Delivering in a world of extremes

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CEO

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Helping people achieve a lifetime of financial security

Focus on growth

Simplification and growth to create value

Pivoting to sustainable growth after simplifying the business and optimizing the portfolio

2010 - 2015	2016 - 2018	2019 >
• Doubling of free cash flow • Changing business profile ✓	• Improving operational performance • Strengthening of capital base ✓	• **Profitable sales growth** • **Sustainably growing capital return**
Simplification of business and portfolio optimization		Growth

Growing normalized capital generation[1]

2010	2015	2018	
EUR ~0.5bn	EUR 1.0bn	EUR 1.4bn	Growth

1. Capital generation excluding market impact and one-time items, after holding funding & operating expenses; 2010 and 2015 based on Solvency I and 2018 based on Solvency II framework

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1H19 results in context of 2019 – 2021 targets

Target delivery

	Targets 2019 - 2021	Results 1H 2019	
Normalized capital generation[1]	**EUR 4.1 billion** cumulative for 2019 – 2021	**EUR 714 million** +20% vs 1H18	✓
Dividend pay-out ratio Of normalized capital generation[1, 2]	**45 – 55 %**	**43%** for 1H19, on track for full-year	✓
Return on equity Annualized[3]	**> 10 %**	**9.6%** -0.5%-pts. vs. 1H18	✗
Gross remittances to the Holding	**EUR 1.5 billion** guidance for 2019	**EUR 765 million** >50% of guidance for 2019	✓

1. Capital generation excluding market impact and one-time items after holding funding & operation expenses
2. Assuming markets move in line with management's best estimate, no material regulatory changes and no material one-time items other than already announced restructuring programs
3. To align closer to definitions used by peers and rating agencies, Aegon has retrospectively changed its internal definition of adjusted shareholders' equity used in calculating return on equity for the group, return on capital for its units, and the gross financial leverage ratio. As of the second half of 2018, shareholders' equity is no longer adjusted for the remeasurement of defined benefit plans

Active portfolio management

Grouping our businesses in three distinct categories

Aegon's growth strategy

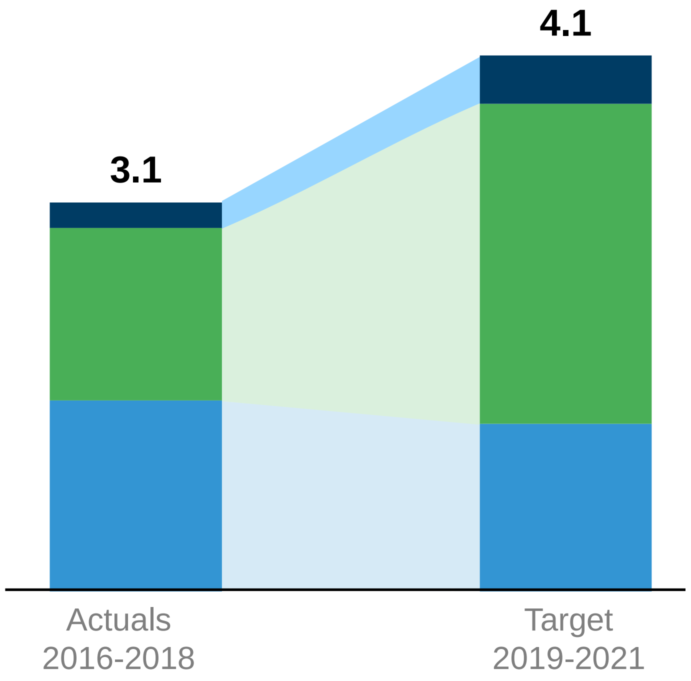
- Actively manage portfolio
- Distinct categories of businesses
- Focused strategy per category
- Unlock potential of our customer base and market positions
- Leverage capabilities and attractive propositions in the right markets

Strategic categories

- **Scale-up for Future**
- **Drive for Growth**
- **Manage for Value**

Normalized capital generation[1]

(in EUR billion, cumulative for 3 years)

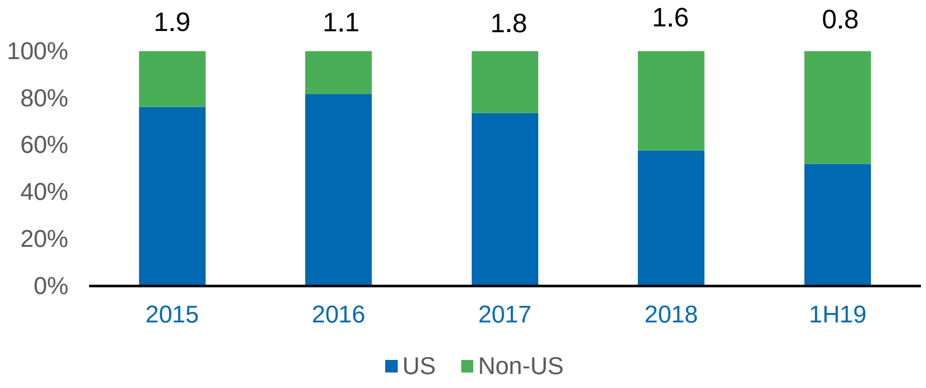


1. Capital generation excluding market impact and one-time items after holding funding & operation expenses; holding and other units incorporated but not shown

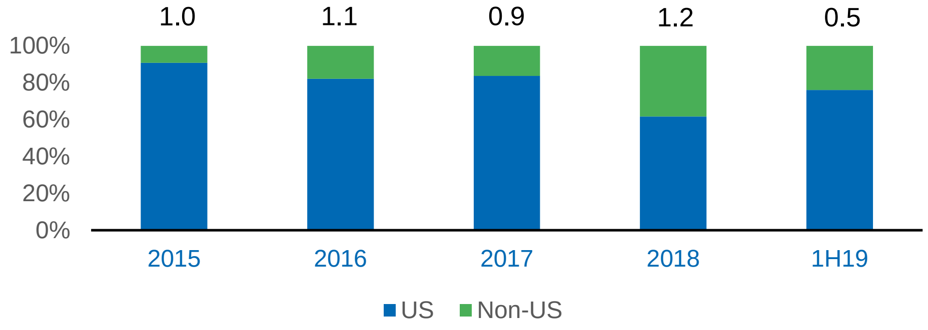
Increasingly diversified remittances

Improvements in business profile and operational performance drive diversification

Total gross remittances
(in %; amounts in EUR billion)



Total gross remittances excl. divestments and one-offs[1]
(in %; amounts in EUR billion)



- US consistently paying remittances supplemented by one-time dividends following divestments
- NL resumed remittances to the group in 2018. Planned remittances in 1H19 retained in light of capital position
  - Proceeds from divestments Czech Republic and Slovakia more than offset NL retaining remittances
  - Focus for Aegon the Netherlands to release capital and resume remittances
- UK resumed dividend payments in 2017 following transformation of its business
- Asia has become a contributor to gross remittances following capital optimization and improved business performance

1. Extraordinary dividends in excess of normalized capital generation

Addressing investor concerns

Addressing investor concerns

1. Impact of market movements on NL solvency and capital generation
2. Quality of VA book in US
3. Credit risk sensitivity in US
4. LTC reserve sufficiency
5. Relevance of smaller businesses

Solvency II ratio Aegon NL negatively impacted by spread movements in 1H19

Limited impact of lower interest rates on Solvency II ratio

	2H18	1H19	Movement	Aegon NL Solvency II ratio
Mortgage spreads	114 bps	171 bps	+57 bps	-12%
EIOPA VA	24 bps	9 bps	- 15 bps	-27%
Other, incl. interest rates				+0%
Total				-38%

- Mortgage spreads increased due to drop in risk-free rates and are not a reflection of deteriorating credit quality
- EIOPA VA reference portfolio does not match Aegon's investment mix
  - EIOPA VA is to a large extent driven by spread movements on non-AAA government and corporate bonds
  - Aegon predominantly invests in AAA government bonds and residential mortgages
- Solvency II ratio of Aegon NL has shown resilience to lower interest rates due to effective hedging[1]

Notes: EIOPA = European Insurance and Occupational Pensions Authority, VA = Volatility Adjustment
1. Aegon NL hedges on internal economic framework rather than Solvency II. The main differences are the assumed last liquid point which is 30 years in economic framework and 20 years in Solvency II, and a UFR of 3.65% in economic framework versus 3.90% in Solvency II in 2019

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Normalized capital generation of Aegon NL is sensitive to market movements

- Lower interest rates lead to reduced normalized capital generation, as UFR drag on capital generation increases
- Spread movements – which negatively impact the Solvency II ratio in 1H19 – will lead to higher future capital generation
- In 1H19, market impacts on capital generation were offsetting for Aegon NL. Normalized capital generation amounted to EUR 202 million in 1H19

Sensitivities Aegon the Netherlands

(SII ratio in percentage points, run-rate normalized capital generation in EUR million)

	Scenario	Solvency II ratio	Normalized capital generation
Interest rates	-50 bps	-4%	-50
	+50 bps	+6%	+50
Mortgage spreads	-50 bps	+13%	-60
	+50 bps	-13%	+60
EIOPA VA	-5 bps	-8%	+15
	+5 bps	+8%	-15

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Focus for NL to resume remittances to the group

Capital position to benefit from mortgage margin normalization and management actions

- Return of mortgages spreads to long-term average would bring Aegon NL back to target range[1]
- Management actions focus on releasing capital to increase Solvency II ratio, while absorbing headwinds such as the anticipated annual lowering of the Ultimate Forward Rate

Releasing capital from the life business

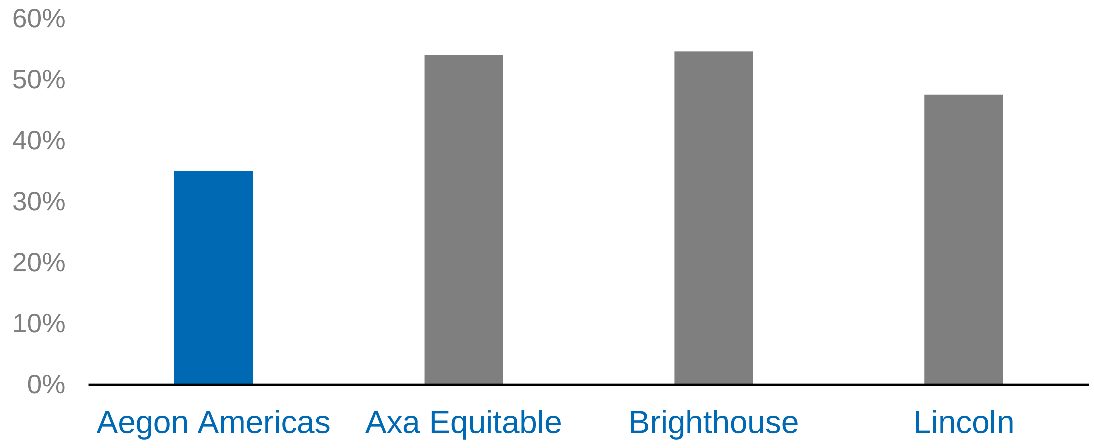
- Optimization of investment portfolio
- Longevity reinsurance on part of life and pension book
- Explore other structured options to accelerate capital release from Dutch life business

1. Assuming an unchanged EIOPA VA from 1H19 level of 9 basis points

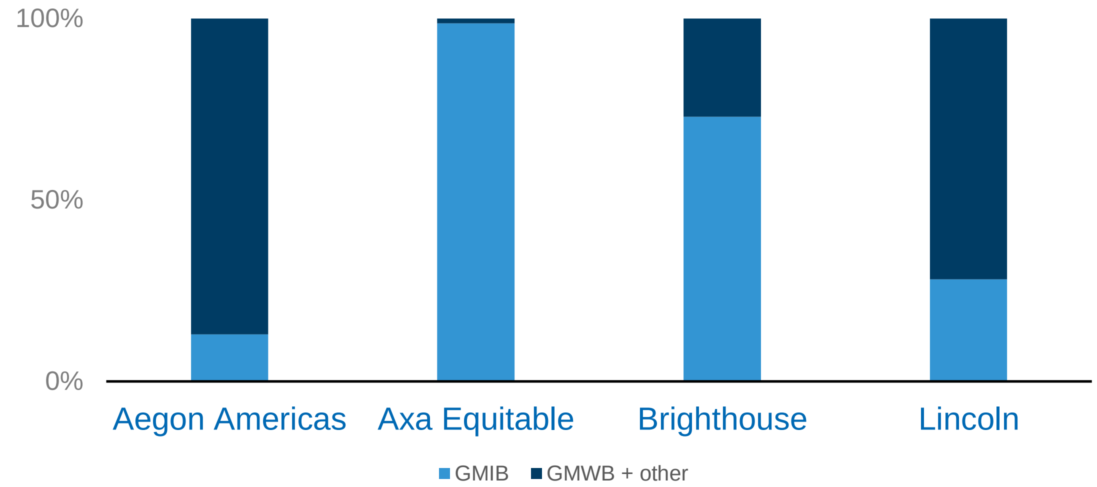
Well-diversified US business with high quality VA book

Decided in 2003 to stop offering variable annuities with income benefits

VA assets as part of total US admitted assets[1]
(Per 1H 2019, in %))



Account balance VA with living benefits[2]
(Per 1H 2019, in %)



- Variable annuities represent relatively low percentage of US assets for Aegon; with limited exposure to GMIBs[3]
  - Extensive hedging of market risks to protect shareholders
  - Effective dynamic hedge program in place for equity, interest rate and volatility risks related to GMWBs[3]
  - Tail risk hedging for equity risk in GMIB book to protect against 25% and 40% decline in equity markets

1. Source: AM Best and Morningstar research
2. Source: company data and JP Morgan; Aegon Americas living benefits are USD 44 billion in total
3. GMIB is guaranteed minimum income benefit; GMWB is guaranteed minimum withdrawal benefit

Manageable sensitivity to US credit risk

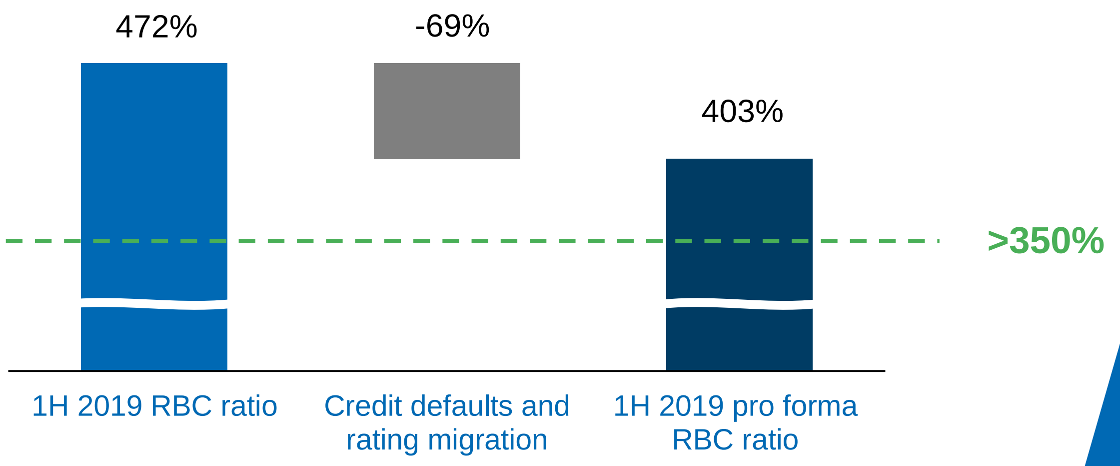
- General Account significantly decreased due to increased focus on fee-based businesses resulting in divestments and product re-designing
- US RBC ratio well positioned to absorb credit losses
  - US RBC ratio remains well above bottom-end of target range of 350% in a 1-in-40 year shock[1]

Development US General Account

	2007	1H 2019
General account	USD 135bn	USD 84bn
General account versus RBC Available Capital	13x	8x

RBC ratio

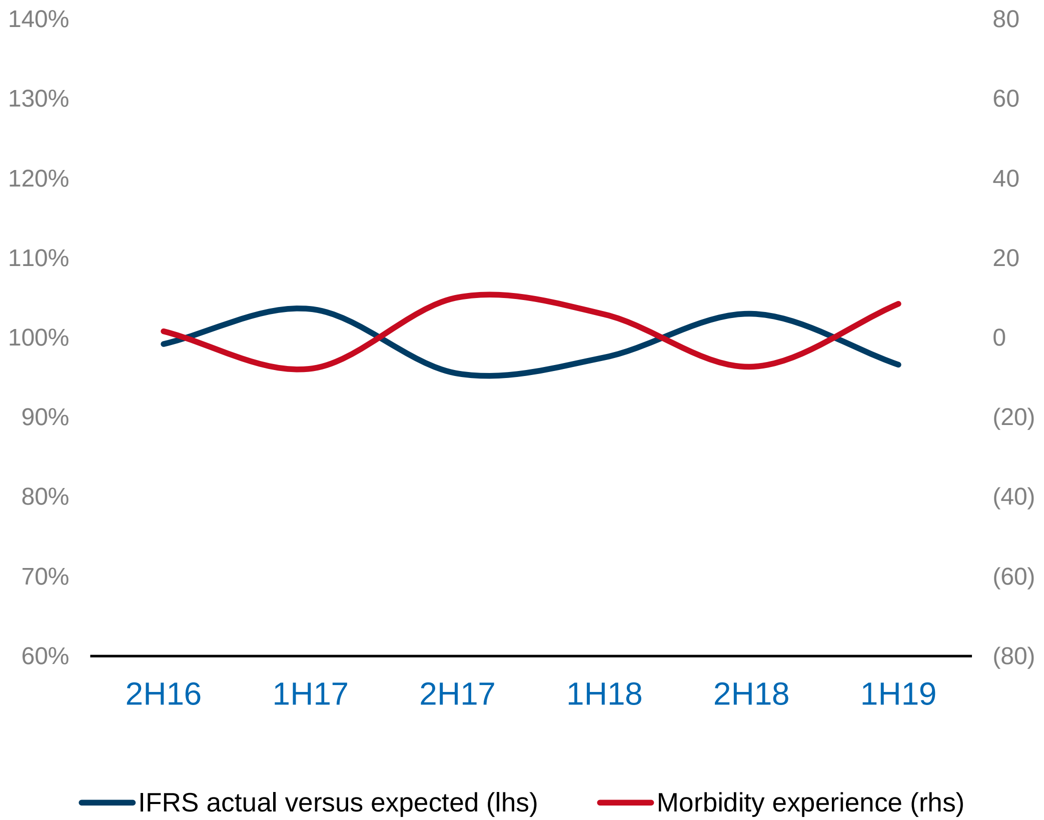
(in %)



1. Assuming increased defaults (~130bps) for 1 year in addition to the impact of anticipated rating migration

Long Term Care continues to develop in line with expectations

LTC actual versus expected claims ratio
(in %, in USD million, actively managed block)



- Over the last three years, actual LTC experience under IFRS tracked well against management's best estimate
- Management action (hedging, reinsurance, price increases) representing almost USD 5 billion in value, and support performance of the business
- IFRS results are leading indicator – most up to date, best estimate assumptions
- IFRS assumptions are reviewed annually; management monitors monthly emerging experience

Successfully growing in attractive markets

	IFRS capital 1H19[1]	Growth through 1H19
Transamerica Life Bermuda Ltd	EUR 0.6 billion	Total assets: USD 9.6bn **15.6%** CAGR (since 2013)
Santander joint-venture	EUR 0.7 billion[2]	Total premiums: EUR 102m **12.3%** CAGR (since 2013)
knab	EUR 0.6 billion[3]	Total customers: 231,000 **25.9%** CAGR (since 2016)

1. IFRS allocated capital excludes revaluation reserves
2. IFRS capital includes capital allocated to JVs with Santander and pro forma deployment of EUR 215m for expansion of the JV expected in 2020, and EUR 115 million of earn-out provision, expected in 2H19, related to the performance of the joint venture since the start of the partnership in 2012. Excludes Liberbank JV
3. Based on standalone legal entity view as per December 31, 2018. This includes both Aegon Bank and Knab brand

To sum it up:

Diversified business	**Clear actions to address concerns**	**Effective hedge programs**	**Investing in growth opportunities**

Strongly positioned to sustainably grow dividend

Appendix

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Helping people achieve a lifetime of financial security

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. Market consistent value of new business is not based on IFRS-EU, which are used to report Aegon's primary financial statements and should not be viewed as a substitute for IFRS-EU financial measures. Aegon may define and calculate market consistent value of new business differently than other companies. Return on equity is a ratio using a non-IFRS-EU measure and is calculated by dividing the net underlying earnings after cost of leverage by the average shareholders' equity adjusted for the revaluation reserve. Aegon believes that these non-IFRS-EU measures, together with the IFRS-EU information, provide meaningful supplemental information about the underlying operating results of Aegon's business including insight into the financial measures that senior management uses in managing the business.

Local currencies and constant currency exchange rates

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

Forward-looking statements

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

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

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.

Well-managed capital sensitivities

Solvency II sensitivities

(in percentage points, 1H 2019)

	Scenario	Group	NL	UK	US	US RBC
Equity markets	+25%	+13%	+4%	-4%	+35%	+46%
Equity markets	-25%	-14%	-8%	-3%	-25%	-27%
Interest rates	+50 bps	+6%	+6%	+2%	+7%	+8%
Interest rates	-50 bps	-8%	-4%	-1%	-13%	-18%
Credit spreads[1]	+50 bps	+5%	+11%	+5%	+4%	+0%
Credit spreads[1]	-50 bps	-7%	-11%	-8%	-3%	+0%
Government spreads	+50 bps	-4%	-7%	-5%	+0%	+0%
Government spreads	-50 bps	+6%	+13%	+5%	+0%	+0%
US credit defaults[2]	~200 bps	-21%	n/a	n/a	-41%	-69%
Mortgage spreads	+50 bps	-5%	-13%	n/a	n/a	n/a
Mortgage spreads	-50 bps	+5%	+13%	n/a	n/a	n/a
EIOPA VA	+5 bps	+3%	+8%	n/a	n/a	n/a
EIOPA VA	-5 bps	-3%	-8%	n/a	n/a	n/a
Ultimate Forward Rate	-15 bps	-2%	-4%	n/a	n/a	n/a
Longevity[3]	+5%	-7%	-12%	-3%	-3%	-4%

1. Credit spreads excluding government bonds
2. Additional 130bps defaults for 1 year plus assumed rating migration
3. Reduction of annual mortality rates by 5%

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