Capital & Risk Management

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LIFE INSURANCE | PENSIONS | INVESTMENTS

Key messages

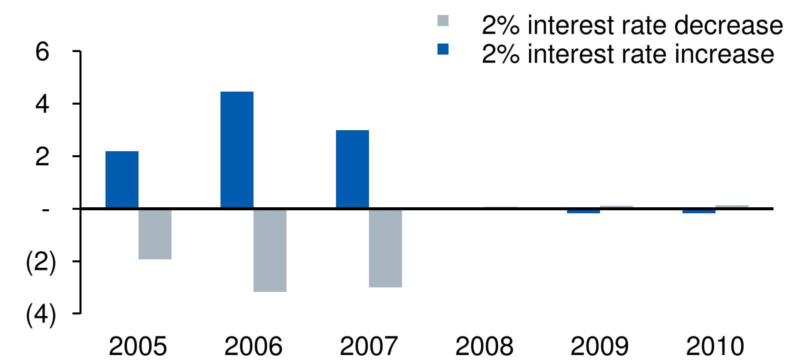
- Cash flows to the Holding have improved considerably
- New accounting rules IFRS 4 Phase II likely to increase volatility in earnings
- Strong risk management capabilities

AEGON transformed significantly over recent years

Less geared to financial markets

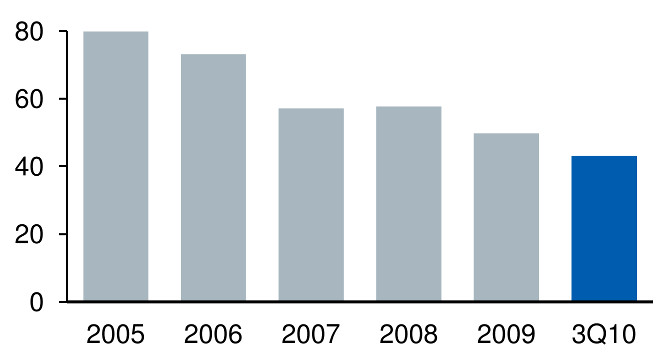
General account equity exposure
(EUR billion)

NL excess capital interest rate sensitivity
(EUR billion)

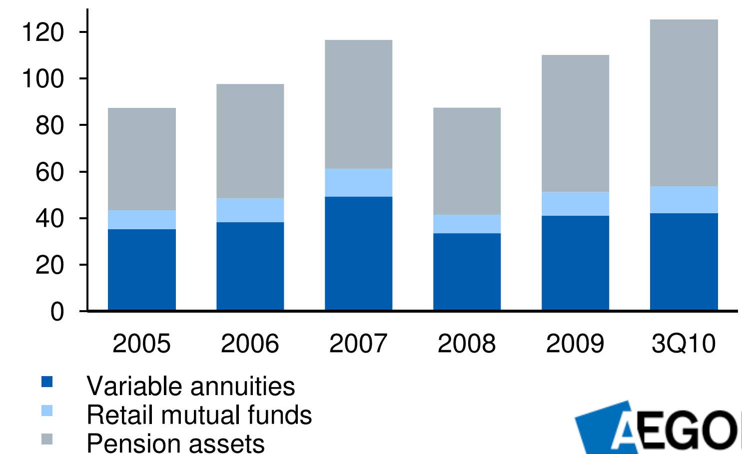


Shift focus from spread to fee-based products in US

Spread-based balances
(USD billion)

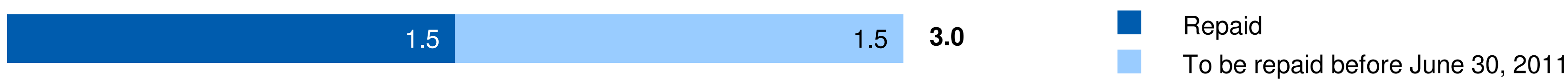


Fee-based balances
(USD billion)



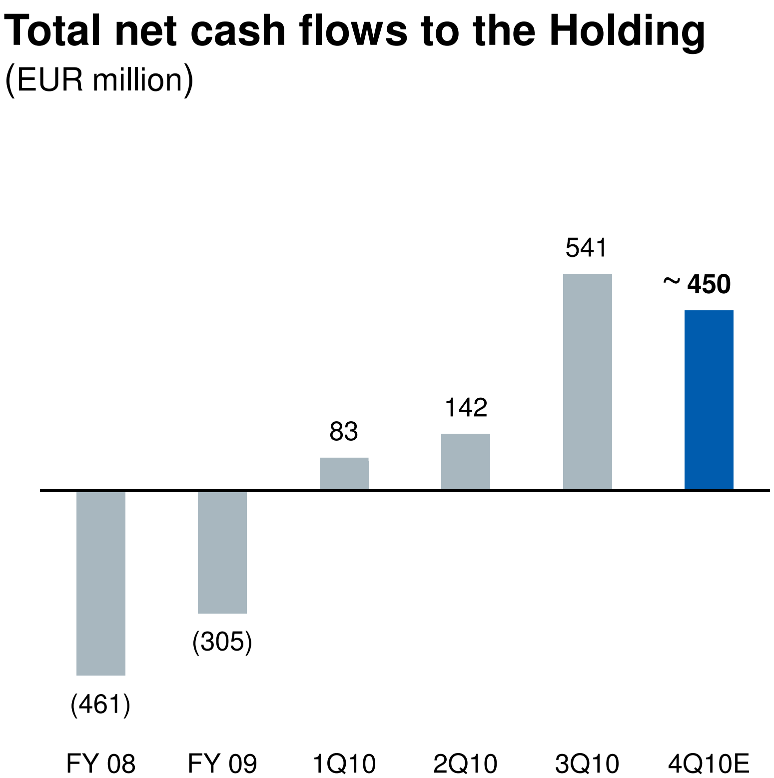
Repayment of Dutch State remains priority

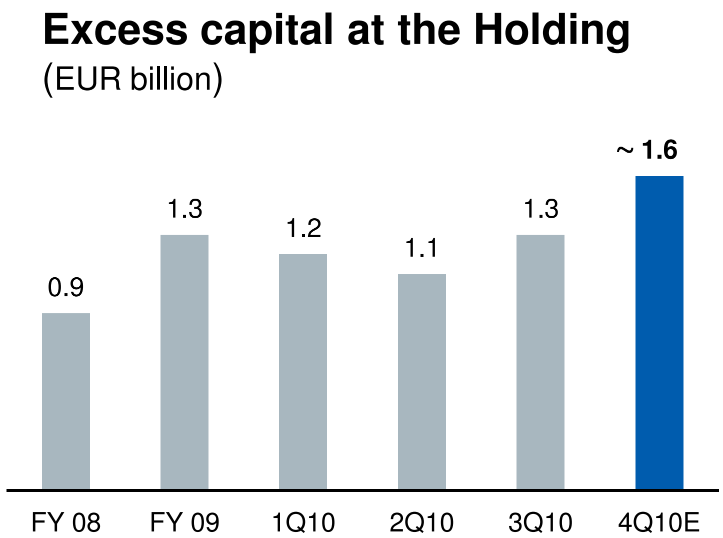
Repayment Dutch State
(EUR billion)



- Final repayment of EUR 1.5 billion
  - Total repayment of EUR 2.25 billion, including premium of EUR 750 million
  - IRR of 17% on final repayment
- Final repayment by end June 2011, subject to
  - Ability to up-stream cash from operating companies
  - Ability to utilize excess capital
  - Progress of disposals
  - Market conditions
- Conversion right maintained as of December 1, 2011

Cash flows to the Holding improved

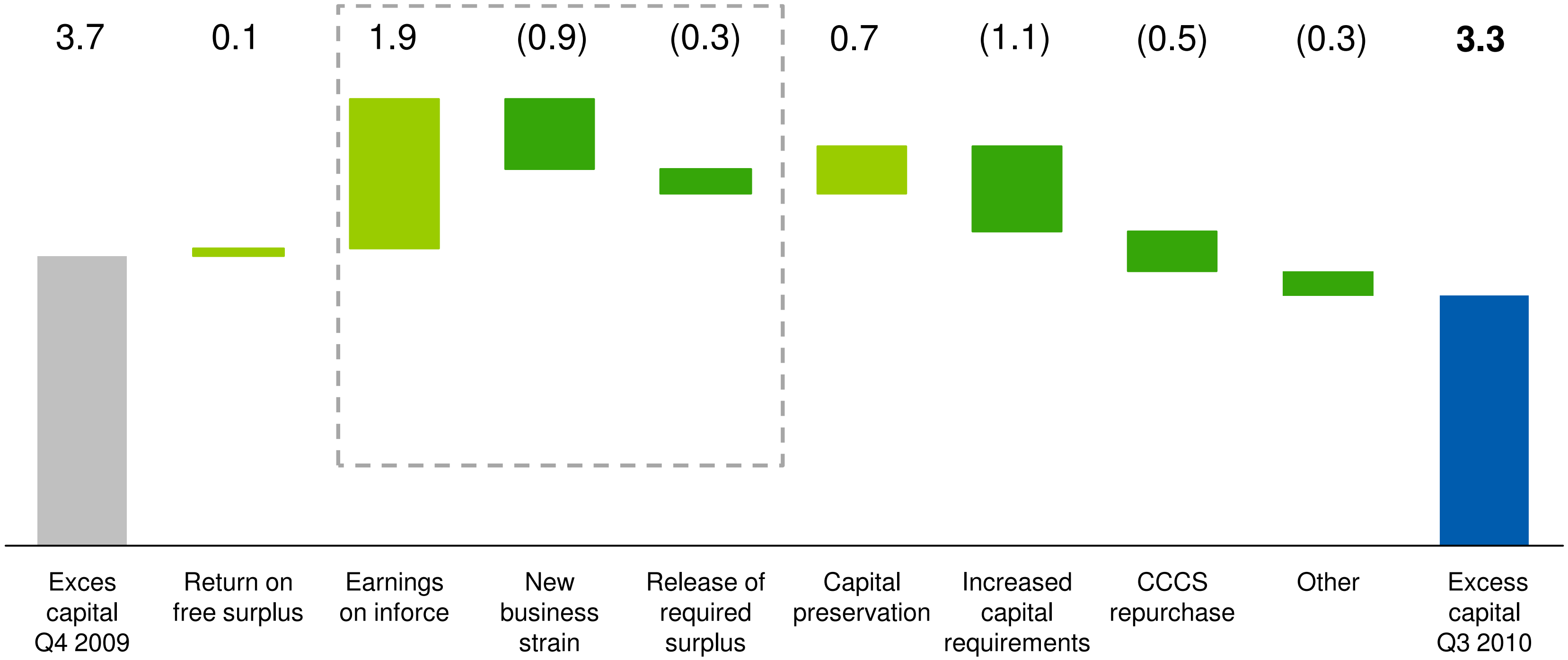




Excess capital at Holding of EUR 1.6 billion after repayment of EUR 500 million in August

Strong capital generation from existing businesses

Excess capital development 9M 2010
(EUR million)

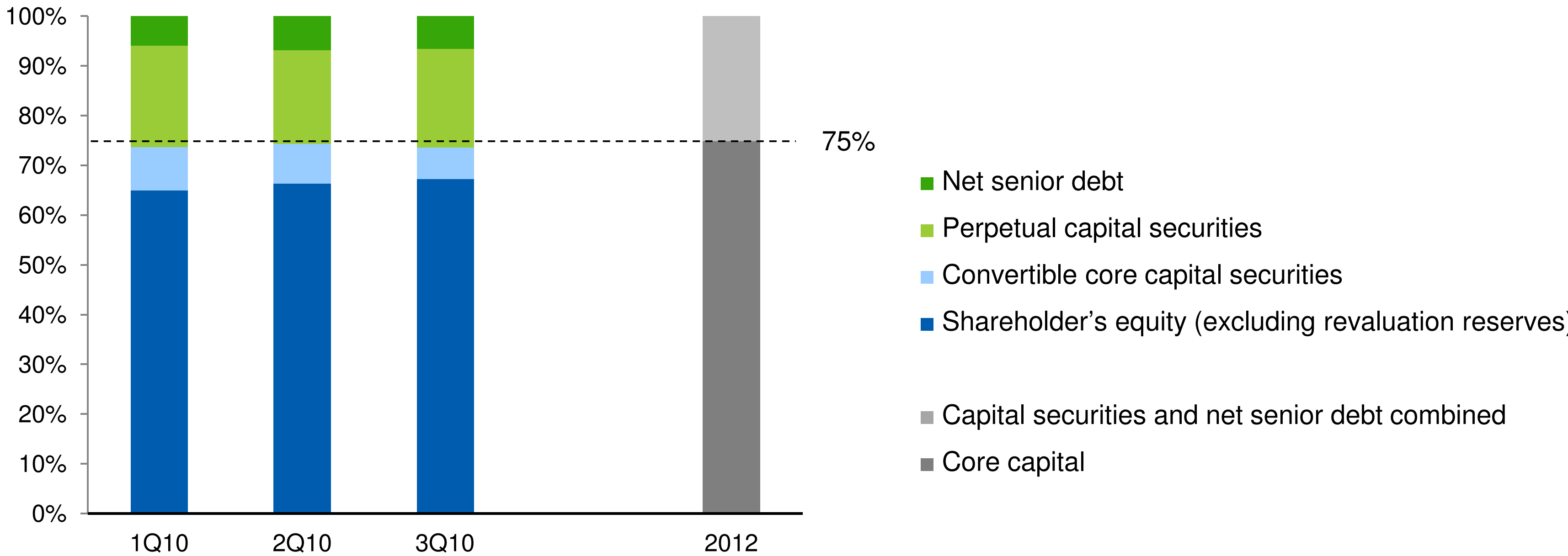


- Earnings on in force and new business strain support view of normalized free cash flows of EUR 1.0 – 1.2 billion per annum
- Strong capital generation offset by new business strain, increased capital requirements and repayment of EUR 500 million to the Dutch State

Continued strong capital position

- Excess capital in holding expected to increase in Q4 due to dividends from units
- Core capital* at 74% of total capital base – managing to at least 75% by end 2012

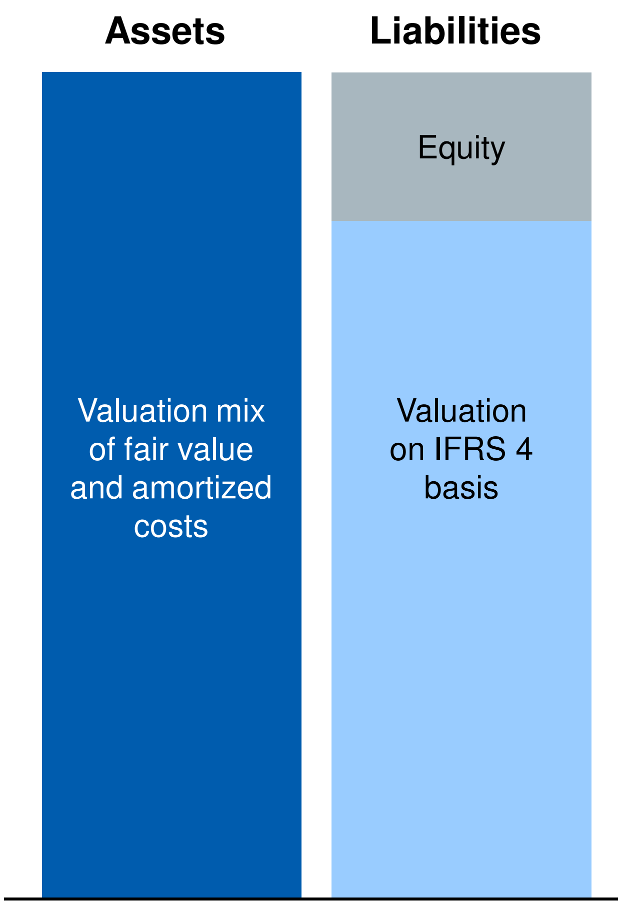
Total capital base



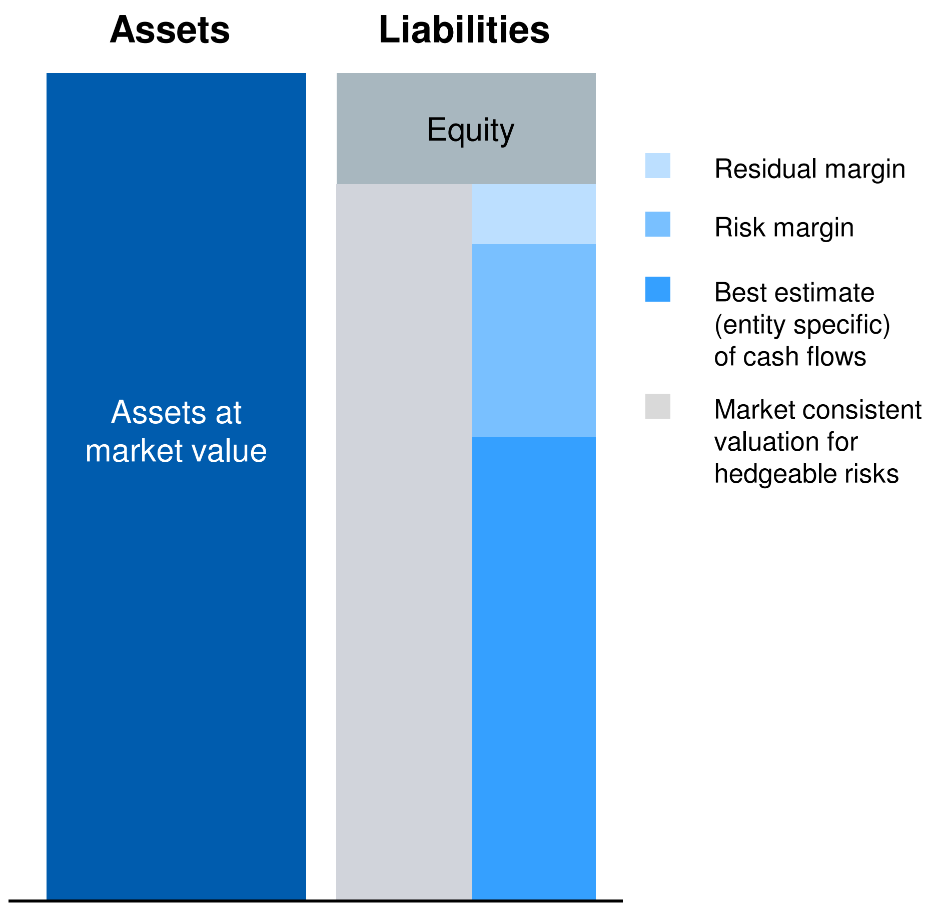
* *Core capital includes convertible core capital securities and shareholders' equity excluding revaluation reserves*

IFRS 4 Phase II will focus on fair value accounting

The current accounting model



The proposed model IFRS 4 Phase II:



Enterprise risk management

Effective
enterprise risk
management all
pieces to the
enterprise risk
management
puzzle
must be complete

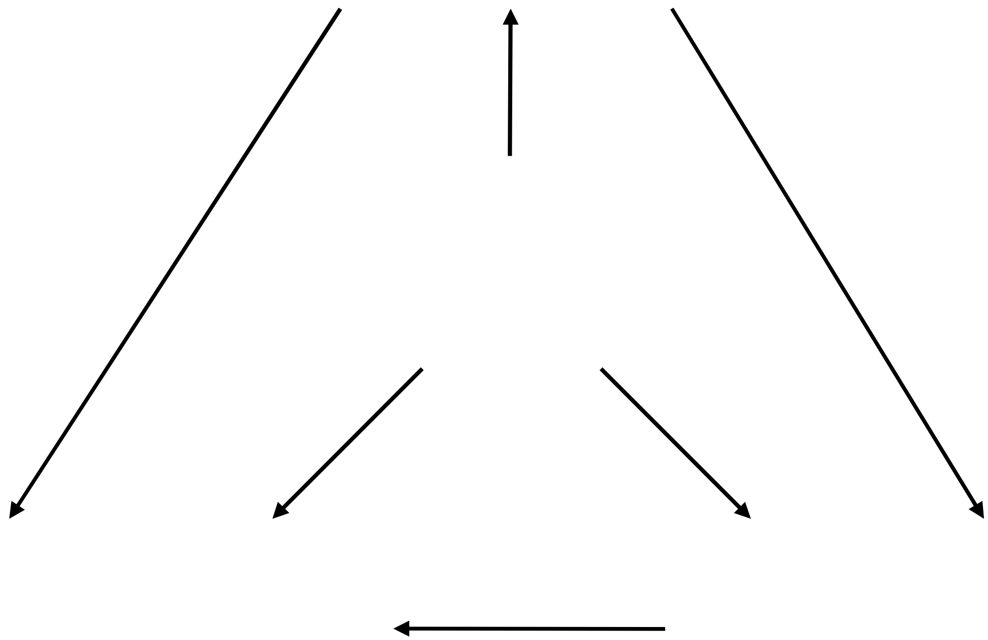
AEGON risk lines of defense

3rd Line	Assurance	Review and audit
2nd Line	Oversight	Risk management
1st Line	Business	Components of business: Marketing, Pricing, Investments, Legal, …

Risks

Process facilitates conscious risk-return decisions and minimizes chances of surprises

Risk governance overview



* *Risk and Capital Committee*

Conclusion

- Cash flows to the Holding have improved considerably
- New accounting rules IFRS 4 Phase II likely to increase volatility in earnings
- Strong risk management capabilities

Appendix

Reconciliation of effective tax rate Q3 2010

Reconciliation of effective tax rate Q3 2010

amounts in EUR mln

	Americas		The Netherlands		United Kingdom		New Markets / Holdings		Total
Income before tax		**442**		**312**		**42**		**(124)**	**672**
Nominal tax rate	35.00%	(155)	25.50%	(80)	28.00%	(12)	34.28%	44	(203)
- Tax exempt income		9		5		5		(2)	18
- Tax credit		17		-		-		-	17
- Valuation allowance		92		-		4		(33)	64
- Different rates overseas earnings		64		-		-		-	64
- Policy holder tax		-		-		(27)		-	(27)
- Prior year adjustment		8		-		(1)		-	7
- Other		1		-		41		2	45
Income tax		38		(75)		11		11	(15)
Net income		**480**		**237**		**53**		**(113)**	**657**

- **Americas:** assessment of the deferred tax asset position leads to recognition of EUR 92 million of additional tax assets for existing tax losses. This is a Q3 tax benefit shown under Valuation allowance. Different rate overseas earnings of EUR 64 million reflects that part of the earnings of the Americas is taxed in countries with a lower tax rate and also includes the tax effect of intercompany reinsurance arrangements between the US and Ireland (EUR 46 million)
- **UK:** announced tax rate decrease in the UK results in a reduction of our deferred tax liability with EUR 29 million which is included under Other. Policy holder tax is required to be reported as part of AEGON's tax liability, the charge to the policyholder is reported as pre-tax income under Other income
- **New Markets / Holdings**: assessment of the deferred tax asset position leads to a tax charge as it is, for IFRS reporting, no longer probable that these losses will be utilized

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IFRS requires quarterly assessment of deferred tax assets

- This assessment applies to:
  - new (un)realized tax losses for the quarter
  - existing (un)realized tax losses for which a deferred tax asset was recognized in earlier reporting periods
  - existing (un)realized tax losses for which no deferred tax asset was set up yet
- For existing tax losses, an earlier decision to recognize but also a decision not to recognize a deferred tax asset needs to be validated
- Key requirement for recognizing a deferred tax asset is that it is probable that sufficient future taxable profits are available to utilize the tax losses

(Un)realized losses for which no deferred tax assets are recognized (EUR million)

	2009	2008	2007
<5 years	786	340	736
5 - 10 years	10	391	40
10 - 15 years	-	67	-
15- 20 years	28	27	-
Indefinitely	769	687	423
At December 31	**1,593**	**1,512**	**1,199**

Assessment of probability of future taxable profits

- Management's assessment of the probability of future taxable profits is amongst others based on:
  - developments in the financial markets
  - executed transactions
  - changes in tax legislation
  - ability to execute transactions

- Certain losses should be used within a relative short time frame (e.g. five years)

- Other losses can only be off-set with profits of a similar nature (e.g. in the US, investment gains are needed to off-set investment losses)

- In some cases management action is required to utilize tax losses (e.g. accelerate unrealized taxable profits)

AEGON

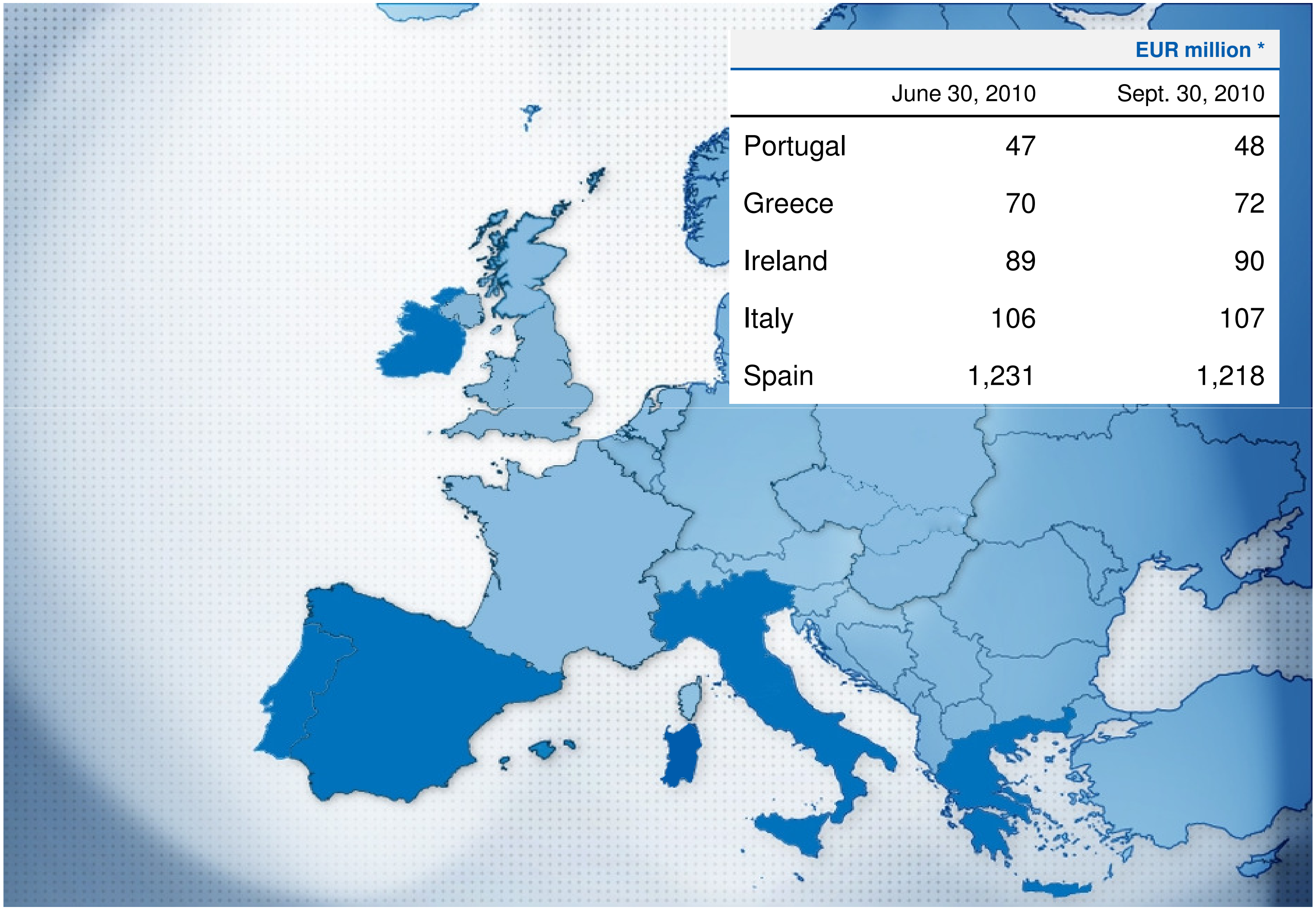
Investments general account (September 30, 2010)

AEGON N.V. **UNAUDITED**

INVESTMENTS GENERAL ACCOUNT September 30, 2010

amounts in EUR millions, except for the impairment data	Americas	The Netherlands	United Kingdom	New Markets	Holdings and other	TOTAL
Cash / Treasuries / Agencies	15,760	11,414	1,393	1,137	471	30,175
Investment grade corporates	40,923	5,278	6,018	771	-	52,990
High yield (and other) corporates	3,022	140	310	17	-	3,489
Emerging markets debt	1,664	56	63	-	-	1,783
Commercial MBS	6,805	2	387	2	-	7,196
Residential MBS	5,559	1,356	422	183	-	7,520
Non-housing related ABS	5,134	1,188	952	27	-	7,301
Subtotal	**78,867**	**19,434**	**9,545**	**2,137**	**471**	**110,454**
Residential mortgage loans	62	13,470	-	353	-	13,885
Commercial mortgage loans	9,662	54	-	1	-	9,717
Total mortgages	**9,724**	**13,524**	**-**	**354**	**-**	**23,602**
Convertibles & preferred stock	220	16	-	-	-	236
Common equity & bond funds	1,110	465	58	68	(2)	1,699
Private equity & hedge funds	1,436	410	-	6	-	1,852
Total equity like	**2,766**	**891**	**58**	**74**	**(2)**	**3,787**
Real estate	1,066	2,038	-	-	-	3,104
Other	678	1,553	9	318	-	2,558
Investments general account (excluding policy loans)	**93,101**	**37,440**	**9,612**	**2,883**	**469**	**143,505**
Policyholder loans	2,096	17	-	7	-	2,120
Investments general account	**95,197**	**37,457**	**9,612**	**2,890**	**469**	**145,625**
Impairments as bps (quarterly)	**11**	**1**	**3**	**-**	**-**	**8**

Limited exposure to peripheral European sovereigns



	June 30, 2010	Sept. 30, 2010
		EUR million *
Portugal	47	48
Greece	70	72
Ireland	89	90
Italy	106	107
Spain	1,231	1,218

** At fair value*

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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 quarterly statements and should not viewed as a substitute for IFRS financial measures. 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 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; 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.