

The Netherlands

Execution of strategy on track

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Key messages

- Clear targets to support overall Group targets
- Cost reductions of EUR 100 million; majority to be achieved in 2012
- Well positioned in our chosen markets
- Repositioning for the future with new initiatives
- Execution of strategy is on track



Clear targets to support overall Group targets

**Stable
RoC*
of ~8%**

**Stable
earnings**

Reduce costs by

100 million

from 2010 base;
majority to be achieved
by end 2012

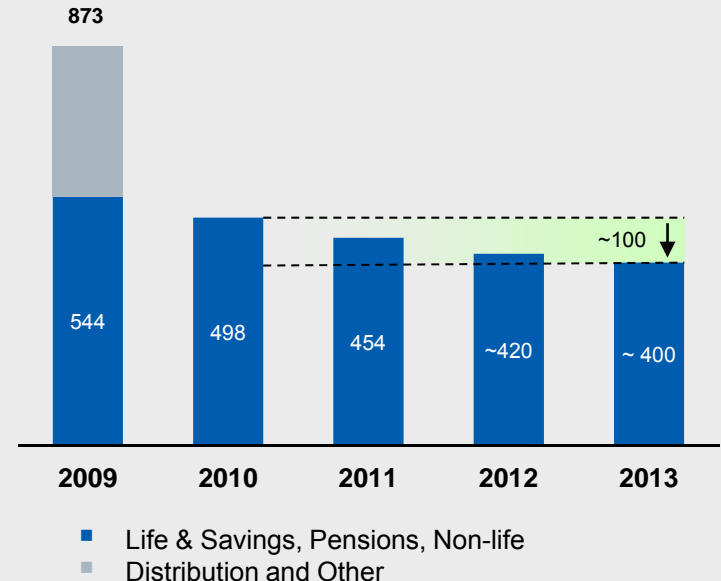
**Stable
cash flows**

- Cost savings of EUR 100 million and new initiatives to offset margin pressure
- Effect of lower unit-linked cost loadings mitigated by cost savings
- Growth through innovation: new online banking proposition and new distribution
- Current ROC depressed by higher capital level

Restructuring organization while investing in new initiatives

- Targeted cost savings of EUR 100 million
 - ▶ Majority of savings to be achieved in 2012
- Cost savings of EUR 49 million enacted:
 - ▶ Reduction of 300 FTEs to date
 - ▶ Reduced project portfolio and external staffing
 - ▶ Value analysis and (re)design of support functions
- Further reduction through:
 - ▶ Optimizing portfolio
 - ▶ Implementing low cost IT back office solutions: Bank van Morgen, Mortgages, Non-life and use of European Data Center
 - ▶ Lean thinking and process efficiencies
 - ▶ Ongoing cost focus, especially on support functions
- Continuing investments in new initiatives

Underlying operating expenses (EUR million)



Well positioned in our chosen markets

Market share (%)

Pension

(Premium income, FY 2010)

27%



- Largest pension insurer; position improved due to a large decline in single premium deals in the market
- Strong position in large market segments

Individual Life

(Production, FY 2011)

11%



- Traditional individual life market pressured by new banking products (Banksparen)
- AEGON's market share improved over the last two years driven by the sale of insurance policies linked to mortgage production

Accident & Health

(Production, FY 2011)

8%



- Focus on risk selection through underwriting
- Growth mainly realized through deregulation in the disability (WIA) market

Property & Casualty

(Production, FY 2011)

3%



- 2011 growth due to partnership with drugstores Kruidvat / Trekpleister and the corporate market
- Market review by Dutch Central Bank resulted in more realistic pricing in motor market

Mortgages

(Production, FY 2011)

7%



- Competitive position improved constantly since 2008, top 5 player in new production
- Successful securitization program
- Portfolio of EUR 20 billion by the end of 2011

Savings

(Assets, 2011)

2%



- Focus on restructuring and creating simple products (Banksparen)
- ECB liquidity policy leads to declining interest rates offered to customers
- Development of new banking / distribution propositions

Environment remains turbulent

Macro environment

- Euro crisis and low customer confidence
- Increasing longevity and aging population
- Technology shift driving customer behavior and demand for transparent, unbundled and lower-cost products
- Declining results and potential for consolidation of portfolios or insurers
- Possible impact of Dutch Spring Agreement (lente akkoord): increased complexity of pensions, termination of interest-only mortgages, higher expenses due to VAT increase and transfer of social security costs to employers

Regulation impacts

- DNB is closely monitoring solvency development of pension funds
- Stricter regulations on granting mortgage loans. Possible change in fiscal treatment of mortgage loans
- Prohibition of commissions for complex financial products as of January 2013
- Solvency II
- Dutch pension agreement
- PPI causing fierce competition

Key challenges

- Excellent service for the lowest price (customer)
- Limited or no market growth (market)
- Higher return on capital (shareholder)
- Higher capital requirements (regulator)
- Minimize costs in products (politics)
- Customer claims (litigation)
- No commission (legislation)
- New players enter the market (competitors)
- Longevity (risk)

Customer-centric strategy: continued focus on serving the customer

- Continuing to transform to a more customer-oriented organisation
 - ▶ Better customer correspondence, customer values, service calls
 - ▶ First time right and quick response time
- Improve transparency, offer simple products and unbundled solutions
- Increase AEGON's Net Promoter Score
 - ▶ Learn from customers to improve products and processes
- Increase renewal rates
 - ▶ Retaining customers as important as acquiring new ones
- Strong position on social media
 - ▶ Multi-channel customer interaction



Earning customers' trust by putting them first in everything we do

Repositioning for the future

- Introduction of the “Bank van Morgen”
 - ▶ Online banking fee-based service concept, aligned with customer needs
 - ▶ Free financial planning tool and financial alerts
- Development of new distribution channels
 - ▶ White labels in retail stores and partnerships with alternative providers
 - ▶ Target special customer groups and usage of social media
- Optimize existing portfolio and maintain leading position in the pension market
 - ▶ Buy outs and reinsurance of pension funds, when coverage ratios improve
 - ▶ Operational excellence and customer focus lead to successful growth at TKP
 - ▶ Premie Pensioen Instelling (PPI): low-cost carrier for individual retirement savings account
 - ▶ First longevity hedge in Continental Europe
- Maintain strong market position in mortgages
 - ▶ Continued strong portfolio performance; expect to originate EUR 2-3 billion a year in 2012/2013
 - ▶ 2012 production already funded and placed first USD denominated Dutch RMBS



Reshaping our business and forging new relationships

PPI as an alternative for corporate and institutional market

Business drivers

- Low interest rate environment stimulates shift from DB to DC products
- Economic downturn makes companies focus on cost-efficient and low-risk solutions
- Intermediaries must develop new business models due to prohibition of commissions
- Transition from insurance to individual banking solutions

Delivered by

- Simple, low-cost, transparent and digital
- Optional choices for guarantees
- Unbundling of services
- Constantly delivering of high NPS score
- Separate PPI proposition for different target groups
- Strong fund performance in asset management



- First successes in the smaller SME market, additional focus on larger SME companies
- Well positioned for the intermediary market



- First successes in large corporate market
- Custom-made services and communication for larger corporations that highly value quality
- Deliver innovative asset management solutions against highly-competitive fees

Maintain a leading position in the Dutch pension market

Innovative longevity transaction in the Netherlands

Longevity transaction

- AEGON completed an innovative longevity transaction in the Netherlands in Q1 2012
 - ▶ Future longevity increase related to EUR 12 billion of reserves is partially hedged
 - ▶ Out of the money index hedge
 - ▶ Term: 20 years
 - ▶ Underlying index based on matching synthetic portfolio
- Unique and innovative
 - ▶ First longevity transaction in the Netherlands
 - ▶ First longevity transaction worldwide with this structure
 - ▶ First longevity transaction to be targeted directly to capital markets

Future developments

- More research on longevity transactions will be done
- New production and renewals are priced on updated mortality tables
- Free up capacity for future market developments
 - ▶ Buy outs and reinsurance of pension funds

Dealing with low interest rate environment

Hedge against low interest rates

- Capital position shielded from effects of lower interest rates and equity markets
 - ▶ Hedging program started in 2004 with a partial interest rate hedge
 - ▶ Current interest and equity risk from guarantees are fully hedged
 - ▶ In Q1 2012, guarantees at fair value increased to EUR 4.4 billion from EUR 1.9 billion as of Q1 2011
 - ▶ Hedging programs performed well, offsetting higher reserve requirements on related guarantees
 - ▶ Effect on earnings limited as a result of successful hedging

De-risking

- De-risking and hedging actions to protect capital position implemented
 - ▶ Direct equity exposure almost at zero
 - ▶ Product re-pricing; guarantees are priced on market-consistent yields
 - ▶ Strategic discussion of impact of product design

Acceleration of product improvements unit linked policies

Immediate compensation settlement

- Acceleration of 2009 agreement with consumer interest groups
- Resolve disputes and ultimately restore trust
- Immediate settlement of compensation by direct additions to policy values instead of at policy expiration date
 - ▶ One-off charge of EUR 265 million in other charges in Q2 2012; no impact on IGD ratio
 - ▶ In line with best-in-class principles of the Dutch Ministry of Finance

Reduce future cost loadings

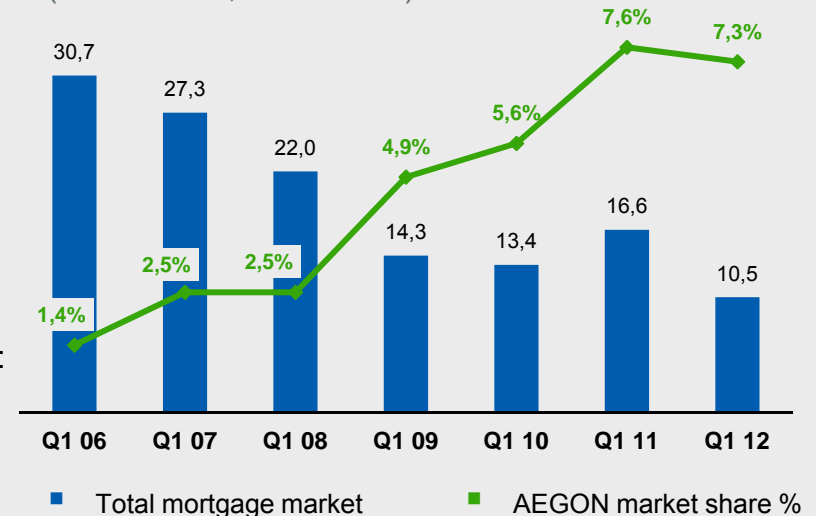
- Reduce future cost loadings of unit linked products from 2013 onward
 - ▶ Impact on underlying earnings before tax on remaining duration of policies of approximately EUR 125 million; small impact on IGD ratio
 - ▶ 2013 quarterly impact on underlying earnings before tax of EUR 7 million mitigated by cost savings

Attractive mortgage business

- Strong market position as a result of attractive proposition and high service levels
 - ▶ 100% of quotations processed digitally
 - ▶ EUR 3.3 billion new mortgages originated in 2011; EUR 649 million Q1 2012
 - ▶ Cross-selling: ~60% of new mortgage production has related life and banking sales
- 55% of total Dutch mortgage portfolio is NHG*; total on-balance portfolio of EUR 17.9 billion
 - ▶ EUR 12.3 billion funded directly by AEGON NL entities
 - ▶ Successful launch of SAECURE 11, USD 600 million RMBS placed with US investors
- Risks to mortgage providers are limited
 - ▶ Full recourse as debt remains fully enforceable after repossession
 - ▶ Underwriting based on loan-to-income with tax breaks permitting higher loan-to-value ratios
 - ▶ AEGON NL is particularly strong in NHG* guaranteed loans and longer interest reset periods
 - ▶ Historically, the AEGON NL portfolio shows strong performance: low defaults, 3-4 bps of total portfolio annually

Market share mortgages

(Year to date, EUR billion)



source: Kadaster and AEGON

* NHG mortgage loans are guaranteed by the Dutch State

A “turn around” in banking – introducing the “Bank van Morgen”

Individual wealth accumulation

- State pensions and company pensions will be less guaranteed in future
- People need to take their own responsibility for individual wealth accumulation for pension
- “Saving for later” is the central theme
- Transition from life to banking solutions

AEGON’s proposition

- New brand and focus on customer centricity
- Low-cost, transparent and flexible
- Excellent IT systems, easy access
- Free access to experts pages and open platform of knowledge sharing
- Fee-based business model



- Financial platform which is fully aligned with customer needs
- Putting customers’ life cycle planning and financial targets central
- Free financial planning tools
- Financial alerts to make customer aware of required decisions or available choices

Launch of a bank built by customers, for customers

New distribution through partnerships

Partnerships and new distribution models



- ▶ Kruidvat & Trekpleister: drugstores focused on broad group of customers
- ▶ Onna Onna: trendy women's lifestyle internet site, including complete customer journey
- ▶ Menzis: savings around health care
- ▶ Eneco: sustainable savings scheme

AEGON capabilities

- Shaping tailor-made propositions
- Offering customer-focused and transparent solutions
- Expertise on financial products and markets
- Administrative expertise and skills
- Being a well-known and trusted brand on financial solutions

Successes so far

- Increased sales volume through Kruidvat / Trekpleister in 2012
- Website visitor numbers doubled and growth in sales at Onna Onna
- Positive publicity around market introduction of Menzis and Eneco. Exploring possibilities of broadening current offerings to other products

Diversify distribution and improve customer satisfaction

Key messages

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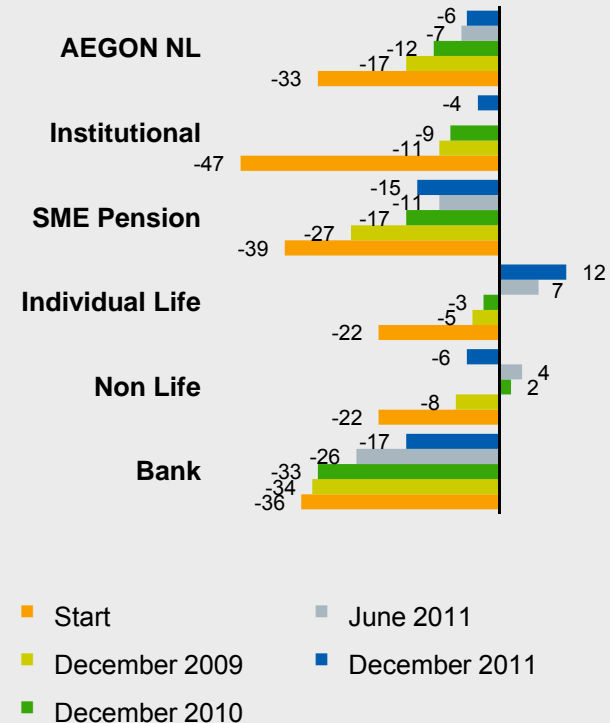
Appendix



Strong improvement Net Promoter Score

- AEGON the Netherlands up 6 points to -6 in 2011 compared to 5 points improvement 2010
- Started listen-learn-doing cycle to improve customer satisfaction
 - ▶ Customer feedback used to improve customer contact and consequently the likeliness of recommendation to family, friends and colleagues
- Strong result for Individual Life (+12). Improvement as a result of satisfied intermediaries in mortgages and individual life
- Decline in non-life mainly caused by corporate and intermediary clients in income insurance as a result of pricing adjustments

AEGON Fan Score ranked by business line



The Dutch economy

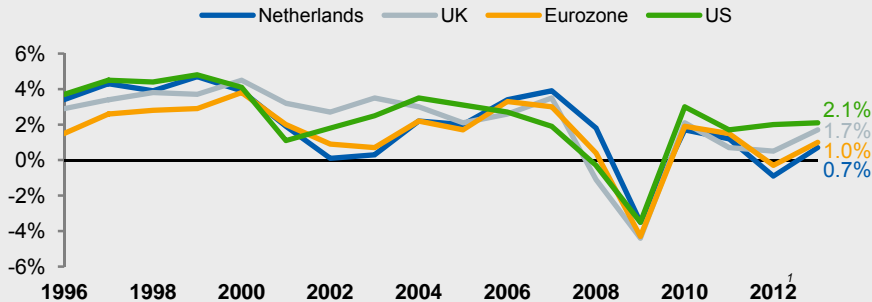
Highlights of the Dutch economy

Source: Eurostat and EIU

- One of the most stable and open economies in Europe with one of the highest GDP per capita
 - ▶ Y-o-Y real GDP growth rate is forecast to be 0.7% in 2013¹
 - ▶ Unemployment rate at 5.2% as of April 2012
 - ▶ Sovereign debt of 66.2% of GDP and deficit of 4.7% of GDP as of January 2012
 - ▶ International trade is key driver of economy and future economic growth
- Dutch GDP contribution: 74% Services (incl. State), 24% Industry, 2% Agriculture

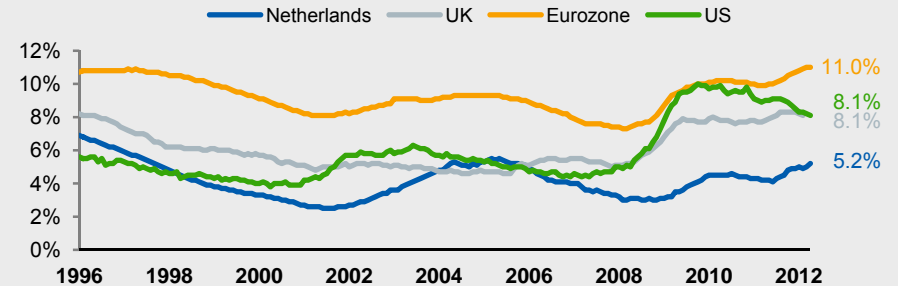
Evolution of y-o-y real GDP growth rate

Source: Eurostat



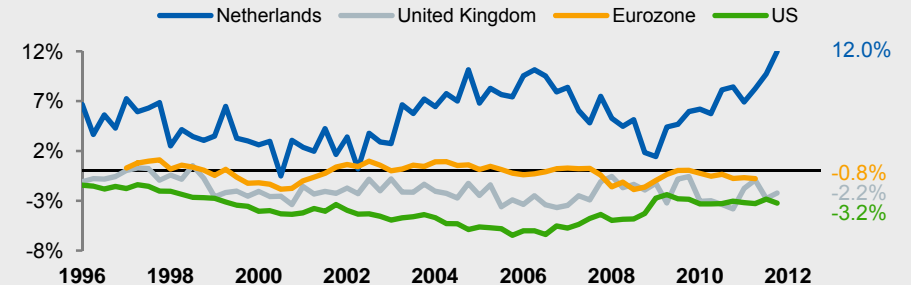
Unemployment rate comparison

Source: Eurostat



Trade balance (% of GDP)

Source: OECD



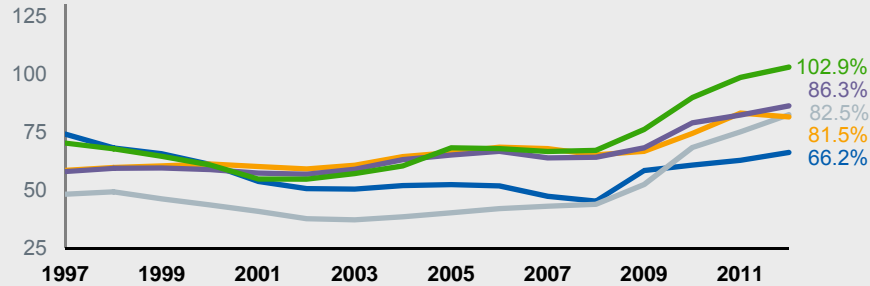
Note: Historical performance is not an indicator of future performance which may differ materially
¹ 2013 GDP growth rates are as forecast by Eurostat

The Dutch economy (continued)

Sovereign debt (% of GDP)

Source: Bloomberg

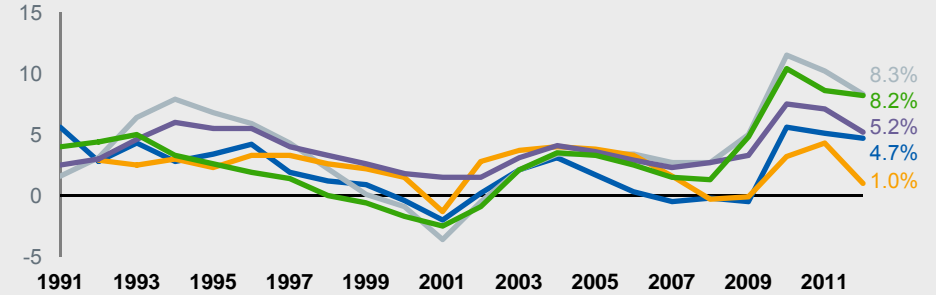
— Netherlands — UK — Germany — France — US



Deficit (% of GDP)

Source: Bloomberg

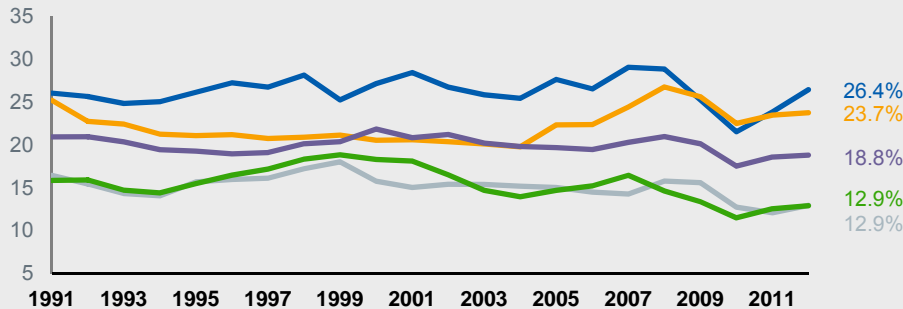
— Netherlands — UK — Germany — France — US



Gross national savings¹ (% of GDP)

Source: Bloomberg

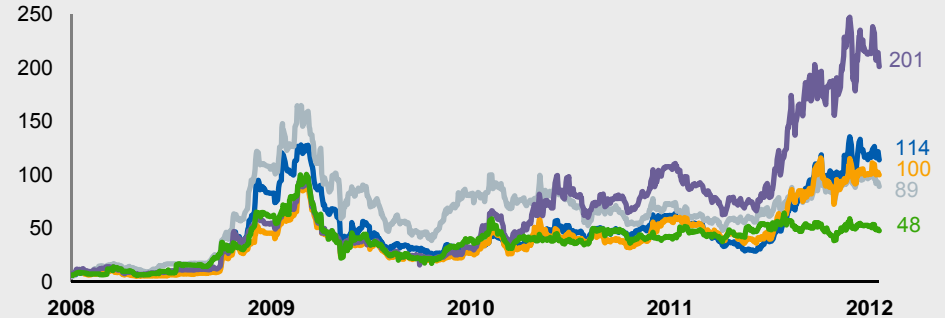
— Netherlands — UK — Germany — France — US



5 Year CDS Sovereign spread (in USD)

Source: Markit

— Netherlands — UK — Germany — France — US



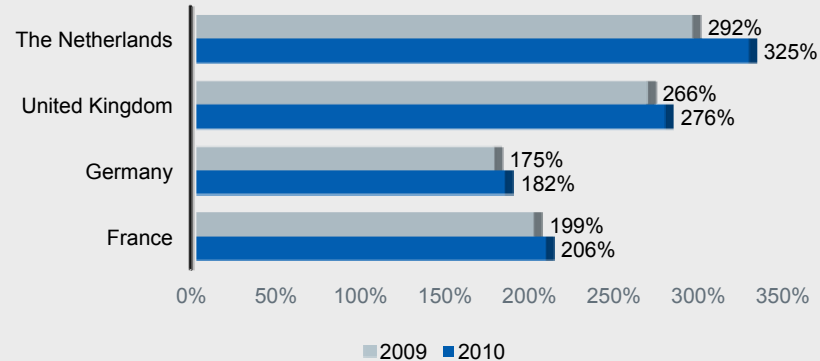
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¹ GNS = GDP – Consumption – Gov Spending

Dutch household financials

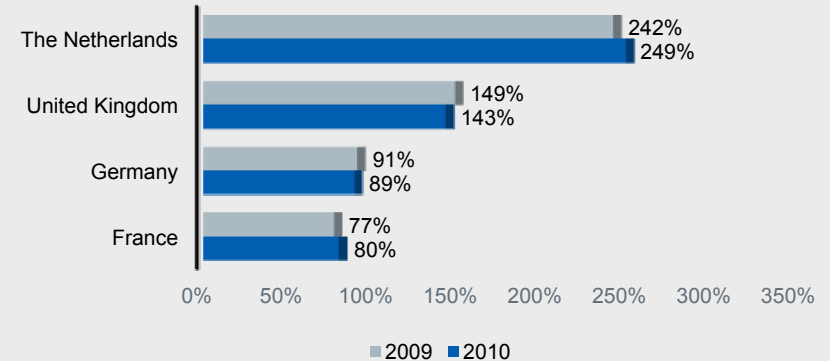
Gross wealth-to-income¹ ratio of households*

Source: Eurostat



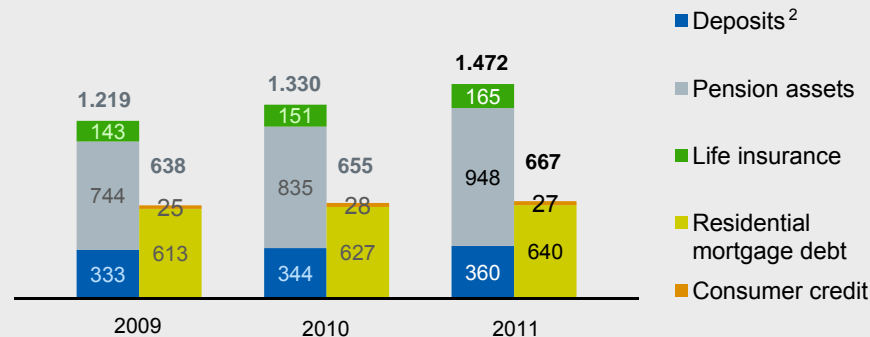
Gross debt-to-income ratio of households*

Source: Eurostat



Dutch household debt and wealth composition

Source: Dutch Central Bank (EUR billion)



Overview

Source: Eurostat, Dutch Central Bank

- In 2010, household wealth¹ in the Netherlands was 325% of disposable income, the highest level in Europe
- The incentive for consumers to maximize their mortgage debt (tax incentives) results in relatively high gross debt-to-income levels compared to other European countries
- The vast majority of household debt in the Netherlands is residential mortgage debt (EUR 640 billion) vs. remaining consumer credit (EUR 27 billion)

* 2011 data not yet available

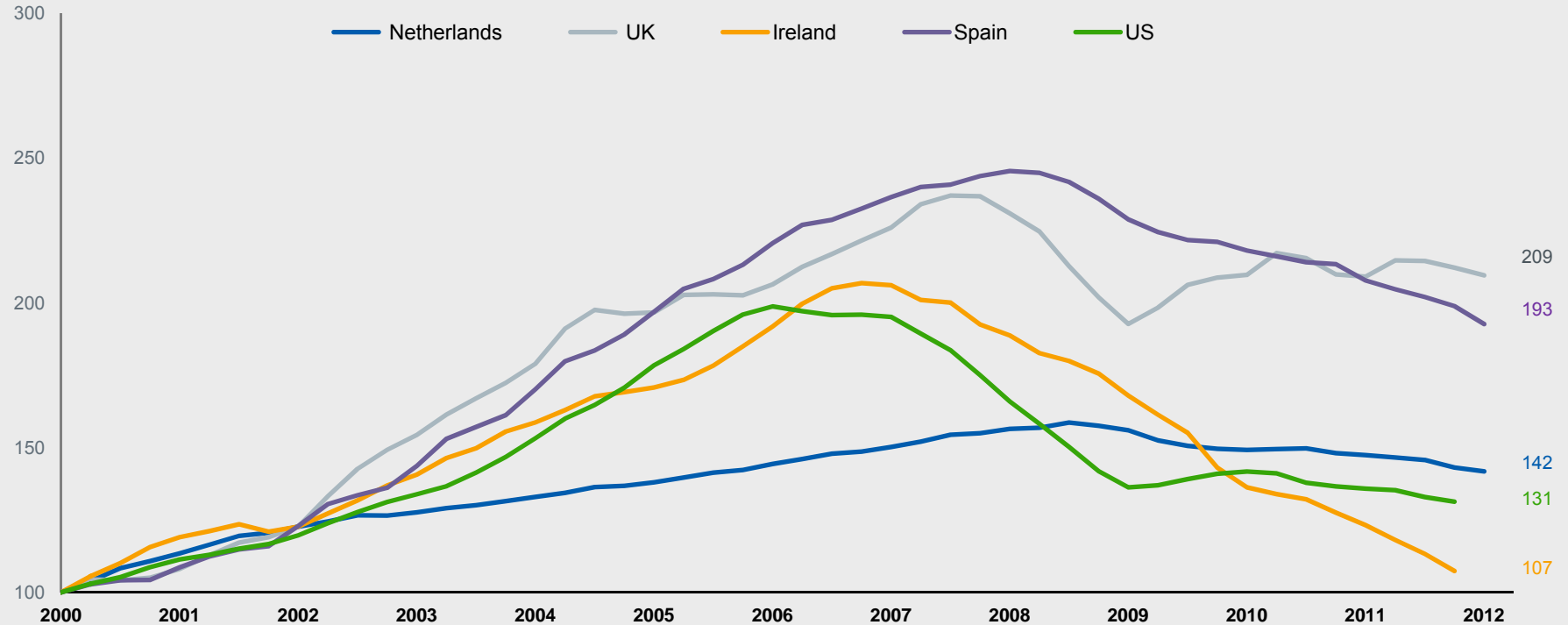
¹ Household wealth includes currency and deposits, shares and other equity, insurance technical reserves, securities other than shares and other accounts receivable / payable.

² Deposits include overnight deposits, deposits with agreed maturity and deposits redeemable at notice

The Dutch housing market: Housing price index comparison

Development in house prices (2000 values rebased at 100)

Source: ECB, S&P/Case-Shiller, Nationwide



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Disclaimer

Cautionary note regarding non-GAAP measures

This document includes a non-GAAP financial measure: underlying earnings before tax. The reconciliation of underlying earnings before tax to the most comparable IFRS measure is provided in Note 3 "Segment information" of AEGON's Condensed consolidated interim financial statements.

Local currencies and constant currency exchange rates

This document contains certain information about AEGON's 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 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; 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 AEGON holds;
 - 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 the company's counterparties;
- Consequences of a potential (partial) break-up of the euro;
- The frequency and severity of insured loss events;
- Changes affecting 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, the products the company sells, and the attractiveness of certain products to its consumers;
- Changes in the policies of central banks and/or governments.;
- Regulatory changes relating to the insurance industry in the jurisdictions in which AEGON operates;
- Changes in customer behavior and public opinion in general related to, among other things, the type of products also AEGON sells, including legal, regulatory or commercial necessity to meet changing customer expectations;
- Acts of God, acts of terrorism, acts of war and pandemics;
- Lowering of one or more of AEGON's debt ratings issued by recognized rating organizations and the adverse impact such action may have on the company'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 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 AEGON is required to maintain;
- Litigation or regulatory action that could require AEGON to pay significant damages or change the way the company 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 the company'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 may affect AEGON's reported results and shareholder's equity;
- 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 initiatives.

Further details of potential risks and uncertainties affecting the company are described in the company's filings with NYSE Euronext Amsterdam 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, 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.