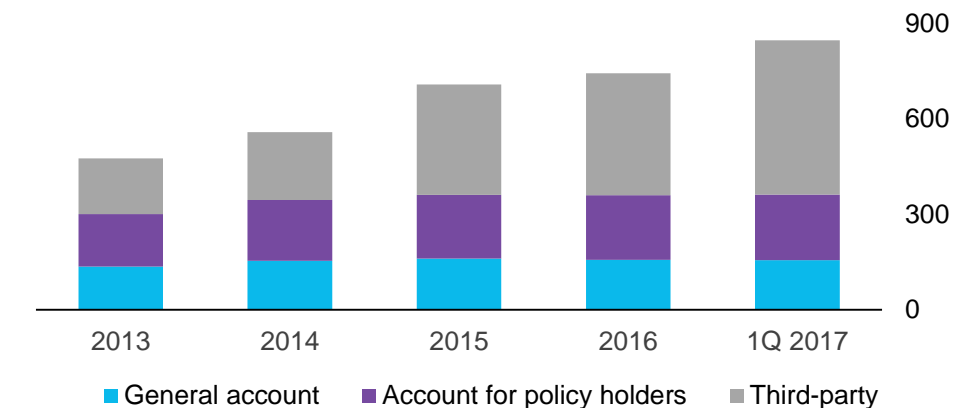
Record revenue-generating investments of EUR 847 billion

- Gross deposits up to EUR 34 billion mainly due to the Cofunds acquisition
- Net outflows of EUR 6 billion mainly driven by the loss of one asset management contract in the UK related to the previous Guardian divestment
- Revenue-generating investments up to EUR 847 billion, as a result of the inclusion of GBP 87 billion from Cofunds and favorable equity markets

Gross and net deposits (EUR billion)

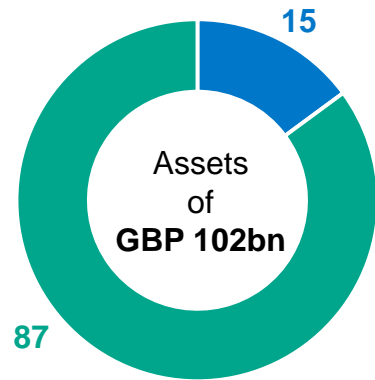


Revenue-generating investments (EUR billion)

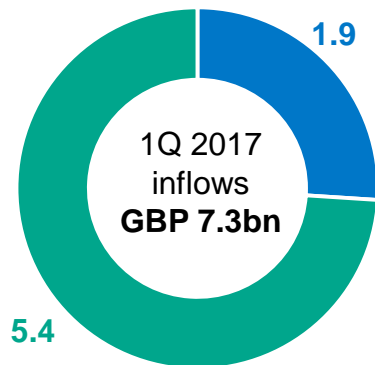


Creation of leading platform in the UK benefitting deposits

UK platform assets & gross inflows (GBP billion)



■ Aegon ■ Cofunds



#1 retail platform and #3 in workplace savings market

Servicing over 1.2 million customers on our platform, out of a total of 3 million

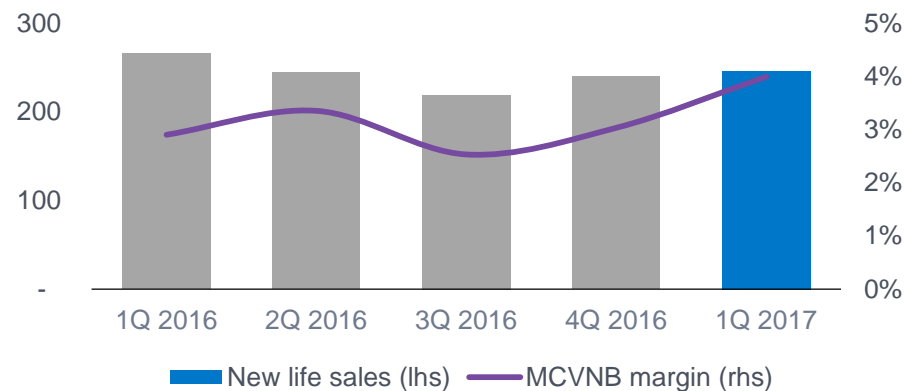
Leading position offers strong asset consolidation and cross-selling opportunities

Cofunds replatforming expected to be completed in 2H 2018

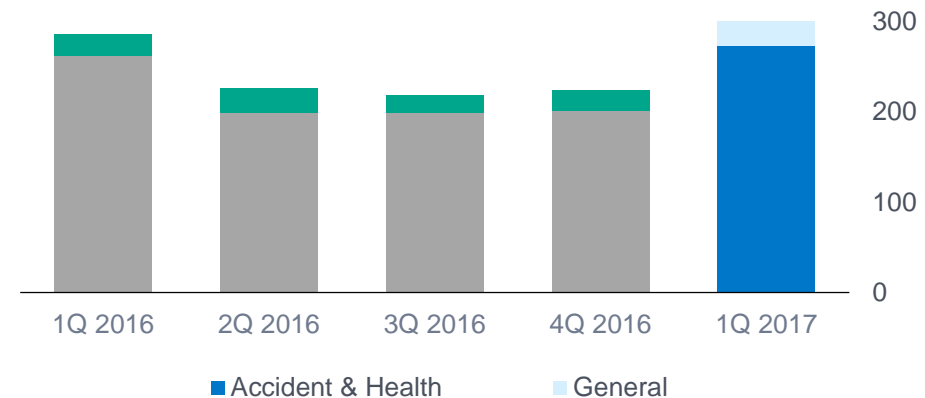
Improving margin on new life sales

- Lower sales driven by lower US term life and indexed universal life sales, the divestment of the UK annuity book and lower pension sales in NL partly offset by higher sales in Asia
- Pricing discipline and higher interest rates lead to increased MCVNB
- A&H sales were up resulting from higher NL disability insurance sales and a stronger US dollar

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



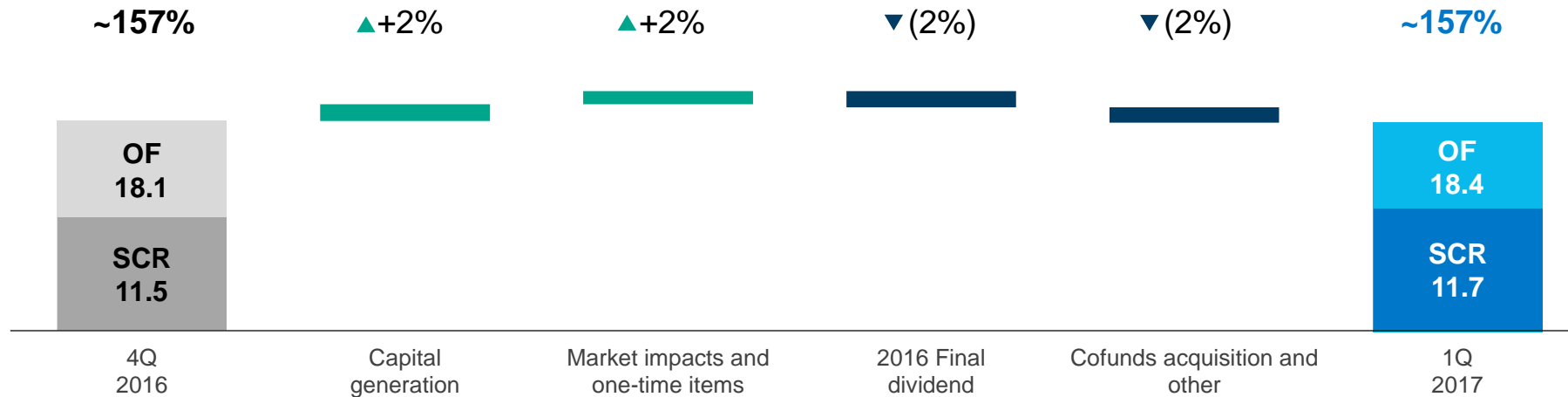
A&H and general insurance
(EUR million)



Solvency II ratio remains stable

- Capital generation excluding market impacts and one-time items amounted to EUR 0.3 billion in 1Q 2017
- Market impacts mainly related to positive credit spreads and interest rate movements in the Netherlands
- Positive impact from capital efficiency measures in Asia, largely offset by DTA non-admissibility in the US
- Impact of Cofunds acquisition and 2016 final dividend as expected

Group Solvency II ratio (EUR billion)



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

Update on NL capital position

Dutch SII ratio

- Recognize need to improve Dutch solvency position
- Downstreamed EUR 100 million from the Dutch holding into Aegon Leven in 1Q 2017
- Dutch capital ratio would be impacted by potential lowering of UFR

Management actions

- Committed to decisive management actions
 - Risk profile improvements
 - Portfolio optimization
 - Group support

Update at 2Q 2017

- Progress of ongoing management actions
- Comprehensive plan to improve capital position

Progress on financial targets

Commitment	Year-end 2018 target	1Q 2017 results
Strong sales growth	CAGR of 10%	>10%
Reduce operating expenses	EUR 350 million	EUR ~160 million
Increase RoE	10%	7.2%
Excess capital at Holding	EUR 1.0 – 1.5 billion	EUR 1.4 billion
Return capital to shareholders	EUR 2.1 billion	EUR ~930 million

Note: Return capital as of 1Q 2017 includes interim & full year 2016 dividend and share buyback; EUR 500 million of excess capital at the Holding is earmarked for the redemption of EUR 500 million senior notes due July 18, 2017

Appendix

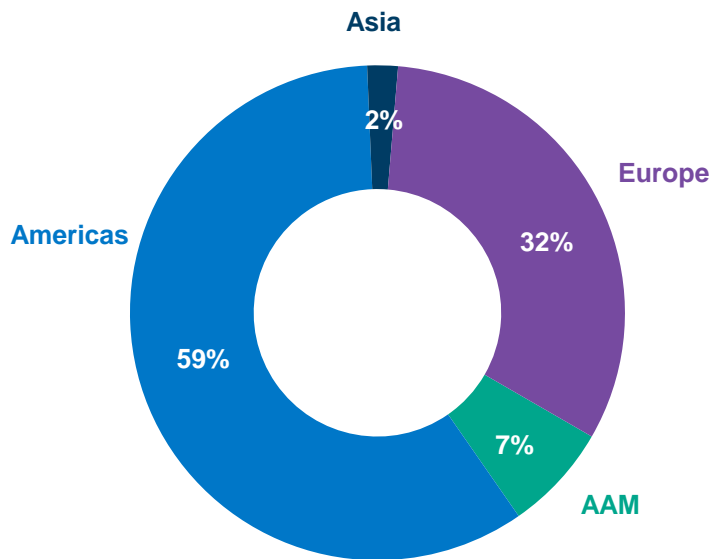
**For questions please contact
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Aegon at a glance



Earnings

Underlying earnings before tax of **€ 488m** (2017 YTD)



Focus

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



History

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



Investments

Revenue-generating investments **€ 847bn** (March 31, 2017)



Sales

Total sales of **€ 3.9bn** (March 31, 2017)



Employees

Over **29,000** employees (March 31, 2017)

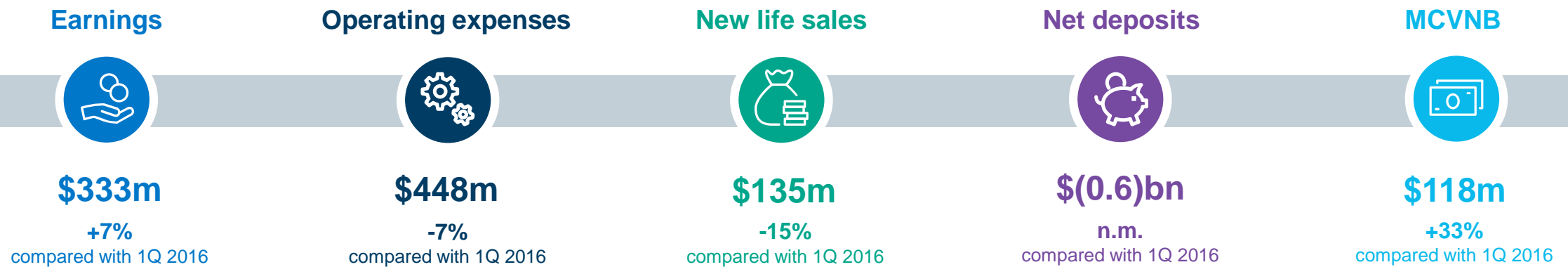


Paid out

in claims and benefits **€ 59bn** (2016)

Americas: expense savings drive earnings increase

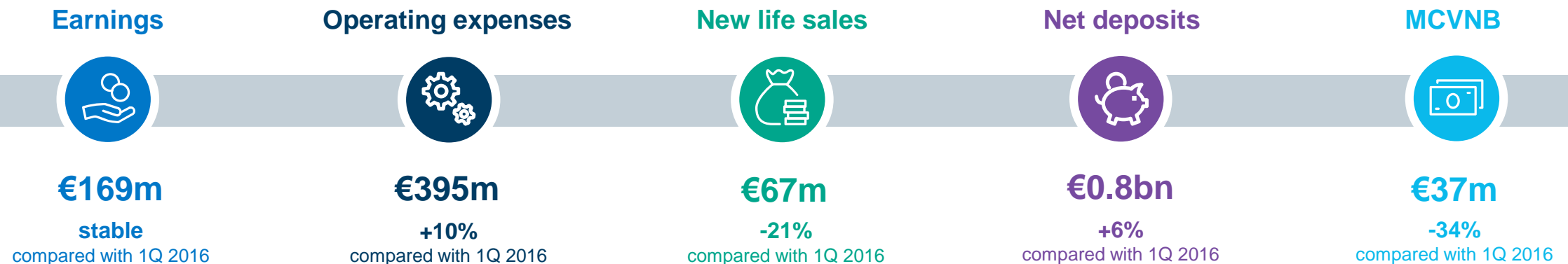
- Underlying earnings increase to USD 333 million, as expense reductions and favorable equity markets more than offset adverse mortality experience and one-time items
- Operating expenses declined by 7% as a result of continued execution on the expense savings program
- New life sales decreased to USD 135 million due to lower indexed universal life and term life sales
- Net outflows of USD 0.6 billion primarily due to lower retirement plan takeover deposits and lower VA sales



Note: Earnings = underlying earnings before tax

Europe: net deposits increase due to Cofunds acquisition

- Underlying earnings remain stable at EUR 169 million
- Operating expenses increased by 10% due primarily to the acquisitions in the UK
- New life sales declined by 21% due to lower pension sales in NL as a result of the continued shift from defined benefit to defined contribution and the divestment of the annuity book in the UK
- Net deposits of EUR 0.9 billion driven by strong UK platform growth as well as the inclusion of Cofunds



Note: Earnings = underlying earnings before tax

Asia: strong new life sales

- Underlying earnings increased to USD 13 million, mainly due to the HNW business and China
- New life sales increased by 36% as a result of strong demand for new critical illness product in China
- Net deposits decreased mainly due to lower Japanese Yen-denominated variable annuity sales
- MCVNB increased to USD 26 million primarily due to improved profitability on the recently launched critical illness product in China and higher interest rates

Earnings



\$13m

n.m.

compared with 1Q 2016

Operating expenses



\$43m

stable

compared with 1Q 2016

New life sales



\$56m

+36%

compared with 1Q 2016

Net deposits



\$58m

-11%

compared with 1Q 2016

MCVNB



\$26m

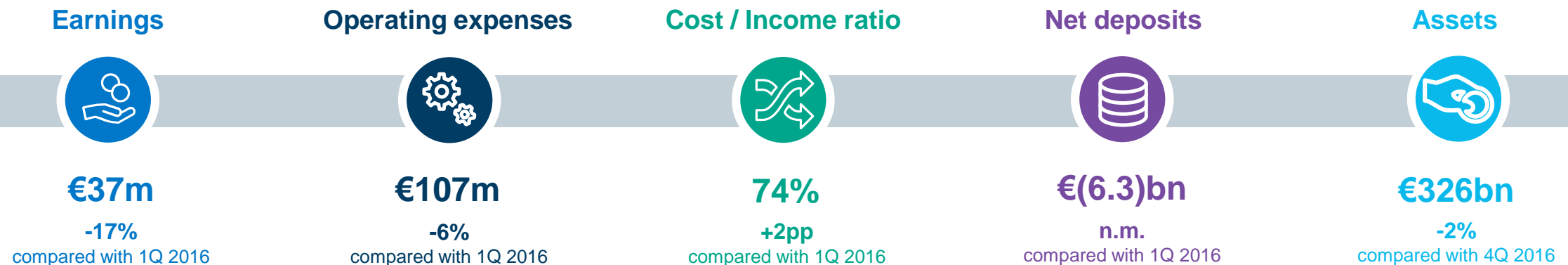
n.m.

compared with 1Q 2016

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

Asset management: lower performance fees

- Underlying earnings declined by 17% as lower expenses were more than offset by lower performance fees compared with last year's high level
- Operating expenses decreased by 6% as investment in growth was more than offset by favorable currency movements and lower project-related expenses in the US and China
- Net outflows of EUR 6.3 billion mainly due to the loss of one contract in the UK related to the previous Guardian divestment



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

General account investments

March 31, 2017

amounts in EUR millions, except for the impairment data

	Americas	Europe	Asia	Holding & other	Total
Cash/Treasuries/Agencies	18,929	16,099	323	97	35,448
Investment grade corporates	41,915	5,336	3,618	-	50,869
High yield (and other) corporates	2,837	133	181	-	3,151
Emerging markets debt	1,837	1,040	126	-	3,003
Commercial MBS	5,024	222	575	-	5,821
Residential MBS	3,491	692	78	-	4,262
Non-housing related ABS	3,424	2,488	392	-	6,304
Housing related ABS	-	40	-	-	40
Subtotal	77,457	26,051	5,293	97	108,898
Residential mortgage loans	22	25,789	-	-	25,811
Commercial mortgage loans	8,346	54	-	-	8,400
Total mortgages	8,368	25,843	-	-	34,211
Convertibles & preferred stock	309	-	-	-	309
Common equity & bond funds	554	691	-	58	1,303
Private equity & hedge funds	1,737	402	-	2	2,141
Total equity like	2,600	1,093	-	60	3,753
Real estate	1,249	1,287	-	-	2,536
Other	712	3,573	-	1	4,286
General account (excl. policy loans)	90,385	57,847	5,293	160	153,685
Policyholder loans	2,145	11	6	-	2,162
Investments general account	92,531	57,857	5,299	160	155,847
Impairments as bps for the quarter	1	1	-	-	1

Capital generation and excess capital

- Capital generation excluding market impacts and one-time items of EUR 0.3 billion
- Holding excess capital decreased slightly to EUR 1.4 billion due to normal funding & operating expenses
 - EUR 500 million of holding excess capital is earmarked for the redemption of EUR 500 million senior notes due July 18, 2017

Capital generation

(EUR billion)

	4Q 16	1Q 17
Capital generation	0.6	0.5
Market impacts & one-time items	0.3	0.2
Capital generation excluding market impacts & one-time items	0.3	0.3
Holding funding & operating expenses	(0.1)	(0.1)
Free cash flow	0.2	0.2

Holding excess capital development

(EUR billion)

	4Q 16	1Q 17
Starting position	1.1	1.5
Net dividends received from units	0.2	0.0
Acquisitions & divestments	-	(0.0)
Dividends & share buyback	(0.1)	-
Funding & operating expenses	(0.1)	(0.1)
Leverage issuances/redemptions	0.5	-
Other	(0.0)	(0.0)
Ending position	1.5	1.4

Note: Numbers may not add up due to rounding

Capital allocated to run-off businesses

	1Q 2017	Duration	Comment
Payout annuities	USD 0.5 billion	> 15 years	<ul style="list-style-type: none"> • Seeking to accelerate release of capital and reduce ALM mismatch • Deals likely to be executed together due to offsetting IFRS and capital impacts • Potential improvement of up to 30bps to Americas ROC* • Run off 2-3% per year in coming years
BOLI/COLI	USD 0.3 billion	~ 8 years	
Life reinsurance	USD 0.4 billion	~ 12 years	<ul style="list-style-type: none"> • Majority of IFRS capital is non-cash • Limited number of suitable counterparties and complexity with external counterparties
Institutional spread-based business	USD 0.1 billion	~ 10 years	<ul style="list-style-type: none"> • Structures require re-financing primarily by municipals • Continue to seek early wind-down of the forward delivery agreement (CP) program

* IFRS capital is included in RoC calculations but the associated earnings are not

Main economic assumptions

Overall assumptions

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

Main assumptions for financial targets

	US	NL	UK
10-year government bond yields	Develop in line with forward curves per year-end 2015		

Main assumptions for US DAC recoverability

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

Investing in Aegon

- **Aegon ordinary shares**
 - Traded on Euronext Amsterdam since 1969 and quoted in euros
- **Aegon New York Registry Shares (NYRS)**
 - Traded on NYSE since 1991 and quoted in US dollars
 - One Aegon NYRS equals one Aegon Amsterdam-listed common share
 - Cost effective way to hold international securities

Aegon's ordinary shares

Ticker symbol	AGN NA
ISIN	NL0000303709
SEDOL	5927375NL
Trading Platform	Euronext Amsterdam
Country	Netherlands

Aegon's New York Registry Shares

Ticker symbol	AEG US
NYRS ISIN	US0079241032
NYRS SEDOL	2008411US
Trading Platform	NYSE
Country	USA
NYRS Transfer Agent	Citibank, N.A.

Aegon NYRS contact details

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 LISTED
 NYSE

Disclaimer

Cautionary note regarding non-IFRS measures

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

Local currencies and constant currency exchange rates

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

Forward-looking statements

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

- Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom;
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
 - The frequency and severity of defaults by issuers in Aegon's fixed income investment portfolios;
 - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities Aegon holds; and
 - The effects of declining creditworthiness of certain private sector securities and the resulting decline in the value of government exposure that Aegon holds;
- Changes in the performance of Aegon's investment portfolio and decline in ratings of Aegon's counterparties;
- Consequences of a potential (partial) break-up of the euro;
- Consequences of the anticipated exit of the United Kingdom from the European Union;
- The frequency and severity of insured loss events;
- Changes affecting longevity, mortality, morbidity, persistence and other factors that may impact the profitability of Aegon's insurance products;
- Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
- Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
- Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness;
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- Changes in laws and regulations, particularly those affecting Aegon's operations' ability to hire and retain key personnel, taxation of Aegon companies, the products Aegon sells, and the attractiveness of certain products to its consumers;
- Regulatory changes relating to the pensions, investment, and insurance industries in the jurisdictions in which Aegon operates;
- Standard setting initiatives of supranational standard setting bodies such as the Financial Stability Board and the International Association of Insurance Supervisors or changes to such standards that may have an impact on regional (such as EU), national or US federal or state level financial regulation or the application thereof to Aegon, including the designation of Aegon by the Financial Stability Board as a Global Systemically Important Insurer (G-SII);
- Changes in customer behavior and public opinion in general related to, among other things, the type of products Aegon sells, including legal, regulatory or commercial necessity to meet changing customer expectations;
- Acts of God, acts of terrorism, acts of war and pandemics;
- Changes in the policies of central banks and/or governments;
- Lowering of one or more of Aegon's debt ratings issued by recognized rating organizations and the adverse impact such action may have on Aegon's ability to raise capital and on its liquidity and financial condition;
- Lowering of one or more of insurer financial strength ratings of Aegon's insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability and liquidity of its insurance subsidiaries;
- The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain;
- Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
- As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, a computer system failure or security breach may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
- Customer responsiveness to both new products and distribution channels;
- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- Changes in accounting regulations and policies or a change by Aegon in applying such regulations and policies, voluntarily or otherwise, which may affect Aegon's reported results and shareholders' equity;
- Aegon's projected results are highly sensitive to complex mathematical models of financial markets, mortality, longevity, and other dynamic systems subject to shocks and unpredictable volatility. Should assumptions to these models later prove incorrect, or should errors in those models escape the controls in place to detect them, future performance will vary from projected results;
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Aegon's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- Catastrophic events, either manmade or by nature, could result in material losses and significantly interrupt Aegon's business;
- Aegon's failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving and excess capital and leverage ratio management initiatives; and
- This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation

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