

The Netherlands

Well positioned in chosen markets

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LIFE INSURANCE | PENSIONS | ASSET MANAGEMENT

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

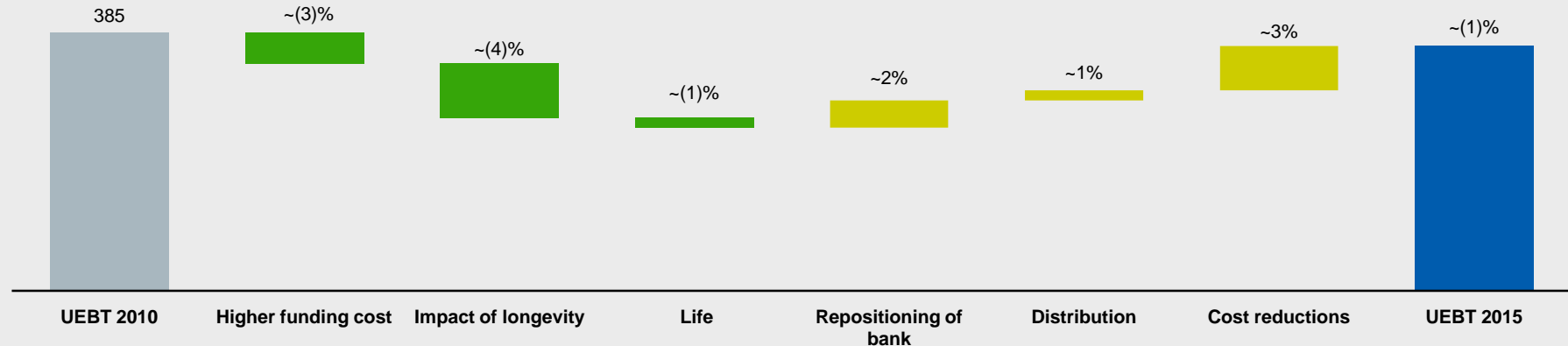
**Stable
cash flows**

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

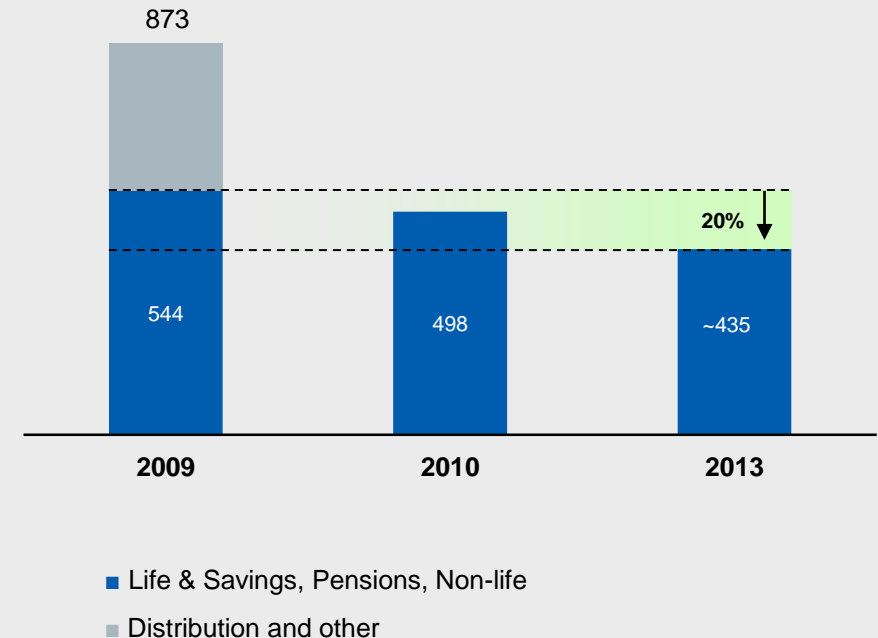
(EUR million)



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

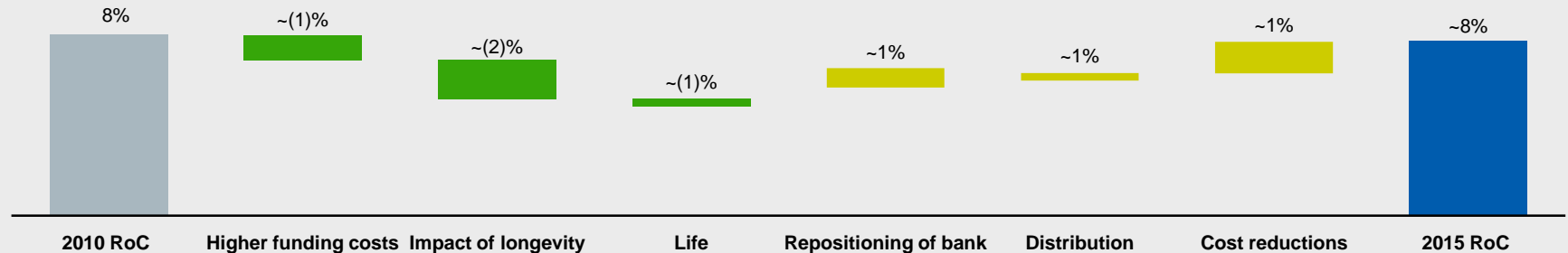
Operating expenses
(EUR million)



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*



Well positioned in our chosen markets

Market share (%)

Pension (Premium income)	21%	<ul style="list-style-type: none"> 3rd largest pension insurer Strong position in large market segments. Opportunity to improve market share in the SME segment
Individual Life (Production)	10%	<ul style="list-style-type: none"> Traditional individual life market pressured by new banking products (Banksparen) Our market share improved over the last two years driven by sale of insurance policies linked to mortgage production
Accident & Health (Production)	7%	<ul style="list-style-type: none"> Focus on risk selection through underwriting Growth mainly realized through deregulation in the disability (WIA) market
Property & Casualty (Production)	2%	<ul style="list-style-type: none"> New business market share below portfolio market share due to fierce price pressure. AEGON focuses on margin above volume Pricing policy of Dutch insurers reviewed by Dutch Central Bank Sales through drugstores Kruidvat / Trekpleister started in 2011. First results are encouraging
Mortgages (Production)	6%	<ul style="list-style-type: none"> Competitive position improved since 2008 Top 5 player in new production Portfolio size of EUR 18 billion by the end of 2010
Savings (Assets)	2%	<ul style="list-style-type: none"> Repositioning of AEGON Bank, focus on simple products (Banksparen) Development of new banking / distribution propositions

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)

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

Observed mortality

- Observed mortality tables 2005-2010 published by Central Bureau of Statistics (CBS) in 2012
- Strong improvement in life expectancy observed in 2008 and 2009
- Observed mortality experience used to update AEGON's annual levels of provisioning



- **Provisioning for longevity taken through underlying earnings**

Projected mortality

- Projected mortality tables published by the Actuarial Association bi-annually
- Strong increase in life expectancy (2010-2060)



- **Impact reflected in embedded value and liability adequacy testing and pricing**
- **New production and renewals are priced on updated mortality tables**

Sufficient reserves to meet longevity obligations

- 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



Focus on growth segments

- 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



Grow fee income

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



Diversify distribution mix

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

Growth segments in corporate and institutional market

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

Growth segments

- Increase fee business:
 - ▶ Increase scale in pension administration
 - ▶ Development of DC vehicle (PPI)
 - ▶ Employee services
 - ▶ Employer contract services
- Pension buyouts & outsourcing

AEGON capabilities

- Excellent IT systems, creating differentiating administration and reporting capability
- Export knowledge
- Strong reputation and administration
- Large market share and scale
- Flexibility to offer customer specific solutions
- Competitive advantage by offering guarantees
- Strong fund performance in asset management

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

Growth segments

- Improve position of the AEGON brand
 - ▶ One proposition for self-employed / SME
 - ▶ Modular pensions
 - ▶ Non-life products to large SME's
- Explore new distribution initiatives
 - ▶ Improve position brokers channel

AEGON capabilities

- Excellent IT systems, enabling us to create modular products for SME's
- Leverage Group pension expertise
- Product lines are organized separately
- Modular solutions for target groups
- Dedicated direct sales force for SME

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

Growth segments

- Use of new distribution models closer to customer
 - ▶ Retail partnerships
 - ▶ Social media
- Optimize use of branches
 - ▶ AEGON Bank
 - ▶ Distribution business
- Mortgages

AEGON capabilities

- Retail partnerships: offering simple risk products under retail brand
- Social media competence and tooling
- Fewer IT platforms and more effective administration
- Managing customer-focused and transparent banking solutions

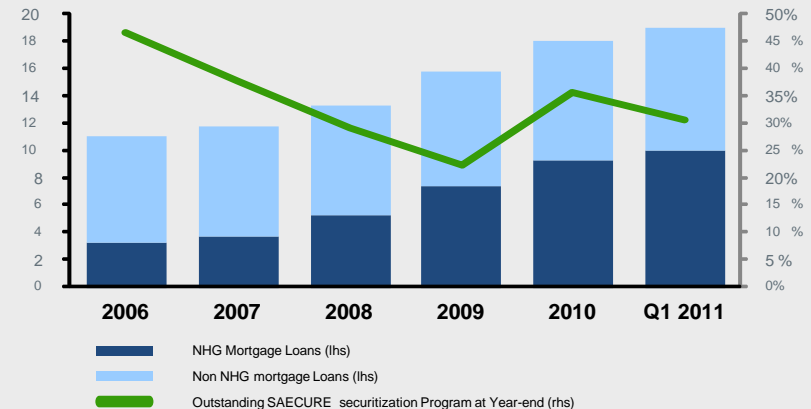
Successes so far

- 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

Successful mortgage operation

- 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'

Mortgage loan portfolio
(EUR billion)



Enhance customer loyalty



Increase AEGON Net Promoter Score (NPS)

- 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



Increase renewal rates

- 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



Embrace social media

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



Improve transparency

- 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



Improve Call Center operations

- 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



Optimize the business chain

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



Improve service standards

- 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

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- Repositioning for the future – target selective growth segments
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Q & A

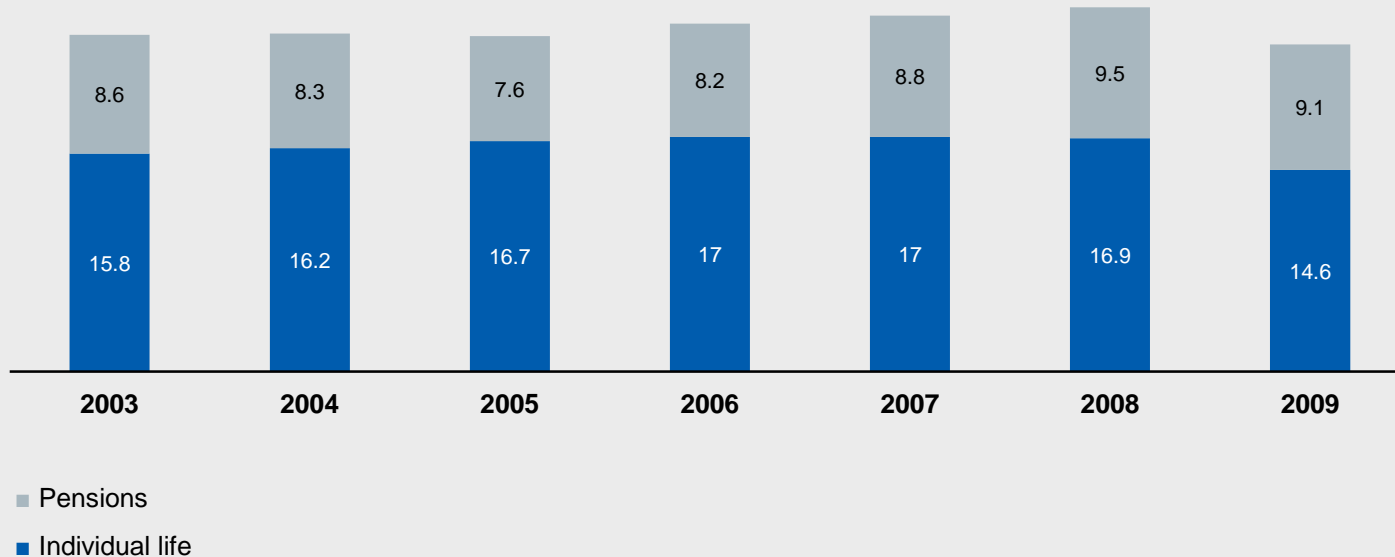




Appendix

Market premium income: individual life & pensions (2009)

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



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Disclaimer

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 be 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 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, 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, restructurings, 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.