

United Kingdom Executing our strategy



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aegon.com

Key messages

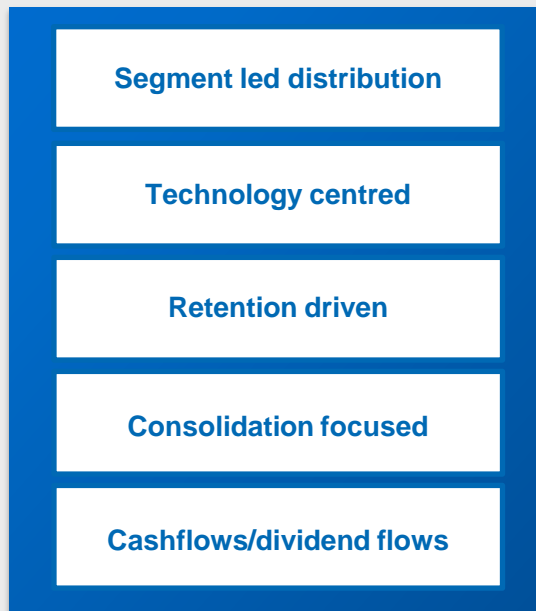
- Continued commitment and focus on execution of strategy in the high growth segments of “Workplace” and “At Retirement”
- Responding to market changes by providing flexible and simple solutions
- Focusing on needs of customers in our core markets through broadening distribution channels
- One Platform to meet the needs of all of our customer segments and propositions
- Solid progress towards group targets; focus on a capital-light, fee-based business model
- Generating cash flow/dividends and maintaining cost discipline



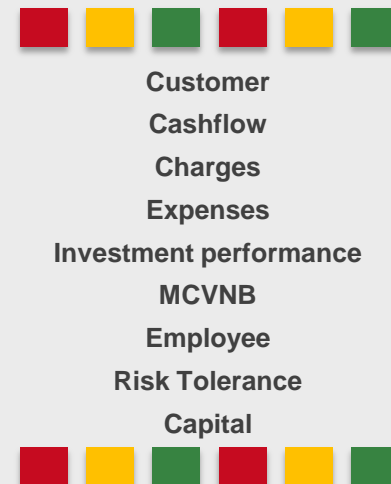
Strategic overview

Aegon UK strategy

- Focus on core markets – Workplace & At Retirement
- Customer focus through simplicity
- Diversify distribution
- Capital efficiency

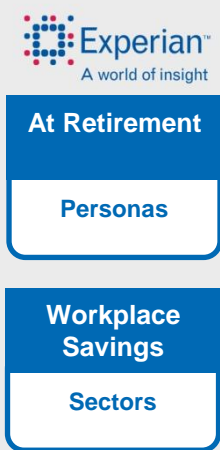


Our Balanced Scorecard



Customer needs are changing

Target Customers

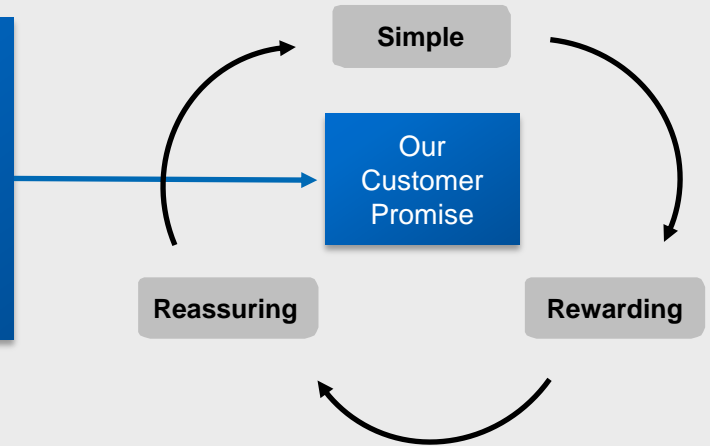


Customer Attributes

What our target customers care about the most

- Most important
1. Income certainty
 2. Simple offer
 3. Loyalty rewards
 4. Decision-making support
 5. Digital convenience
 6. Low charges
 7. Investment choice
 8. Access to cash
- Least important

Customer Promise



One Platform with three solutions to meet evolving customer needs.....

Workplace Savings

“Gated” solutions for employee segments

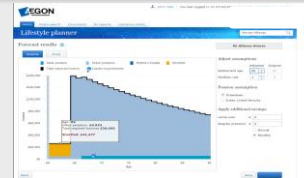
Launched June 2012



At Retirement

Accumulation and decumulation capability for the adviser market

Launched November 2011



Non-Advised

Self service availability for the D.I.Y. market

To be launched to existing customers



Aegon Retirement Choices (ARC)

Self Invested Personal Pension (SIPP)	Cash Individual Savings Account (ISA)	Stocks and Shares ISA		General Investment Account (GIA - net and gross)	International Bond
Cash	Insured Funds	Alternative Investments	Equities	Exchange Traded Funds (ETFs)	Collectives
Dedicated Websites	Reporting & MI	Online self-serve Empowering Employees and customers to develop their own solutions		Gated Access	Online Administration

One Platform

Investments

Protection and Annuities

.....existing assets can be transferred to the Platform enabling consolidation in a low cost capital-light model

The Workplace Savings Market

There are ~GBP 1.2trn pensions assets in the UK Workplace Savings market (and growing)

DC asset growth over time

(GBP million)



Our target customers...

- Estimate net revenues from workplace defined contribution (DC) for pension providers in 2022: GBP 2.6bn (2012: ~GBP 1bn)
- Key market drivers are increasing the importance of the workplace for savings:
 - ▶ 1.3 million employers must take action for pension reform
 - ▶ 11 million people will be eligible for auto-enrolment
 - ▶ 6-9 million new savers or saving more as a result of auto-enrolment
 - ▶ GBP 800bn of assets moving from defined benefit (DB) to DC and buyout over 20 years
- Leveraging the workplace to consolidate assets

....and ISA market is ~GBP 350bn with ~70% of employees expecting employers to facilitate ISA savings in the future

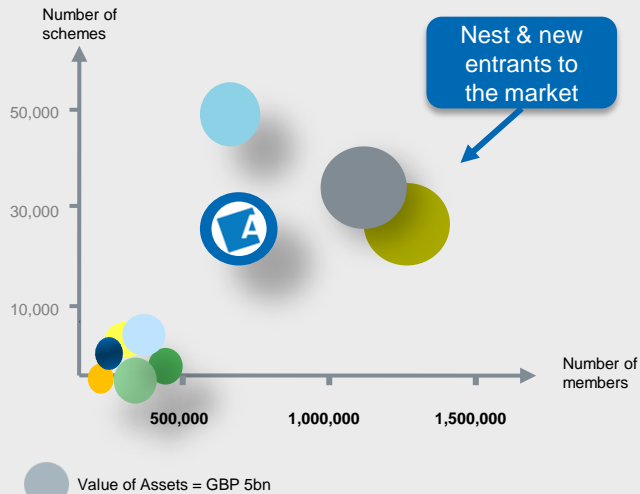
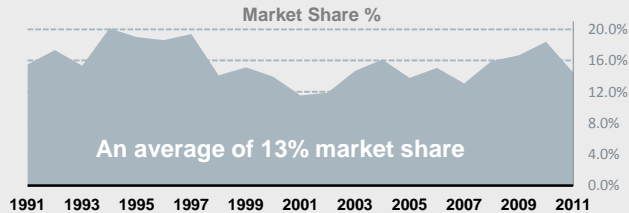
Source: Oliver Wyman, Mercer, Spence Johnson, DWP

Retaining our privileged position in the SME market.....

We already have significant presence and relationships in the SME sector...

....cementing our SME position and moving up market....

....resulting in key distribution plays with more to come....



Extend further into large corporate and EBCs

Strengthen our governance and services to clients

Focus on value segments

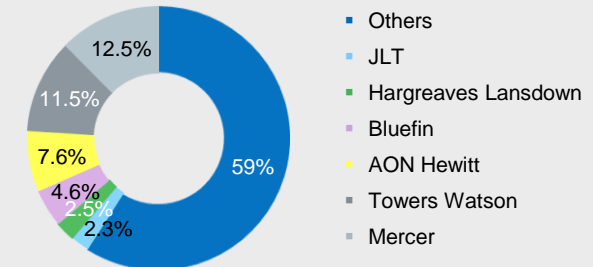
Drive forward Workplace Platform

Continue to strengthen and maintain talent

Distribution single tie
Origen
Financial Services

New EBC deal
BARCLAYS

DC Intermediary market
(DC AUM by Intermediary)



The top 6 control 41% of AUM.

..... and moving up in the large corporate space

The At Retirement market

At Retirement is an important way to access target customers



UK Market



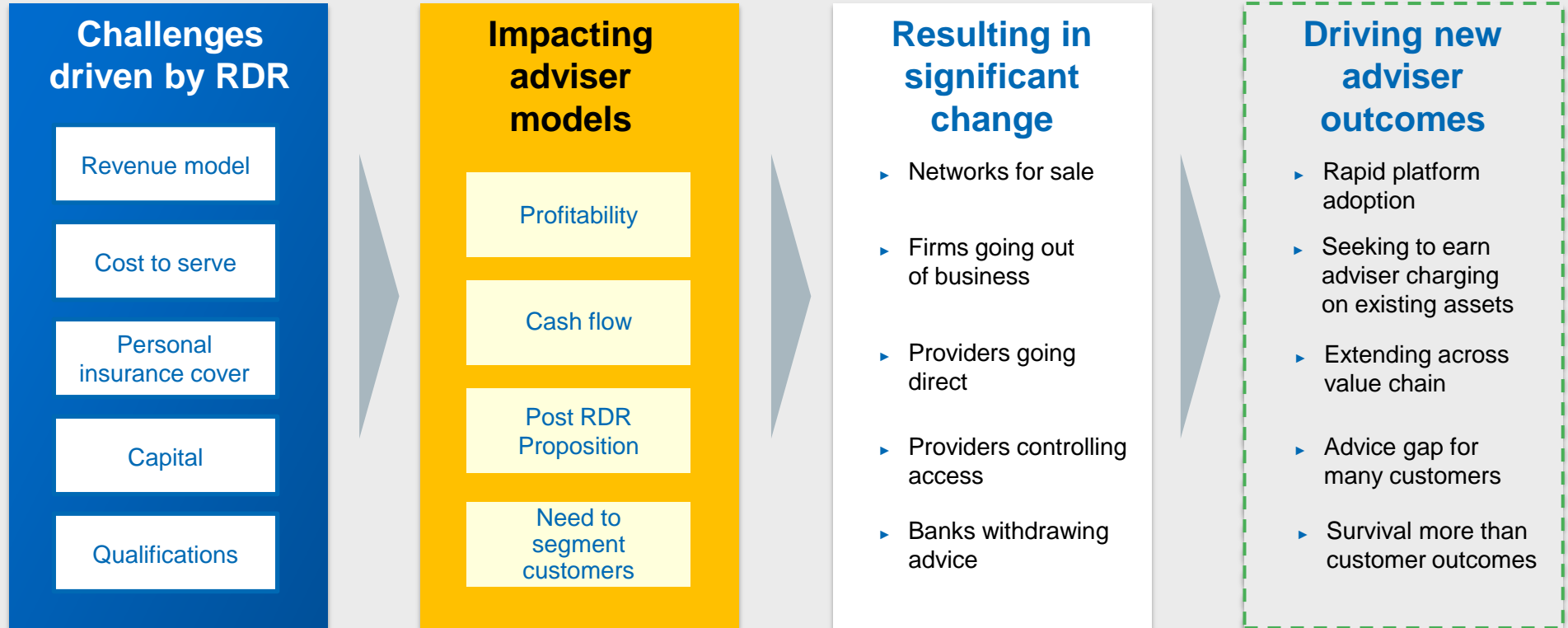
- GBP 1.3trn fund assets
- 15,000 firms/40k advisers
- ~70-80% of all sales are advised
- GBP 30bn pa of At Retirement assets by 2020
- GBP 700m API of advised protection sales pa
- GBP 1.4bn of variable annuity sales pa
- Focus on 2,500 most valuable relationships
- GBP 57bn AUM
- 2.1m policies
- Unique skills in high end protection and guarantees
- Key relationships with all major intermediary groups

Our target customers control 68% of the At Retirement pension assets in the UK

	Mass Market	AEGON Mass Affluent	Target Affluent	Experian [™] HNW
% of UK population	58%	29%	11%	2%
% of UK pensions assets	22%	40%	25%	13%

- At Retirement advisers represent up to ~80% of the market
- Focusing on fewer, deeper, valuable relationships with advisers on Platform, whilst ensuring lighter touch coverage on transactional products
- Focused on driving #1 positions for Platform preference
- Leveraging the market consolidation opportunity
- Continue to develop and focus on customer value to ensure that we retain and grow strongly

At Retirement business models are changing rapidly

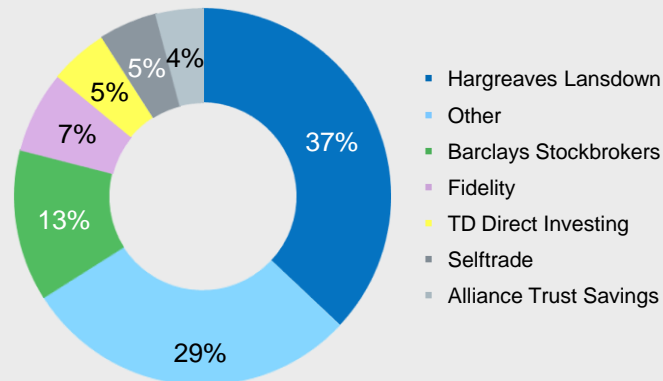


The Non-Advised market is significant and growing

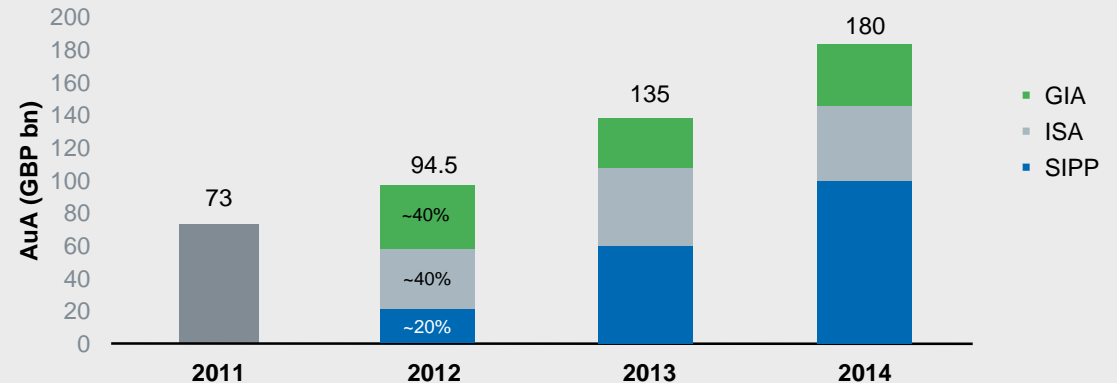
- The Retail Distribution Review (RDR) has created growth in the Non-Advised market
- The UK Non-Advised market is currently valued at GBP 94.5bn, excluding traditional pension assets
- Growth in the Non-Advised space is expected to be driven by consolidation of investors' assets

UK Non-Advised Platform 2012

(Market Share by player)

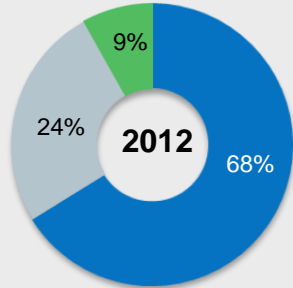


Forecast growth of the Non-Advised platform market 2012 - 2014

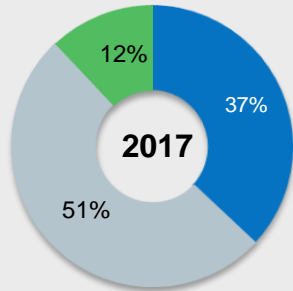


Developing our proposition to capitalise on the Non-Advised market.....

Move to Non-Advised is happening



- Advised
- Non-Advised
- Disengaged

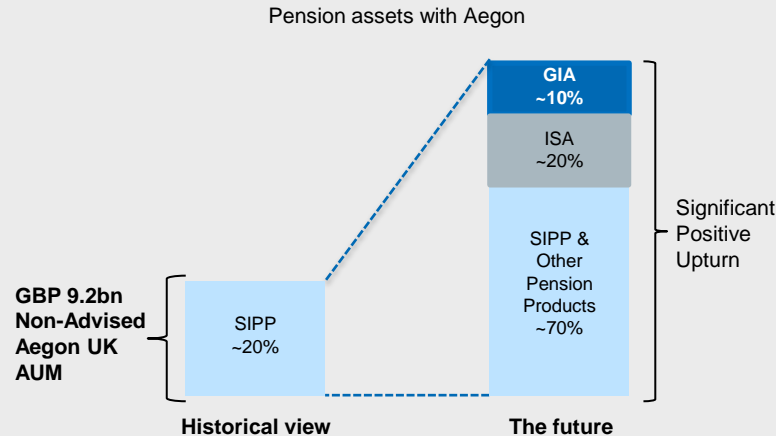


Based on mass affluent platform customers

The value of our customer base is significant

% Non-Advised Aegon UK customer base pension assets per Q1 2013 (523k policies)	Mass Market	Mass Affluent	Affluent	High Net Worth
		33.7%	26.4%	23%

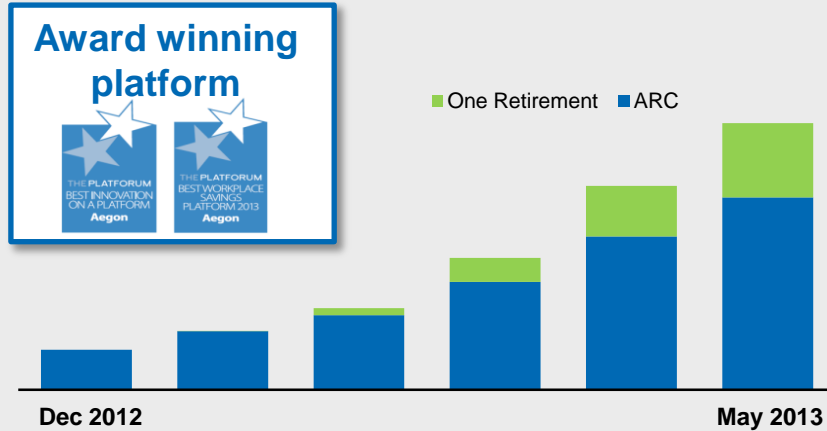
Consolidation opportunity



- Non-Advised customers with Aegon have an average share of pensions assets of ~20%
- We are focused on increasing our share of wallet through active engagement with these customers
- We will help customers consolidate both their pension and non-pension assets
- Leveraging our channels in Workplace, Retail and Non-Advised to drive consolidation

Aegon Retirement Choices Platform performance

Fast growing award winning Platform



- Awarded two major industry awards for Innovation and Best Workplace platform (Platform)
- Approx 900 firms are actively trading and the rate of uptake is increasing
- Growing at a rate of more than GBP 100 million per month (and increasing) in Retail

ARC adoption attracts valuable customers while retaining & growing existing customers

	ARC	Packaged
Higher value customers <i>Average pension pot</i>	~GBP 60k	~GBP 20k
Attract non-pension <i>Average AUM</i>	~GBP 55k	Not available
Consolidate other sources <i>Average pension pot</i>	~GBP 100k	Not applicable
Share of Wallet <i>% of all pension assets</i>	~60%	~20%
Retain <i>% consolidating on transfer from Packaged</i>	~50% <i>consolidate bringing 60% more funds</i>	Not applicable

Investment solutions and service to deliver our customer promise

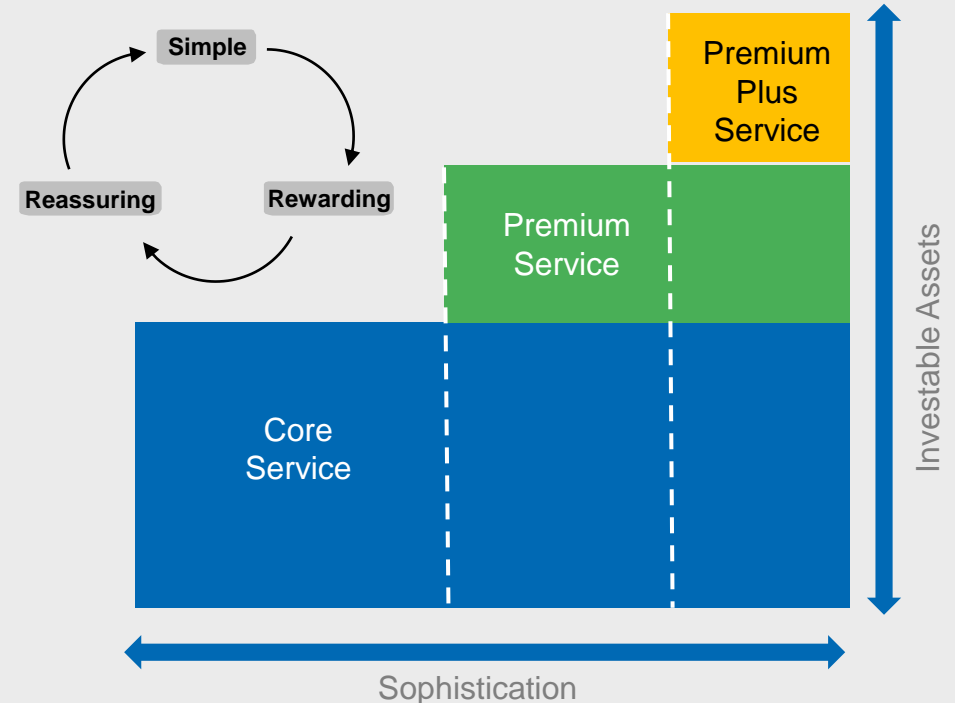
Solutions designed for our Customers



Simple Investment Solutions

- Single and multi-manager solutions
- Passive building blocks and volatility management
- Active governance and decision making support where required
- Clear choice of service offering based on our customer's sophistication
- Additional margin for investment governance

A choice of service



....to all of our customer propositions

Opportunity to improve margin...

...by increasing income

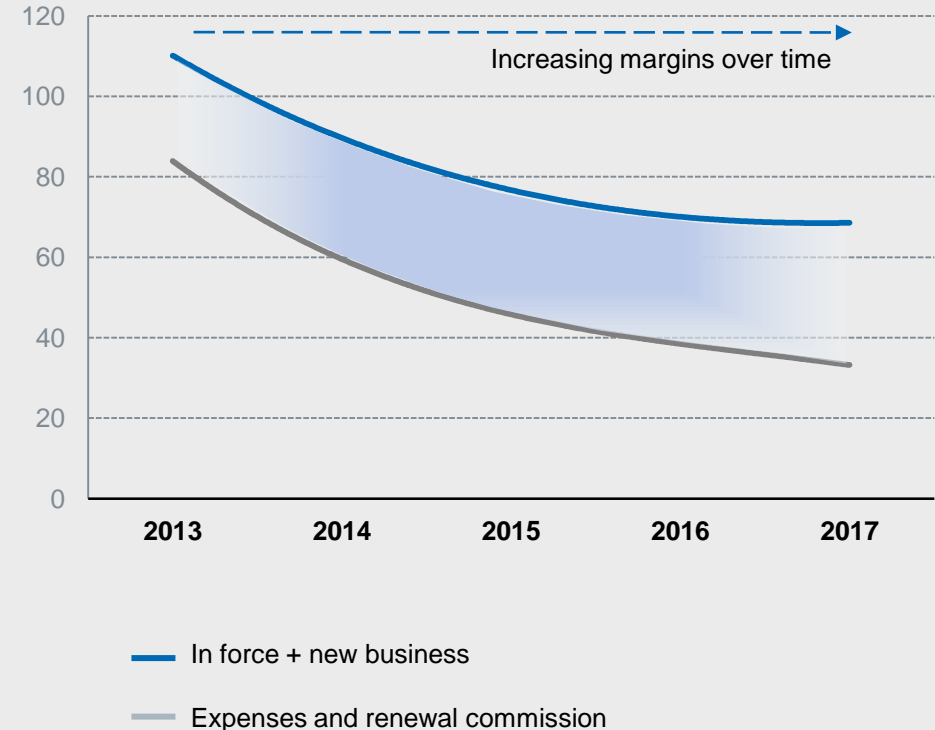
- Building scale through consolidation on the Platform and entry to EBC channel
- Acceleration of low cost Non-Advised channel
- Development of unique proposition features (e.g. investment proposition)
- Upgrade of value from legacy systems to the Platform

... by reducing costs

- Rationalisation of legacy systems
- Continued transformation of business model to low cost platform player (results in 530 FTE reduction during 2013, in total a 30% cost reduction from 2009 to the end of 2013)
- Targeted focus on a small number of advisers

Annual management charge vs. cost

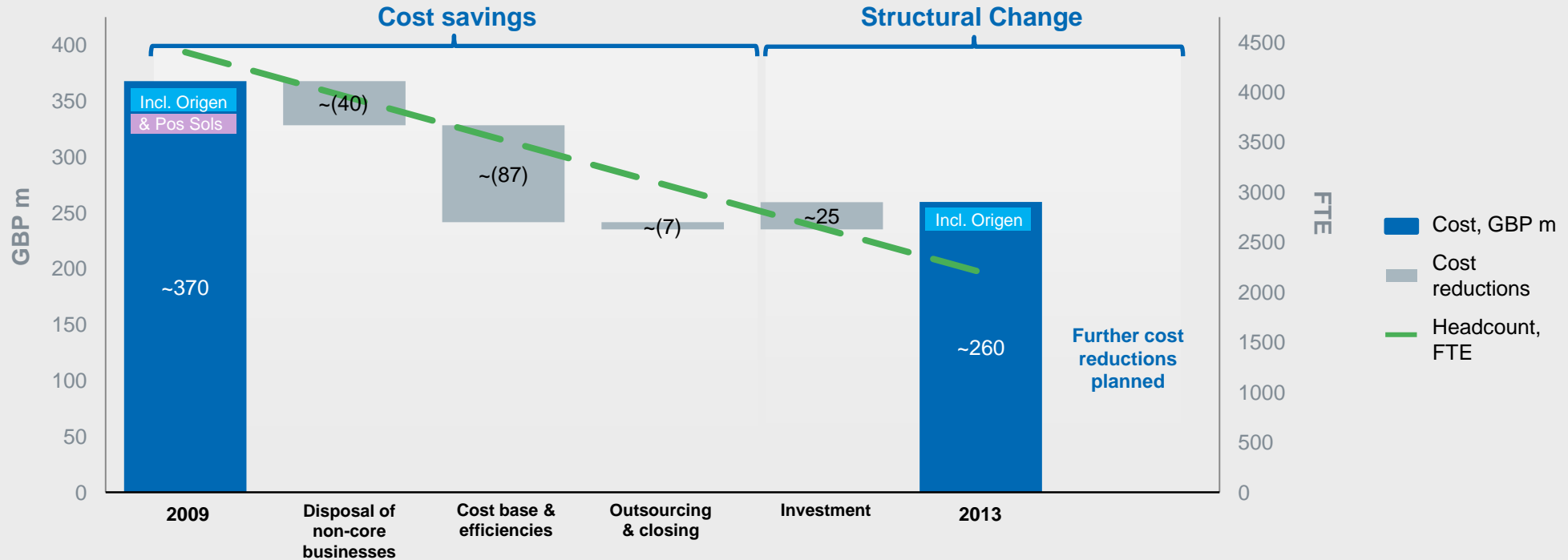
(basis points)



Reducing costs and headcount...

Cost savings

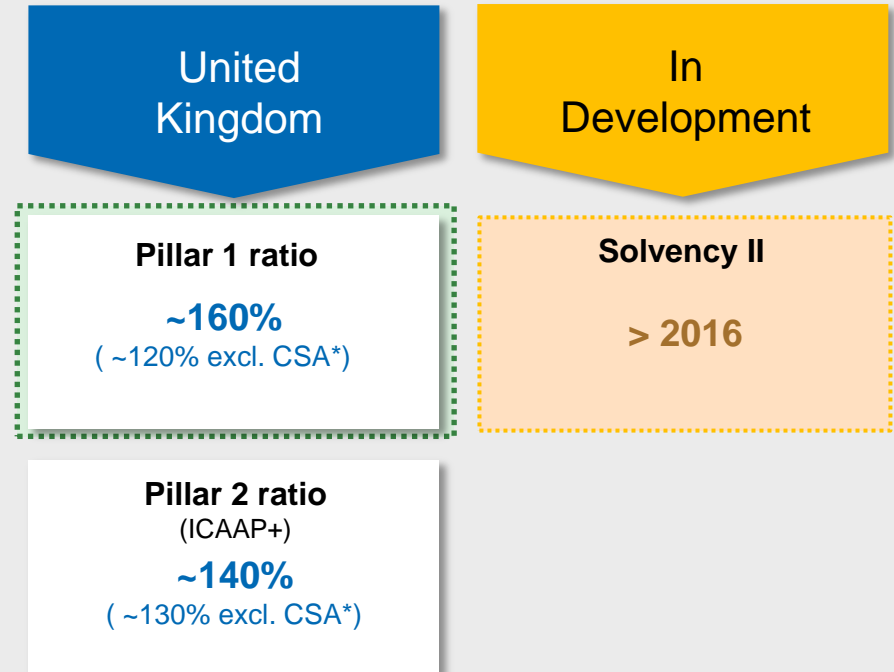
(FTE and GBP million)




....and over delivering on our 25% cost savings commitment

Managing capital across multiple frameworks

- Continue to manage the capital position using the capital target approach – consistent with Group policy
- Target for UK represents the additional capital required to withstand adverse plausible events and still meet capital requirements (Pillar 1 target 175% of requirement, Pillar 2 target 125% of requirement)
- Market conditions (credit spread tightening) in 2013 improves economic capital but negatively impacts Pillar 1
- Pillar 1 is forecast to improve as we repay the securitisations over the next two years



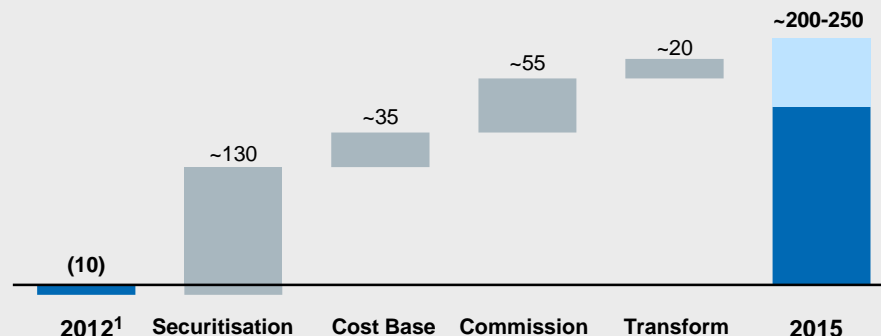
Local solvency ratios per Q1 2013
* Capital Support Agreement

 = current binding constraint

Operational free cash flows strengthen local balance sheet

- Operational free cash flows represent capital generation in local operating units using the current local binding capital metric
- Plans for future capital and growing cash flows in the UK :
 - ▶ No initial commission post RDR
 - ▶ Securitisation payments concluding (2014/15)
 - ▶ Retain pension business
 - ▶ Stabilise capital position
 - ▶ Reduce cost base
 - ▶ Transform business (asset growth benefit)
 - ▶ Profitable annuity and protection sales

Improving capital generation



Movement in Pillar I capital generation (OFCF) GBP m

1. Excluding market impacts, capital injections and other one-off items.

Normalized operational free cash flows – United Kingdom

EUR million	2012
Americas	~900
Netherlands	~250
United Kingdom	~175
New Markets	~50
Total normalized operational free cash flow	~1,375

GBP million	2012
Earnings on in-force	330
Return on free surplus	5
Release of required surplus	(10)
New business strain	(185)
Normalized operational free cash flow	140
Repayment of securitisation	(150)
Total operational free cash flow	(10)

Clear targets to support overall Group targets

Achieve a
return on capital* of

8%

by 2015

Reduce operating expenses
by

25%

by end 2011

More than double fee-based
earnings to

~75%

of underlying earnings by 2015

Increase annual operational
free cash flow to

**GBP 200-250
million**

by 2015

ROC progress

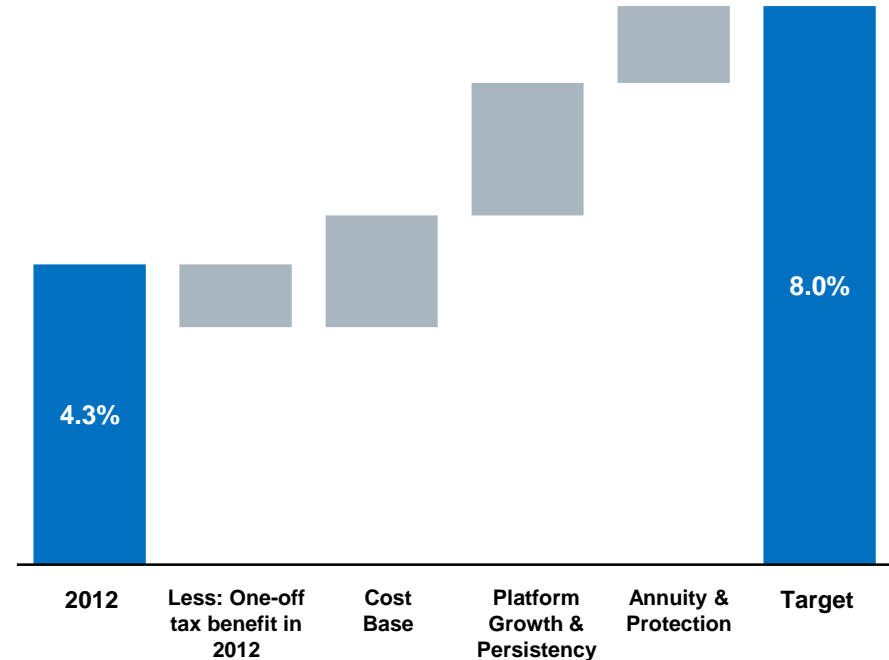
More action required ...

- Adverse markets versus assumptions (equity growth and interest rates)
- Persistency challenges in the market following the retail distribution review

... but 8% target remains achievable

- Transformation to capital-light business model continues as we focus on our core markets
- Transforming business model to support the Platform along with further automation means our cost base continues to fall
- Significant growth on Platform, attracting valuable customers and consolidation of other assets
- Dividend payments started and these will grow with increasing capital generation

Improving Return On Capital (ROC)*

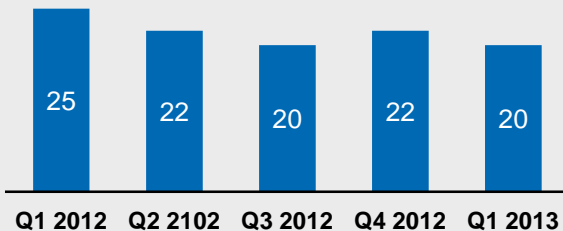


* Based on 2015 FTSE of ~6,950 and 2017 FTSE of ~7,800. Previous target based on 2015 FTSE of ~7,800.

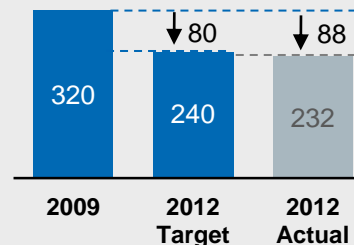
Our Delivery track record

- | | | | |
|---|---|---|---|
| ✓ | Sale of non core businesses;
Guardian & Positive Solutions | ✓ | Delivery of RDR and Auto-enrolment |
| ✓ | Exceeded cost base reduction of 25% in 2012 | ✓ | New Distribution deal secured with Barclays |
| ✓ | Closure of staff defined benefit scheme | ✓ | Launch of Annuity portal |
| ✓ | Outsource of non value add administration services for
Protection and Defined Benefits | ✓ | Launch of One Retirement |
| ✓ | Launch of uniquely positioned platform proposition for
"Workplace" and "At Retirement" | ✓ | Origen single tie |
| ✓ | Legacy closure being completed to plan | ✓ | Executive refreshed with key skills for
target markets |

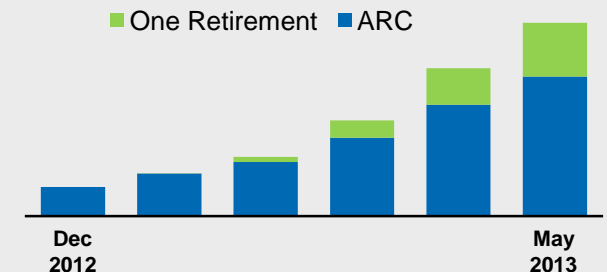
Underlying Earnings
(GBP million)



Operating Expenses*
(GBP million)



Platform Growth



Conclusion

- Focused on high growth segments within the third largest life and pensions market in the world
- A clear track record of delivery established
- Energised management team capable of delivery
- A core strategic focus on the Workplace and At Retirement markets and the emerging Non-Advised segment
- Unique Platform capability can be adopted to suit our three core markets
- Proposition will be enhanced with a strong investment proposition and a developing focus on protection and annuities where appropriate
- A capital-light, fee generating business model





Transform Tomorrow

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Disclaimer

Cautionary note regarding non-IFRS measures

This document includes the non-IFRS financial measures: underlying earnings before tax, income tax, income before tax and market consistent value of new business. These non-IFRS measures are calculated by consolidating on a proportionate basis Aegon's joint ventures and associated companies. The reconciliation of these measures, except for market consistent value of new business, to the most comparable IFRS measure is provided in note 3 "Segment information" of Aegon's condensed consolidated interim financial statements. Market consistent 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. Aegon may define and calculate market consistent value of new business differently than other companies. Aegon believes that its non-IFRS measures, together with the IFRS information, provide meaningful information about the underlying operating results of Aegon's business including insight into the financial measures that senior management uses in managing the business.

Local currencies and constant currency exchange rates

This document contains certain information about Aegon's results, financial condition and revenue generating investments presented 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 Aegon presented in EUR, which is the currency of Aegon's primary financial statements.

Forward-looking statements

The statements contained in this document 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 Aegon. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Aegon undertakes 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 Aegon's fixed income investment portfolios;
 - 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 Aegon holds; and
 - The effects of declining creditworthiness of certain private sector securities and the resulting decline in the value of sovereign exposure that Aegon holds;
- Changes in the performance of Aegon's investment portfolio and decline in ratings of Aegon's counterparties;
- Consequences of a potential (partial) break-up of the euro;
- The frequency and severity of insured loss events;
- Changes affecting mortality, morbidity, persistence and other factors that may impact the profitability of Aegon's insurance products;
- Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
- 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;
- Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness;
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- Changes in laws and regulations, particularly those affecting Aegon's operations, ability to hire and retain key personnel, the products Aegon sells, and the attractiveness of certain products to its consumers;
- Regulatory changes relating to the insurance industry in the jurisdictions in which Aegon operates;
- Changes in customer behavior and public opinion in general related to, among other things, the type of products also Aegon sells, including legal, regulatory or commercial necessity to meet changing customer expectations;
- 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 Aegon's debt ratings issued by recognized rating organizations and the adverse impact such action may have on Aegon's ability to raise capital and on its liquidity and financial condition;
- Lowering of one or more of insurer financial strength ratings of Aegon's insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability and liquidity of its insurance subsidiaries;
- The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain;
- Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
- As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, a computer system failure or security breach may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;
- Customer responsiveness to both new products and distribution channels;
- Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- Changes in accounting regulations and policies may affect Aegon's reported results and shareholders' equity;
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Aegon's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- Catastrophic events, either manmade or by nature, could result in material losses and significantly interrupt Aegon's business; and
- Aegon's failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving initiatives.

Further details of potential risks and uncertainties affecting Aegon are described in its filings with the Netherlands Authority for the Financial Markets and the US Securities and Exchange Commission, including the Annual Report. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, Aegon 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 Aegon's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.