The Netherlands
Well positioned in chosen markets

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Key messages

- Well positioned in our chosen markets
- Reduce costs by 20% by end 2012
- Prudent provisioning for longevity increase
- Repositioning for the future – target selective growth segments
- Execution of strategy on track
Clear targets to support overall Group targets

- Stable RoC* of ~8%
- Stable earnings
- Reduce costs by 20% from 2009 base by end 2012
- Stable cash flows

* Excludes leverage benefit at holding
Margin pressure offset by cost reductions and growth

- Pressure on underlying earnings:
  - Higher funding costs for mortgages, increased longevity provisioning and declining life back book
  - In our projections we have assumed the impact of increased longevity will persist throughout 2015
  - Positive impact from cost reductions, repositioning of AEGON Bank and distribution

**Average annual growth of underlying earnings before tax**

<table>
<thead>
<tr>
<th>(EUR million)</th>
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<tbody>
<tr>
<td>UEBT 2010</td>
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<tr>
<td>Higher funding cost</td>
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<tr>
<td>Impact of longevity</td>
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<tr>
<td>Life</td>
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<tr>
<td>Repositioning of bank</td>
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<tr>
<td>Distribution</td>
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<tr>
<td>Cost reductions</td>
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<tr>
<td>UEBT 2015</td>
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</table>
Reducing costs by 20% in insurance and banking businesses

- Cost reduction of EUR 110 million
- Reduction already initiated:
  - Reorganization of sales organizations
  - Closing AEGON Bank’s office in Nieuwegein
  - Reduced project portfolio and external staffing
  - Termination of speed skating sponsorship
- Further reduction through:
  - Overhead value analysis and (re)design of overhead functions
  - IT cost cutting
  - Lean thinking and process efficiencies
Stable return on capital and cash flows

- Cost savings offset by higher funding costs for mortgages and the impact of longevity
- New initiatives in banking and distribution attribute to a stable return on capital
- Stable cash flows support dividends to the holding for investments in higher growth and return markets

Drivers of stable return on capital*

<table>
<thead>
<tr>
<th>2010 RoC</th>
<th>Higher funding costs</th>
<th>Impact of longevity</th>
<th>Life</th>
<th>Repositioning of bank</th>
<th>Distribution</th>
<th>Cost reductions</th>
<th>2015 RoC</th>
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<tbody>
<tr>
<td>~8%</td>
<td>~1%</td>
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<td>~1%</td>
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<td>~8%</td>
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</tbody>
</table>

*Excludes leverage benefit at holding
### Well positioned in our chosen markets

<table>
<thead>
<tr>
<th>Market share (%)</th>
<th>Pension (Premium income)</th>
<th>Individual Life (Production)</th>
<th>Accident &amp; Health (Production)</th>
<th>Property &amp; Casualty (Production)</th>
<th>Mortgages (Production)</th>
<th>Savings (Assets)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21%</td>
<td>10%</td>
<td>7%</td>
<td>2%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>▪ 3rd largest pension insurer</td>
<td>▪ Traditional individual life market pressured by new banking products (Banksparen)</td>
<td>▪ Focus on risk selection through underwriting</td>
<td>▪ New business market share below portfolio market share due to fierce price pressure. AEGON focuses on margin above volume</td>
<td>▪ Competitive position improved since 2008</td>
<td>▪ Repositioning of AEGON Bank, focus on simple products (Banksparen)</td>
</tr>
<tr>
<td></td>
<td>▪ Strong position in large market segments. Opportunity to improve market share in the SME segment</td>
<td>▪ Our market share improved over the last two years driven by sale of insurance policies linked to mortgage production</td>
<td>▪ Growth mainly realized through deregulation in the disability (WIA) market</td>
<td>▪ Pricing policy of Dutch insurers reviewed by Dutch Central Bank</td>
<td>▪ Top 5 player in new production</td>
<td>▪ Development of new banking / distribution propositions</td>
</tr>
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</table>
### Changes in the environment

#### Macro-economy/ regulation
- Purchasing power consumers under pressure
- Stagnant housing market and increased regulation
- Aging population and pension agreement

#### Industry/ competition
- Longevity risk and guarantees to existing customers
- Elevated risk awareness
- Increased focus on customer satisfaction

#### Customers/ society
- Lack of trust in financial industry
- Risk aversion
- Simple and low cost products
- Sustainability
- Social networks and media

#### Distribution/ technology
- Regulation forces brokers to fee business while customers are not used to this
- Banks focusing more on pension solutions (asset accumulation)
- Insurers exploring new channels
- New entrants (multichannel)

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#### AEGON Strategy

- Development of Premie Pension Instelling (PPI)
- Clear focus on cost reduction
- Pricing of pensions updated
- Prudent provisioning for longevity
- Updated methodology of the AEGON Fan score
- Open dialogue
- Improve pension awareness
- Simplify (banking) products
- Review customer output
- Active use of social media
- Shift to fee based products
- Introduction of white labelling and partnerships
- New propositions in banking
## Prudent provisioning for longevity

<table>
<thead>
<tr>
<th>Observed mortality</th>
<th>Projected mortality</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Strong improvement in life expectancy observed in 2008 and 2009</td>
<td>▪ Strong increase in life expectancy (2010-2060)</td>
</tr>
<tr>
<td>▪ Observed mortality experience used to update AEGON’s annual levels of provisioning</td>
<td>▪ Provisioning for longevity taken through underlying earnings</td>
</tr>
<tr>
<td>▪ Impact reflected in embedded value and liability adequacy testing and pricing</td>
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</tr>
<tr>
<td>▪ New production and renewals are priced on updated mortality tables</td>
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Differences exist in accounting methodology between Dutch insurers

AEGON accounting methodology was set in 1993

AEGON has sufficient reserves to meet its obligations
  - Tested on a quarterly basis for any company via the Liability Adequacy Test (LAT)
  - Expected improvements in longevity are taken into account for LAT as projected mortality tables are used

AEGON has a more than sufficient surplus in the LAT

Accelerated observed mortality improvement on the existing pension portfolio resulted in an additional annual provision through underlying earnings before tax of approximately EUR 80 million
Optimize portfolio

- Leverage strong market position in Corporate/Institutional clients
- Improve proposition and expand distribution in SME market
- Improve customer satisfaction, restore confidence and diversify distribution in retail market

- Increase scale in pension administration
- Development of Defined Contribution (DC) vehicle (PPI)
- Employee services
- Employer contract services

- Retail: invest in new distribution models and move closer to customer
- Explore new distribution initiatives

Focus on growth segments

Grow fee income

Diversify distribution mix
Growth segments in corporate and institutional market

**Leverage strong market position by introducing new products and fee-based services**

<table>
<thead>
<tr>
<th>Growth segments</th>
<th>AEGON capabilities</th>
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</thead>
<tbody>
<tr>
<td>▪ Increase fee business:</td>
<td>▪ Excellent IT systems, creating differentiating administration and reporting capability</td>
</tr>
<tr>
<td>▪ Increase scale in pension administration</td>
<td>▪ Export knowledge</td>
</tr>
<tr>
<td>▪ Development of DC vehicle (PPI)</td>
<td>▪ Strong reputation and administration</td>
</tr>
<tr>
<td>▪ Employee services</td>
<td>▪ Large market share and scale</td>
</tr>
<tr>
<td>▪ Employer contract services</td>
<td>▪ Flexibility to offer customer specific solutions</td>
</tr>
<tr>
<td>▪ Pension buyouts &amp; outsourcing</td>
<td>▪ Competitive advantage by offering guarantees</td>
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<tr>
<td>▪ Pension buyouts &amp; outsourcing</td>
<td>▪ Strong fund performance in asset management</td>
</tr>
</tbody>
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**Successes so far**

- Pension administration business increased by ~50%
- Fee income from corporate clients increasing
- Asset quality of investment portfolio further improved
## Growth segments in SME market

### Improve proposition and expand distribution

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<tr>
<td>▪ Improve position of the AEGON brand</td>
<td>▪ Excellent IT systems, enabling us to create modular products for SME’s</td>
</tr>
<tr>
<td>► One proposition for self-employed / SME</td>
<td>▪ Leverage Group pension expertise</td>
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<tr>
<td>► Modular pensions</td>
<td>▪ Product lines are organized separately</td>
</tr>
<tr>
<td>► Non-life products to large SME’s</td>
<td>▪ Modular solutions for target groups</td>
</tr>
<tr>
<td>▪ Explore new distribution initiatives</td>
<td>▪ Dedicated direct sales force for SME</td>
</tr>
<tr>
<td>► Improve position brokers channel</td>
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### Successes so far

- Tailor made pricing in SME market
- Positive review of AEGON’s modular pension product by independent consultant (IG&H)
- Non-core real estate brokerage activities (UMG) sold
### Growth segments in retail market

**Improve customer satisfaction, restore confidence and diversify distribution**

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<tr>
<td>- Use of new distribution models closer to customer</td>
<td>- Retail partnerships: offering simple risk products under retail brand</td>
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<td>- Retail partnerships</td>
<td>- Social media competence and tooling</td>
</tr>
<tr>
<td>- Social media</td>
<td>- Fewer IT platforms and more effective administration</td>
</tr>
<tr>
<td>- Optimize use of branches</td>
<td>- Managing customer-focused and transparent banking solutions</td>
</tr>
<tr>
<td>- AEGON Bank</td>
<td></td>
</tr>
<tr>
<td>- Distribution business</td>
<td></td>
</tr>
<tr>
<td>- Mortgages</td>
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**Successes so far**

- First phase of repositioning AEGON Bank completed
- Promising results from retail partnerships (drugstores Kruidvat / Trekpleister) in the first quarter of 2011
- Market share of new mortgages increased to 6%, while maintaining attractive margins
A prime mortgage loan portfolio was successfully built, amounting to EUR 19 billion as per Q1 2011.

Share of NHG mortgages increased over the last five years, reflecting a lower risk profile.

AEGON was very successful in minimizing its lending losses and had a loss rate of 0.036% of the total portfolio (FY 2010)
- Evidence of its strict arrears and collection procedures
- The average recovery rate on mortgage loan defaults since 2005 is 76% for non-NHG mortgage loans and 94% for NHG mortgage loans

Industry awards for high quality product
- In 2009 AEGON won the ‘Gouden Spreekbuis Award’ and the Performance Award from IG&H
- In 2011 AEGON received the ‘Hypotheekproduct 2011 Award’
Enhance customer loyalty

- NPS increased from -33 in 2008 to -12 in 2010 and -7 in 2011
- Include customer contact moments in NPS methodology
- Best mortgage product: Auto adjust mortgage rates
- Morningstar awards: Best All-round investors

- Renewal rates of pension contracts at intermediaries rose to 92% in 2010 (from 74% in 2008)
- Renewal rate of mortgages at end of term increased to 87% in 2010 (from 79% in 2008)
- Lost business in non-life reduced by 20% compared to 2008

- Digital advice and chat at AEGON bank
- Ajax championship promotion successfully held on several social media

- Open dialogue with media and clients
- Improve pension awareness
- Review and rewriting of customer communications

Retaining customers as important as acquiring new ones
Deliver operational excellence

- High client satisfaction on offered solution by the call centre
- Improved call centre IT system
- Transform call centre to contact centre (include chat, mail and social media)
- Implement work-at-home for agents

- Further improve organizational efficiency
- Focus on Lean Six Sigma
- Use European Data Center
- Improved strategic planning process

- Certificate for quality of service obtained
- Improved focus on handling of complaints
- Reduced number of backlogs in all businesses

Increase operational efficiency and improve service levels
Empower employees

- Improve talent programme
  - More attention for management and talent reviews
  - New vision on leadership development

- New HR cycle
  - Increased accountability
  - Stronger focus on performance dialogue, core values and competences
  - More differentiated performance management

- Improve management skills
  - Leadership program for all managers
  - Training HR skills

- Employee satisfaction program
  - Global engagement survey
  - Local surveys across businesses

Stimulate innovation and increase accountability
Key messages

- Well positioned in our chosen markets
- Reduce costs by 20% by end 2012
- Prudent provisioning for longevity increase
- Repositioning for the future – target selective growth segments
- Execution of strategy on track
Market premium income: individual life & pensions (2009)

Dutch life market: development premium income 2003 - 2009 (EUR billion)

Source: Dutch Central Bank (DNB)
For questions please contact Investor Relations

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Cautionary note regarding non-GAAP measures
This presentation includes certain non-GAAP financial measures: underlying earnings before tax and value of new business. The reconciliation of underlying earnings before tax to the most comparable IFRS measure is provided in Note 3 “Segment information” of our Condensed consolidated interim financial statements. Value of new business is not based on IFRS, which are used to report AEGON’s primary financial statements and should not viewed as a substitute for IFRS financial measures. We may define and calculate value of new business differently than other companies. Please see AEGON’s Embedded Value Report dated May 12, 2011 for an explanation of how we define and calculate.
AEGON believes that these non-GAAP measures, together with the IFRS information, provide a meaningful measure for the investment community to evaluate AEGON’s business relative to the businesses of our peers.

Local currencies and constant currency exchange rates
This presentation contains certain information about our results and financial condition in USD for the Americas and 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 us presented in EUR, which is the currency of our primary financial statements.

Forward-looking statements
- The statements contained in this presentation 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, can, will, and similar expressions as they relate to our company. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. We undertake 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 our fixed income investment portfolios; and
    - 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 we hold;
  - The frequency and severity of insured loss events;
  - Changes affecting mortality, morbidity, persistence and other factors that may impact the profitability of our insurance products;
  - 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;
  - Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
  - Changes in laws and regulations, particularly those affecting our operations, the products we sell, and the attractiveness of certain products to our consumers;
  - Regulatory changes relating to the insurance industry in the jurisdictions in which we operate;
  - 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 our debt ratings issued by recognized rating organizations and the adverse impact such action may have on our ability to raise capital and on our liquidity and financial condition;
  - Lowering of one or more of insurer financial strength ratings of our insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability of its insurance subsidiaries and liquidity;
  - The effect of the European Union’s Solvency II requirements and other regulations in other jurisdictions affecting the capital we are required to maintain;
  - Litigation or regulatory action that could require us to pay significant damages or change the way we do business;
  - Customer responsiveness to both new products and distribution channels;
  - Competitive, legal, regulatory, or tax changes that affect the distribution cost of or demand for our products;
  - The impact of acquisitions and divestitures, restrukturings, product withdrawals and other unusual items, including our ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
  - Our failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving initiatives;
  - The non-fulfillment of the conditions precedent underlying the agreement to divest Transamerica Reinsurance.

Further details of potential risks and uncertainties affecting the company are described in the company’s filings with Euronext Amsterdam and the US Securities and Exchange Commission, including the Annual Report on Form 20-F. These forward-looking statements speak only as of the date of this presentation. Except as required by any applicable law or regulation, the company 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 the company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.