



# Continued execution of strategy

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## Cautionary note regarding 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: believe, estimate, target, intend, may, expect, anticipate, predict, project, counting on, plan, continue, want, forecast, should, would, is confident, 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 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;

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;

Our failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving initiatives; and

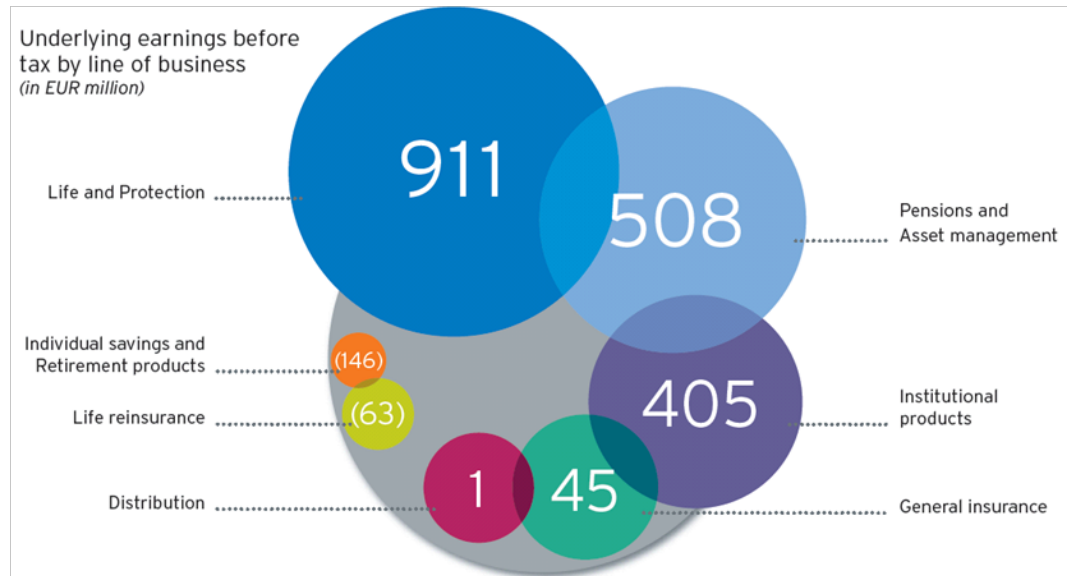
The impact our adoption of the International Financial Reporting Standards may have on our reported financial results and financial condition.

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 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.

## Cautionary note regarding Regulation G (non-GAAP measure)

This presentation includes certain non-GAAP financial measures: net operating earnings, operating earnings before tax, (net) underlying earnings, value of new business and embedded value. Value of new business and embedded value are not based on IFRS, which are used to prepare and report AEGON's financial statements and should not be viewed as a substitute for IFRS financial measures. AEGON believes the non-GAAP measures shown herein, together with GAAP information, provides a meaningful measure for the investment community to evaluate AEGON's business relative to the businesses of our peers.

- Life insurance, pensions and investment products
- Over 40 million customers across the globe
- Presence in over twenty markets throughout the Americas, Europe and Asia
- Just over 29,000 employees worldwide
- Total revenues in 2008: EUR 34 billion
- Revenue generating investments of EUR 342 billion



*“To be a global leader in helping customers secure their financial futures”*

- Market leader in all markets we operate in
- Rebalance capital allocation
- Reduce financial markets risks
- Manage AEGON as an international company

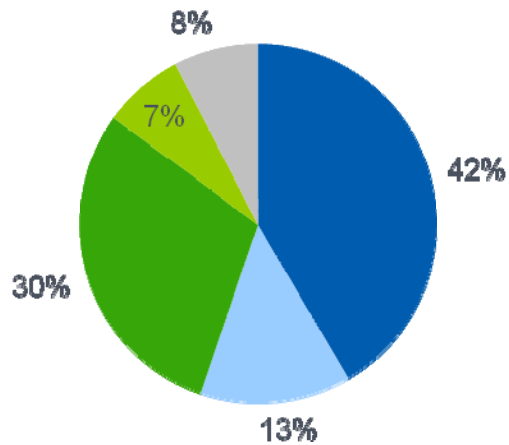


*...resulting in sustainable profitable growth*

Focused on life insurance, pension and long-term investment and savings products...

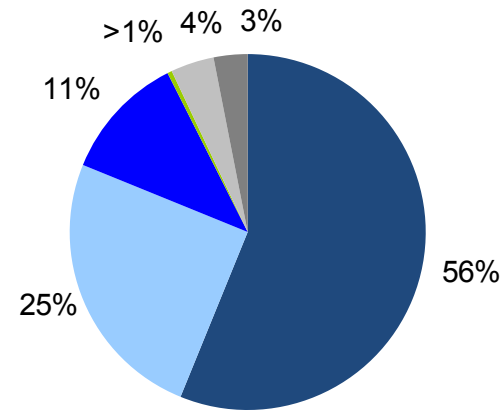
...and the Netherlands reflects 25% of total embedded value

Embedded value per line of business (FY 2008)



- Life and protection
- Individual savings and retirement
- Pension and asset management
- Institutional products
- Life reinsurance

Embedded value per region (FY 2008)



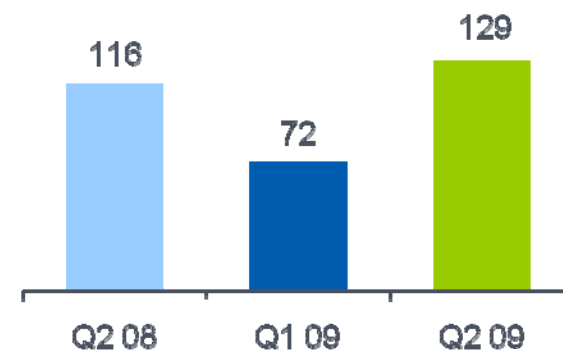
- Americas
- Netherlands
- United Kingdom
- Asia
- Central & Eastern Europe
- Other European countries

- Increase market share in the SME pension market
- Expand direct distribution
- Change culture:
  - better focus
  - clear accountability
  - service excellence
- Reduce operational expenses
- Successful risk reduction



- Underlying earnings increased sequentially as a result of better Pensions and asset management results and a release of provisions
- Volatility in group pension market resulted in lower new life sales
- VNB increased to EUR 36 million driven by high margins on mortgage sales
- Adjusted operating expenses\* declined 5.5% in H1 09 versus H1 08
- IRR improved to 29% as a result of both higher margins and low capital requirements on the mortgage production

Underlying earnings before tax (EUR million)



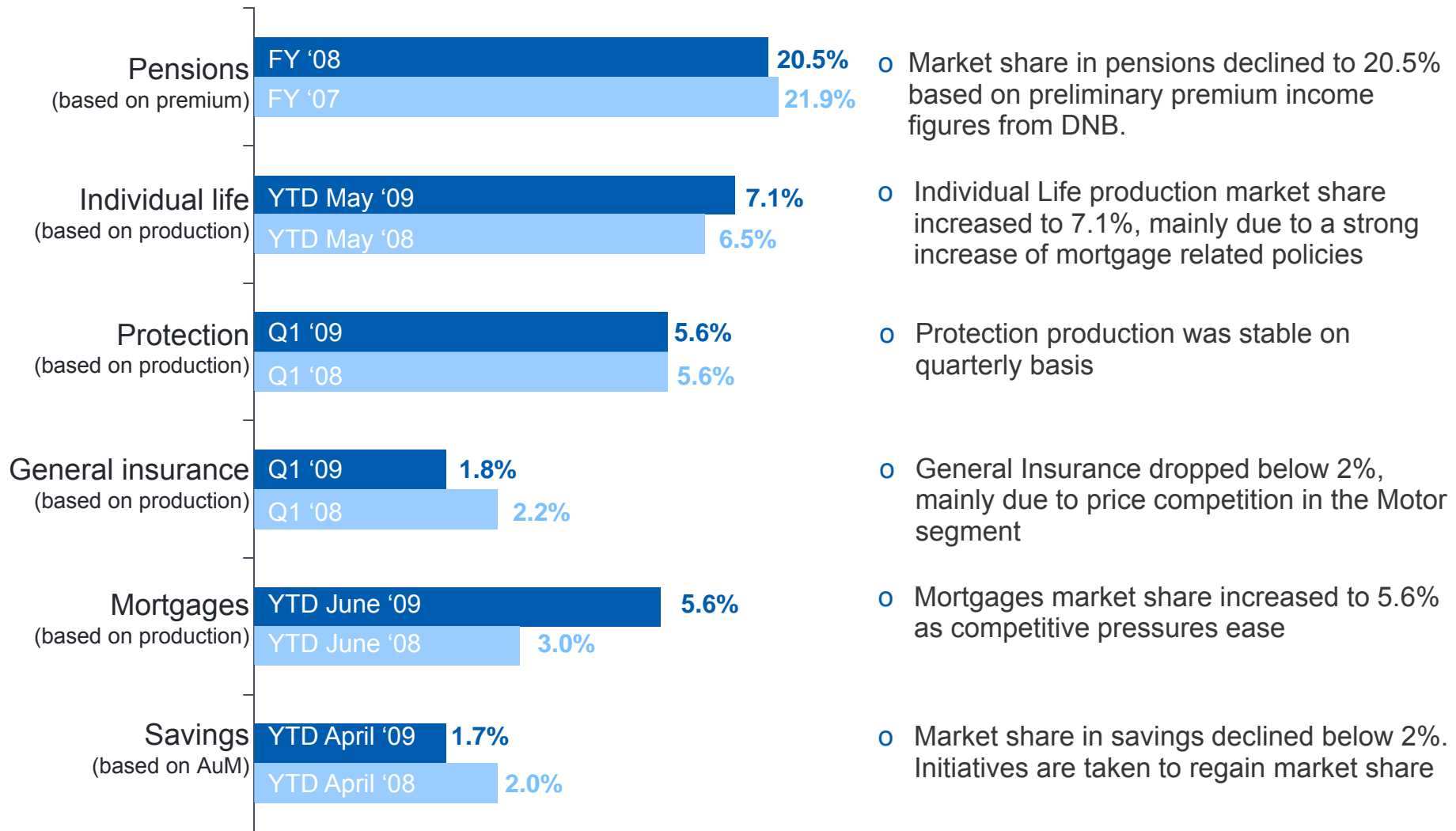
New life sales overview

(EUR million)	Q2 09	Q1 09	Q2 08
Life insurance (APE)	19	23	23
Pensions (APE)	13	39	45
Total (APE)	32	62	68

Gross deposit overview

Savings deposits	779	580	688
Pensions & AM	62	11	80

\* Adjusted operating expenses exclude restructuring costs, benefit plans, foreign exchange impact



Source: Marketing Intelligence



**Profitability**

**Distribution**

**Organization and cultural change**

## Dutch pensions market

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- Mature
- High capital requirements
- Institutional:
  - Complex products, high costs (low margin)
  - Introduction of more fee generating business (higher margin)
- SME:
  - Competitive market
  - Limited amount of brokers servicing this market
  - More standardization of products
  - Increasing demand for guarantees in DC products

## Impact of crisis

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- Increased risk awareness
- Institutional: higher growth due to liquidation or reinsurance of pension funds
- SME: less funds available but pricing improving; long term need for pension increases

## Dutch individual life market

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- Growth in de-accumulation market
- Asset accumulation is declining in traditional life
- Shift to hybrid products
  - Insurance company has competitive advantage with administration of products
  - Insurance company better equipped to offer guarantees
  - Insurance company longer term ALM view and experience

## Impact of crisis

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- Accelerated transition to banking products for assets accumulation
- Growth in Savings and Retail asset management due to an increasing awareness of the need for saving for later
- Mortgages market share doubled to 5.6%<sup>1</sup>

1) Market share June YTD 2009

## Dutch non-life market

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- P&C market is mature
- Strategic for life distribution
- Good returns
- Supports SME



## Impact of crisis

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- P&C still very competitive
- Good returns A&H remain

## Dutch distribution market

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- Consolidation expected
- Retail market more multi-distribution
- “Best advice” beneficial for insurers competing on service & products



## Impact of crisis

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- Consolidation is taking place
- More focus:
  - Sold residential real estate brokerage activities
  - Reorganization started

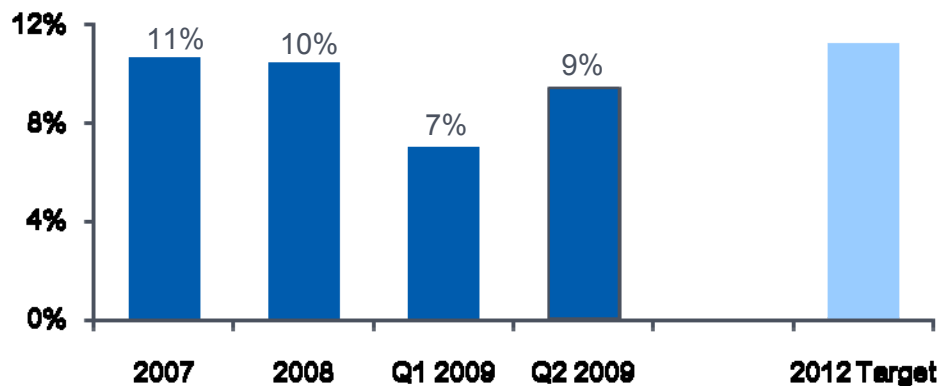
## Profitability

- Increase fee business
- Product innovation (less capital intensive)
- Increase prices (selective)
- Enter profitable market segments, e.g. SME
- Lower expenses
- Optimize capital allocation / ALM

## Actions taken

- Focus on and detailed plans for fee business
- Prices for guarantees
- Dedicated SME organization
- Full focus on cost reduction program
- Risk reduction

## Development in return on capital



## Distribution

## Actions taken

- Retail:  
Multi-channel provider

- Detailed plans developed to transform AEGON Bank into a multi-channel provider
- First P&C products in Direct Writer product offering

- SME:  
Increase pensions market share from 12% to 20% by 2012

- Changed organization to optimally target top 200 intermediaries in SME market
- Dedicated SME organization
- Growing production in SME segment

- Institutional:  
Direct professional teams

- Product development to adapt to and benefit from current market circumstances

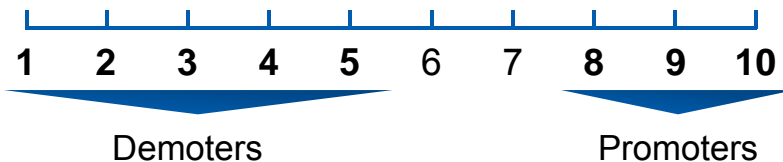
## Organizational and cultural change

- Focus
  - Less projects, clear priorities
- Execution
  - Accountability
- Customer loyalty & Retention
  - Top Service, differentiation factor
- Lean Six Sigma (LSS) as part of daily operations / management
  - Customer thinking central
  - Process redesign

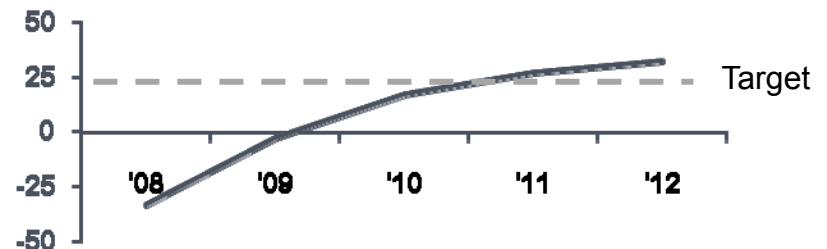
## Actions taken

- Aligned objectives throughout organization
- Reduction in number of projects
- Start of virtual business lines with clear and aligned action plans
- Intensified accountability
- Introduction of AEGON Fan Score
- Introduction of customer loyalty program
- Dedicated director for LSS appointed
- Targets for LSS projects

## Calculation of AEGON Fan Score<sup>1</sup>



## Targeted AEGON Fan Scores



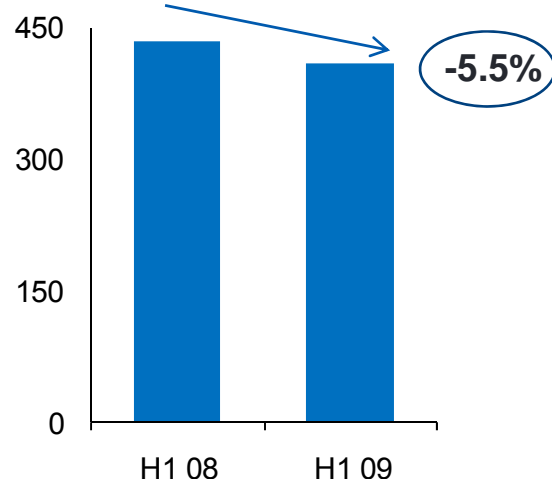
## Targets for cost savings

- Decrease operating expenses to 2007 level

## Actions taken

- Reductions of contract services
- Process re-engineering (Lean Six Sigma)
- Lean IT program
- Central procurement
- General cost savings

## Adjusted operating expenses (EUR million)



\* Adjusted operating expenses exclude restructuring costs, benefit plans, foreign exchange impact



## Actions taken to reduce risks

2003 - 2007

- Sale of equities
- Sale of commercial real estate exposure
- Hedging of linear risk (duration mismatch)
- Hedging of non linear risk (guarantees)
- Market consistent valuation of guarantees
- Legal Risk

2008 - 2009

- Sale of hedge funds investments
- Hedging of currency exposure (more frequent rebalancing)
- Expanding of investments in credits

## Hedging of non linear risk

- Interest rate risk is fully hedged, historic effectiveness 90%
- Focus on equity hedge
- Focus on replicating portfolio
- 10% mismatch is a good performance, but lots of euros

- Return to profitable growth in the Netherlands
- Increase market share in the SME pension market
- Expand direct distribution
- Change culture:
  - better focus
  - clear accountability
  - service excellence
- Reduce operational expenses
- Successful risk reduction



## Q&A

For questions please contact Investor Relations  
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November 12, 2009	Q3 2009 results
December 2, 2009	Investor day (New York Stock Exchange)
February 25, 2010	Q4 2009 results

