



Individual Savings & Retirement



LIFE INSURANCE | PENSIONS | INVESTMENTS

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Conference

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Key messages

- Shift business mix - more fee, less spread
- Grow in traditional distribution channels
- Increase scalability and diversification
- Diligently manage expenses
- Vigilant product portfolio and risk management



Business overview

Variable annuities

- Focus: wealth accumulation, preservation and retirement income
- Dedicated wholesaling team
- Focused on third party distribution (advisors)
- Moderate growth potential
- Fee earnings retain some capital markets leverage post hedging

Fixed annuities

- Focus: savings and wealth preservation
- Profitability managed over time through rate setting
- Periodically attractive business with wide swings in sales
- Spread earnings sensitive to rate and credit conditions.

Retail mutual funds

- Focus: wealth accumulation and asset allocation
- Offers a continuum of asset allocation, proprietary and partner asset management
- Focused on third party distribution (advisors)
- Dedicated wholesaling team and award winning shareholder servicing department
- Moderate growth potential
- Fee based earnings with low required capital

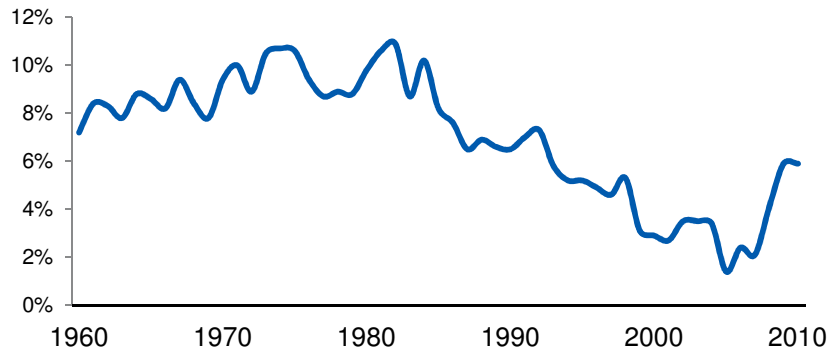
Advisory

- Focus: personalized retirement transition planning with open architecture offerings
 - Early stage entity, large growing market, high growth potential
 - Dedicated advisor team focused on direct interaction with client
 - Fee based earnings with low required capital
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Significant market opportunities

Drivers	Facts	Customer needs
Market demographics	<ul style="list-style-type: none"> US population: 307 million Baby boomers heading to retirement: 78 million 	<ul style="list-style-type: none"> Wealth accumulation Wealth protection Retirement income 'At retirement' advice and services
Capital market volatility	<ul style="list-style-type: none"> Market volatility has increased Probability of wealth destruction at wrong time - retirement 	
Erosion of safety nets	<ul style="list-style-type: none"> Reduction in defined benefit plans Questions about Social Security 	

Personal savings as a % of disposable personal income*



- Individuals' savings levels have steadily dropped since 1980s
- Trend has changed with the market crisis and recession
- Need for accumulation, income and advice

* Source: Bureau of Economic Analysis. Data for 2010 is as of Q2.

Continued focus on execution of strategy

Reallocate capital

- Continued improving risk profile
- Increased fee business, reduced spread business
- Increased macro equity hedge to ~80% of equity exposure in GMIB back book

Increase returns

- Continued improvement in customer satisfaction
- Focus on operating expenses - lowest cost annuity provider
- Continued focus on cost control while investing in the business
- Senior management changes - capital markets experience

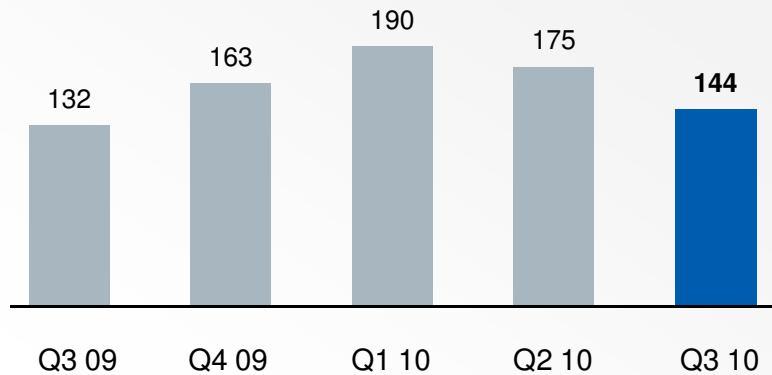
Optimize ONE AEGON

- Focus on internal awareness - be more than the sum of the parts
- Administration of retail mutual funds for the AEGON USA units
- Development of TA Index series for AEGON Asset management
- Develop and hedging VA product for Japan and Europe

Strategic shift from spread to fee business

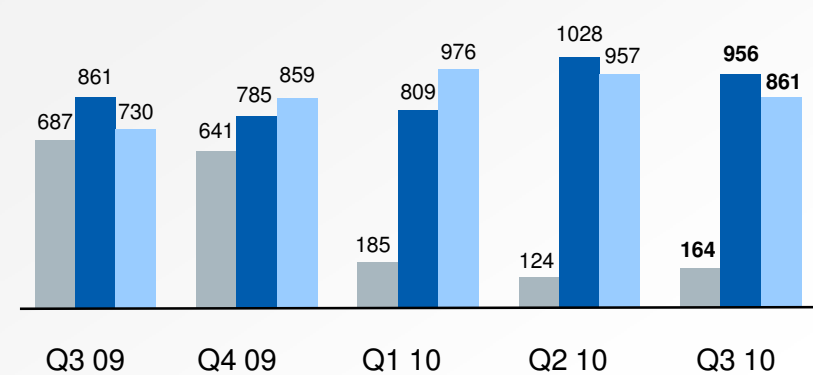
Underlying earnings before tax

(USD million)



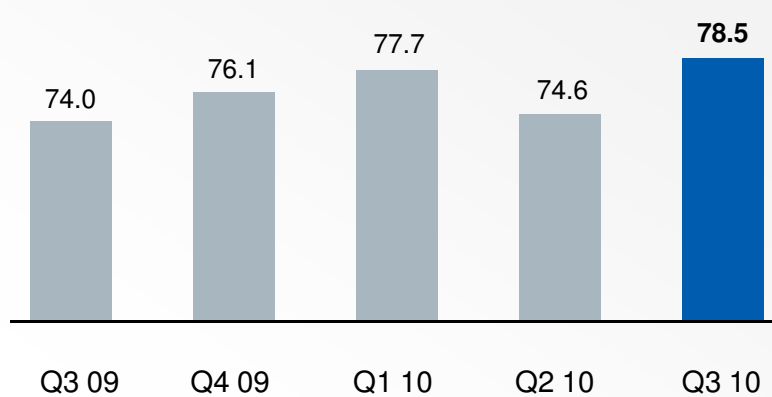
Gross deposits

(USD million)



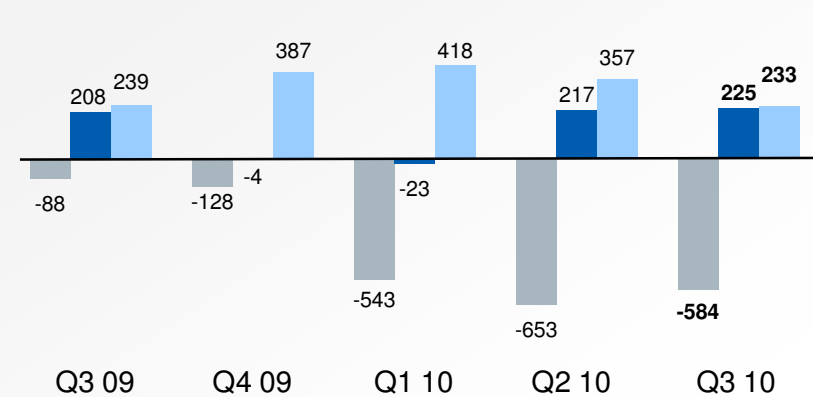
Revenue-generating investments

(USD billion)



Net deposits

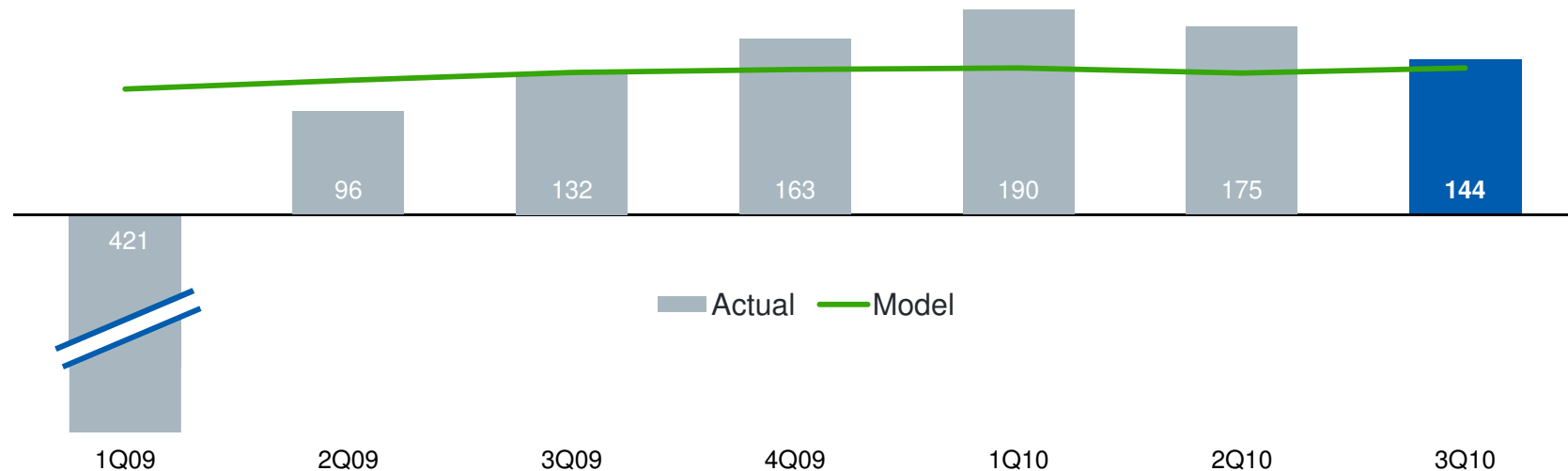
(USD million)



- Variable annuities
- Retail mutual funds
- Fixed annuities

Stabilizing underlying earnings

Underlying earnings before tax (USD million)



- Source of earnings is a combination of investment spreads and fee income
- We are reiterating guidance from 2007:
 - Variable annuities annual run rate 60 bps on AUM
 - Fixed annuities annual run rate 100bps on AUM

Competitive environment - variable annuities

- Large, highly competitive environment - USD 130 billion annual sales in 2009
- Industry growth expected to be 3% CAGR 2010-2014 (LIMRA)
- Top competitors:
 - Prudential Financial, Jackson National, MetLife, AXA, Nationwide, Lincoln
- Sales are very concentrated
- AEGON ranked #10 in variable annuities

Competitive advantages

- Highly recognized brand: Transamerica
- Strong distribution capabilities
- Strong customer service
- Economies of scale - low cost provider
- Hedging capabilities
- Pricing discipline and flexibility

Opportunities

- Ambition: profitable growth in high single digits
- Become a consistent top 10 industry player
- Organic growth in traditional channels
- Add new distribution channels for scale
- Continued improvement in processes

Competitive environment - retail mutual funds

- Large, highly competitive market space - USD 390 billion in net sales
- Key competitors are primarily proprietary fund shops
- Open architecture fund complex focused on:
 - Asset allocation through Morningstar
 - Proprietary funds
 - Partner funds: strong performing fund complexes that need distribution
- Current situation:
 - Top 50 mutual complex by AUM
 - Tier 3 complex-based on sales (USD 0-5 bb)

Competitive advantages

- Open architecture - focus on “Best in Breed”
- Manager research and selection capabilities
- Diversified channels with strong wholesaling
- Highly recognized brands - Transamerica and Morningstar
- Customer service focus - 7 consecutive DALBAR awards

Opportunities

- Ambition: profitably grow in low double digits
- Become a tier two complex based on sales
- Organic growth through traditional channels
- Add new distribution channels
- Selectively add fund adoptions for scale and differentiation

Competitive environment – advisory

- Large, growing market - expect over 1 million Americans to retire each year
- Focused on helping clients answer 3 questions:
 1. Can I afford to retire?
 2. If not now, when?
 3. If I can, how?
- Individuals reaching key age milestones within retirement plans (DIA and TRS)
- Aggregation of assets and creation of complete financial plans to provide for retirement income needs
- Primary competitors: Fidelity, Schwab, Vanguard, Edward Jones, and AG Edwards

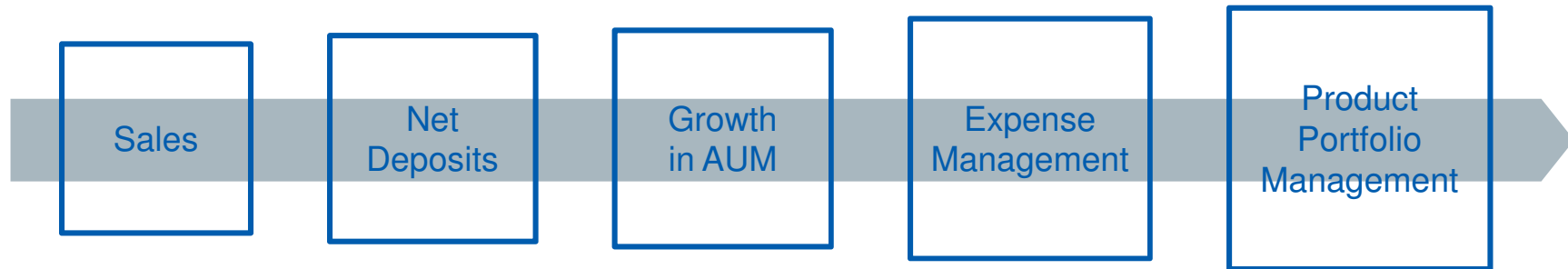
Competitive advantages

- Focused on mass affluent (100k - 500k)
- Open architecture platform of products/services
- Consistent delivery through centralized salary based team
- High quality advisors dedicated to retirement transition

Opportunities

- Mass affluent market is underserved
- 78 million baby boomers heading to retirement
- Next 10-years expect USD 3 trillion in DC plan outflows
- AEGON USA has 15,000 retirees annually in plans administered
- Expand to external retirement plan providers

Key drivers of growth

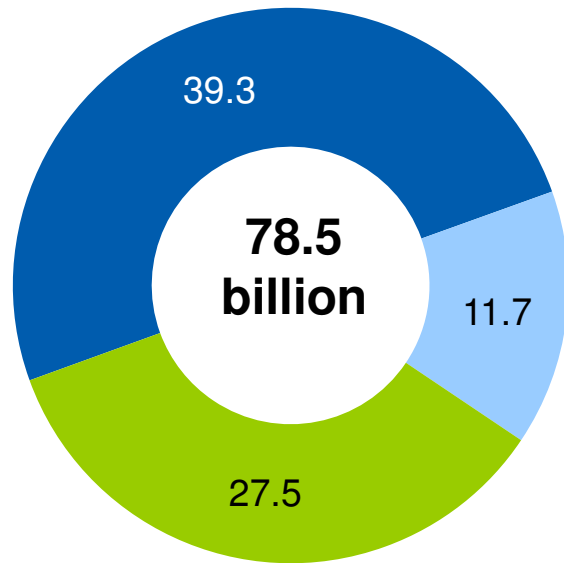


- Pursuit of higher margins requires:
 - Creation of new products, tools sets and solutions
 - Strong wholesaling force for traditional channels
 - Channel expansion for diversification and scale
 - Differentiated service proposition
 - Continuous process improvement
 - Increased use of technology for service
 - Expense control and efficiency

Revenue generating investments

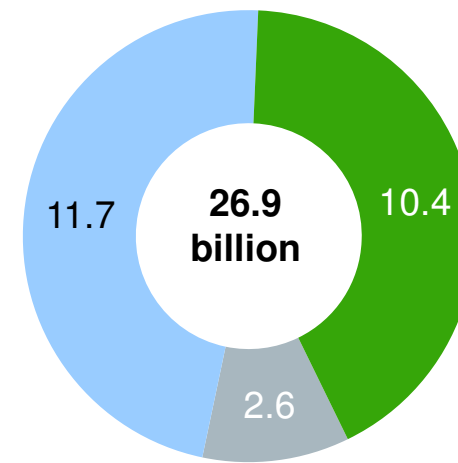
Individual Savings & Retirements

(USD billion at 9/30/2010)



Administration of retail mutual funds

(USD billion at 9/30/2010)



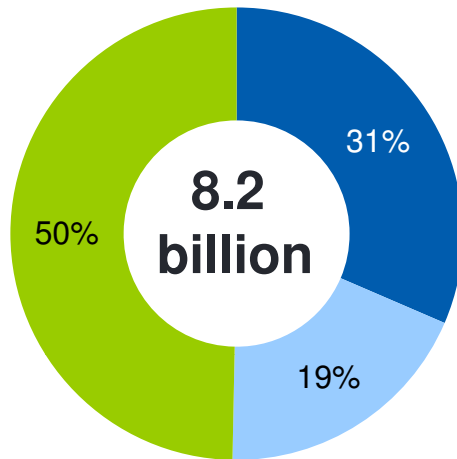
- Variable annuities
- Retail mutual funds
- Fixed annuities
- Partner funds
- VUL funds

Growing fee based assets

Sales - growing variable annuities and retail mutual funds

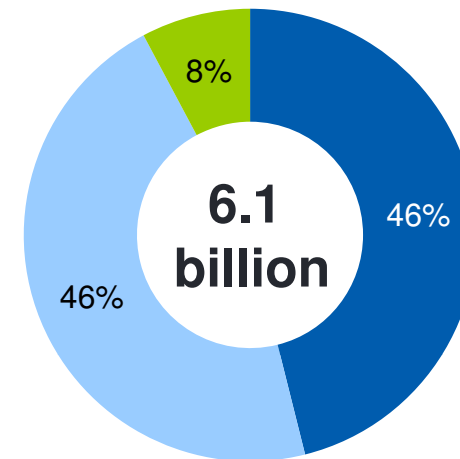
Gross deposits - 9M 2009

(USD billion)



Gross deposits - 9M 2010

(USD billion)

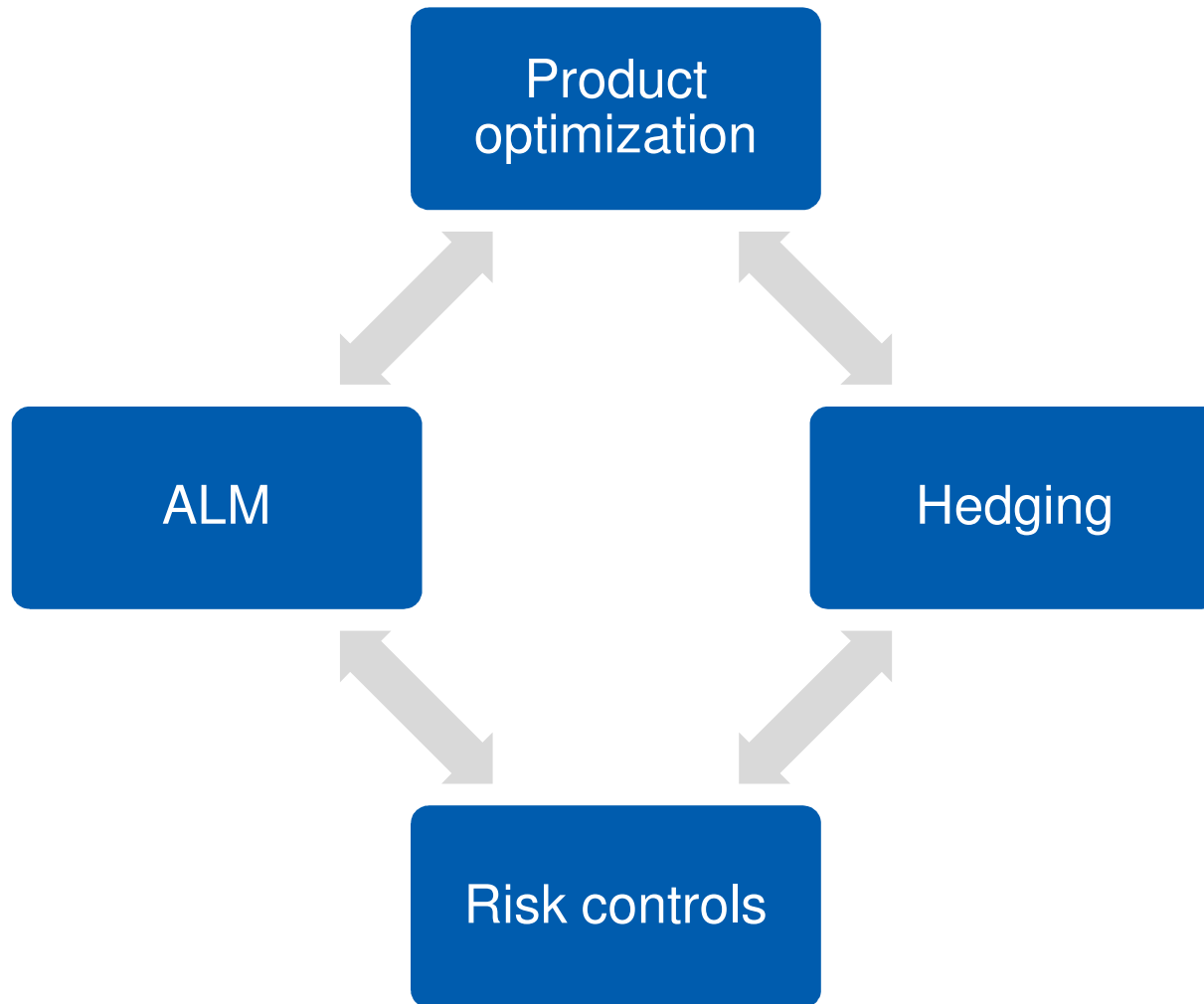


- Variable annuities
- Retail mutual funds
- Fixed annuities

- Variable annuity gross deposits up 8% year to date
- Retail mutual fund gross deposits up 80% year to date
- De-emphasize fixed annuities

Successfully shifting new business to fee based products

Vigilant product portfolio and risk management



Fixed annuity management

Much lower sales expectation for next several years

- Low rates and tight spreads pressuring risk adjusted returns
- Anticipate this condition to persist for some time and prepare for net outflows

Good time to sit this market out, in our opinion

- Thinking of business as going concern but need to see different conditions to pursue sales
- Still have shelf space but in any event the cost of buying back in is almost certainly less than the cost of buying share

Profitability of inforce block is the key management consideration

- Some potential for higher realized spread on renewal rates, balanced against liquidity considerations and low reinvestment rates on the moderate positive cash flow of block
- Realization of wider targeted spread will be lumpy, as renewal rates reset at discrete times, while reinvestment cash flow managed to be fairly steady under normal conditions
- Realized lapses remain low despite risk market rebound, as low current rates reduce incentive to move from product

Variable annuity management

Pricing: discipline is key to balancing profitability, sustainability, and growth

- Decreased reliance on market returns in new product is raising quality of earnings and improving efficiency of balance sheet use, but not hurting sales
- Pricing policy work and frequent detailed reporting informs and engages the management team, maintaining alignment to both marketing and risk management strategies

Specific management actions - change risk profile and cost structure

- Pricing by fund risk tier is a successful way to improve margins and serve lower risk preference policyholders
- Volatility targeted equity levels in Morningstar funds reduce guarantee cost and risk capital without negatively impacting fund performance or marketability
- Speed to market for product changes has decreased to as little as 3 months - continue to pursue improvements on this to avoid getting whipsawed by volatility in rates

Investing in enhanced hedging program

- Variance hedging moved from pilot to production in Q1; helps protect against short term (<1 year) increases in market volatility
- Increase equity hedging on back book to 100% by the end of 2012

Conclusion

- Focus on variable annuities and retail mutual funds for growth
- Diligently manage expenses
- Leverage existing channels
- Increase scalability and diversification
- Maintain disciplined risk management and product pricing practices



Appendix



Sales channel profiles

Channel	Product	Characteristics	Customer
Wirehouse	<ul style="list-style-type: none"> Variable annuities Retail mutual funds Fixed annuities 	<ul style="list-style-type: none"> Professional buyer Wholesaler requirements Money moves 	<ul style="list-style-type: none"> Higher net worth Investor – tolerates risk Reliant on advisor Advice dependent
Independent BD / Agency	<ul style="list-style-type: none"> Variable annuities Retail mutual funds Fixed annuities 	<ul style="list-style-type: none"> Moving toward professional buyer Growing segment Need education 	<ul style="list-style-type: none"> Mass affluent to high net worth Investor—tolerates risk Advice dependent
Bank	<ul style="list-style-type: none"> Variable annuities Retail mutual funds Fixed annuities 	<ul style="list-style-type: none"> Focus depends on desire for fees Conservative Rate and ratings sensitive 	<ul style="list-style-type: none"> Saver—risk averse
Direct	<ul style="list-style-type: none"> Variable annuities 	<ul style="list-style-type: none"> Third party distribution Platform—retail mutual funds 	<ul style="list-style-type: none"> Higher net worth Investor—tolerates risk Educated Sensitive to fees/complexity
Advisor Resources	<ul style="list-style-type: none"> Variable annuities Retail mutual funds 	<ul style="list-style-type: none"> Fee based registered investment advisors Lumpy business—blocks Key relationships Service orientation Single premium 	<ul style="list-style-type: none"> Mass affluent/high net worth Believe in fee structure Business moving from higher cost to lower cost product

Touching the customer

External Wholesalers	Wire	Independent Planner	Bank	Total
Retail mutual funds	19	15	14	48
Variable annuities	22	42	21	85
Total	41	57	35	133

Internal Wholesalers	Wire	Independent Planner	Bank	Total
Retail mutual funds	13	9	9	31
Variable annuities	14	31	14	59
Total	27	40	23	90

Focused wholesaling model by channel / producer

Macro equity hedge increased

- Macro equity hedge on US variable annuity GMIB back-book increased to USD 2.3 billion in October
- Macro hedge program consists of total return swaps on multiple indices
- VA GMIB back-book equity exposure of USD 2.9 billion now ~80% hedged
- Aim to fully equity hedge VA GMIB back-book by the end of 2012

Improved risk profile



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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 be 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
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