

# Fourth Quarter 2007 Results

Don Shepard, CEO

Press conference

March 6, 2008

## 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.

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

This presentation includes non-GAAP financial measures: net operating earnings, operating earnings before tax, 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.

## Distribution

- ◆ US - Merrill Lynch
- ◆ Taiwan - JV with Taishin
- ◆ UK - Barclays
- ◆ China - IFMC
- ◆ Spain - Caja Cantabria

## Pensions & Retirement

- ◆ Hungary – add-on acquisition of mandatory and voluntary pension fund

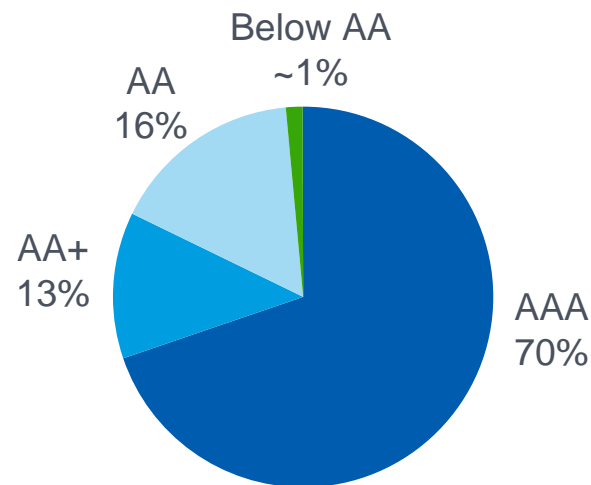
## International expansion

- ◆ Romania – start of mandatory pension fund
- ◆ Turkey – acquisition of life and pension company



- ◆ No impairments on subprime
- ◆ No material impairments on non-subprime investments (EUR 17 million through P&L)
- ◆ EUR 190 million negative pre-tax revaluations of subprime in Q4 through shareholders' equity

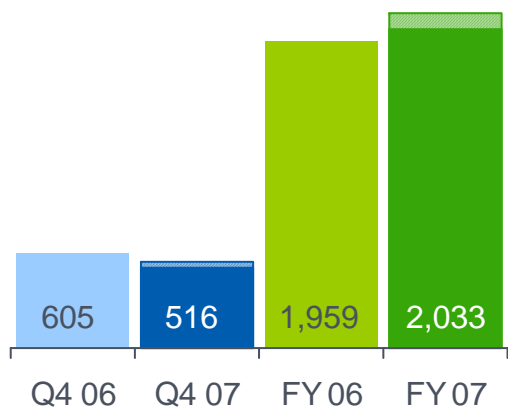
Subprime portfolio EUR 2.9 billion



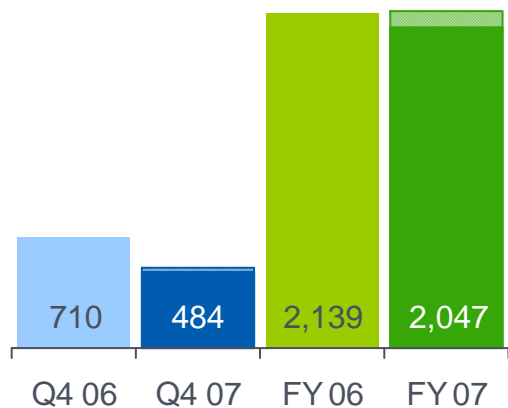
High quality:  
99% AAA and AA

- ◆ Net operating earnings declined due to currency and significant one-time tax benefits in 2006
- ◆ Solid business progress reflected in underlying earnings before tax, up 9%
- ◆ Net income down in 2007 mainly as a result of lower non-operating earnings in the Netherlands

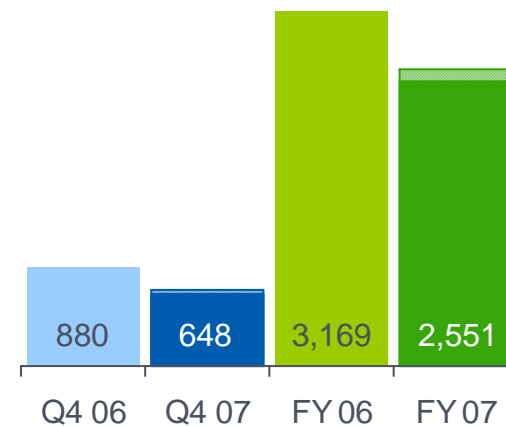
**Net underlying earnings**  
(EUR million)



**Net operating earnings**  
(EUR million)



**Net income**  
(EUR million)

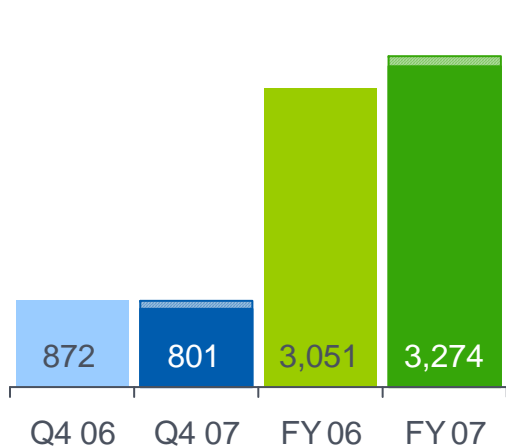


Note: 2007 is compared to pro forma data for 2006

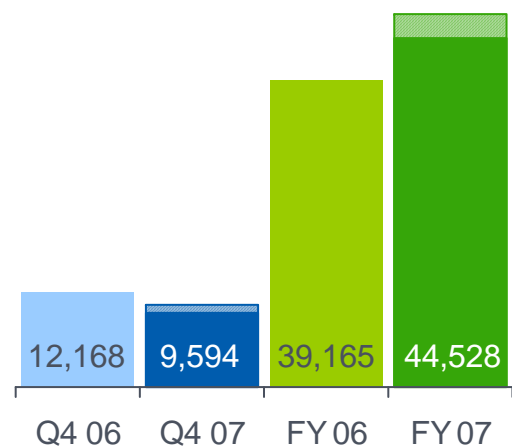
Note: shaded areas represent changes at constant currency exchange rate

- ◆ New life sales declined 8% in Q4 due to lower sales in the UK and Spain and a weaker USD and GBP – up 7% for 2007
- ◆ Deposits down in Q4 due to lower sales of institutional guaranteed products as deposits in Q4 2006 were extraordinarily high – up 14% for 2007
- ◆ Value of new business on track to meet increased target of EUR 1.25 billion by 2010

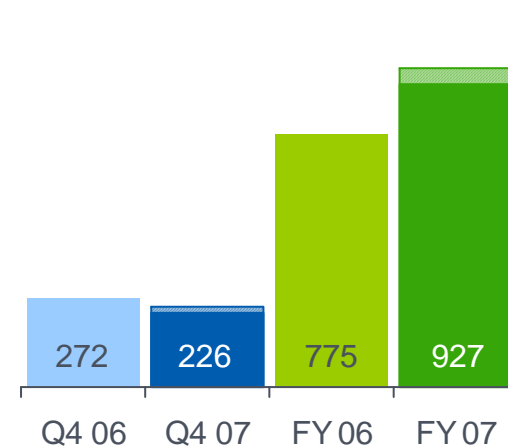
**New life sales (APE)**  
(EUR million)



**Total deposits**  
(EUR million)

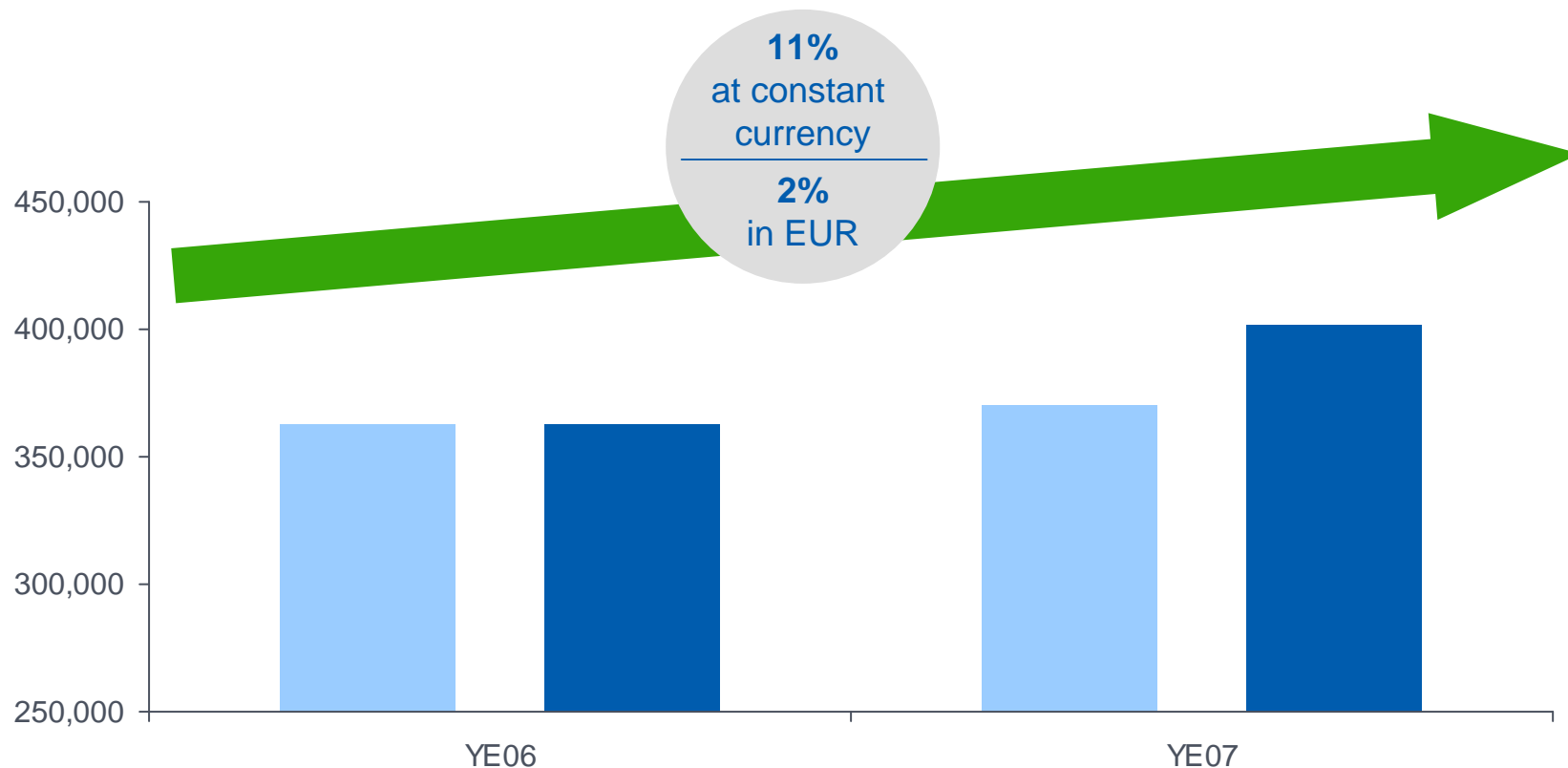


**Value of new business**  
(EUR million)



Note: shaded areas represent changes at constant currency exchange rate

## Revenue generating investments (EUR million)

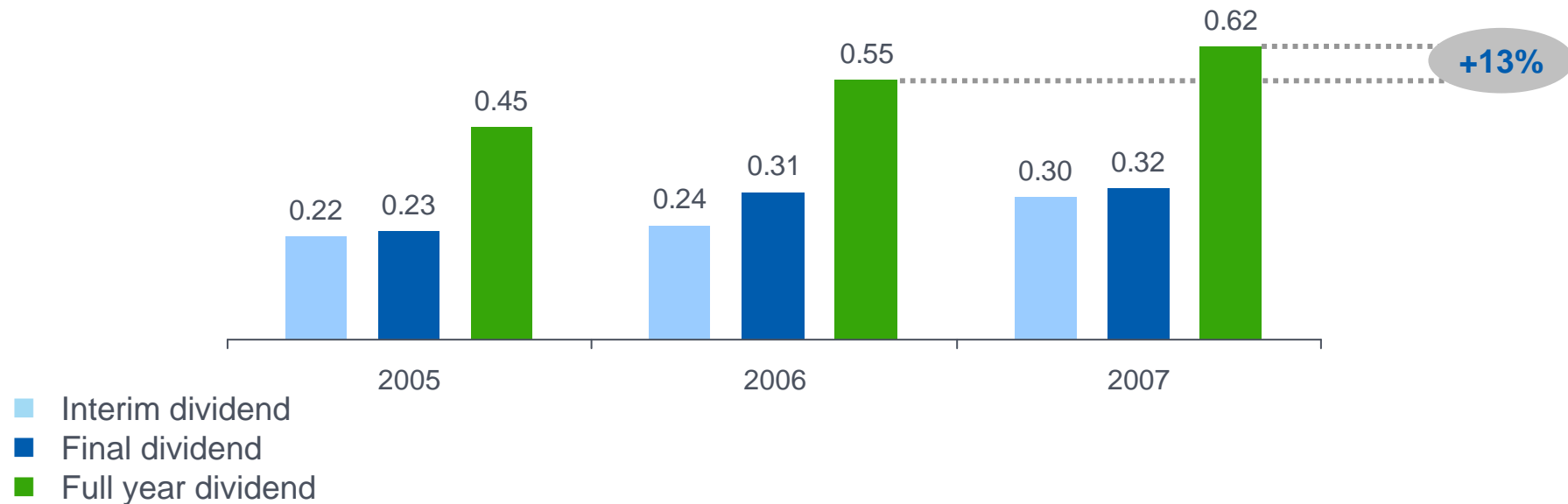


■ In EUR

■ Constant currency (EUR/USD conversion rate YE06: 1.3170; YE07: 1.4721)

- ◆ Full year dividend increased by 13% to EUR 0.62
- ◆ Increased dividend reflects strong cash flow and capital position
- ◆ Final dividend increased by 3% reflecting a more moderate growth rate after rebasing dividend over the past year

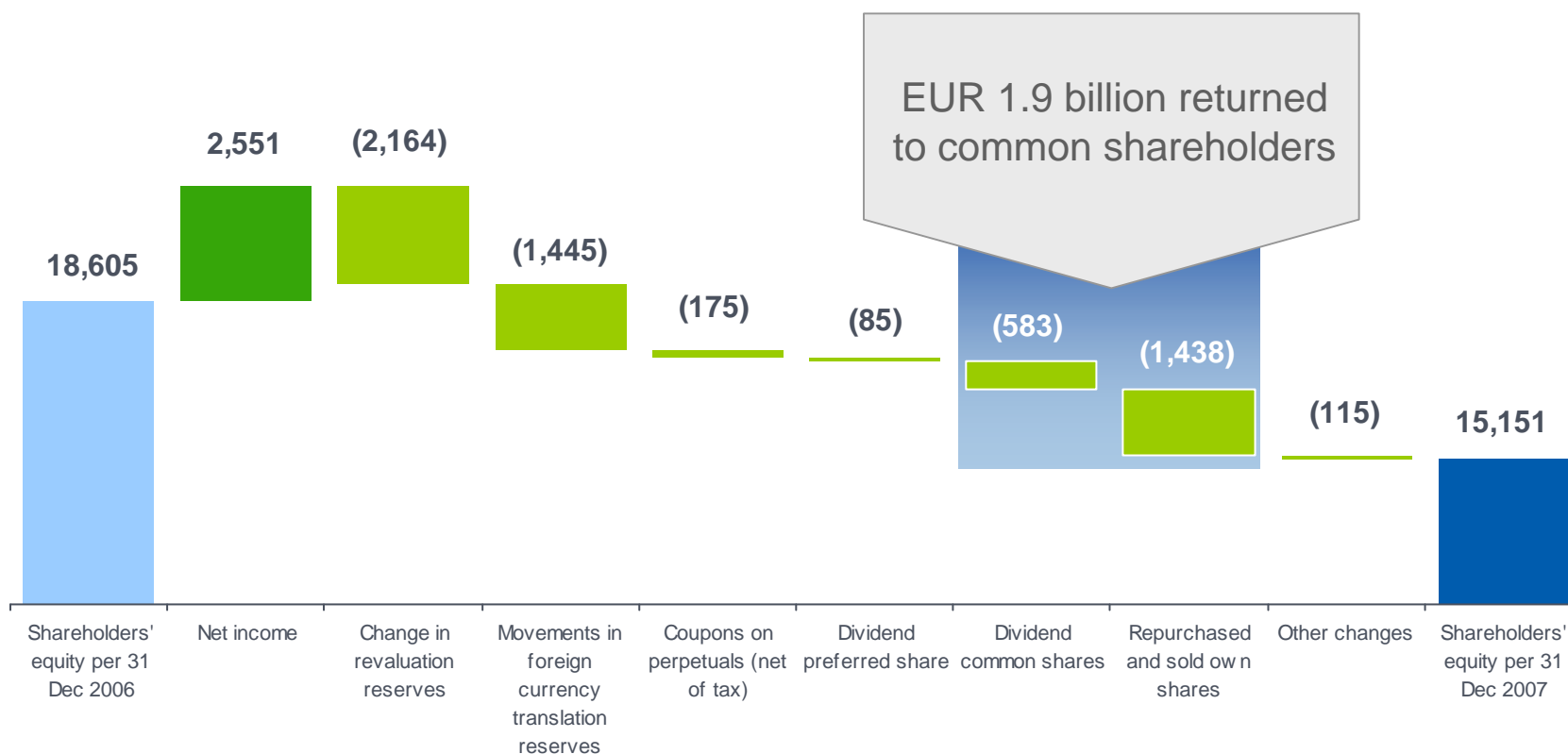
Dividend (EUR cents)



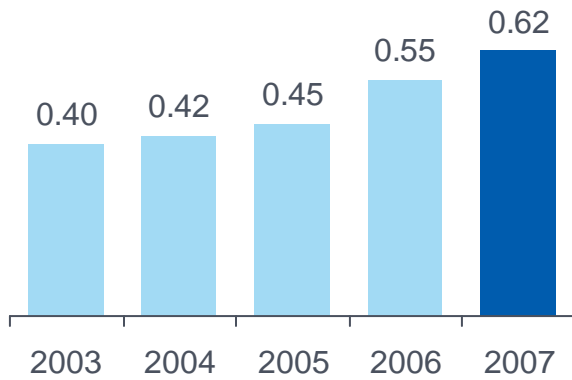


- Shareholders' equity 72% of overall capital base comfortably above target of 70%

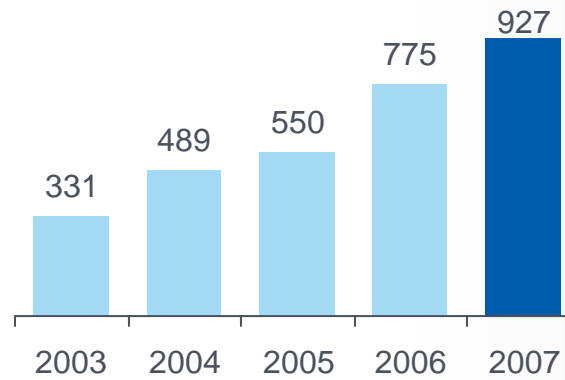
## Shareholders' equity impacted by return of capital, revaluation of assets and currency movements



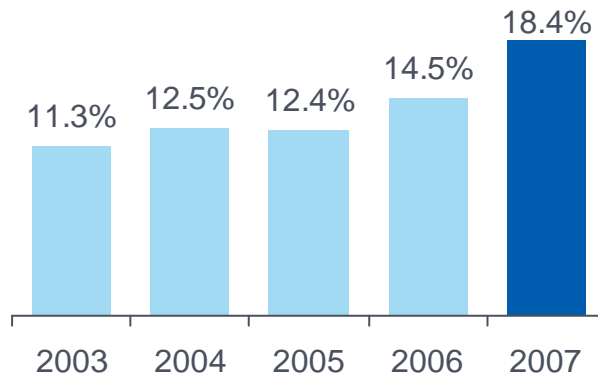
### Dividend (EUR)



### Value of new business (EUR million)



### Internal Rate of Return





- ◆ No material impairments in Q4 2007 - high quality investment portfolio
- ◆ Solid fourth quarter masked by one-offs in Q4 2006
- ◆ Strong underlying growth in 2007
- ◆ Good sales and deposits growth in 2007
- ◆ Full year dividend increased 13%
- ◆ Value of new business growth on track

A close-up, high-resolution image of a blue leaf, showing the intricate vein structure and cellular patterns. The color is a vibrant, uniform blue.

Local knowledge. Global power.



Local knowledge. Global power.

# Q&A

# THANK YOU!

**For questions please contact  
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