Delivering cash flows & returns

Michiel van Katwijk

Chief Financial Officer

New York City – December 8, 2016

Helping people achieve a lifetime of financial security

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Key messages

Reaffirming 2018 targets

- Capital generation of ~USD 1 billion per annum, with growth after 2018
- Strong delivery on expense savings target; doubling 2018 target to USD 300 million
- Achieve a return on capital of 9% by 2018
- Reduce capital allocated to run-off businesses by USD 1 billion

Strong performance & credible plans

- Strong US capital position with limited sensitivity to prolonged low interest rate environment
- Limited impact on capital position from US regulatory changes
- Distributed USD 10 billion of remittances to Holding since 2010
- Divestments of non-core businesses contributed ~USD 2 billion of the remittances

Execution of 5 part plan

- Delivering original 2018 expense target of USD 150 million in 2017
- Realizing efficiencies through first phase of location strategy implementation
- Monthly deduction rate increases on Universal Life in progress
- Good progress on approvals of LTC rate increases

Clear 5 part plan to improve performance

Actions underway on the pace and scale of 5 part plan delivery

In-force management
Starting with Life & Health

New business & revenue
Strategic overhaul of product offerings & channel positioning

Optimizing the portfolio
Disposition of non-core assets

Location strategy
Reduced US geographical footprint

Efficient organization
Focused and disciplined expense management

Maximizing the value of our business

- Monthly deduction rate increases on Universal Life in progress
- Good progress on approvals of LTC rate increases
- Deliver integrated worksite strategy to capture growth
- Simplification of product portfolio in progress
  - Announced exit of Affinity, Direct Mail and Direct TV
- Announced first phase of location rationalization with closure of Los Angeles, Folsom and West Chester offices
- Acceleration of expense savings program with focus on modernization, digitization and sourcing

Committed to deliver

Doubling 2018 run rate expense savings target to USD 300 million

	Capital generation	Adjusted operating expenses	Return on capital	Reduction in IFRS capital for run-off
2018 target	$1bn pa	$150m ▶ $300m	9%	$1 billion
2015 vs 2018	~1.0bn ▶ ~1.0bn	1.7bn* ▶ 1.5bn	6.8% ▶ 9%	1.7bn ▶ 0.7bn

Management actions

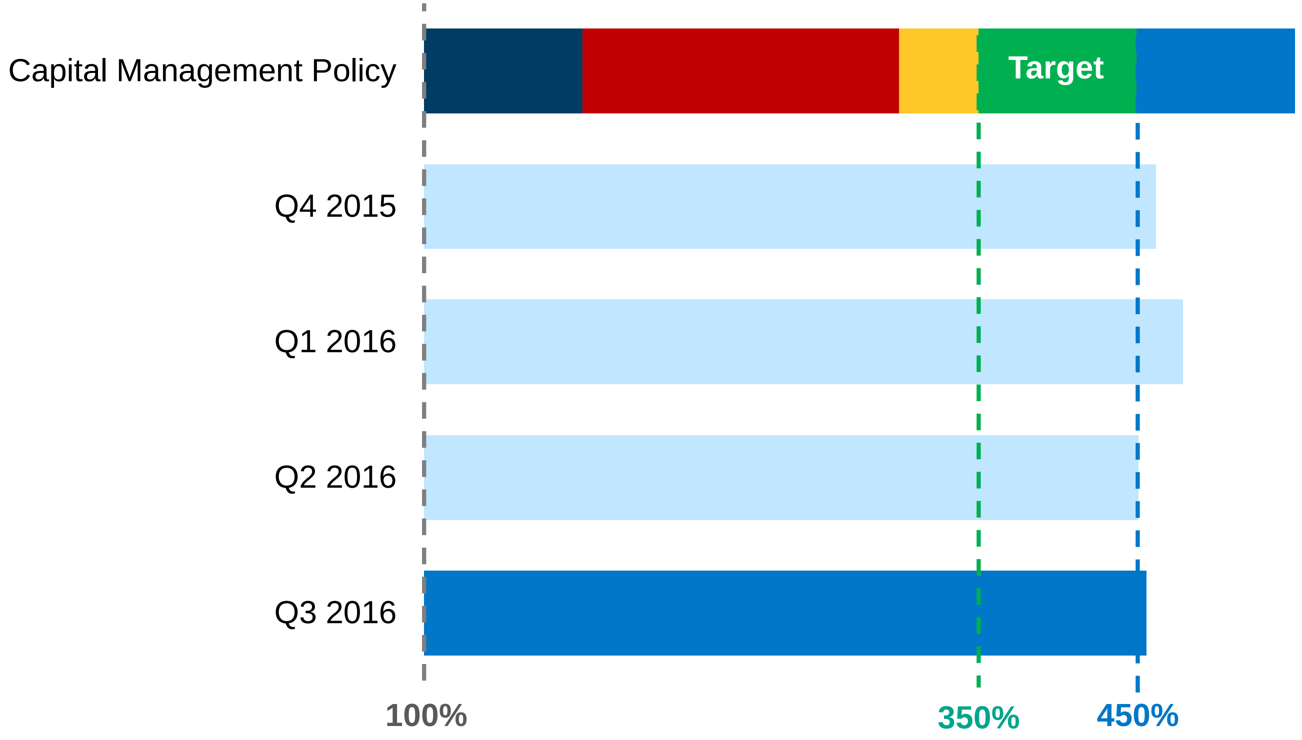
- Driving sales of less capital intensive products
- De-emphasizing or withdrawing products due to strong pricing discipline for profitability
- Increasing fee-based earnings to improve risk-adjusted returns
- Expense savings driving incremental capital generation after 2018
- Divesting businesses no longer deemed a strategic fit

** Pro forma including the Mercer acquisition*

Solid capital position

RBC ratio stable and forecasted to remain in target range

RBC Ratio of US Life companies



Strong ratings with 'Stable' outlooks

Standard & Poor's Ratings Services (McGraw Hill Financial)	AA-
Moody's Investors Service	A1
Fitch Ratings	A+
A.M. Best	A+

Navigating the regulatory environment

Limited impact on strong US capital position

Regulation	Change	Impact
VA capital rules January 1, 2018 (at the earliest)	• Proposal designed to reform variable annuity reserves and capital with a stronger alignment between hedges and liabilities under RBC framework	Not material
Principle Based Reserves (Life) January 1, 2017	• Reserve requirements will become more economic, resulting in the disappearance of the majority of redundant reserves for new business	Not material
RBC asset charges December 31, 2017 (at the earliest)	• Proposed change from 6 to 21 NAIC designations is designed to better align capital charges with appropriate risk for invested assets	Negative 20 to 25%-points on RBC ratio

Note: Expected impacts based on current interpretation of proposals

Managing through low interest rates

Manageable impact from lower-for-longer interest rate scenario

	Base assumption	Interest rates flat at 2% for five years*
Aggregated RBC ratio	Within target zone of 350-450%	Remains within target zone
Capital generation	USD ~1 billion pa, growing after 2018	USD ~0.1 billion pa lower on average
Dividends	USD 0.9 billion pa	Maintain total dividend plan
Return on Capital	Grows to 9% in 2018	Grows to 8.5% by 2018

Ongoing management actions to reduce the impact

- New business
  - Design products to be less interest rate dependent
- In-force
  - Rate increases on certain blocks of business
  - Expense savings
  - Continue to optimize hedging strategies

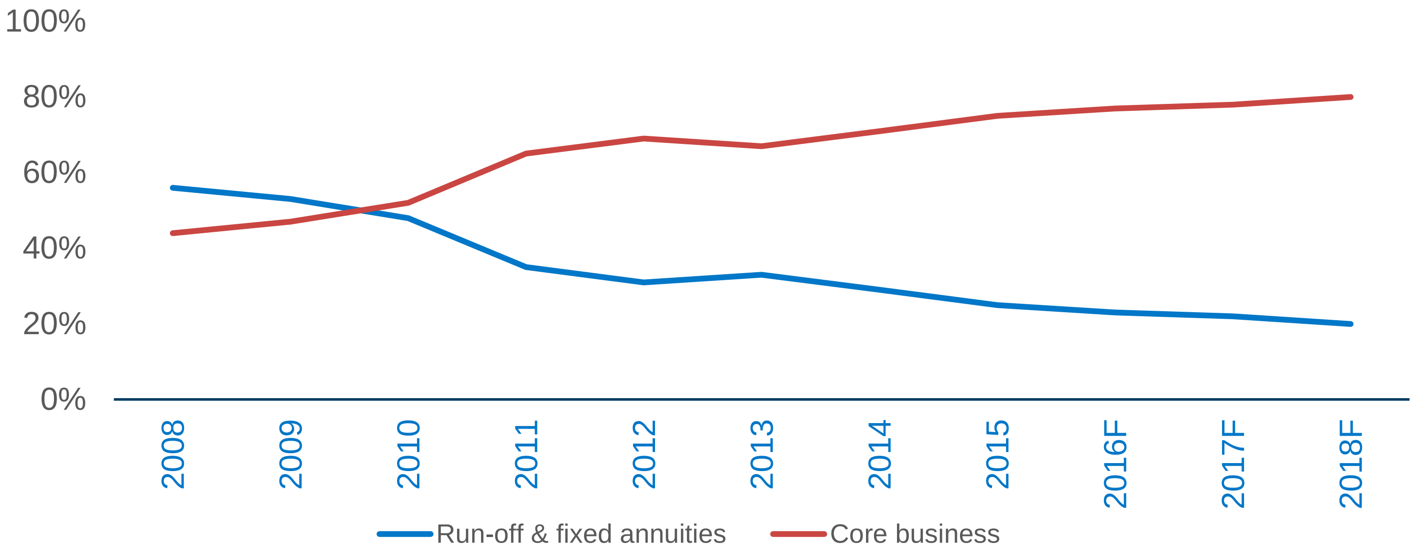
** 10-year Treasury yield*
Note: Capital generation excluding market impacts & one-time items

Growing quality of capital generation

Run-off of spread business is offset by growth of fees and cost savings

- Contribution of run-off businesses and fixed annuities to required capital has declined by over 50% due to transition to fee-business and other core products
- Trend will continue at slower pace going forward as residual run-off businesses have a relatively long remaining duration

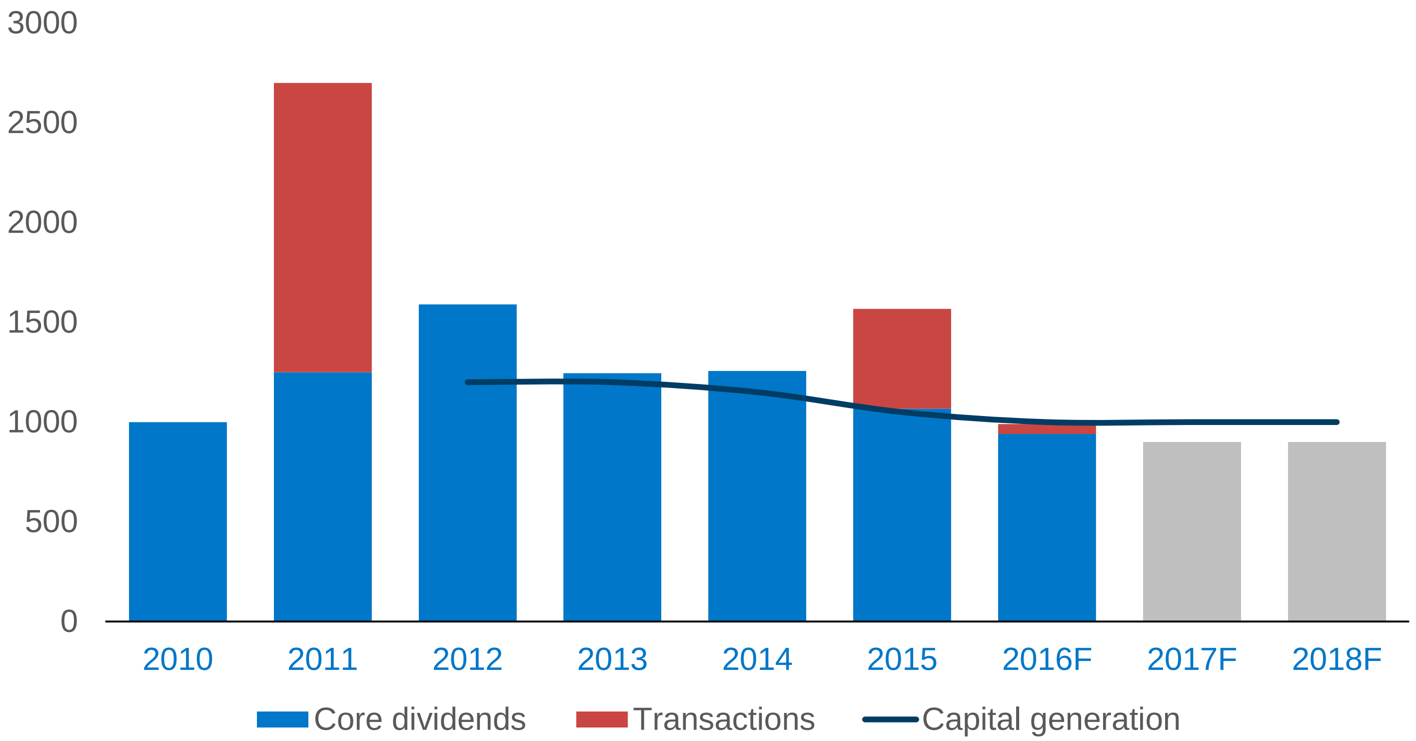
Composition of required capital



Demonstrated strong dividend capacity

Dividends to Holding underpinned by strong ongoing capital generation

Capital generation and dividend payments to Holding
(USD millions)



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

- Total dividends paid in excess of USD 10 billion since 2010
- Stable capital generation of ~USD 1 billion per year through 2018
- Dividends to the holding company approximately USD 0.9 billion per year
- Growth from 2018 as fee business grows and additional expense savings are realized

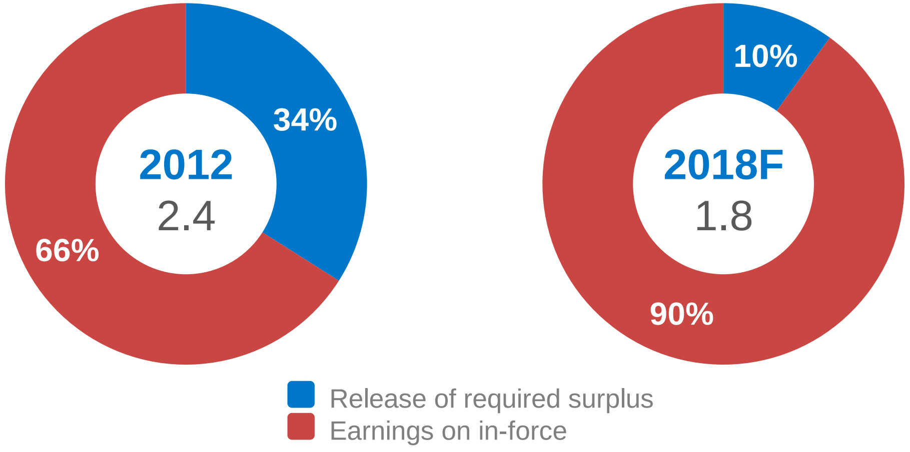
Sustainable dividend capacity

Capital generation transitioning towards fee-based business

Capital generation 2017-2018F
(USD billion)

- Focused investment in new business assures continued capital generation
- 20% reduction of investment in new business since 2012, resulting from focus on less capital intensive new business

Capital generation on in-force
(USD billion)



- Lower dependency on release of required surplus as the fee-based business grows

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

Accelerating expense savings program

Delivering additional USD 50 million run rate savings

2016 actions

- Run rate savings of USD 75 million achieved by Q316
- Net reduction of >500 roles
  - ~800 roles removed
  - ~300 new roles

Cumulative run rate savings USD millions	2016	2017	2018
	~75	~150	~300

First phase of location strategy implemented

Closing 3 locations – Los Angeles (CA), Folsom (CA) & West Chester (OH)

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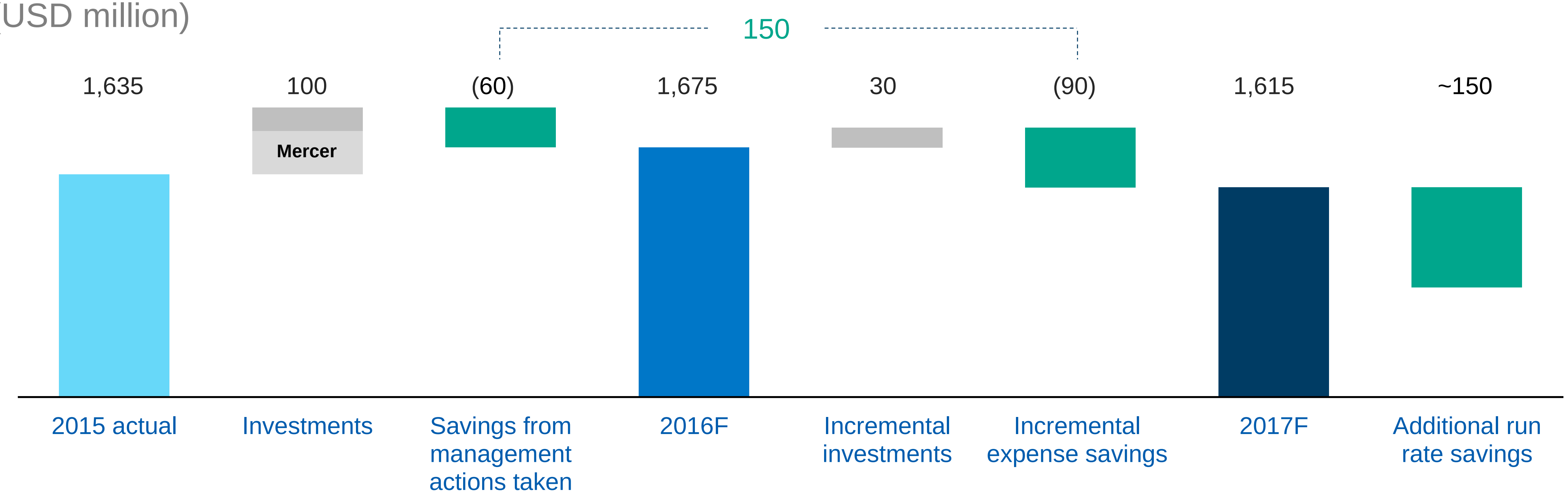
Ambitious plan to double expense savings

On track to deliver 2018 expense target in 2017 and deliver more thereafter

Adjusted operating expenses
(USD million)



Run rate savings of USD 75 million from separations and savings in travel, external consultants & marketing

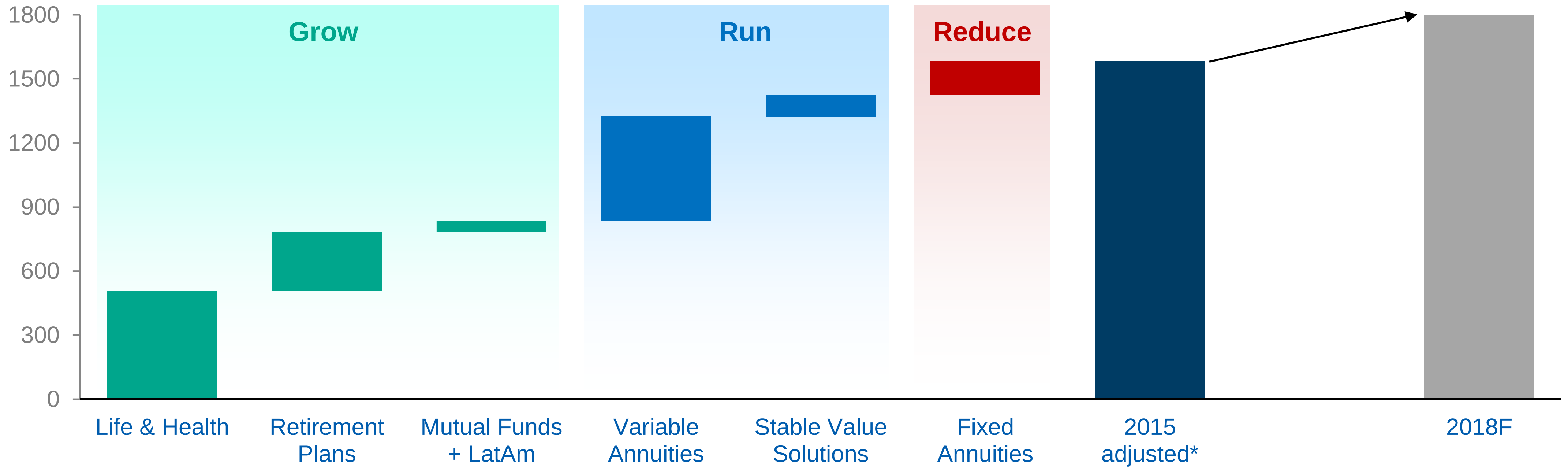
Incremental savings from December announcement and operational efficiencies

Earnings growth

Driven by expense savings and organic growth

Underlying earnings before tax

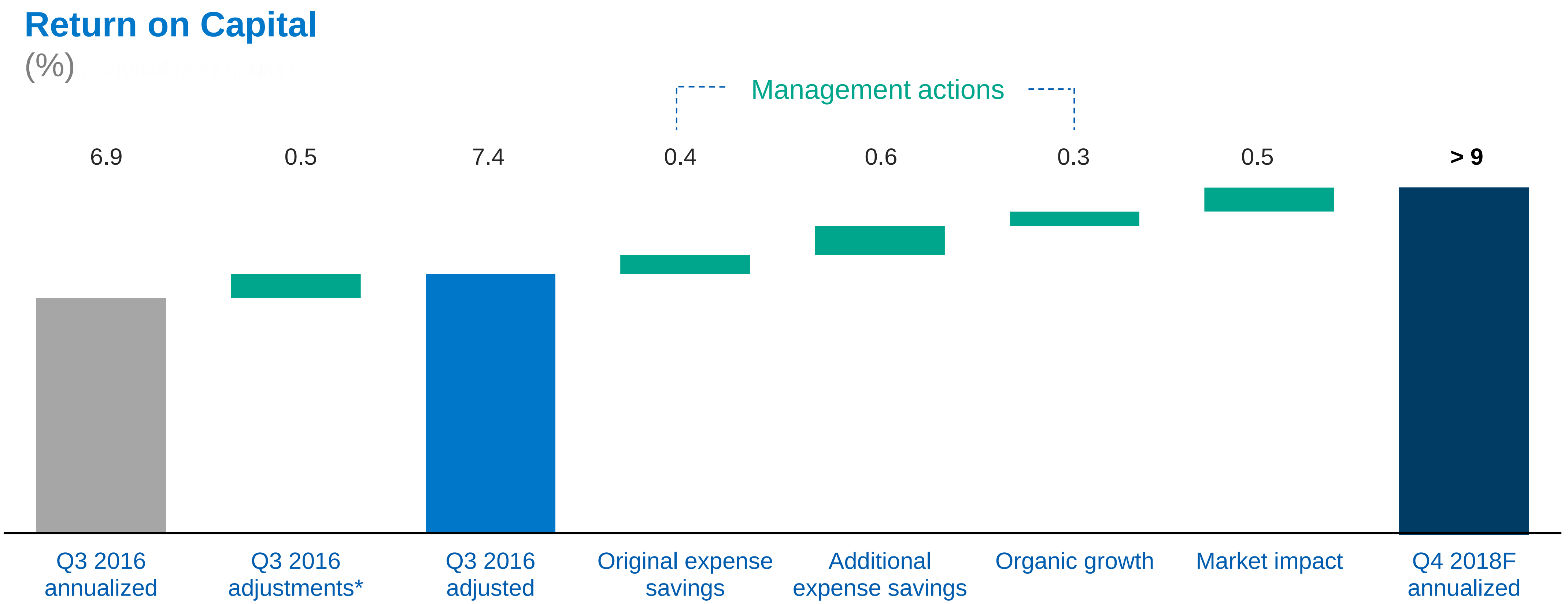
(USD million)



** Adjustments to 2015 include adverse life mortality, health morbidity/claims and adjustments to intangible assets.*

Return on Capital of 9% by 2018

Combined action on expenses and organic growth



** Q3 adjustments include adverse life mortality and adjustments to intangible assets, offset by favorable health morbidity and VA claims experience*

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Strong foundation to deliver

Delivering cash flows & returns

Solid capital position and resilient to change + **Strong dividend potential from capital generation** + **Doubling expense savings**

Delivering on 2018 targets

Appendix

Model validation program on track

No further material issues identified

2013 2014
- Model review program launched worldwide
- Models covered: IFRS, Regulatory, Economic Capital and Pricing
- Complex models first

2015
- High and some medium risk model findings remediated
- Limited impact with exception of Universal Life (UL)

2016
- Moving to business-as-usual process
- Models reviewed routinely going forward

2017
- Conversion of UL model to new platform

6 key validation areas all models must meet

- Methodology
- Model development & testing
- Model production
- Application of assumptions
- Data
- Reporting and use

Key steps in model validation process

Documentation & testing in line with standards
Secure environment for production & maintenance
Independent validation of model & reporting gaps
Stringent governance for model changes

Reduced model risk going forward

Strong global capital management policy

Capital position in US managed on RBC basis

- The target capitalization range for the US is 350% - 450% RBC
- RBC ratio used as input for group Solvency II calculation - US RBC at 250% CAL
- No diversification benefits across US legal entities for purpose of conversion to Solvency II
- US employee pension plan on Solvency II basis

		Capital management zones
Opportunity	450% RBC	Assessment of accelerated growth and/or additional shareholder distribution
Target	350% RBC	Capital deployment and dividends according to capital plan
Caution	300% RBC	Capital plan and risk position re-assessed
Recovery	100% RBC	Capital plan and risk position re-assessed. Remittances reduced or suspended
Regulatory Plan		Suspension of dividends. Regulatory plan required

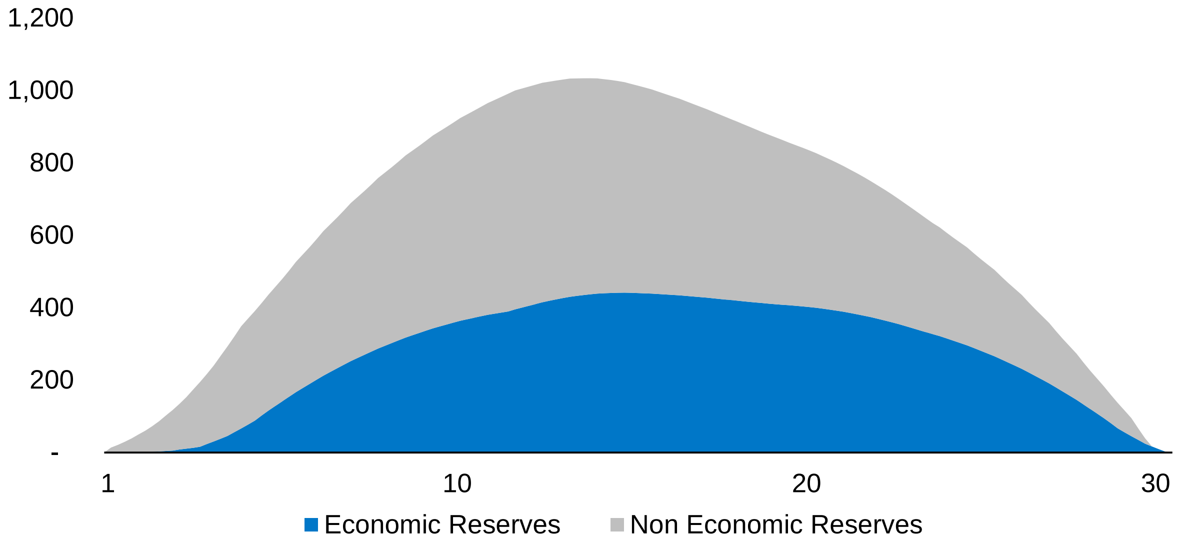
Life captives grandfathered

Principle Based Reserves to be introduced in 2017

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

Example build up of US statutory reserves

(USD millions and years)



Note: Example of Term/Universal life product mix

NAIC VA reserve & capital reform

Proposal supported by Aegon

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

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

Note: Expected impacts based on current interpretation of proposals

Legacy businesses

Allocated IFRS capital to run-off businesses

	Q3 2016	Duration	Comment
Payout annuities	USD 0.3 billion	> 15 years	• 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 ROC* • Run off 2-3% per year
BOLI/COLI	USD 0.4 billion	~ 8 years	
Life reinsurance	USD 0.4 billion	~ 12 years	• Majority of IFRS capital is non-cash • Limited number of suitable counterparties and complexity with external counterparties.
Institutional spread-based business	USD 0.3 billion	~ 10 years	• 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 US economic assumptions

Overall assumptions

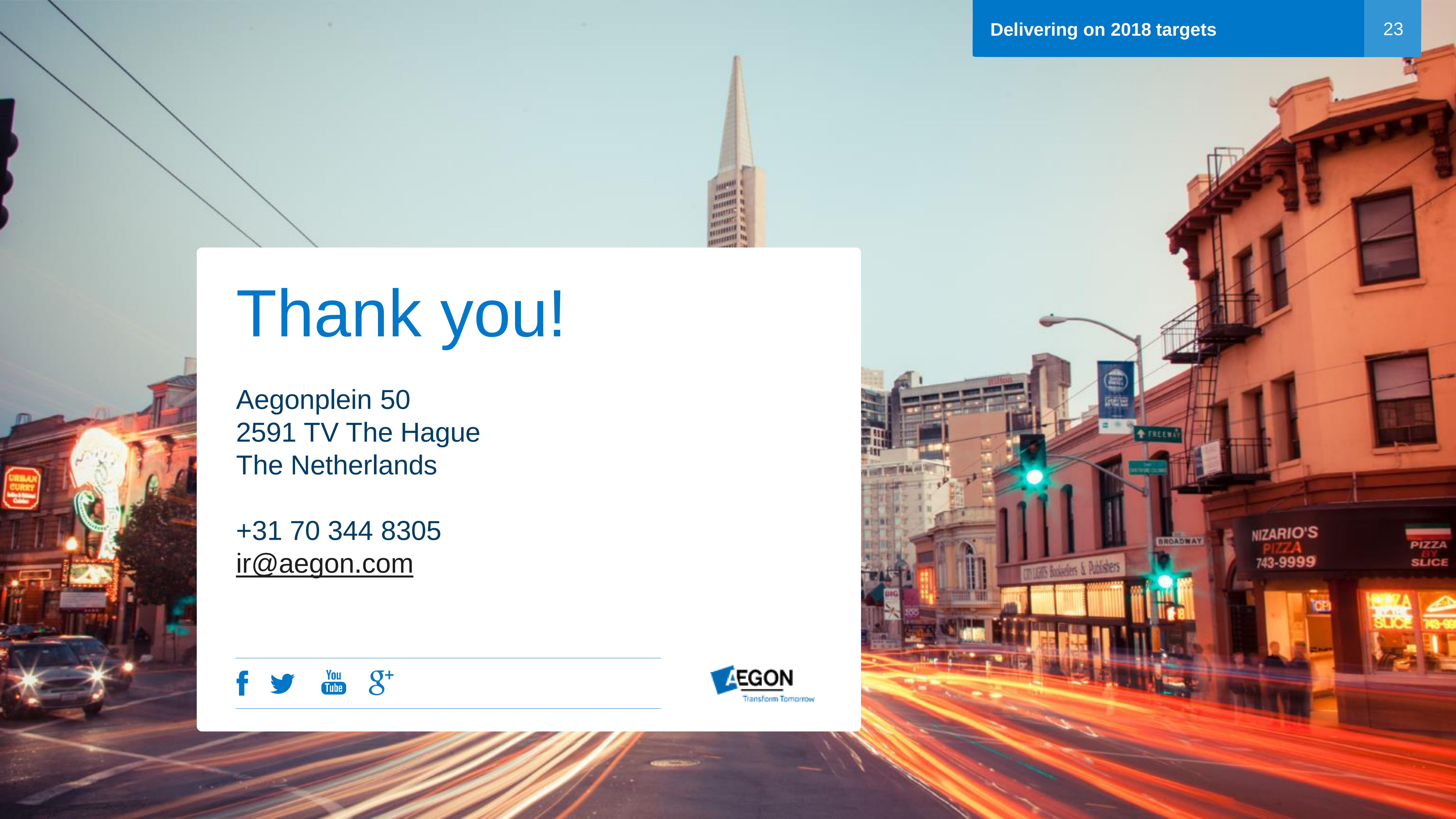
Exchange rate against euro	1.10
Annual gross equity market return (price appreciation + dividends)	8%

Main assumptions for financial targets

10-year government bond yields	Develop in line with forward curves per end November 2016

Main assumptions for 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 0.3% for two quarters followed by a 9.5-year grading to 2.5%



Thank you!

Aegonplein 50
2591 TV The Hague
The Netherlands

+31 70 344 8305
ir@aegon.com

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Disclaimer

Cautionary note regarding non-IFRS measures

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

Local currencies and constant currency exchange rates

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

Forward-looking statements

- The statements contained in this document that are not historical facts are forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995. The following are words that identify such forward-looking statements: aim, believe, estimate, target, intend, may, expect, anticipate, predict, project, counting on, plan, continue, want, forecast, goal, should, would, is confident, will, and similar expressions as they relate to Aegon. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Aegon undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which merely reflect company expectations at the time of writing. Actual results may differ materially from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:
- Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom;
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
  - The frequency and severity of defaults by issuers in Aegon's fixed income investment portfolios;
  - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities Aegon holds; and
  - The effects of declining creditworthiness of certain private sector securities and the resulting decline in the value of sovereign exposure that Aegon holds;
- Changes in the performance of Aegon's investment portfolio and decline in ratings of Aegon's counterparties;
- Consequences of a potential (partial) break-up of the euro;
- Consequences of the anticipated exit of the United Kingdom from the European Union;
- The frequency and severity of insured loss events;
- Changes affecting longevity, mortality, morbidity, persistence and other factors that may impact the profitability of Aegon's insurance products;
- Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
- Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
- Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness;
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- Changes in laws and regulations, particularly those affecting Aegon's operations' ability to hire and retain key personnel, taxation of Aegon companies, the products Aegon sells, and the attractiveness of certain products to its consumers;
- Regulatory changes relating to the pensions, investment, and insurance industries in the jurisdictions in which Aegon operates;
- Standard setting initiatives of supranational standard setting bodies such as the Financial Stability Board and the International Association of Insurance Supervisors or changes to such standards that may have an impact on regional (such as EU), national or US federal or state level financial regulation or the application thereof to Aegon, including the designation of Aegon by the Financial Stability Board as a Global Systemically Important Insurer (G-SII).
- Changes in customer behavior and public opinion in general related to, among other things, the type of products Aegon sells, including legal, regulatory or commercial necessity to meet changing customer expectations;
- Acts of God, acts of terrorism, acts of war and pandemics;
- Changes in the policies of central banks and/or governments;
- Lowering of one or more of Aegon's debt ratings issued by recognized rating organizations and the adverse impact such action may have on Aegon's ability to raise capital and on its liquidity and financial condition;
- Lowering of one or more of insurer financial strength ratings of Aegon's insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability and liquidity of its insurance subsidiaries;
- The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain;
- Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
- As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, a computer system failure or security breach may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
- Customer responsiveness to both new products and distribution channels;
- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- Changes in accounting regulations and policies or a change by Aegon in applying such regulations and policies, voluntarily or otherwise, which may affect Aegon's reported results and shareholders' equity;
- Aegon's projected results are highly sensitive to complex mathematical models of financial markets, mortality, longevity, and other dynamic systems subject to shocks and unpredictable volatility. Should assumptions to these models later prove incorrect, or should errors in those models escape the controls in place to detect them, future performance will vary from projected results;
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Aegon's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- Catastrophic events, either manmade or by nature, could result in material losses and significantly interrupt Aegon's business; and
- Aegon's failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving and excess capital and leverage ratio management initiatives.
- 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.

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