Individual Savings and Retirement
Significant opportunities

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LIFE INSURANCE ⁞ PENSIONS ⁞ ASSET MANAGEMENT

Key messages

- Strategic shift from spread to fee based products
- Variable annuities is a big market with significant opportunities – and we are capturing those opportunities
- Key drivers of sales growth are innovation and distribution
- Key drivers of margin expansion are product pricing and operational excellence

Business overview

Individual Savings & Retirement delivers wealth accumulation, wealth protection, and retirement income products and service solutions to advisors and individual clients

Variable annuities

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

Retail mutual funds

- Focus: wealth accumulation and asset allocation
- Offers a continuum of asset allocation and partner asset management
- Focused on third-party distribution (advisors)
- Dedicated wholesaling team and award winning shareholder servicing department
- Moderate growth sales 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

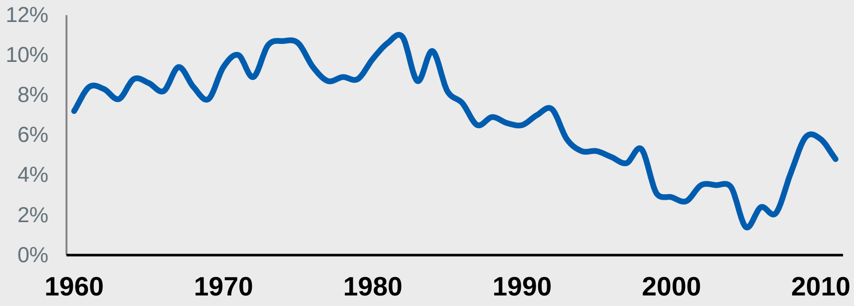
Fixed annuities

- Business de-emphasized
- Focused on 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

Significant market opportunities

- Growing and aging population with increased need for accumulation and retirement products
  - U.S. population of 307 million
  - 78 million baby boomers heading to retirement
  - Market volatility increases probability of wealth destruction at the wrong time – retirement
  - Reduction in defined benefit plans
  - Questions about Social Security

- Steady decline in personal savings levels since the 1980s*



- Smaller players leaving due to lack of scale and technical requirements

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** Source: Bureau of Economic Analysis, Q2 2011*

Competitive environment – variable annuities

- Large, highly competitive environment - USD 136 billion annual sales in 2010
- Industry growth expected to be 6% CAGR 2010-2014 (LIMRA)
- Top competitors include Metlife, Prudential Financial, Jackson National, Lincoln, Nationwide and AXA
- Sales are very concentrated in the top 3 providers – over 40%
- Smaller players (those below #20) reconsider the market given the need for scale and technical talent
- Transamerica ranked #6 in our traditional channels and #10 in variable annuities overall

Competitive advantages	Opportunities
▪ Highly recognized brand: Transamerica ▪ Distribution capabilities ▪ Customer service ▪ Low maintenance costs ▪ Pricing discipline ▪ Attractive and innovative products ▪ Speed to market	• Ambition: profitable sales growth in high single digits • Become a consistent top 10 industry player and top 5 in traditional channels • Add new distribution channels for scale • Continued improvement in processes and cost efficiency • Expand margins with flexible pricing and back book management

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Competitive environment – retail mutual funds

- Large, highly competitive market space - USD 228 billion in net sales in 2010
- Key competitors are primarily proprietary fund shops
- Open architecture fund complex focused on:
  - Asset allocation through Morningstar
  - Partner funds: strong performing fund complexes that need distribution
- Current situation:
  - Top 50 mutual complex by AUM
  - Tier 3 complex-based on sales (USD < 5 billion)

Competitive advantages	Opportunities
▪ Open architecture - focus on "Best in Breed"	• Ambition: profitably grow in low double digits
▪ Manager research and selection capabilities	• Become a tier two complex based on sales
▪ Diversified channels with strong wholesaling	• Organic growth through traditional channels
▪ Highly recognized brands - Transamerica and Morningstar	• Add new distribution channels
▪ Customer service focus - 8 consecutive DALBAR awards	• Selectively add fund adoptions for scale and differentiation

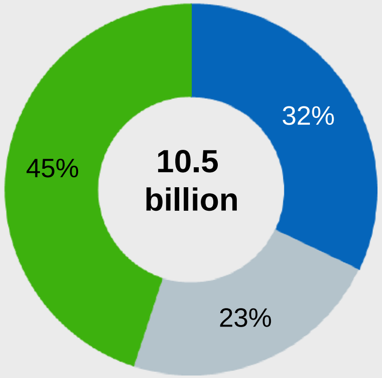
Competitive environment – advisory

- Large, growing market – 78 million of baby boomers are heading to retirement
- Focused on helping clients answer 3 questions:
  - Can I afford to retire?
  - If not now, when?
  - If I can, how?
- Individuals reaching key age milestones within retirement plans
- 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	Opportunities
▪ Consistent delivery through centralized salary based team ▪ High quality advisors dedicated to retirement transition ▪ Open architecture platform of products/ services	• Mass affluent market is underserved • 78 million baby boomers heading to retirement • Next 10-years expect USD 3 trillion in DC plan outflows • Transamerica/ES&P sees 15,000 retirees in plans administered • Expand to external retirement plan providers

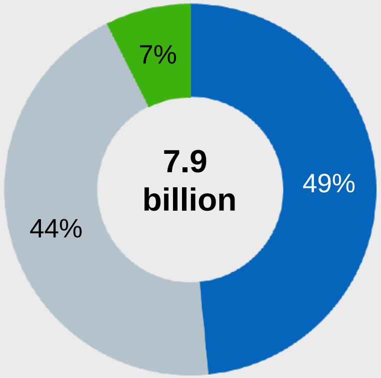
How are we doing on our journey from spread to fee based products?

Gross deposits FY 2009
(USD billion)

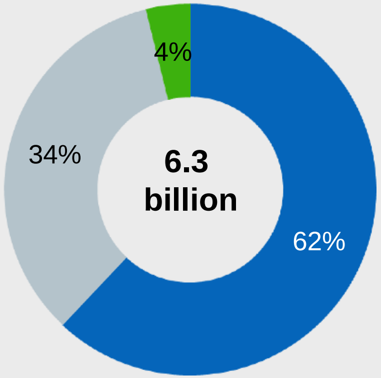


Growing fee business

Gross deposits FY 2010
(USD billion)



Gross deposits Q3 11
(USD billion)



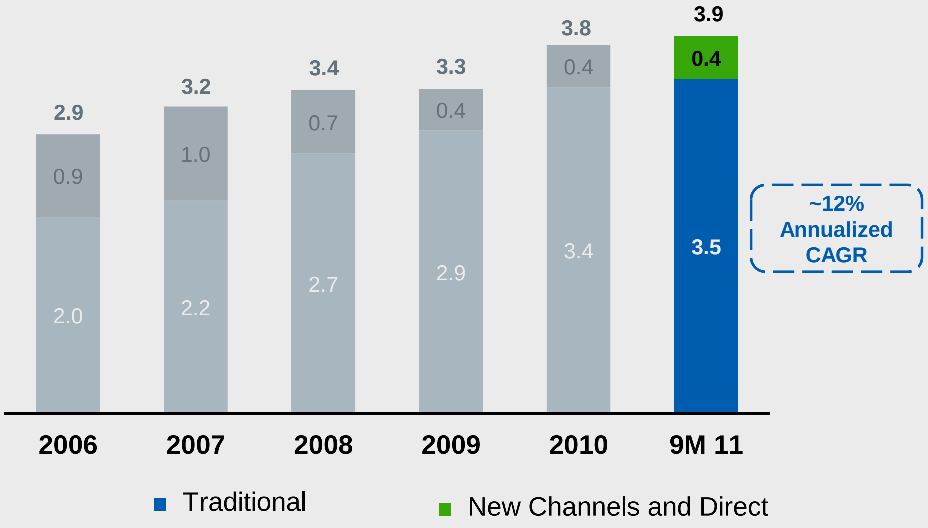
- Variable annuities
- Retail mutual funds
- Fixed and immediate annuities

Executing on our commitment to grow fee-based businesses

We are executing

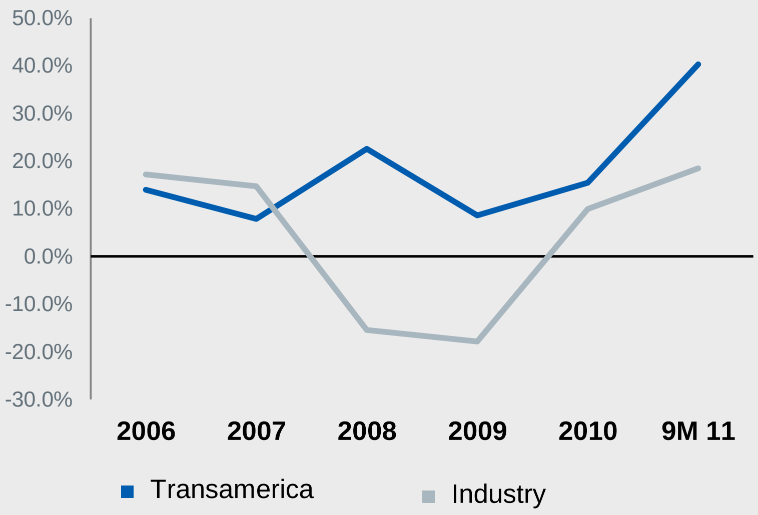
Demonstrated, sustained long term growth…

Transamerica variable annuity sales
(USD billion)



….. and outpacing the industry

Variable annuity sales
(Annual percentage growth)



Key drivers of variable annuity sales growth: innovation and distribution

Innovation

- First to U.S. market with tiered pricing by equity level
- First to U.S. market with volatility adjusted funds
- Fastest re-pricing in industry

Distribution

- Maturing wholesaling force with increased penetration
- Territory management in traditional channels
- Channel expansion by adding institutional partners

Innovation – the right product at the right price

- Tiered pricing by equity level
  - Attracts profitable conservative clients by matching guarantee charges to risk and guarantee value
- Transamerica and Morningstar volatility adjusted funds
  - Equity allocations on these funds declined ~ USD 2 billion between Q2 and Q3 2011
  - Reduced risk and guarantee costs
- Transamerica Index series: asset allocation funds for VA
  - Funds of Vanguard ETF’s: low cost to consumer and to guarantee writer
  - Asset management in house – extending asset management business: ONE AEGON
  - Sales of USD 1.8 billion in under two years
- Fast repricing
  - Cuts months off industry standard pricing and product cycles
  - Stay in sync with capital markets
  - Avoid sudden moves that impact the relationships with distribution channels

Ability to quickly adjust product characteristics to reflect market conditions

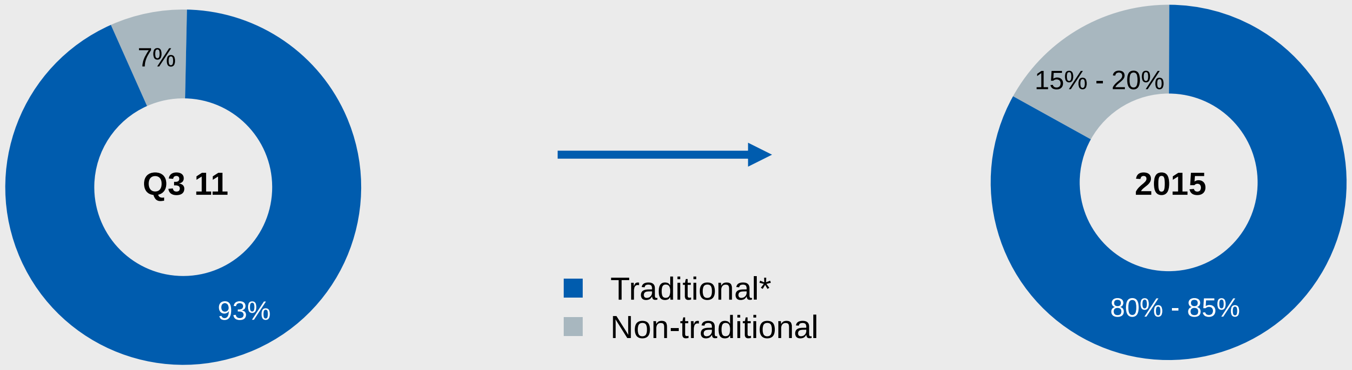
Product innovation drives consistency

- Retirement Income Choice
  - First released January 2008
  - Current run rate ~USD 250-300 million per month
  - Benefitting from stable story
- Retirement Income Max
  - Released February 2011
  - Current run rate ~USD 100-125 million per month (mostly incremental sales)
  - Higher income guarantee than Retirement Income Choice in return for lower equity allocation and volatility adjustment on underlying funds
- Secure Path for Life
  - Released in June 2010
  - Introduced in the 401(k) market with Employer Solutions & Pensions
  - Individual Retirement Account (IRA) rollover product is available
  - An example of ONE AEGON

Distribution expansion: growing non-traditional channels

- Non competing channels that add scale and diversity
- Pioneer new partnerships
  - CUNA Mutual
  - DWS
  - Vanguard Update
  - ARIA Partnership

Distribution of variable annuity deposits



* *Wire-houses, fee planners, independent broker dealers, banks, agency*

Strategic shift from spread to fee

	Fixed annuities	Variable annuities	Retail mutual funds
Product type	Spread-based	Fee-based	Fee-based
Earning source	Investment spreads	M & E & A* Investment advisory fees 12(b)-1 fees** Rider fee	Investment advisory fees 12(b)-1 fees**
Pre-tax ROA current guidance	100 bps	60 bps	30 bps
ROA direction	100 bps	80 bps	30 bps
What drives improvement	Rising rates Crediting rate management Majority of rate resets in 2013-2014	Adding more profitable new product sales Back book management	
Risk to direction	Rate scenario	Rate scenario Challenges to affect change to back book	Regulatory

Primary drivers of margin expansion

1. New product pricing
2. Back book solutions
3. Operational excellence

* *Mortality & Expense risk fee & Administrative charge*
** *Marketing and distribution fees*

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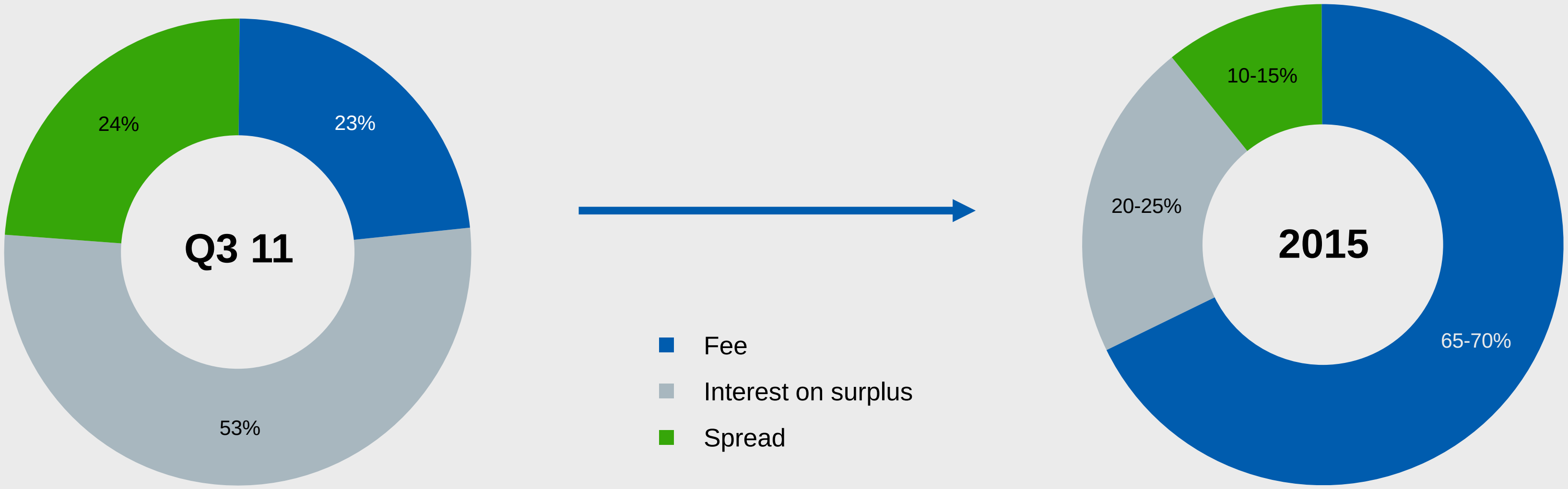
Earnings mix evolves

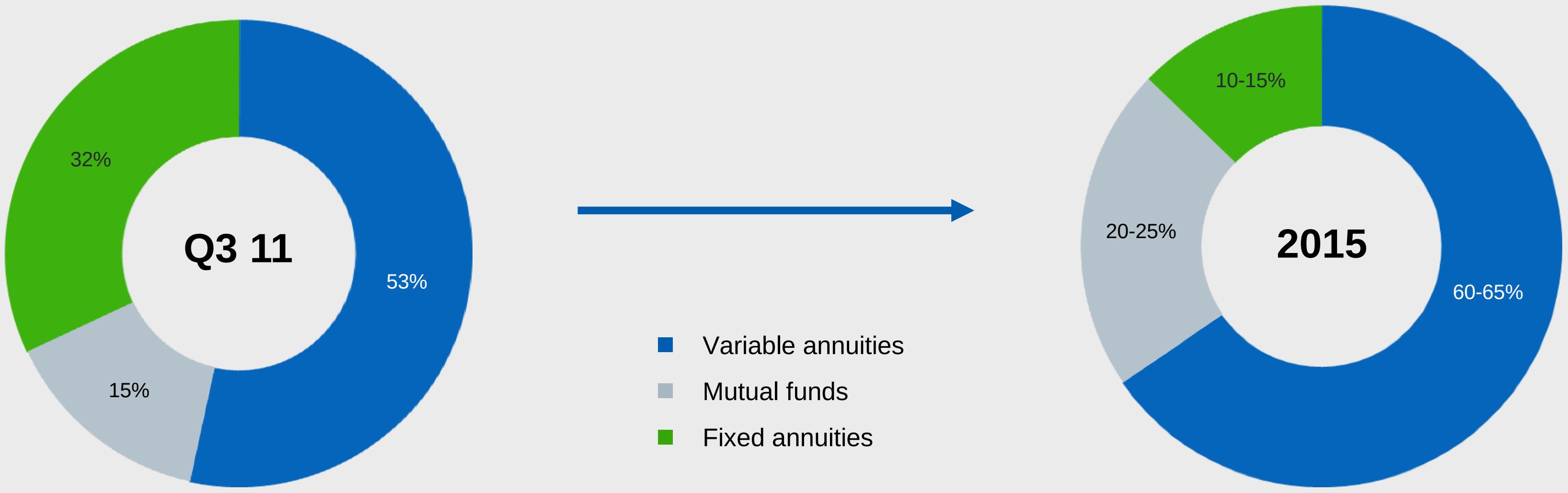
Source of earnings



Earnings mix impacted by capital markets, growth expectations and de-emphasizing of spread-based business

Inforce mix of account balances evolves

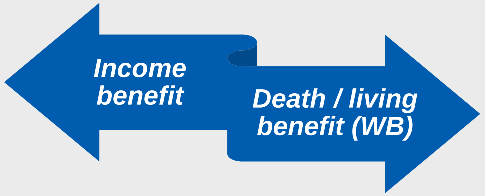
Account balances



- Spread-based business balances shrink as fixed annuities are being de-emphasized
- Fee-balances will continue to grow due to a strategic focus on variable annuities and mutual funds

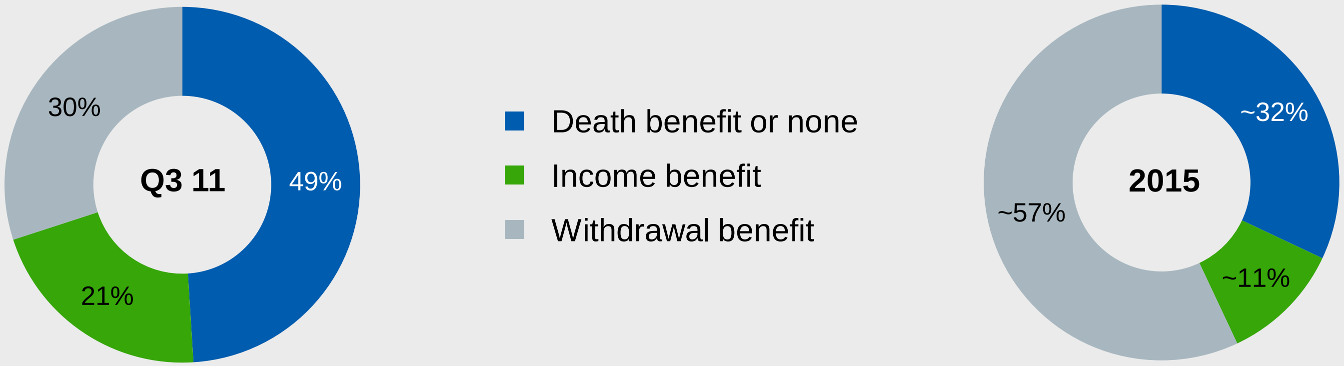
Significant improvement in product feature and pricing philosophy

- Back book management
  - High capital requirements
  - Low returns
  - Rider fee < hedge costs



- New business pricing
  - Lower capital requirement
  - Moderate / high returns
  - Rider fee > hedge costs

Account balances



Margins grow because balances migrate to higher margin products

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Prudent risk management of variable annuity in-force book

	Pre 2004	2004-2007	2008-current
Characteristics	High capital requirement Low returns Rider fee < hedge costs	Lower capital requirements Moderate returns Rider fee = hedge costs	Lowest capital requirements Highest returns Rider fee > hedge costs
Management Objective	Reduce market risk, improve certainty of IB claims	Increase revenue, reduce market risks	Increase sales, maintain margins
Hedging	Equity, some rates, capital protection target	Equity, realized equity volatility income volatility reduction focus	Equity, realized equity volatility, interest rates Income volatility reduction focus
Other risk control	Asset allocation funds volatility adjustment, fund clean up	Asset allocation funds volatility adjustment, fund clean up. Tight control on basis risks	Asset allocation funds with volatility adjustment are the primary offerings. Fast repricing
Management actions	Alternative settlement option currently in trial period	Reset fee when guarantee level resets	Integrate sales proposition, product, fund, and hedging tightly. Cultivate markets with lower price competition

- Current product features and pricing offer highest returns
- Alternative solutions and macro hedging for pre-2004 GMIB book

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GMIB benefit exposure

Product	Total fund value Q3 2011	Net amount at risk before benefit discount	Statutory IB reserve
Pre-2004 GMIB	USD 5.6 billion	USD 2.1 billion	USD 1.0 billion

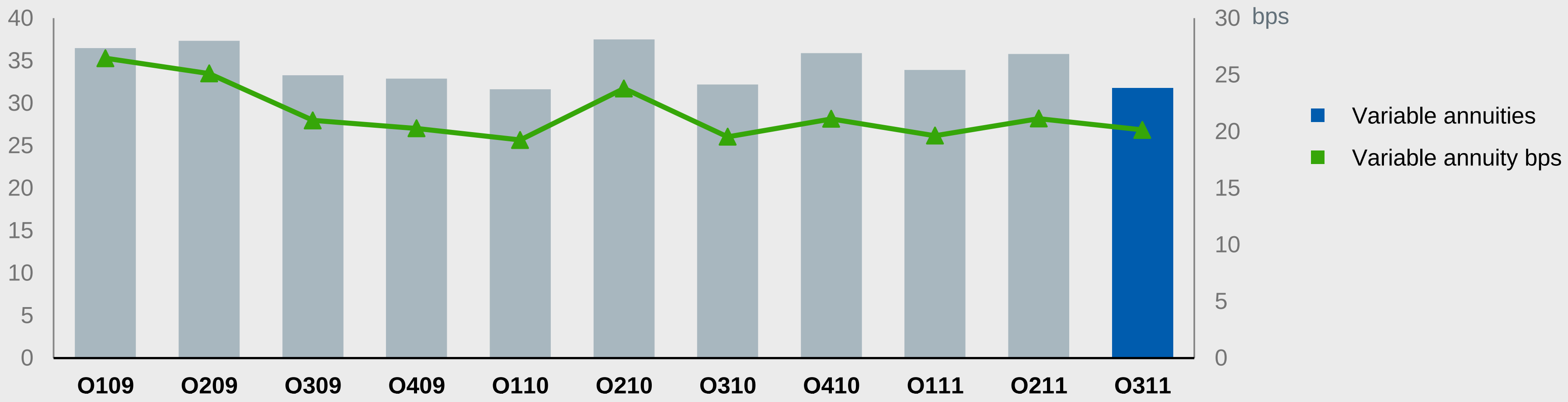
- GMIB conservatively provisioned and capitalized
  - Net exposure (expected cost) lower than NAR by USD1.2 due to discount on annuitization.
  - Reserves provision for expected cost of benefit + additional contingency
  - Q3 additional capital requirement driven by interest rate decline
  - Current annuitization rates on GMIB are below reserve assumptions
- Remaining exposure actively managed
  - Block fully equity hedged
  - Alternative settlement option for cash in lieu of income currently in trial period

Operational excellence

- Maintain low cost model through targeted outsourcing of non-customer-facing operations
- Improve customer service and satisfaction through technology, people and process sharing operational efficiencies
- Relative expenses flat with higher sales volumes

Back office operating expenses

(Expenses in USD millions EXP/AUM in basis points)



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What makes this business work

Sales → Net deposits → Growth in AUM → Expense management → Product portfolio management

- Pursuit of growth and higher margins requires
  - Integrate sales proposition, product design, fund offerings and risk management
  - Strong wholesaling force for traditional channels
  - Channel expansion for diversification, scale and lower price competition
  - Differentiated service proposition
  - Continuous process improvement
  - Increased use of technology for service
  - Expense control and efficiency
  - Continued investment in technical competencies (ALM, hedging)
  - Upgrade associate skill sets to align with business needs

Execution on each driver = strong risk adjusted returns

Summary – why Transamerica wins

- Innovative products and solutions
- Solid presence in our traditional channels
- Expanded opportunities with non-traditional channels
- Increased margins driven by prudent new business pricing, management of the back book and operational excellence

Appendix

Organization and markets – traditional channel profiles

Channel	Characteristics	Customer	Key accounts
Wirehouse	▪ Professional buyer ▪ Wholesaler requirements ▪ Money moves	▪ Higher net worth ▪ Investor – tolerates risk ▪ Reliant on advisor ▪ Advice dependent	Merrill Lynch Wells Fargo UBS Morgan Stanley Smith Barney
Independent BD	▸ Moving toward professional buyer ▸ Growing segment ▸ Need education	▸ Mass affluent to high net worth ▸ Investor—tolerates risk ▸ Advice dependent	LPL Raymond James National Planning FINIC
Bank	▪ Focus depends on desire for fees ▪ Conservative ▪ Rate and ratings sensitive	▪ Middle Market ▪ Investor-tolerates less risk ▪ Advice dependent	Wells Fargo Chase SunTrust
Direct	▸ Third party distribution ▸ Platform—mutual funds	▸ Higher net worth ▸ Investor—tolerates risk ▸ Educated ▸ Sensitive to fees/complexity	Vanguard

Organization and markets – touching the customer

External Wholesalers	**Wire**	**Independent BD**	**Bank**	**Total**
Retail mutual funds	Multi-Channel	Multi-Channel	Multi-Channel	34
Variable annuities	23	41	19	83
Total				**117**

Internal Wholesalers	**Wire**	**Independent Planner**	**Bank**	**Total**
Retail mutual funds	Multi-Channel	Multi-Channel	Multi-Channel	30
Variable annuities	20	29	9	58
Total				**88**

Key point: focused wholesaling model by channel/producer

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<u>Cautionary note regarding non-GAAP measures</u>
This document 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 value of new business . 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.

<u>Local currencies and constant currency exchange rates</u>
This document 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.

<u>Forward-looking statements</u>
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 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;
- 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
- 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.

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.