First quarter 2011 results and Embedded Value 2010

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CFO

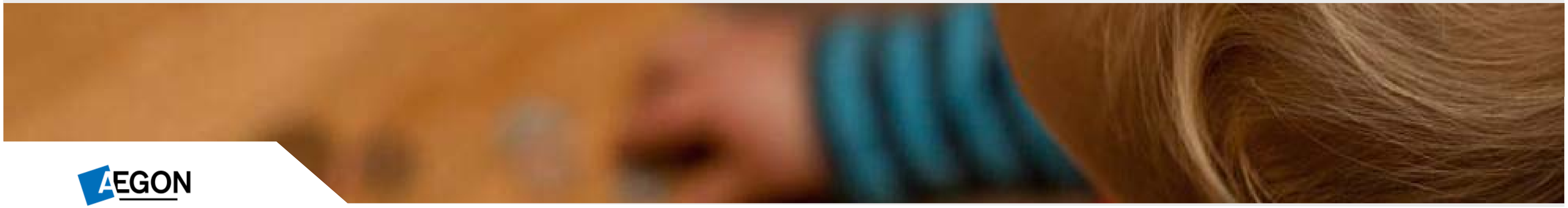
Media conference call
The Hague, May 12, 2011

AEGON

LIFE INSURANCE | PENSIONS | ASSET MANAGEMENT

Key messages

- Solid progress on strategic objectives
- Underlying earnings impacted by exceptional charges and longevity provisioning
- Continued focus on cost control
- Strong earnings and sales of pensions and variable annuities in the US
- Strong excess capital of EUR 3.7 billion
- Total embedded value increases to EUR 18.9 billion



Continued focus on execution of strategy in Q1

Reallocate capital

- Divestment Transamerica Reinsurance for total after-tax consideration of USD 1.4 billion
- Increased fee business, reduced spread business in the US
  - Strong earnings and sales of US pensions and variable annuities
- Successful refocus on life business in the CEE

Increase returns

- Operating expenses decreased by 1%*
- Equity exposure US GMIB back-book fully hedged
- Reorganization AEGON Bank NL, cost savings EUR 20 million p.a.
- New CEO AEGON UK; restructuring on track

Aim to fully repurchase core capital securities from Dutch State by end of June

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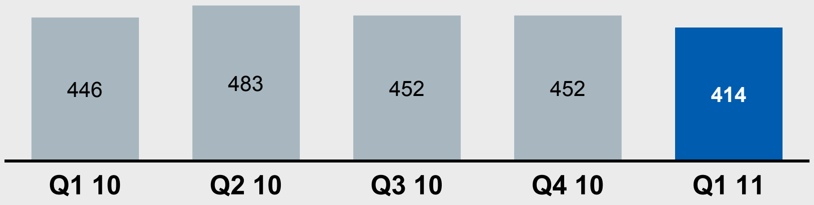
** Operating expenses at constant currencies and excluding restructuring charges*

Results highlighted

Underlying earnings before tax

(EUR million)

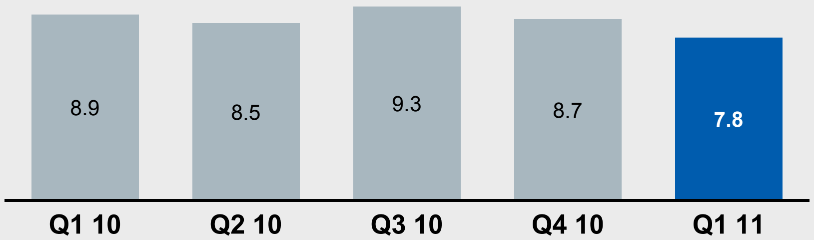


Operational free cash flows

EUR million	Q1 2011
▪ Earnings on in force	523
▪ Return on free surplus	17
▪ Release of required surplus	(1)
▪ New business strain	(275)
▪ Operational free cash flow	264

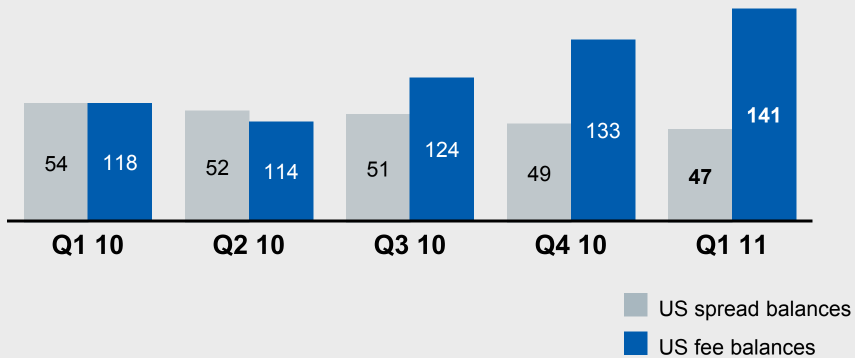
Return on Equity

(%)



Strategic shift from spread to fee

(USD billion)



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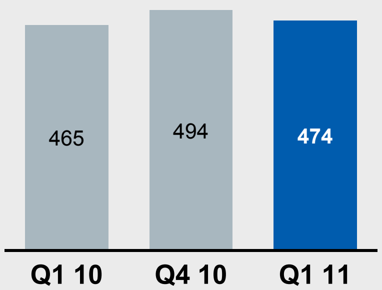
Note: Life reinsurance and BOLI/COLI are included in run-off businesses and are no longer reported in UEbT, sales and deposits

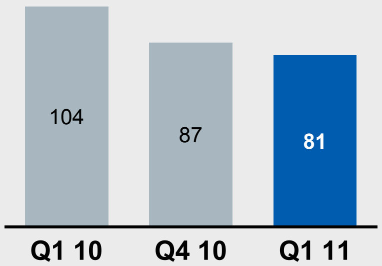
Underlying earnings impacted by UK charges and NL longevity provisioning

- Americas' earnings up 2% driven by strong pensions and variable annuities
  - As of Q1 BOLI/COLI and life reinsurance reported in run-off businesses
- Earnings in the Netherlands lower due to higher provisioning for longevity of EUR 24 million
- UK impacted by exceptional charges of GBP 21 million, mainly related to customer redress
- New markets up on VA Europe and asset management, partly offset by investments in Asia
  - Underlying earnings in the CEE were stable, despite impact from new pension legislation in Hungary

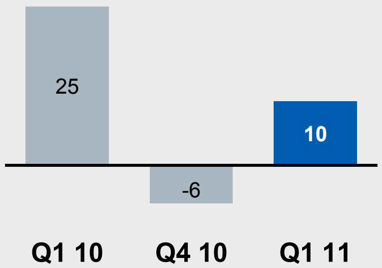
Americas
(USD million)



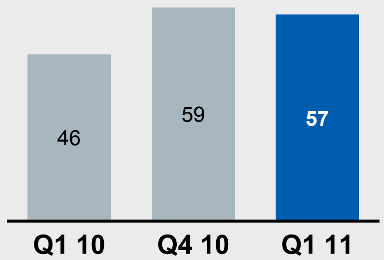
The Netherlands
(EUR million)



United Kingdom
(GBP million)



New Markets
(EUR million)



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Higher provisioning for longevity in the Netherlands

- New projected mortality tables (2010 – 2060) show a strong increase in life expectancy
  - One-off impact on excess capital of EUR 225 million in Q4 2010

- Provisioning based on actual/observed mortality is taken through underlying earnings in line with AEGON's accounting methodology
  - CBS* 2005-2010 observed mortality tables only available in 2012
  - AEGON assumes for 2005-2010 observed mortality a continuation of the emerging trend of strong improvements in observed mortality for 2010

➡ Longevity provisioning is increased by EUR 20 million on average per quarter for 2011

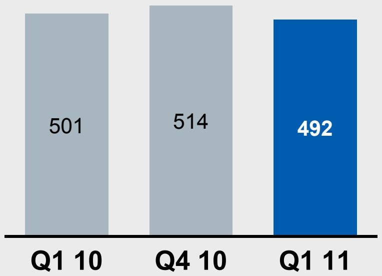
** Centraal Bureau voor de Statistiek / Central Bureau of Statistics*

Continued focus on cost control

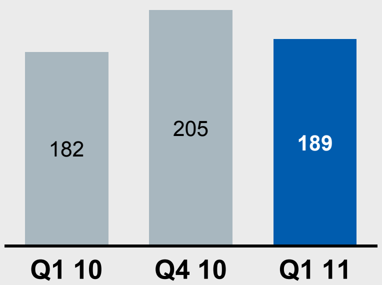
- Operating expenses up 3% due to restructuring charges and currency movements
  - down by 1% excluding restructuring charges and at constant currencies
- Americas: declined 2% as a result of continued cost reduction initiatives
- The Netherlands: higher on investments in new distribution capabilities
- UK: cost savings offset by charges related to customer redress and restructuring
  - on track to reduce costs by 25% by the end of 2011
- New markets: operating expenses increased on restructuring charges in asset management

Operating expenses

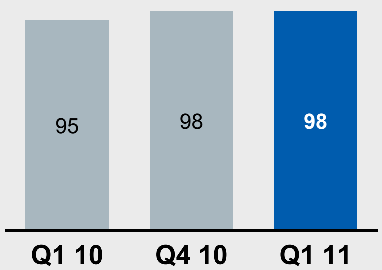
Americas
(USD million)



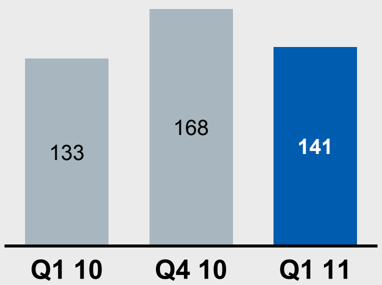
The Netherlands
(EUR million)



United Kingdom
(GBP million)



New Markets
(EUR million)



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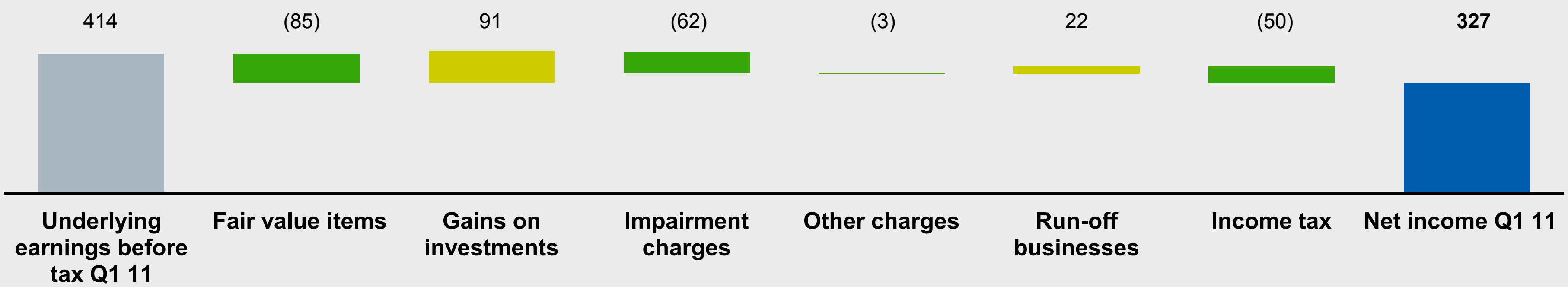
Net income benefits from lower impairments and positive result run-off businesses

- Fair value items impacted by exceptional loss on strategic allocation funds in the Netherlands
- Investment gains as a result of normal trading in the investment portfolio
- Lower impairments were mostly linked to US residential mortgage-backed securities
- Run-off businesses turned positive on inclusion of life reinsurance, BOLI/COLI and lower yield transfer to fixed annuities

Underlying earnings to net income development in Q1 2011

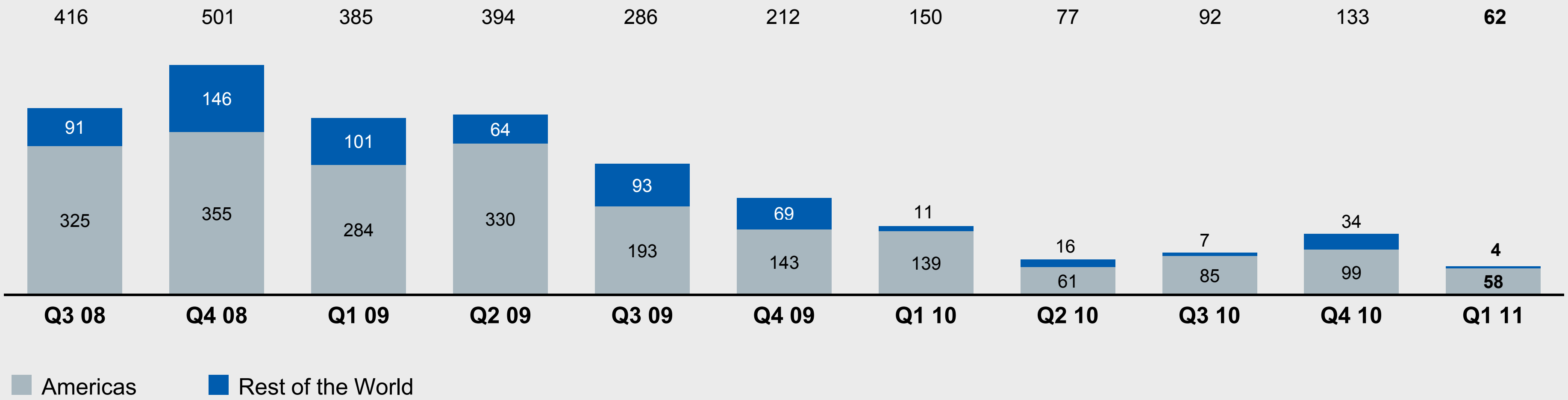
(EUR million)



Impairments at lowest level in almost three years

- Impairments mostly linked to US residential mortgage-backed securities
- Impairments included recoveries of EUR 26 million

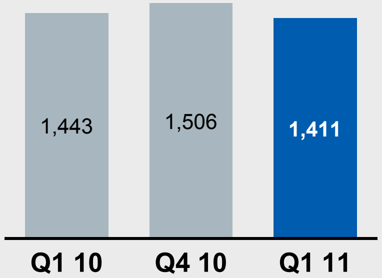
Impairments
(EUR million)



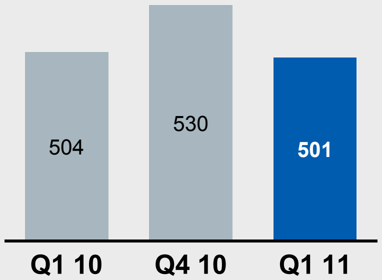
Sales growth in fee-based businesses – key area of focus

- Sales composite introduced, consisting of new life sales, new premiums accident & health and general insurance and 1/10 of gross deposits
- New life sales stable; higher pension sales in the Netherlands and strong sales in Central & Eastern Europe offset by a decline in the UK due to repricing
- Growth in US pension and variable annuity deposits, offset by lower asset management deposits and saving deposits in the Netherlands
- VNB down mainly due to lower spreads on mortgages and increased life expectancy in the Netherlands

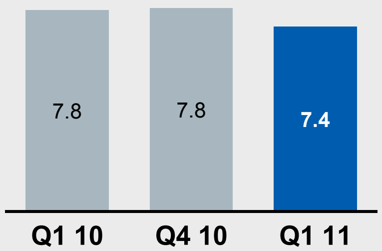
Sales
(EUR million)



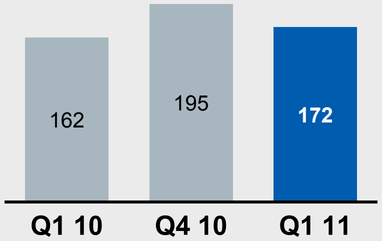
New life sales
(EUR million)



Gross deposits
(EUR billion)



Accident & health and general insurance
(EUR million)



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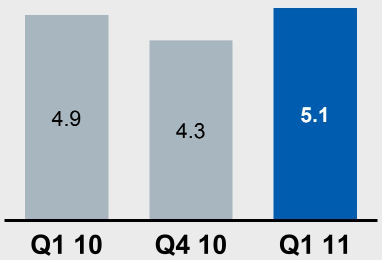
Strategic shift toward fee-based business – Pensions

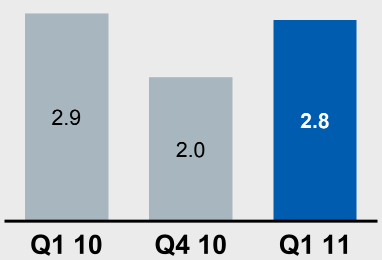
- US pension business continues to show strong results
  - Success in smaller case market (<USD 20 million) as a result of high quality third-party administration and Plan Administration Service Support (PASS) product
  - Focus on ‘Not-for-Profit’ and ‘Total Retirement Outsourcing’ drives results in larger case market (>USD 20 million)
- Withdrawal rates remain historically low at 11.2%

Pensions

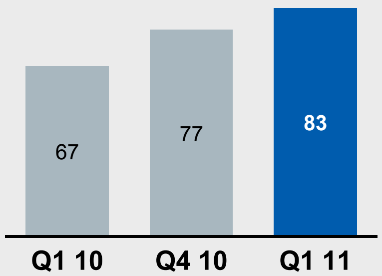
Gross deposits
(USD billion)



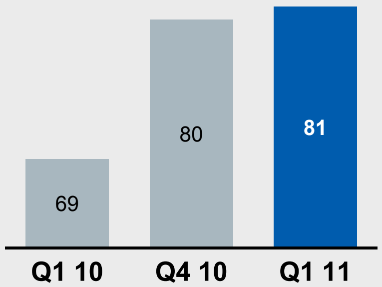
Net deposits
(USD billion)



Account balances
(USD billion)



Underlying earnings*
(USD million)



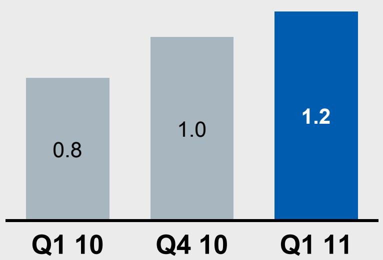
** Includes earnings from pensions, stable value solutions and worksite*

Strategic shift toward fee-based business – Variable annuities

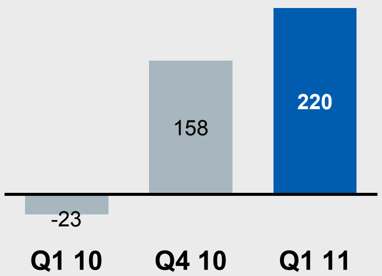
- US variable annuities gross deposits rose 46% compared with Q1 2010
  - Growth in all traditional channels
  - Newly launched VA rider well received
  - Fast-to-market strategy pays off
  - Market rationalization
  - Select competitors leave the market
  - Equity market recovery beneficial for sales
- Net flows increased on higher sales and stable decrement rates
- Variable annuity earnings driven by strong net inflows and higher account balances

Variable annuities

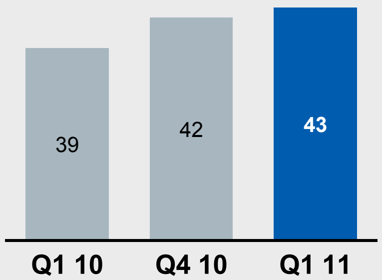
Gross deposits
(USD billion)



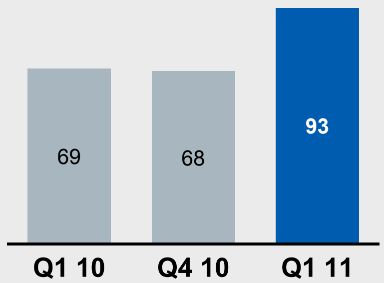
Net deposits
(USD million)



Account balances
(USD billion)



Underlying earnings
(USD million)



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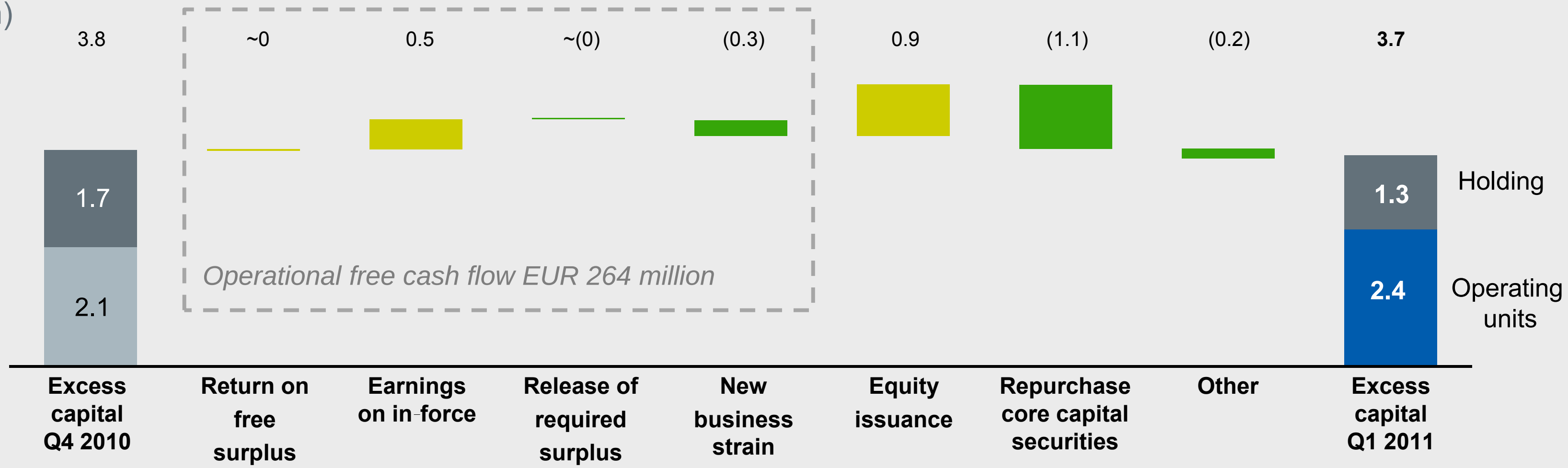
Continued strong excess capital position

- Excess capital of EUR 3.7 billion
  - Excess capital of EUR 2.4 billion in operating units
  - Holding excess capital of EUR 1.3 billion, down on EUR 1.125 billion payment to Dutch State partly offset by EUR 0.9 billion equity issuance
- Earnings on in-force support strong cash flows driven by favorable market conditions and lower impairments

Excess capital development Q1 2011

(EUR billion)



Operational free cash flows

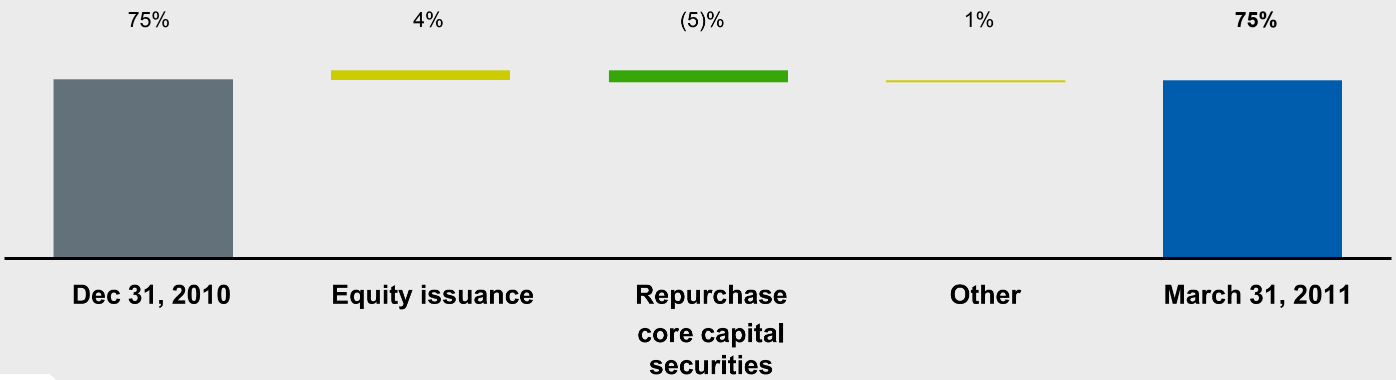
- Operational cash flow disclosure on a quarterly basis going forward
- During the first quarter, earnings on the in-force remained strong
- Investments in new business as expected
  - Shift in business mix
  - Higher sales volumes for key fee-businesses
- Target: improve 2010 operational free cash flow of EUR1.0-1.2 billion by 30% by 2015

EUR million	Q1 2011
Earnings on in force	523
Return on free surplus	17
Release of required surplus	(1)
New business strain	(275)
Operational free cash flow	264

Core capital ratio stable at 75%

- Core capital ratio negatively impacted by repurchase of core capital securities (EUR 750m + EUR 375m premium) almost fully offset by:
  - Equity issuance of EUR 903 million
  - Other items, mainly consisting of retained earnings, up-streamed dividends and holding expenses
- Q2 2011 core capital expected to be impacted by full repurchase of core capital securities
- Aim to achieve core capital of at least 75% of total capital by end 2012

Movement core capital ratio



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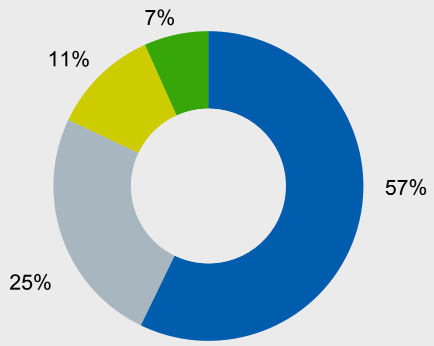
Total embedded value up 6% to EUR 18.9 billion

- Total embedded value increased mainly due to positive performance of in-force business as a result of cost savings, improved financial markets and strengthening of currencies

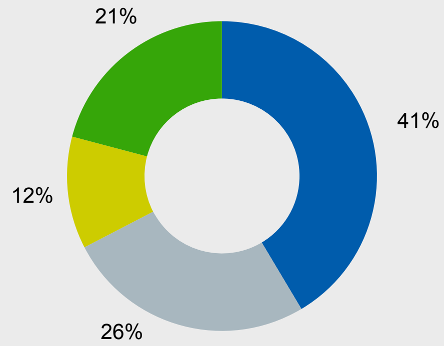
EUR million, except per share data	2010	2009	Δ
Embedded value life insurance	25,756	23,296	11%
Total embedded value	18,891	17,770	6%
Total embedded value per common share	10.38	9.65	8%
Value of new business	555	767	(28)%

Embedded value life insurance 2010

- Americas
- The Netherlands
- United Kingdom
- New markets



Value of new business 2010



Conclusion

- Solid progress on strategic objectives
- Underlying earnings impacted by exceptional charges and longevity provisioning
- Continued focus on cost control
- Strong earnings and sales of pensions and variable annuities in the US
- Strong excess capital of EUR 3.7 billion
- Total embedded value increases to EUR 18.9 billion

Aim to fully repurchase core capital securities from Dutch State by end of June

Q & A

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Appendix

Key benefits of Transamerica Reinsurance divestment

1 Execution of AEGON's strategy	▪ Divestment of non-core life reinsurance activities ▪ Supports repurchase of remaining core capital securities ▪ Retained blocks of business put in run-off ▪ Reduction of capital employed in the US
2 Strengthening cash and capital position	▪ Cash proceeds of USD 0.9 billion; capital release of USD 0.5 billion ▪ Upstream USD 1.1 billion to the holding ▪ No meaningful impact on shareholders' equity
3 Structure of the deal	▪ Transaction consists of a number of reinsurance agreements ▪ Sale of Transamerica International Reinsurance Ireland ▪ Administrative service agreement for business reinsured
4 Improving AEGON's risk profile	▪ Reinsurance reserve financing obligation reduced by ~50%

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BOLI/COLI and Life reinsurance reported in run-off businesses as of Q1

- Net earnings from run-of businesses of EUR 13 million
- Average capital allocated to run-off businesses of EUR 2.7 billion (incl. life reinsurance)
  - Return on capital of run-off businesses of 1.9%
- Capital intensive run-off businesses negatively impact return on equity
  - Capital allocated to run-off businesses is included in RoE calculations, but run-off earnings are not

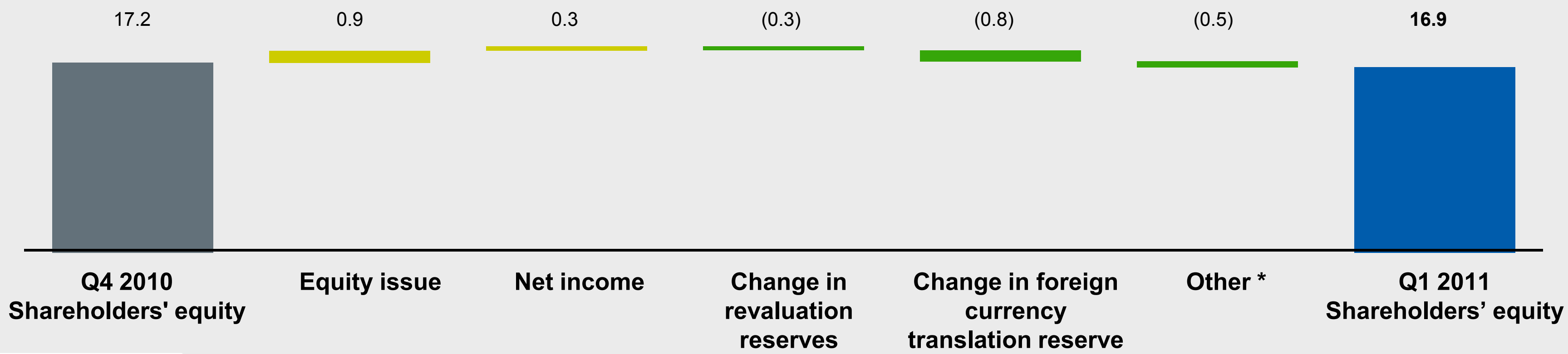
Run-off businesses Q1 2011

	Run-off period
Payout annuities	> 20 years
Institutional spread-based business	~ 5 years
BOLI/COLI	> 10 years
Life reinsurance	~ 15 years

Shareholders' equity down mainly on weaker US dollar

- Positive revaluation reserve of EUR 0.7 billion at end of first quarter 2011, down versus Q4 2010 as a result of higher interest rates
- Other changes included the EUR 375 million premium on the repurchase of core capital
- Return on equity of 7.8%, as a result of:
  - Lower net underlying earnings
  - Higher average shareholders' equity excluding revaluation reserves

Shareholders' equity development Q1 2011
(EUR billion)

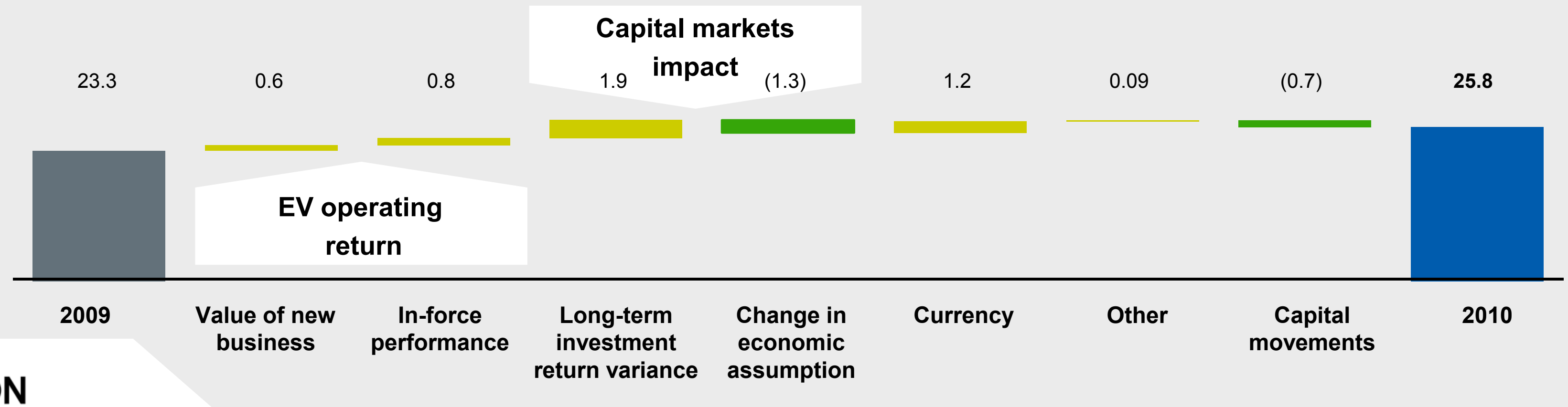


** Other include coupons on perpetuals and other*

Increase embedded value life insurance driven by operating returns

- Value of new business in 2010 of EUR 555 million
- Positive performance of in-force portfolio as a result of cost savings, improved financial markets and strengthening of currencies against the euro
  - Changes in operating assumptions mainly driven by strengthening of persistency in Americas and increasing longevity in the Netherlands
- Lower interest rates in the Netherlands led to negative economic assumption changes and were offset by results on interest rate-related hedges in the Netherlands

Embedded value life insurance movement
(EUR billion)



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Disclaimer

<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 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.

<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;
- 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;
- Our inability to obtain consent from the Dutch Central Bank to repurchase our Core Capital Securities; and
- 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 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.