US capital management

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CFO Americas

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Helping people achieve a lifetime of financial security

Focus on growth in 2019 – 2021

Engaging our large customer base and growing in core markets

Customers

Goals
- Broader and longer customer relationship
- Improved customer engagement

Focus
- Offer bundled products and advisory
- Provide customers with relevant guidance
- Evolve operating model
- Use of data and data analytics

Markets

Goals
- Growth in key markets
- Benefits from secular retirement trends

Focus
- Leverage leading positions
- Grow market share
- Markets with growth opportunities
- Multi-product relationship potential

Helping people achieve a lifetime of financial security

Targets 2019 – 2021

Growth strategy will deliver sustainable and attractive returns to all stakeholders

- Strong focus on customer centricity
- Building on strong market positions
- Simplifications and optimizations executed successfully
- Sustainable business

Normalized capital generation Cumulative for 2019 – 2021[1]	EUR 4.1 billion
Dividend pay-out ratio Of normalized capital generation[2]	45 – 55 %
Return on equity Annual target[3]	> 10 %
Gross remittances Guidance for 2019	EUR 1.5 billion

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 will no longer be adjusted for the remeasurement of defined benefit plans

Targeting EUR 4.1 bn normalized capital generation

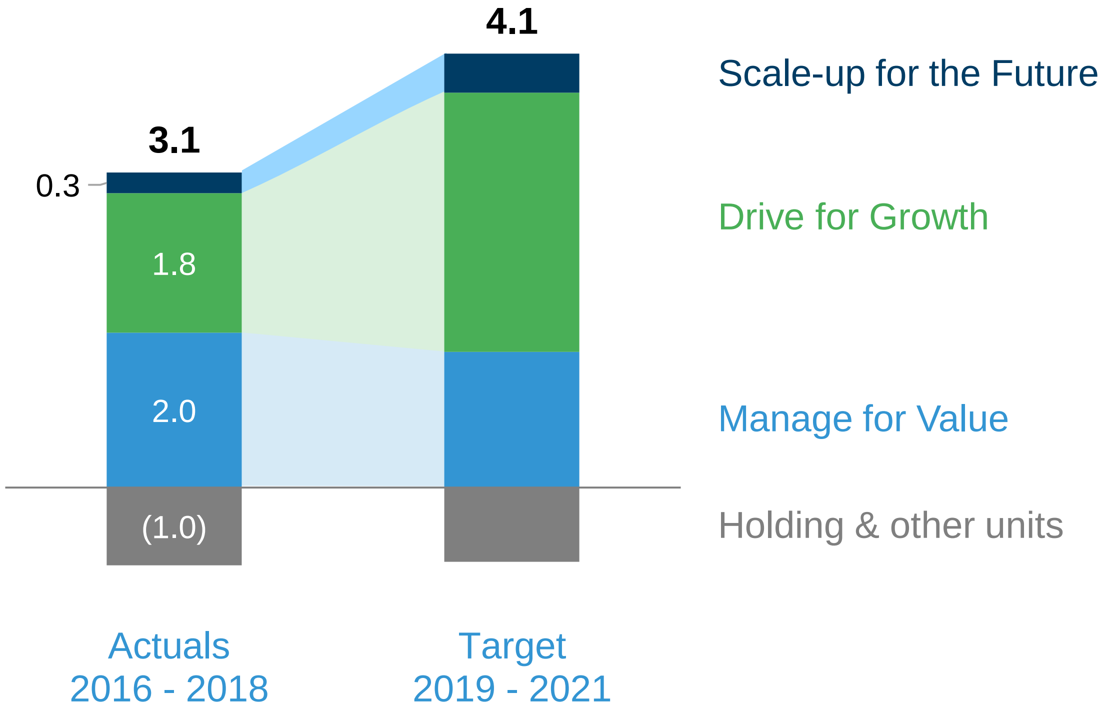
Sustainably growing capital generation mainly driven by Drive for Growth category[1]

2019 – 2021 cumulatively:

Over EUR 8 billion normalized capital generation before new business strain and before holding funding and operating expenses expected, of which

- EUR ~3 billion new business strain supporting sustainable growth
- EUR ~1 billion holding funding and operating expenses
- EUR 4.1 billion target for normalized capital generation[1]

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

US strongly contributes to group's financial performance

KPIs Transamerica

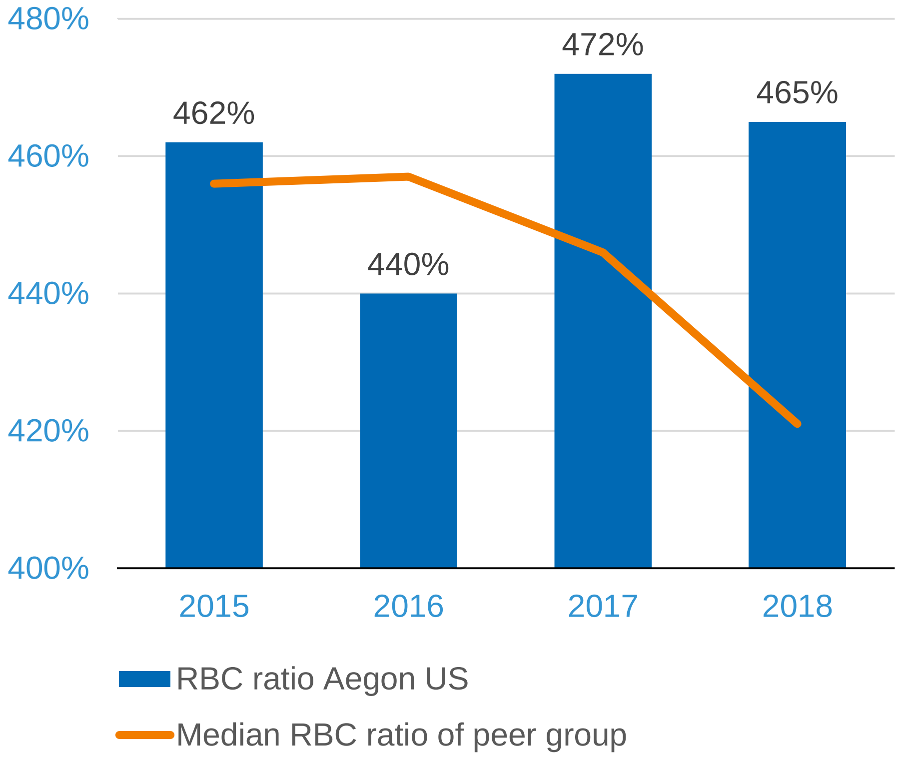
RoC target achieved two quarters early	RBC ratio per year-end 2018	Total remittances to Holding	Position in core products in US
>9%	**465%**	**USD 13bn**	**Top-10**
+2.5%-pts since 2015	+65%-pts above range mid-point	since 2010	> 13 million customers

Strongly positioned to sustainably grow capital generation

Maintaining a strong RBC ratio as key to successful growth

Market benchmarking RBC ratio

US RBC ratio



	RBC ratio target pre-tax reform	New Target	Change
Aegon US	350 – 450%	350 – 450%	=
Peer 1	425 – 450%	400 – 425%	▼
Peer 2	425%	400%	▼
Peer 3	400%	400%	=
Peer 4	>400%	>375%	▼
Peer 5	415 – 425%	~370 – 380%	▼
Peer 6	400%	360%	▼
Peer 7	360 – 370%	>350%	▼
Peer 8	400%	350%	▼

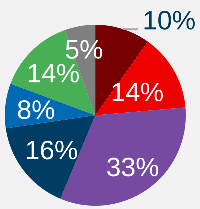
US RBC ratio is supported by three main, well-capitalized life insurance legal entities

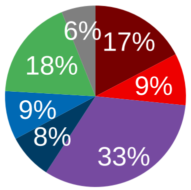
Composition of US RBC ratio

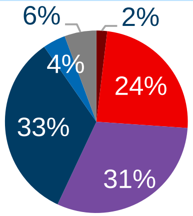
2018, in USD million and %

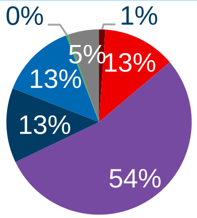
	US RBC	TLIC Transamerica Life Insurance Company, IA	TPLIC Transamerica Premier Life Insurance Company, IA	TFLIC Transamerica Financial Life Insurance Company, NY
		• Licensed in 49 states, DC and two territories • Diverse mix of business and state distribution of business	• Licensed in 49 states, DC and two territories • Focus on IUL production and aggregation of LTC • Largest state for premiums is CA	• Licensed in New York, 49 other states and DC • Retirement Plans • Largest state for premiums NY
Total adjusted capital	10,017	5,486	2,283	1,211
Risk Based Capital	2,154	1,165	539	199
RBC Ratio	**465%**	**471%**	**423%**	**609%**

- C-0 Off Balance Sheet
- C-1 Equity Risk
- C-1 Credit Risk
- C-2 Insurance Risk
- C-3 Interest Rate Risk
- C-3 Equity Risk
- C-4 Operational Risk







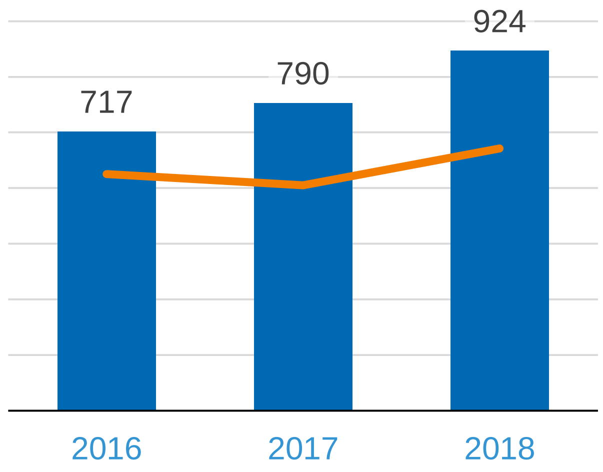


Legal entities provide sustainable remittances while maintaining their capital strengths

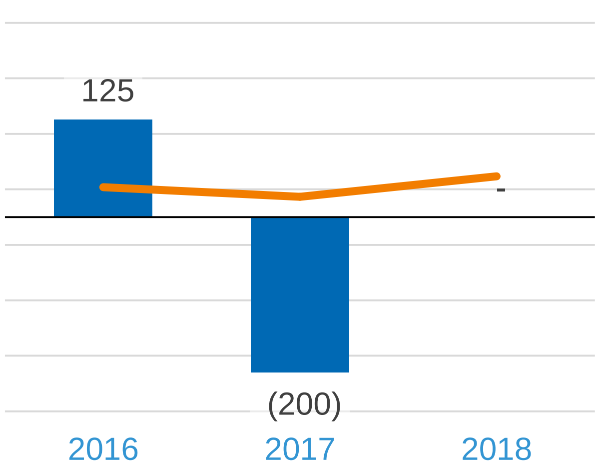
Capital strength and remittances

in USD million and %

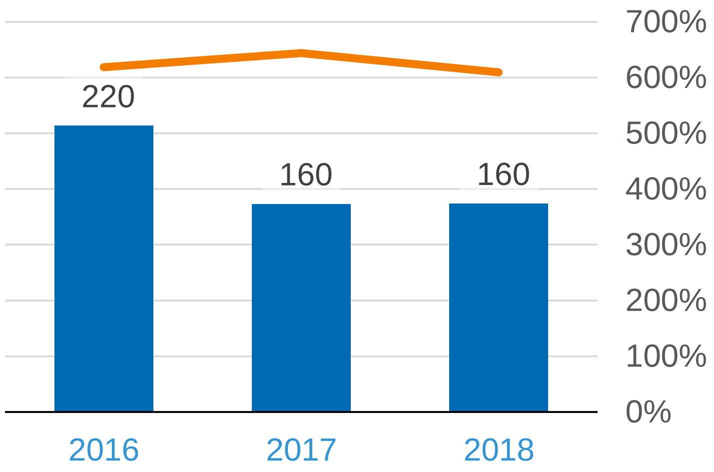
TLIC



TPLIC



TFLIC



- Remittances consistent with capital generation
- Strong remittance in 2018 includes funding to TPLIC related to affiliated reinsurance between the entities

- Remittances reduced to strengthen RBC ratio as required capital increased related to tax reform
- Capital contribution in 2017 to fund capital related to affiliated reinsurance from TLIC

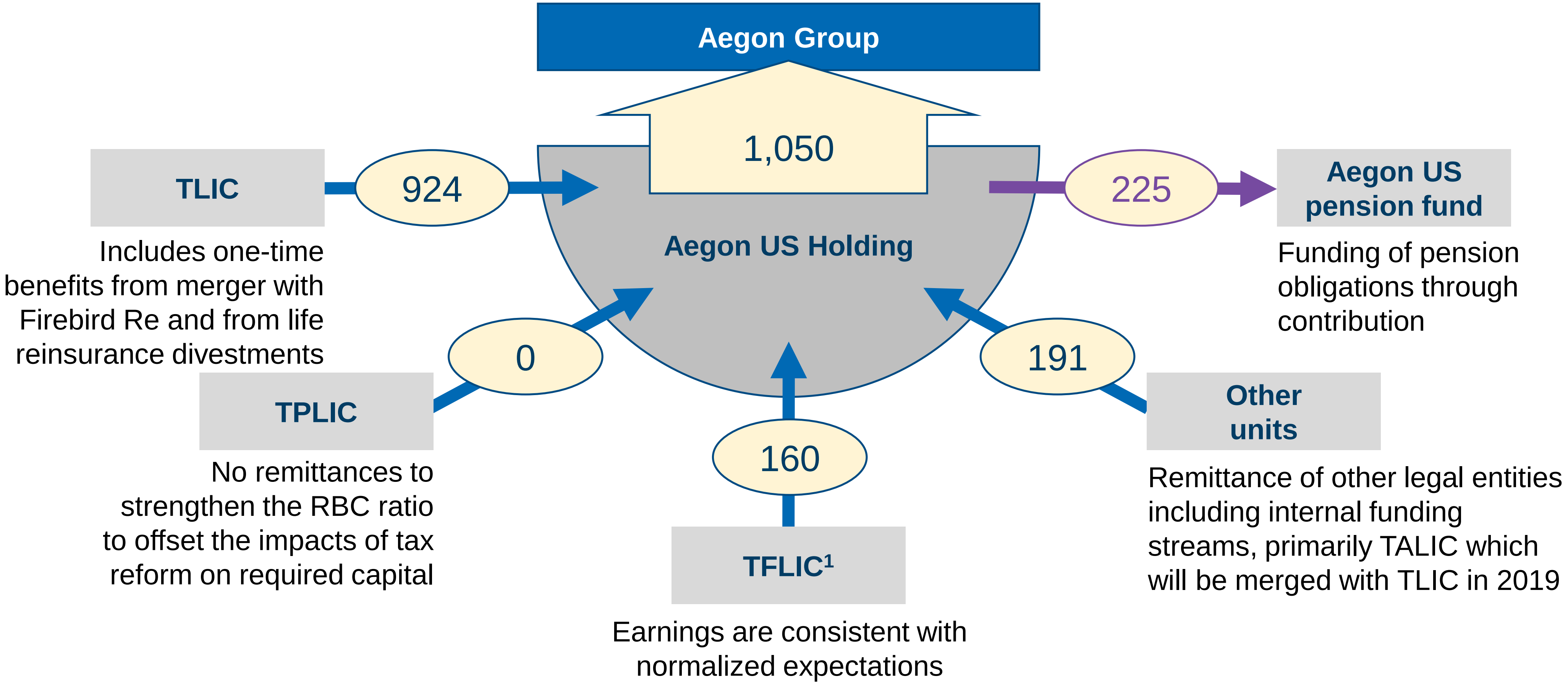
- Remittances consistent with capital generation
- Strong RBC ratio remains in the opportunity capital zone

Remittance (lhs) RBC ratio (rhs)

Strong capital positioning of legal entities allows remittances to US Holding and Group

US remittances

2018, in USD million

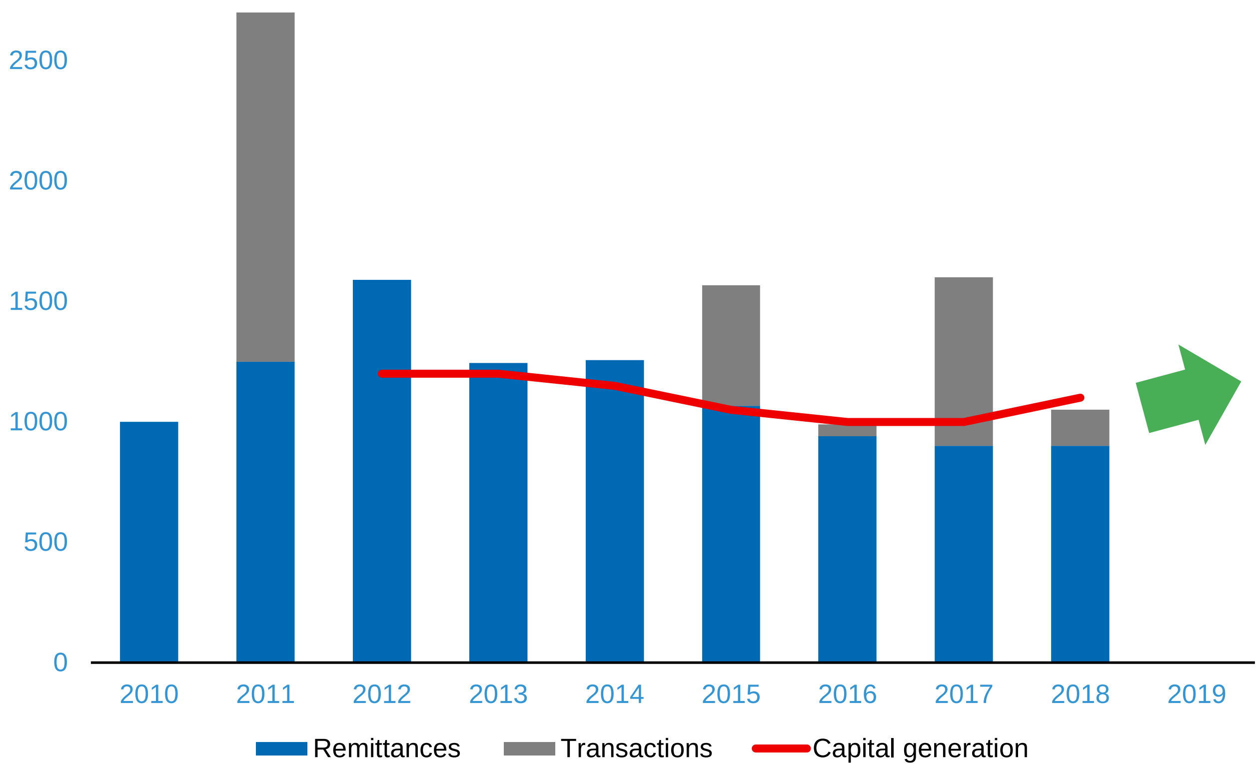


1. Full remittance of TFLIC; roughly 12% of TFLIC is owned by TLIC

Remittances underpinned by strong ongoing normalized capital generation

US capital generation and remittance to Holding

in USD million



- Since 2010, total core remittances paid of USD 10 billion and total remittances paid from transactions of USD 3 billion
- Strong contributions to remittances to holding from the three main legal entities
- Stable normalized capital generation of USD 1 billion in recent years has supported remittances to Holding of USD 0.9 billion per year
- Normalized capital generation expected to grow to USD 1.2 billion in 2019, which will support growth and increasing remittances

Note: Capital generation excluding market impacts & one-time items

Leveraging leading positions to optimize competitive advantages

Workplace Solutions

One Transamerica facilitates integrated Workplace strategy

DB Pension Plan Participants	DC Pension Plan Participants	Voluntary Benefits sold at the Workplace	Multi-life LTC sales	Synthetic GICs Notional Outstanding
#9	#8	#11	#3	#3

Bundling of DC plans and voluntary benefits now approved in 47 states

Source: Plansponsor, LIMRA, Valerian Capital Group and internal analysis. Rank for Defined Benefit (DB) plan administration and Defined Contribution (DC) plan administration is as of end of year 2017. Voluntary Benefits (VB) and Multi-life Long Term Care (LTC) is as of full year 2018. Synthetic GICs is as of the end of 2018

Well positioned in key products that meet customer needs

Individual Solutions

Variable Annuity sales	Indexed Universal Life sales	Life insurance with benefit riders sales	Sub-advised mutual fund assets
#9	**#4**	**#4**	**#9**

Sources: Morningstar, LIMRA and internal analysis. Rank/share for VA is as of 4Q18, IUL is as of full year 2018, life combination products is as of first half 2018 and mutual funds is as of March 2019

Broad initiatives to accelerate growth

	Goals	Levers	Position at 2H2018
Individual	Improve competitive position	• Accelerate VA sales via product enhancements & new launches • Launch new IUL rider in WFG & brokerage to propel sales • Reprice term life to improve competitiveness	#10 VA[5] new business market rank #4 IUL[6,7] new business market rank #11 Term life[7] new business market rank
Workplace	Integrate offerings and maximize revenues	• Growth in revenue-enhancing services on retirement plans • Roll-out innovative bundled product proposition in all states • Drive inclusion of Managed Advice® in new DC plan sales	USD 10.9 bn assets in revenue enhancing services[1] 44 states approved bundled pricing[2] 100% large market plans[3] (roll-out to middle market in 2019)
Workplace	Grow assets and improve retention	• Reverse Retirement Plans negative net flows • Drive penetration of Managed Advice® within in-force DC plans	USD 5.8 bn negative net flows 6.8% DCMA large plan participant utilization (roll-out to middle market in 2019)
Advice, guidance & experience	Strengthen customer relationships	• Increase customers receiving advice and guidance (all types, across products) • Grow IRA[4] assets through rollovers & aggregating ext. accounts • Cultivate individual relationships for life-long engagement	>2.3 mln customers 34% 5-year asset CAGR 27 Relational Net Promoter Score

1. Includes assets in DCMA, Investment Solutions-Stable Value (SA & GA) and proprietary mutual funds; 2. Retirement plan fee discounts if bundled with voluntary benefits; 3. Currently available only to Large Market (>USD 0.5bn assets) plans, 2019 rollout to Middle Market (<USD 0.5bn); 4. Individual Retirement Accounts assets under administration; 5. Source: Morningstar; 6. Indexed Universal Life; 7. Source: LIMRA

Now is the time to invest in modernization and growth

We help people save, invest, protect and retire and we will be relevant throughout the lives of our customers and their advisors

Workplace	Individual	Advice, guidance & experience
Stand out with compelling brand narrative and integrated solutions	Invest in growth (innovative products, pricing and resources)	Maximize the value of the initial sale and build loyalty

Investments in growth expected to drive
USD ~100 million increase in 2019 expenses

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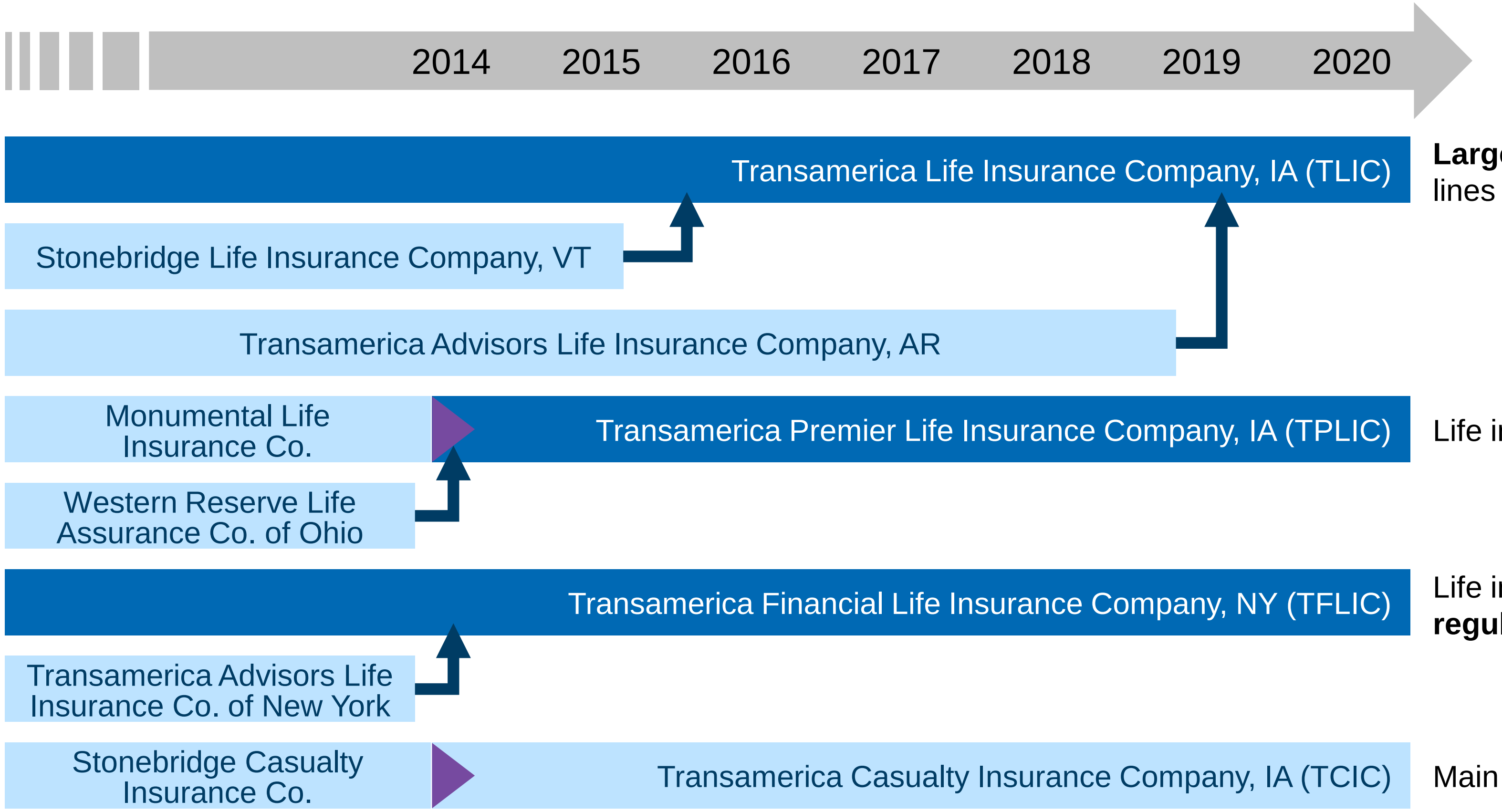
Appendix

Transamerica concentrates its US life insurance carriers

Simplification of legal entity structure



Largest life insurance **carrier** of Transamerica writing all lines of business

Life insurance carrier writing all lines of business

Life insurance carrier writing business under the **regulation of New York** state

Main **non-life** insurance carrier

Key life insurance subsidiaries of Transamerica Corporation

Name changes

AEGON

Well-managed capital sensitivities

US capital sensitivities

Ratio in %, at year-end 2018

	Scenario	Solvency II	RBC
Equity markets	+25%	+34%	+43%
Equity markets	-25%	-23%	-25%
Interest rates	+50 bps	0%	-4%
Interest rates	-50 bps	-14%	-18%
Credit spreads*	+50 bps	+2%	
Credit spreads*	-50 bps	-4%	
Longevity**	+5%	-4%	-7%
US credit defaults***	~200 bps	-35%	-57%

US RBC Ratio remains in the Capital Target Zone for all sensitivity scenarios.

- Capital sensitivities include impacts from recent mergers (e.g., Firebird), tax reform and new VA framework
- Sensitivities reflect a view after the merger of TALIC into TLIC
- Macro equity hedge program protects capital in equity market decline.

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

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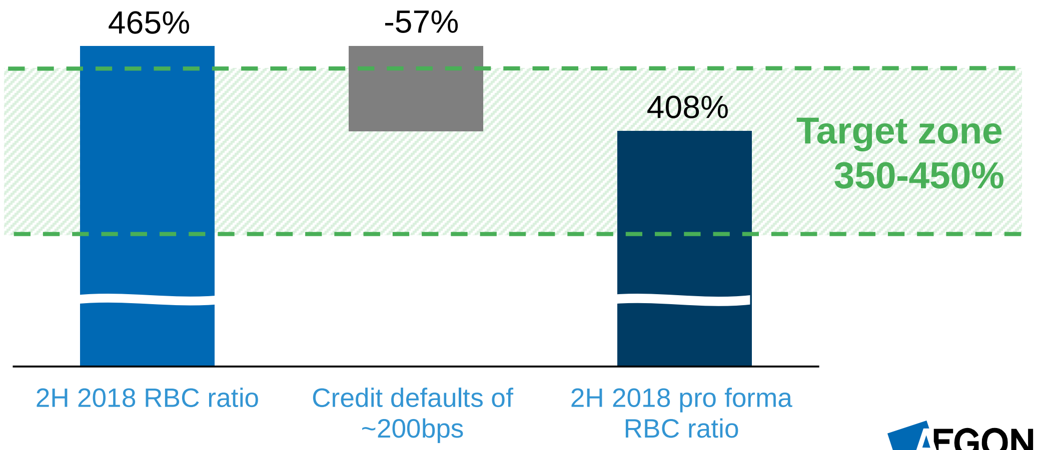
Manageable sensitivity to US credit risk

- General Account has significantly decreased due to increased focus on fee-based businesses resulting in divestments and product re-designing
- US RBC ratio is well positioned to absorb credit losses
  - The US RBC ratio remains well within the target range of 350-450% in a 1-in-40 year shock (assuming increased defaults in addition to the impact of anticipated rating migration)
  - This scenario assumes similar credit defaults as observed in 2009

Development US General Account

	2007	2018
General account	USD 135bn	USD 81bn
General account versus RBC Available Capital	13x	8x

RBC ratio
(in %)



Note: Additional defaults for 1 year and credit migrations equivalent to a 1-in-40 year shock

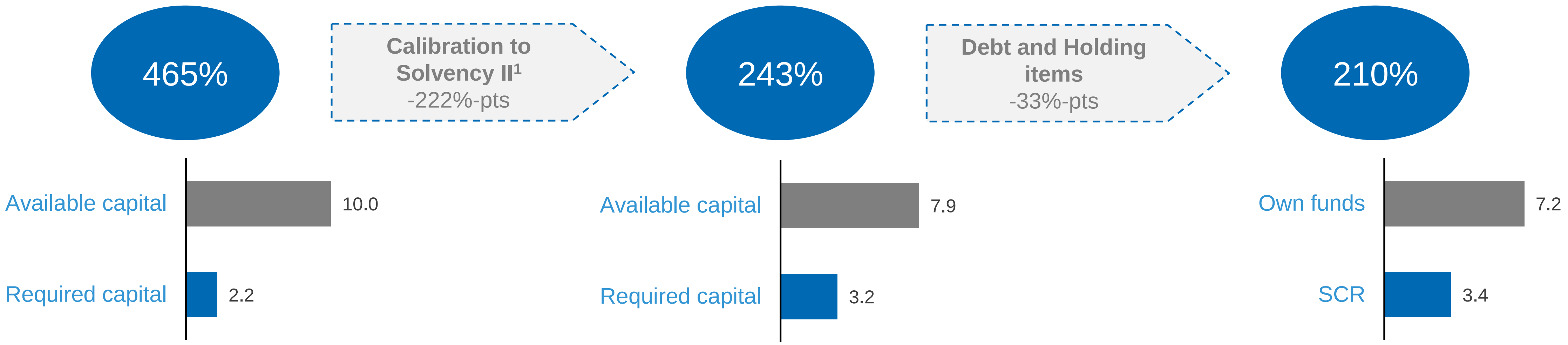
RBC to Solvency II ratio capital reconciliation

- 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, %)

Calibrated ratio US insurance entities
(USD billion, %)

Solvency II equivalent
(USD billion, %)

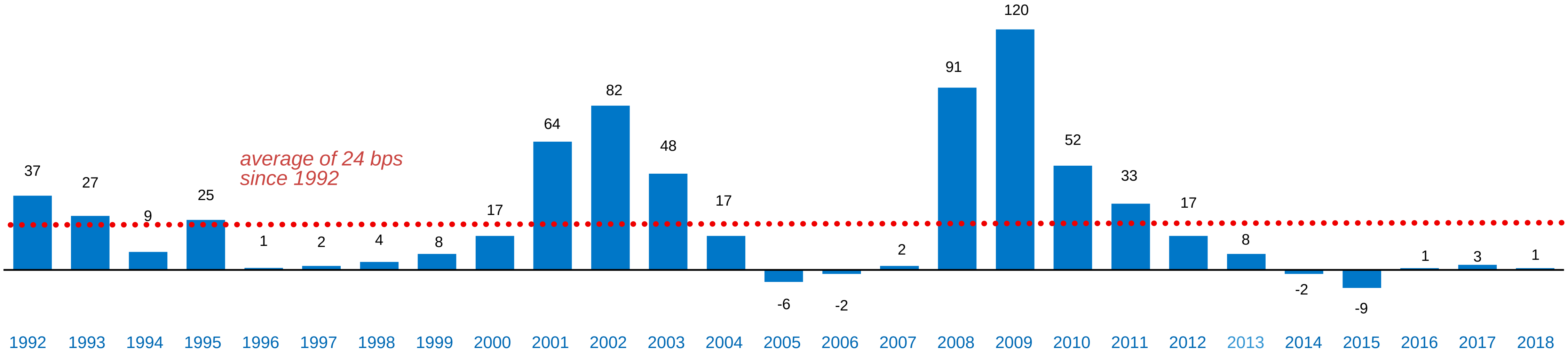


1.Solvency II calibration reduces own funds by 100% RBC CAL and Required Capital is increased to 150% RBC CAL to reflect transferability limitations

Credit losses on historically low levels

Impairments on US general account fixed income assets

in bps



- Almost all fixed income instruments are held as available for sale securities, and as such are impaired through earnings if we expect to receive less than full principal and interest; the impairment amount is the difference between the amortized cost and market value of the security

Periods prior to 2005 are based on Dutch Accounting Principles (DAP)
Periods 2005 and later are based on International Financial Reporting Standards (IFRS)

Remittances supported by strong capital generation

Capital generation and remittances

2018, in EUR million

Region	Normalized capital generation[1]	Gross remittance
Americas	1,050	908
Netherlands	413	200
United Kingdom	95	113
Asset Management	88	29
Central & Eastern Europe	41	54
Spain & Portugal	21	51
Asia	11	21
Other units	12	3
Total before holding expenses	**1,731**	**1,379**
Holding funding & operating expense	(333)	(333)
Total after holding expenses	**1,398**	**1,046**

- Capital generation supported by low new business strain
- US continues to account for the majority of capital generation across the group supported by favorable operational performance and product redesign
- Investment in illiquid assets, favorable mortality experience, and mortgage production contribute positively in the Netherlands
- The Netherlands and United Kingdom resumed regular dividend payments in 2018

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

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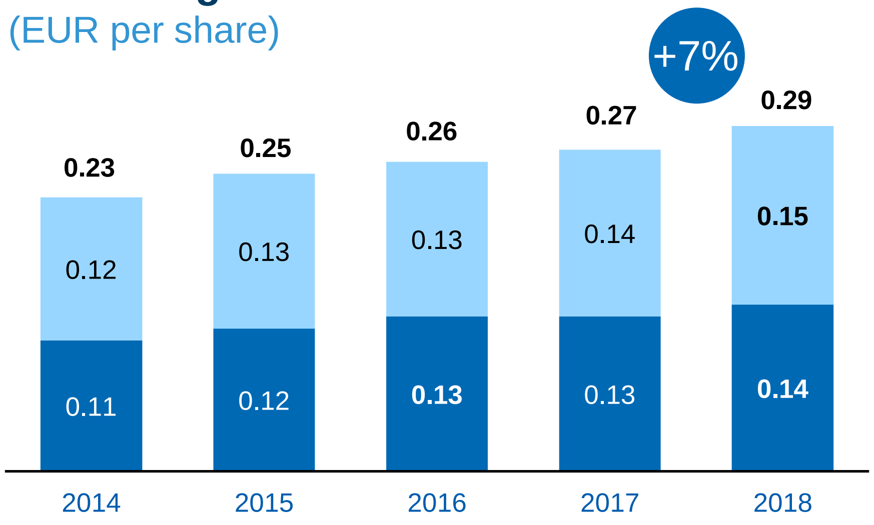
Returned EUR 2.1 billion capital over 2016 – 2018

Free cash flows significantly increased

- Full year dividend for 2018 increased 2 cents to EUR 0.29 per common share
- Achieved EUR 2.1 billion capital return to shareholders over 2016 - 2018
- Dividend well covered by strong free cash flows
- Lower new business strain and positive underwriting experience contribute to increased capital generation in 2018

Increasing dividends
(EUR per share)



Growing capital generation
(in EUR million)

	FY17	FY18
Capital generation	2,062	**1,425**
Market impacts and one-time items	763	(306)
Capital generation excluding market impacts & one-time Items	1,299	**1,731**
Holding funding & operating expenses	(352)	(333)
Free cash flow	947	**1,398**
Announced dividend	554	**595**

Note: Proposed final dividend is subject to approval at the Annual General Meeting of Shareholders on May 17, 2019

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.