

Central & Eastern Europe Shift focus to life

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LIFE INSURANCE :: PENSIONS :: ASSET MANAGEMENT

Key messages

- Clear targets to support overall Group targets
- Successful shift in focus of sales from pensions to life
- Optimize returns of the existing pension business
- Further expand distribution by doubling tied network by 2013
- Export household insurance from Hungary to Slovakia and Poland



Clear targets to support overall Group targets

Achieve a
return on capital* of

13-17%

by 2015

Grow underlying earnings
before tax by

15%

on average per annum
between 2010 and 2015

Grow technical
earnings to

~50%

of underlying earnings by 2015

Increase annual operational
free cash flow by

>50%

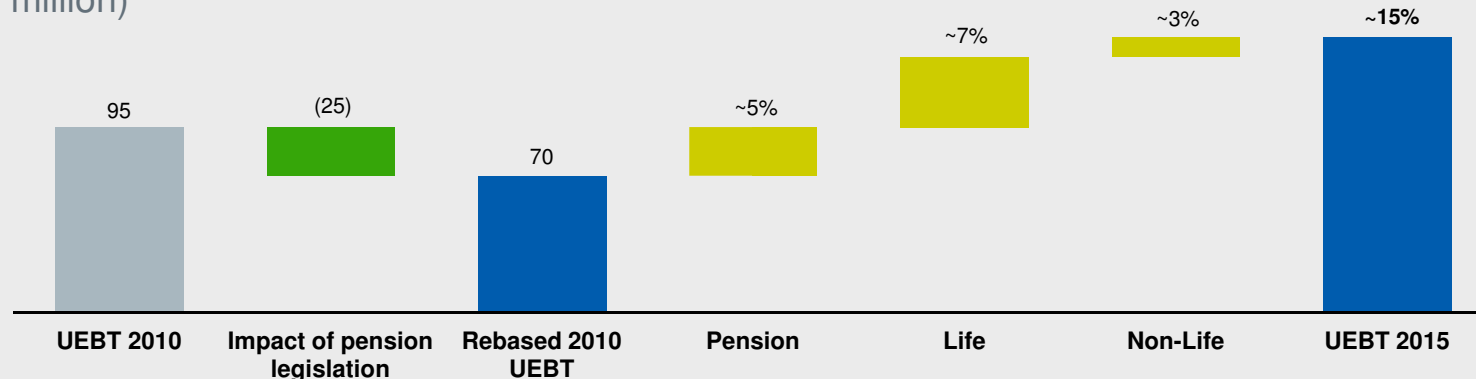
by 2015

Grow underlying earnings before tax on average by 15% per annum

- Organic growth in underlying earnings driven by:
 - ▶ Strong growth in life businesses
 - ▶ Optimize returns of the existing pension business
 - ▶ Diversify into more balanced product mix with emphasis on protection products
 - ▶ Export household insurance
 - ▶ Efficiency improvement via shared service center and branch approach

Average annual growth of underlying earnings before tax

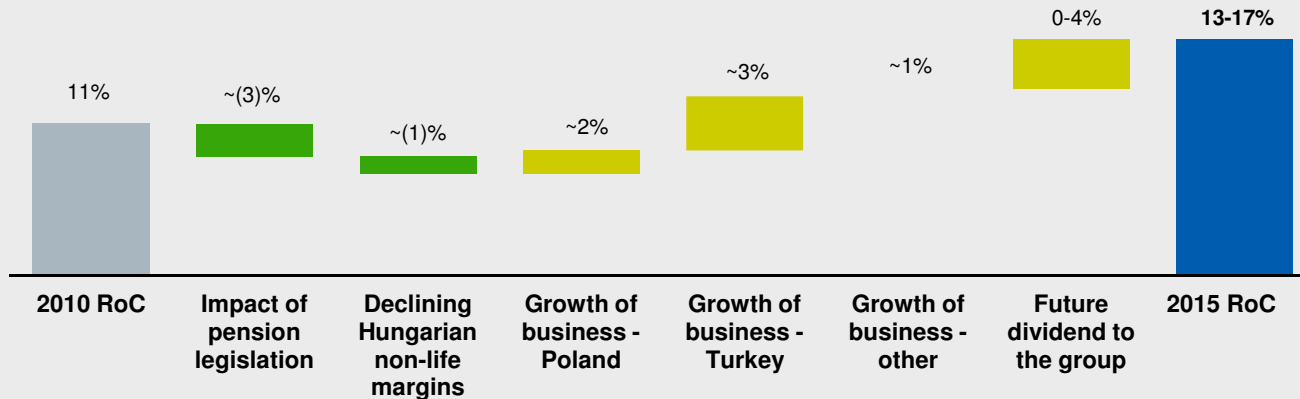
(EUR million)



Achieve a return on capital of 13-17% by 2015

- Strategic focus supports increase in return on capital: grow the business in all of our markets
- Redeploying capital to areas with strong growth prospects and higher returns (Poland and Turkey)
- Upstream dividend to holding

Drivers of increase in return on capital*

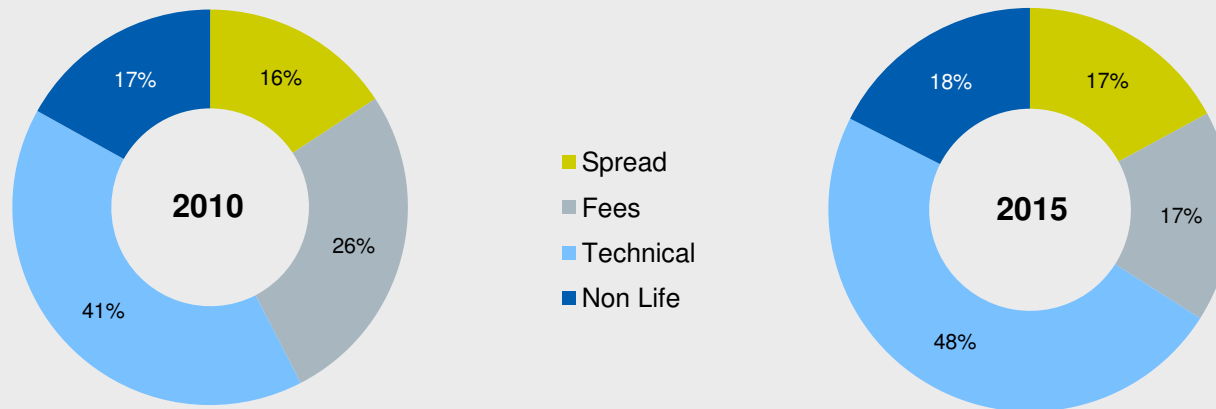


* Excludes leverage benefit at holding; RoC is calculated based on constant exchange rates

Growing the protection business

- CEE earnings mainly fee and technical results
- Growth in technical earnings mainly as a result of development of protection business
- The spread results mostly consist of the result of the free surplus

Grow technical results

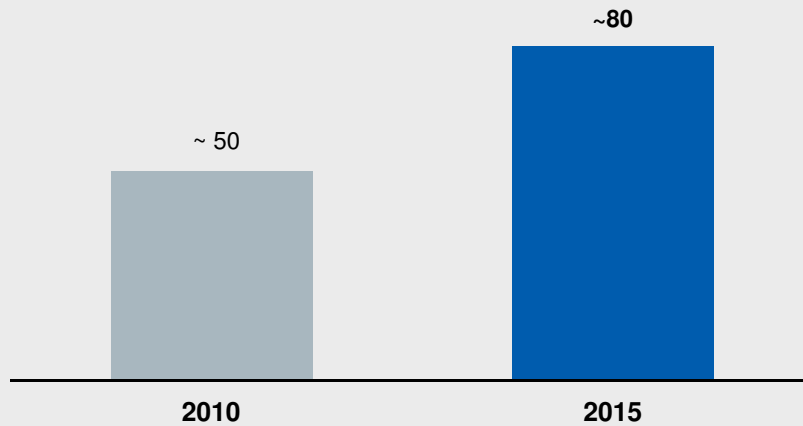


Increase operational free cash flow by more than 50% by 2015

- Increasing operational cash flows due to growth of the business and scaling down pension operations
- Higher new business strain by growth of the sales mainly in life

Normalized annual operational free cash flow

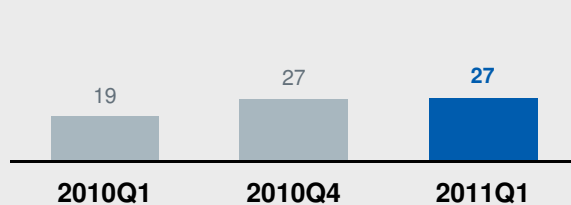
(EUR million)



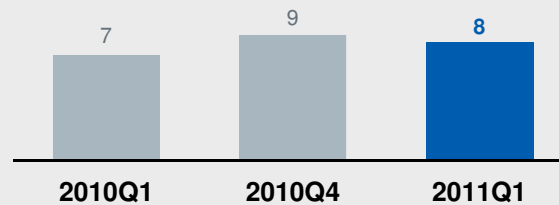
Shift focus from pensions to life

- Shift focus in sales channels to life: retraining the sales force
- Innovation in product development:
 - ▶ Return of Premium product from US
 - ▶ Increase Riders for different customer groups
- Turn from pure savings to more profitable protection products
- Regional Product Committee and Common Product Library: share product knowledge and set pricing standards
- Utilize pension customer base (1.5 million clients) for cross selling

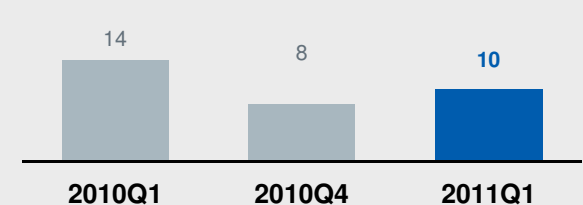
Life production
(EUR million)



Life VNB*
(EUR million)



Life underlying earnings before tax
(EUR million)

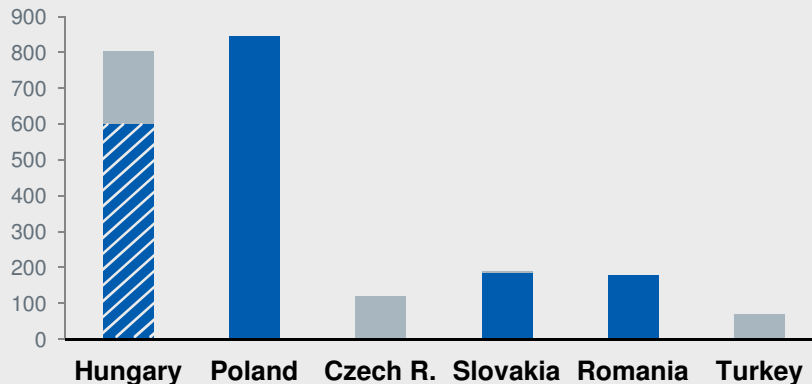


Optimize returns of the existing pension business

- Impact of pension legislation of € 25 million on underlying earnings before tax
- Increase earnings in retained pension businesses
 - ▶ 17,000 customers with € 140 million in assets chose to remain in private mandatory pension fund
 - ▶ Scaling down operations and focus on efficiencies
- Limited opportunity in voluntary pension

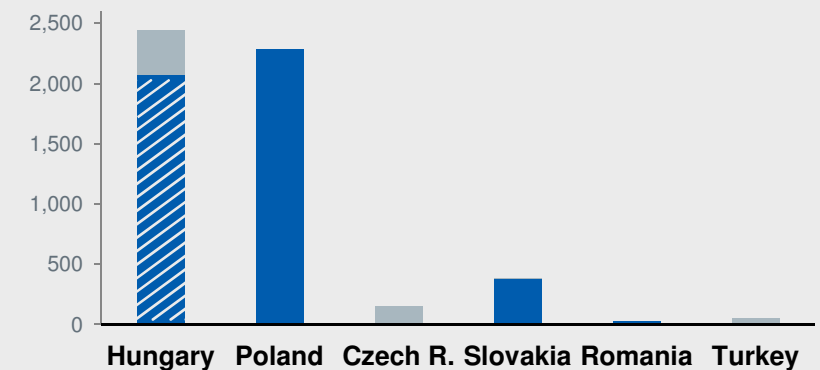
2010 number of PF members

(thousands)



2010 PF assets

(EUR million)



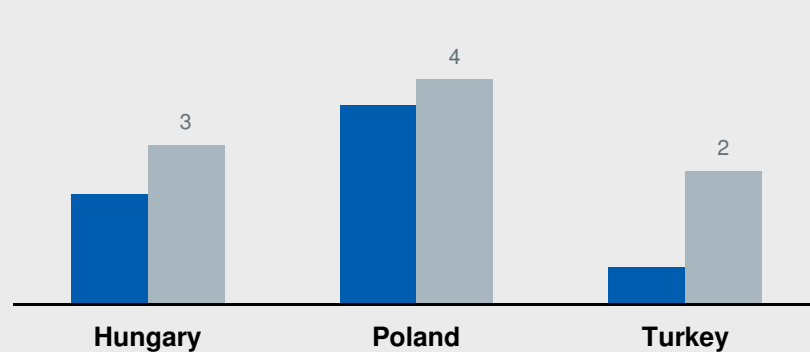
- Voluntary pension fund
- Mandatory pension fund

⚡ Members/assets transferred to Hungarian government in 2011

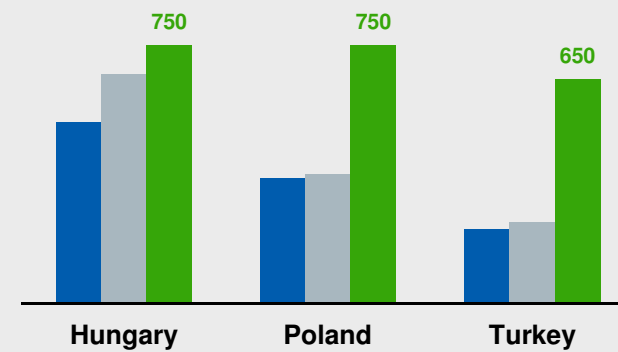
Further expand distribution by doubling tied network by 2013

- Hungary: controlled growth of network by 25%
- Poland: double network by opening new branches (9 per year from current 27)
- Turkey: triple network building on leadership position in life
- Improving efficiency and quality of sales process with modern management tools
- New advanced regional incentive & career system

Tied network life production
(EUR million)



Number of active agents in tied network



▪ Q1 2010 ▪ Q1 2011

▪ Q1 2010 ▪ Q1 2011 ■ 2013

Figures are converted to EUR on fixed 2011 exchange rates

Branch out household insurance from Hungary to Slovakia and Poland

Hungary

- Market leader with 33% market share
- Leveraging cross-selling opportunities to life insurance
- One IT-platform & shared service center
- Central product development with country specific solutions
- Sales support and sales innovations led by the country units
- Uniform underwriting process
- Shared profit responsibility

Slovakia

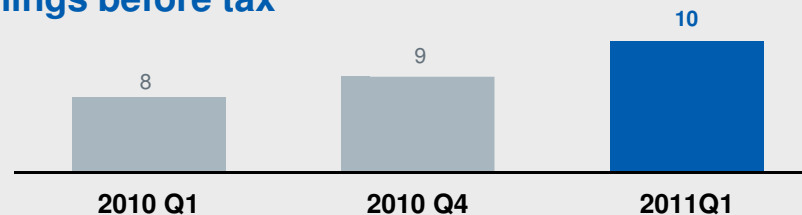
- Sales has double-digit growth month-by-month
- Already 1,000 policies in force

Poland

- Launch in Q4 2011
- Distribute via tied network and direct

- Be a niche player
- Use scale and systems to increase efficiency

Household underlying earnings before tax (EUR million)



* 2010 Q4 affected by one off in expense allocation

Four strategic longer-term objectives in the region

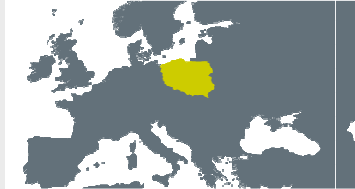


Optimize our portfolio



Hungary

- Refocus on life from pensions
- 25% increase in tied agents network by 2013
- Large customer database to cross sell
- Market leader in direct sales



Poland

- Refocus on life from pensions
- Double the tied agents network by 2013
- Start household Q4 2011
- Highly qualified distribution network



Turkey

- Triple the tied agent network by 2013
- Market leader in broker distribution for life by 2013
- Product innovation in life insurance



Other CEE markets

- Use branch approach
- Search for the right partner
- Market leader in external partners (brokers or banks)

Profitable growth

Enhance customer loyalty



Cross sell to existing customers

- Preparation to utilize the pension database, to sell life and non-life
- Member get member: Acquired clients via call center are asked to recommend potential clients; 38% of reached potentials bought a product

Up sell the product lines

- Expanding the product with riders such as:
 - Critical illness of women and men separately
 - Special illnesses, such as diabetes
 - Families, including children

Introduction of Net Promoter Score

- Roll out NPS across CEE
- Develop action plan and learn from results

Improving transparency/compliance to our clients

- Total cost indicator in Hungary
- Clearly communicated fee structure
- Welcome calls to increase customer understanding
- DVD to new clients to explain the main product features

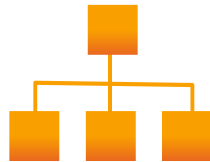
Retaining customers as important as acquiring new ones

Deliver operational excellence



Regional IT service center in operation

- Mainly household insurance
- Life in the start-up phase
- Further IT efficiency & quality improvements explored



Increase scalability by the branch approach

- Convert the Romanian business into a branch of Poland
- Legal and regulatory preparation
- Integrate Romanian back-office (ready in June)



Keep high standards of service and quality

- Hungary:**
- 16,000 calls a week
 - Lost calls: 4,6%
 - Average response time: 18 seconds
 - Learning and teaching through recorded calls



Focus on Economic Framework

- Central modeling team
- Central pricing policy

Increase operational efficiency and improve service levels

Empower employees



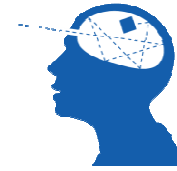
Talent review

- Talent review in every country unit (almost 350 people!)



New succession plan

- Succession plan of key roles
- Training on the job



Talents' development

- Talents' involvement in group / regional projects (brand / sustainability / Net Promoter Score)



Leadership program

- CEE University – 2nd class (May 30 – June 2)

Stimulate innovation and increase accountability

Key messages

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Q & A











Appendix

Life Insurance market – AEGON's position

Country		Gross Written Premiums ¹ (EUR million)	Market share life insurance ³ (by GWP)	Rank life insurance ³ (by GWP)
Hungary ⁴		148	14%	2
Poland ²		277	8%	4
Slovakia ⁴		26	3%	11
Czech Republic ⁴		35	2%	14
Turkey		7	1%	19
Romania		Greenfield		

1. Full year 2010 (IFRS accounting figures)
2. Unit-linked business only
3. Data as per Q4 2010 (based on local accounting figures) and based on regulatory statistics, Slovakia and Czech republic are estimations
4. Market shares are based on regular premiums

Pension market – AEGON's position

Country		Members in mandatory and voluntary pension*	Market share in pension	Rank in pension
Hungary (voluntary)		203	16%	3
Slovakia (mandatory)		185	13%	4
Poland (mandatory)		845	6%	7
Romania (mandatory)		176	3%	8
Czech Republic (voluntary)		119	3%	9
Turkey (voluntary)		68	3%	10

Data as per Q4 2010 (based on local accounting figures) and based on regulatory statistics, Slovakia and Czech Republic are estimations

Contribution from CEE to Group

In EUR mln	2010	% in Group	Effects
Dividend	237	17%	(+) Return on Capital
UEBT	95	5%	(-) Bank tax / Pension Funds
VNB	49	9%	(+) Quick turn to Life
MCVNB	positive		(+) Strengthened Life and Non-life operations

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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.