
Local knowledge. Global power.



Third quarter 2008 results

Jos Streppel, CFO

Media conference call
November 6, 2008

1. Strengthening capital buffer - prudent in current market environment
2. Core businesses performed well given extremely difficult market conditions
3. Earnings impacted by continued turmoil in world financial markets
4. Well-positioned to withstand crisis and benefit from eventual upturn

- o EUR 3 billion additional core capital from Dutch State
- o Excess capital of EUR 312 million above AA requirements
- o EUR 5 billion in surplus capital above EU regulatory requirements
 - Solvency I ratio: 160%
- o Q3 capital ratio = 71.5% of shareholders' equity



Substantial buffer to protect against further market deterioration

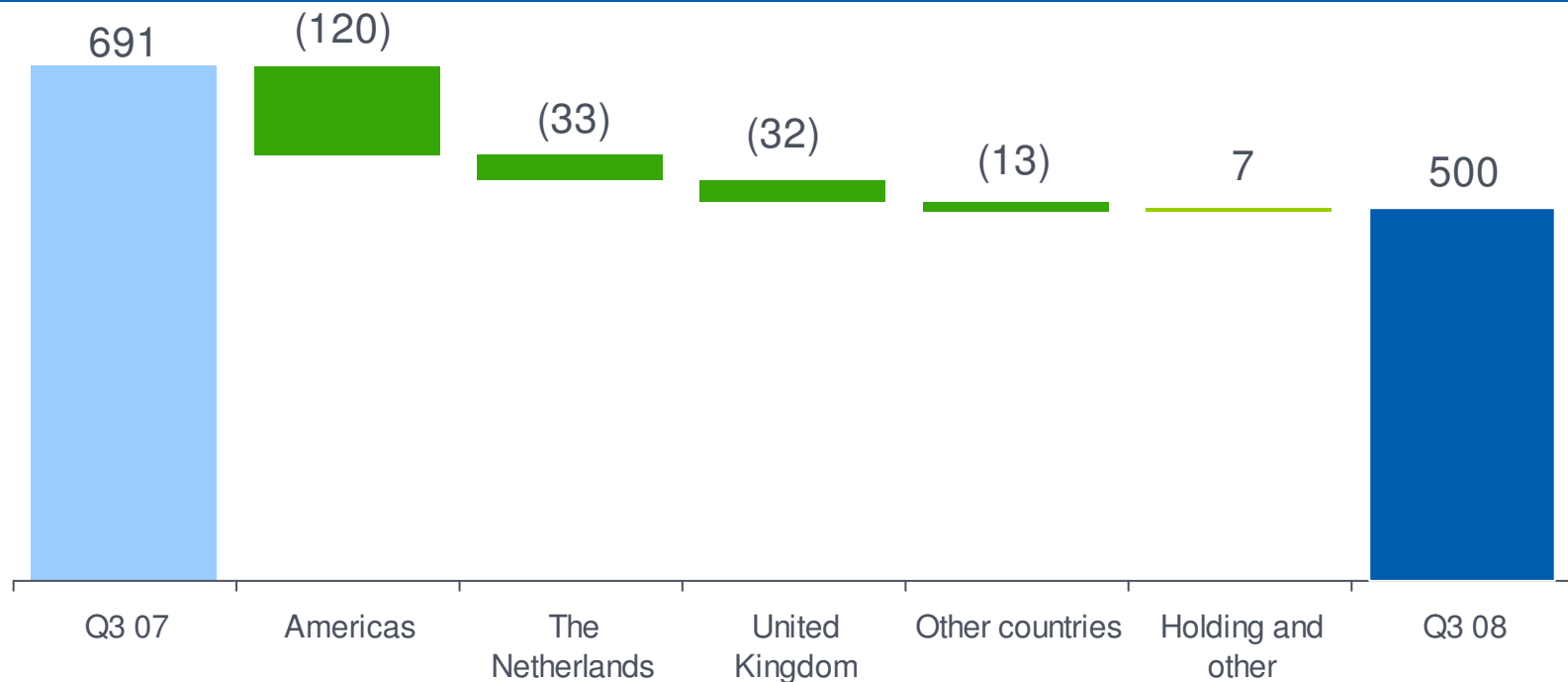
- + Underlying earnings
- Market movements
- + De-risking
- + Capital releases

→ EUR 600 – 800 million

+ EUR 3 billion core capital from Dutch State via Vereniging AEGON

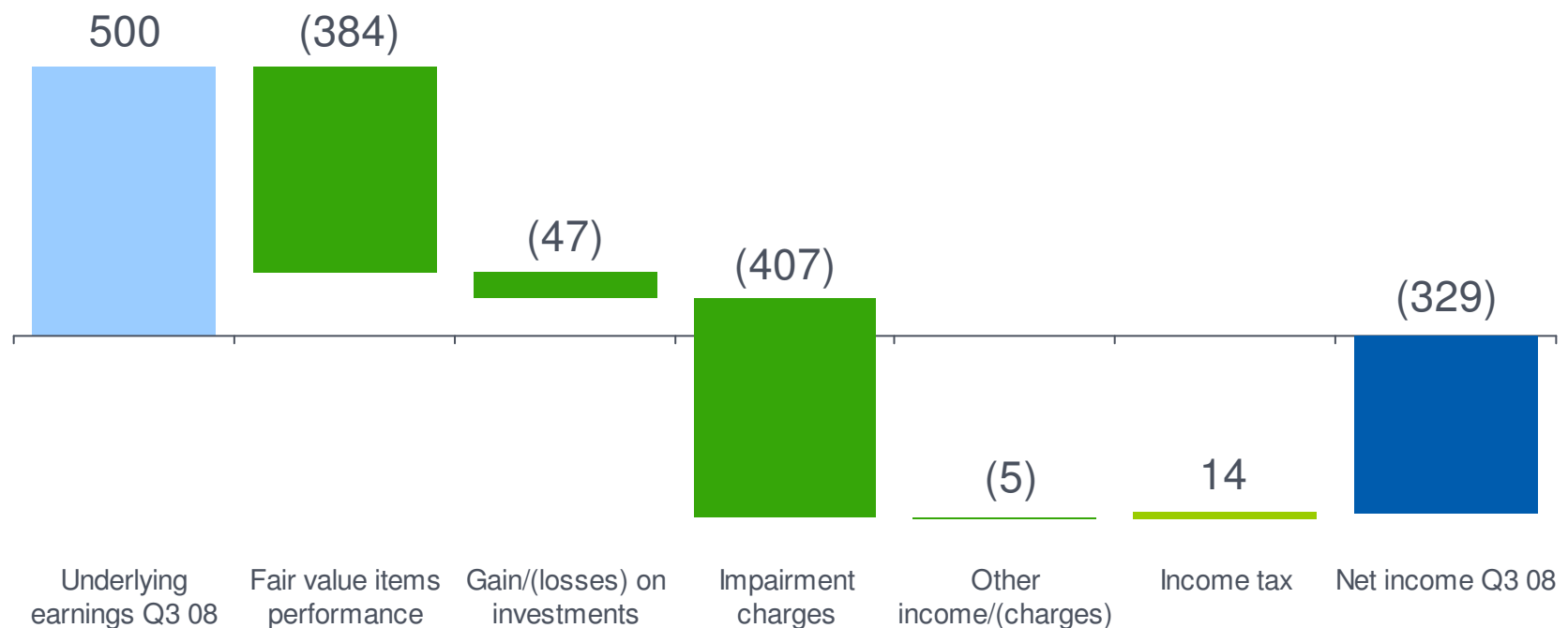
- Lower fees in US and UK due to lower financial markets
- Reserve strengthening old-book variable annuities guarantees in US
- Higher mortality charges in US life reinsurance
- Provisioning in NL for unit linked policies and charge on specific group pension contracts

Underlying earnings before tax (EUR million)



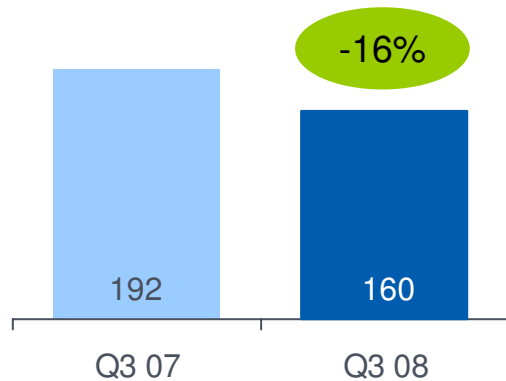
- Underperformance of fair value items
- Impairment charges
 - Lehman Brothers, Washington Mutual (EUR 336 million)
 - US housing related asset-backed securities (EUR 46 million)

Underlying earnings to net income development (EUR million)

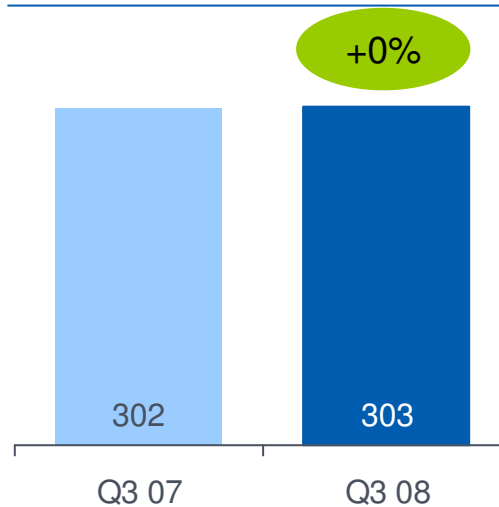


- o Total new life sales down 18% at constant currency
 - Economic downturn impacted sales of high net worth and middle market products
 - Solid annuity and group pension sales in the UK, offset by individual pensions
 - Sales growth across most lines of businesses

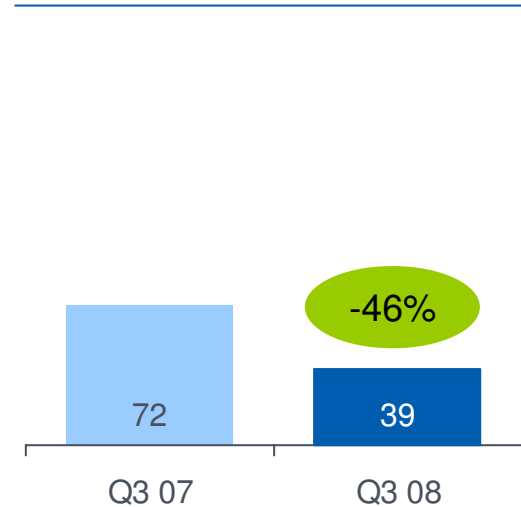
**Retail life sales
Americas**
(USD million)



**New life sales
United Kingdom**
(GBP million)



**New life sales
The Netherlands**
(EUR million)

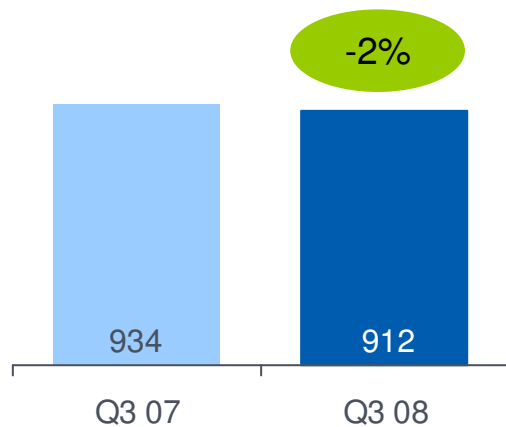


Strong growth in net retail deposits

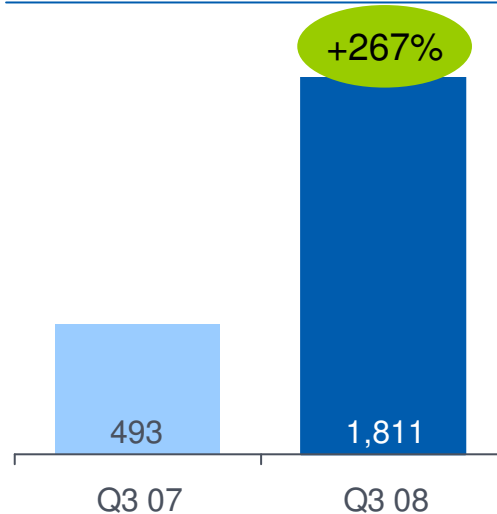


- o Total net deposits of EUR 1.7 billion
 - Fixed annuities sales: best quarter since 2003
 - Variable annuities deposits in Americas relatively flat
 - Strong increase in deposits in Other countries driven by retail mutual funds and variable annuity sales in Asia

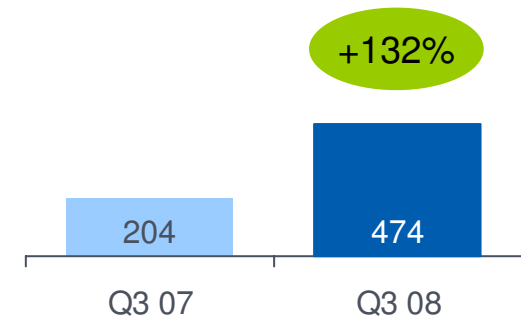
**Variable annuities
Americas**
(USD million)



**Fixed annuities
Americas**
(USD million)



**Total gross deposits
Other countries**
(EUR million)



- o The Q3 environment
 - Acceleration of Debt Crisis
 - Failures of major financial institutions
 - Deleveraging of the financial sector
 - Darkening economic outlook
 - Credit spreads widening and declining non-government bond prices
 - Increasingly aggressive global policy response

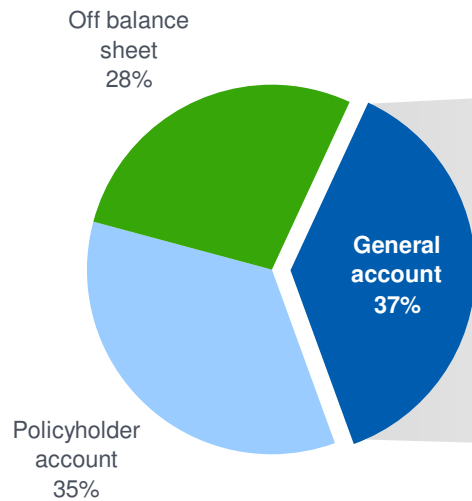
- o Impact on AEGON
 - High Other-than-temporary impairments due to large financial defaults
 - Losses on fair value items
 - Decrease in revaluation reserve, consistent with the broad market decline

Limited direct equity exposure



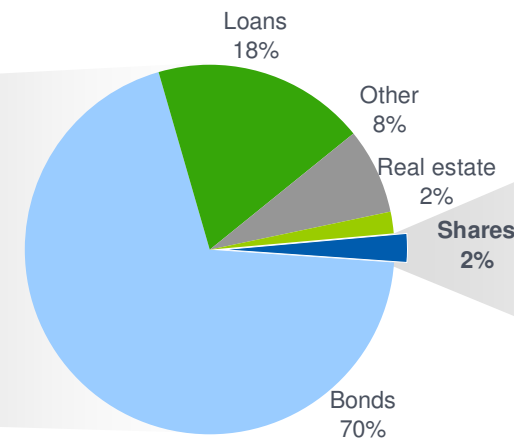
Total investments

EUR 351 billion



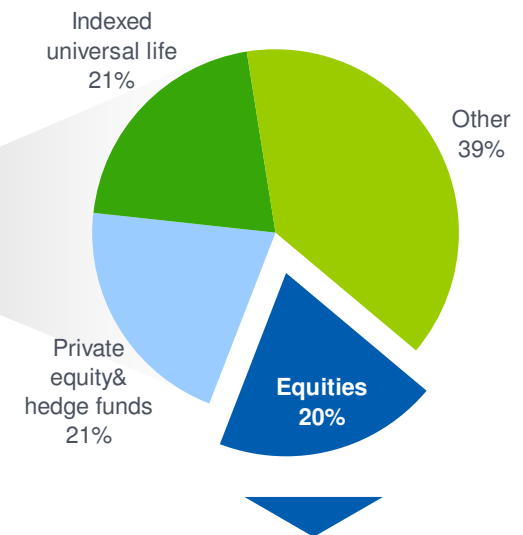
General account

EUR 132 billion



Shares

EUR 3.3 billion



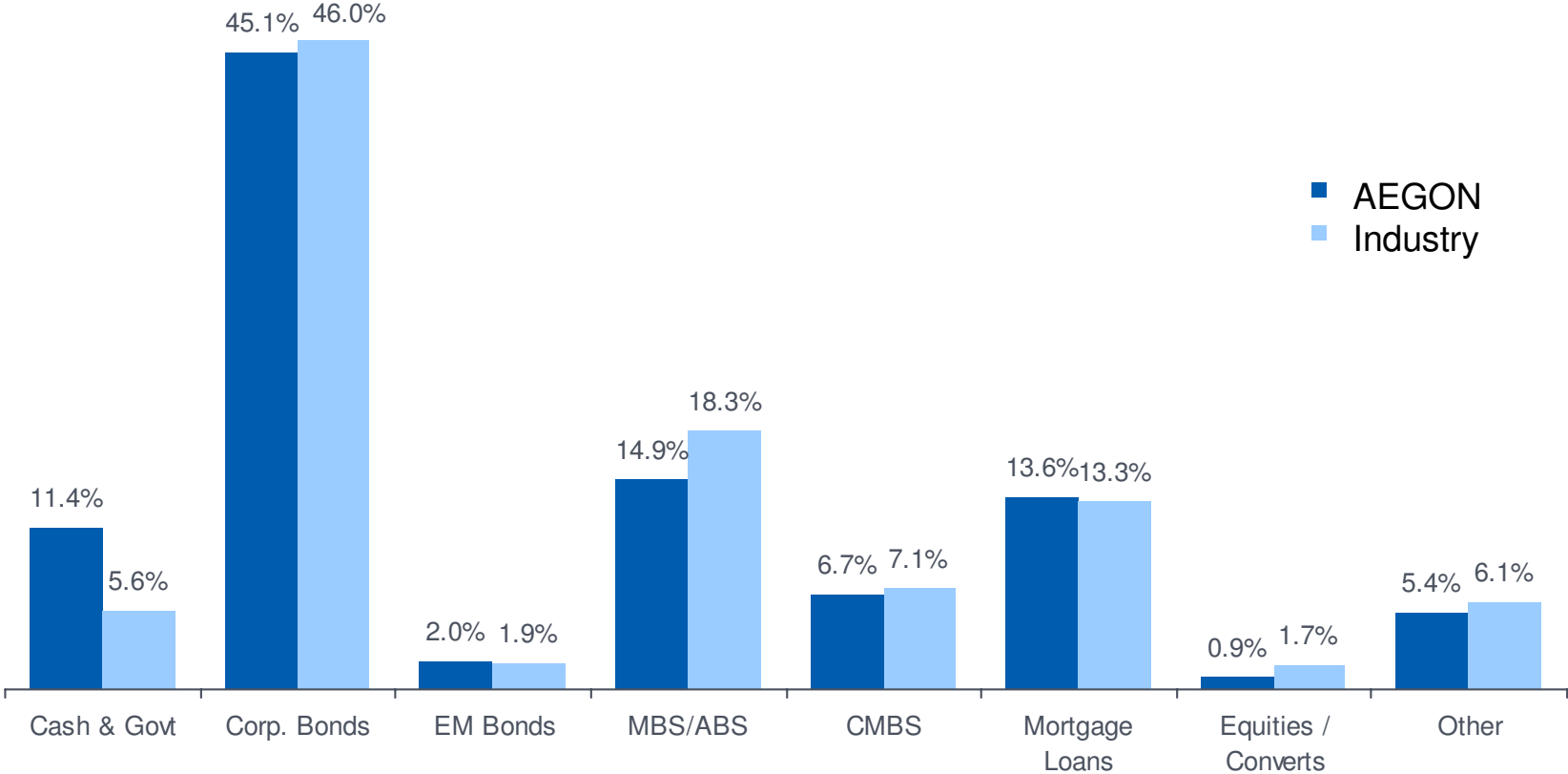
Direct equity exposure limited

As of September 30, 2008

- In 2003 and 2004: tightening in credit spreads
- In response, AEGON began to structure investment portfolio more defensively
- As a result, AEGON now has a more conservative portfolio than during previous downturn in 2001 /2002
- Economic downturn likely to bring higher level of impairments
- Because of this defensive stance, AEGON expects any increase in impairments to be manageable

Total invested assets of EUR 83.3 billion*

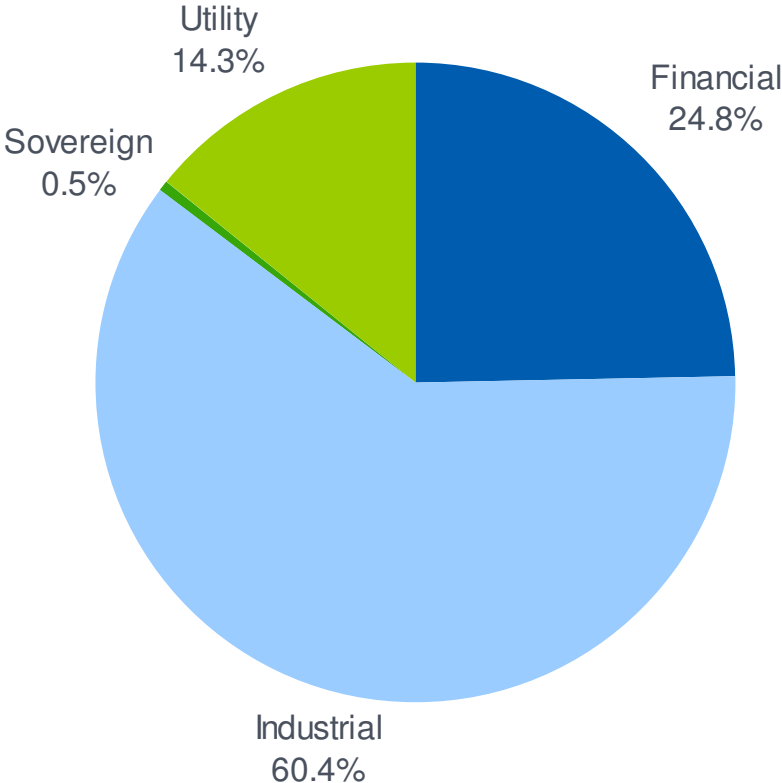
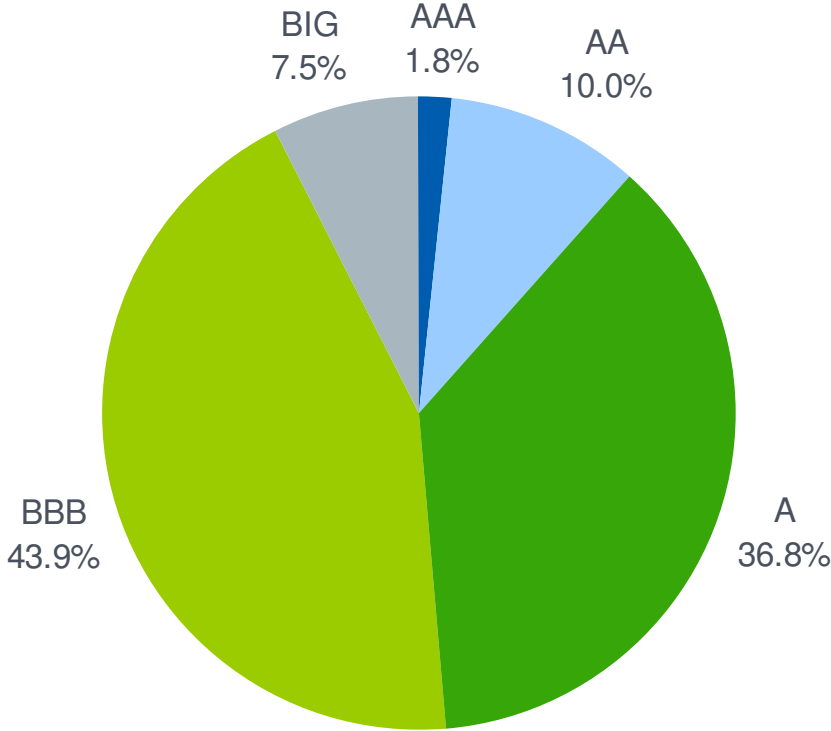
Asset allocation of USD 119.2 billion – September 30, 2008



Industry data source: Lehman Brothers 2007 annual survey of top 20 Insurance Companies
* excludes policy loans

AEGON USA corporate bond portfolio

EUR 38 billion (USD 54 billion)* – September 30, 2008



Ratings are based on a hierarchy of S&P, Moody's, Fitch, Internal, NAIC
*Based on market values – IFRS Basis

- Lower bond values lead to EUR 2.5 billion decrease in revaluation reserve
- Historically no link between these unrealized losses and impairments / realized losses
- Impairments Q3: EUR 407 million before tax – in line with preliminary announcement
- Ample liquidity and strong asset & liability management - ***unlikely to be forced seller***

- Agreement signed to acquire 50% stake of Brazil's sixth largest independent life insurer
- AEGON Emeklilik ve Hayat in Turkey officially launched
- Joint venture with Spanish savings bank Caixa Terrassa ranks AEGON 6th life insurer in Spain
- AEGON Religare Life Insurance started its pan-India multi-channel operations



1. Core businesses performed well given extremely difficult market conditions
2. Strengthening capital buffer - prudent in current market environment
3. Strong risk and asset management has positioned AEGON to withstand current and future market downturn
4. AEGON well-positioned to benefit from eventual upturn

Cautionary note regarding forward-looking statements



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 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.



For questions please contact Group Corporate Communications
+31 70 344 8956
gcc-ir@aegon.com
P.O. Box 85
2501 CB The Hague
The Netherlands