



AEGON United Kingdom

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Analyst and Investor Conference, London, 9 -10 June 2009

- Targets 2010 delivered ahead of plan
 - Market share of 10%
 - Value of new business margin of 23%

- Drive more value from the in-force portfolio:
 - Retention
 - Cost containment

- Grow scale and returns of new business with focus on:
 - At-Retirement
 - Corporate market
 - Advice & Asset Management

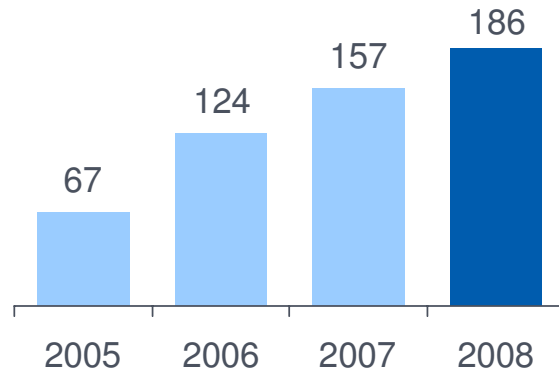
- Improve customer service, product & channel innovation and brand awareness

New business growth and profitability delivered



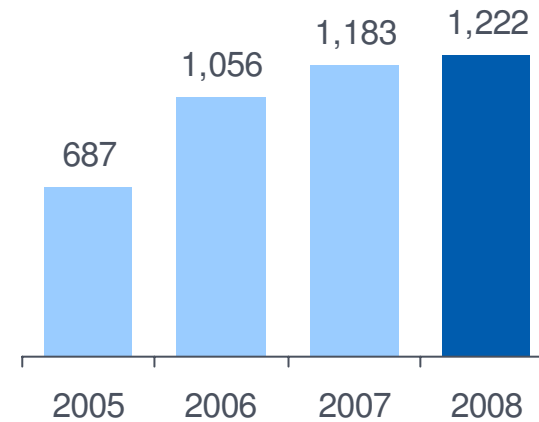
Value of new business

(GBP million)



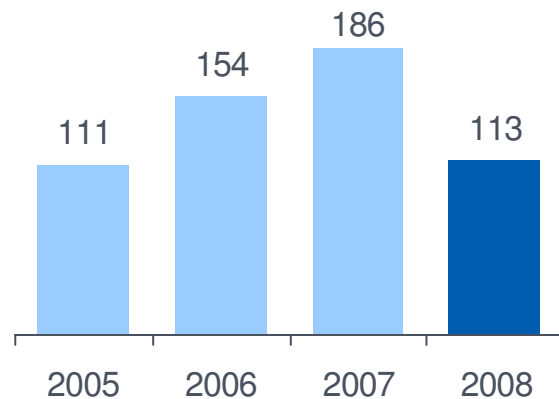
Sales (APE)

(GBP million)



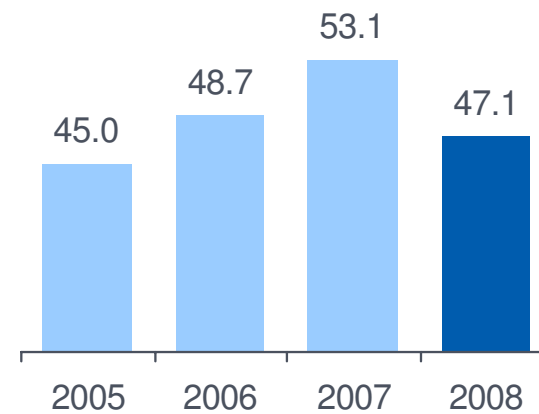
Underlying earnings before tax

(GBP million)



Revenue generating investments

(GBP billion)



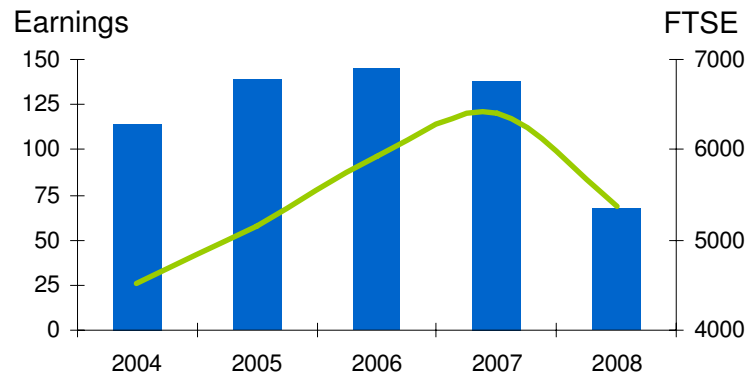
	2005	2008	2010 target
VNB margin ¹	16%	23%	20% → 22% ⁴
Market share ²	6%	10%	10%
Non-IFA distribution ³	13%	20%	25%

- Diversification into higher margin products
- Adding scale by penetrating new distribution channels
- Building on existing capabilities
- Strengthening strategically important areas
- Increasing emphasis on solutions which meet changing needs of customers

1. VNB margin targets are on a pre-tax and pre-solvency basis

2. 2008 share is for Q4 per Association of British Insurers 3. Based on APE 4. Target increased to 22% in 2007

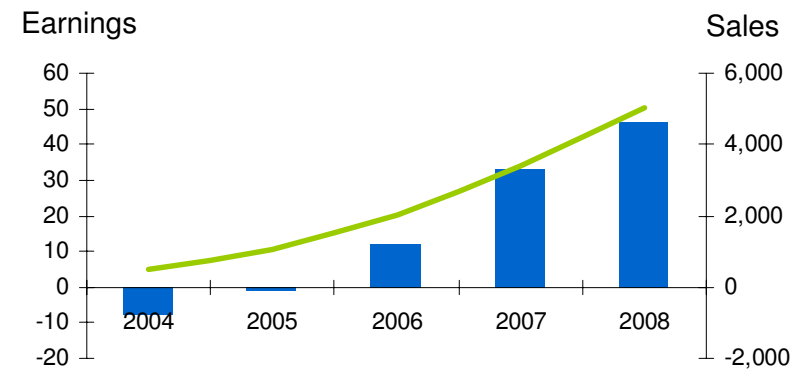
Pensions & Asset Management



- Underlying earnings before tax (GBP million)
- Average FTSE

- Market levels
- Expenses
- Persistency
- New business levels
- Assets under management

Life & Protection



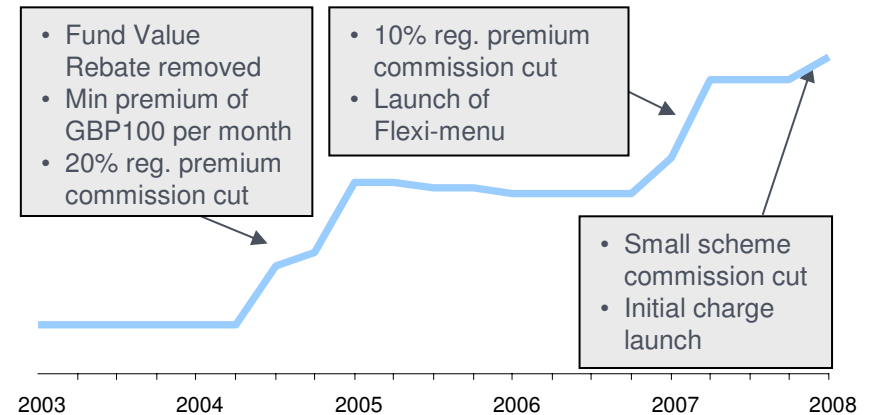
- Underlying earnings before tax (GBP million)¹
- Cumulative Annuity sales from 2004 (Single premium in GBP million)

- New business levels
- Mortality
- Pricing margins
- Expenses

1. Underlying earnings in 2007 excluding one-off benefit

- Large market with pension assets
- Opportunity to build scale ahead of Pension Reform and workplace savings
- Presence provides opportunities to support employers in de-risking Defined Benefit liabilities
- Efficient new business processing capability
- Important to in-force scale of UK business

Group pensions margin development¹



- Adjusted pricing and commissions delivered improved margins from 2004
- Maintained margin during 2008 despite difficult market conditions
- Bespoke pricing to maximise profit and reduce risk
- Willing to exit areas of the market where we are not strong or sub-scale (e.g. Group Risk business)

1. The calculations cover new GPP schemes only and use constant EV assumptions throughout the period

- Desire to diversify earnings away from equity markets
- Relatively small in-force book – appetite for further growth
- Pricing based on recent mortality assumptions – (Launched into open market in 2005)
- Default provisioning of 11% of reserves included in pricing assumptions
- Ability to react quickly to market conditions through flexible pricing systems
- Monitoring Bulk Annuity market developments for profitable opportunities

Capital

- Optimise capital structure
- De-risk with profits business
- Identifying opportunities to release fungible capital
- Exploring possibilities of securitisations

Costs

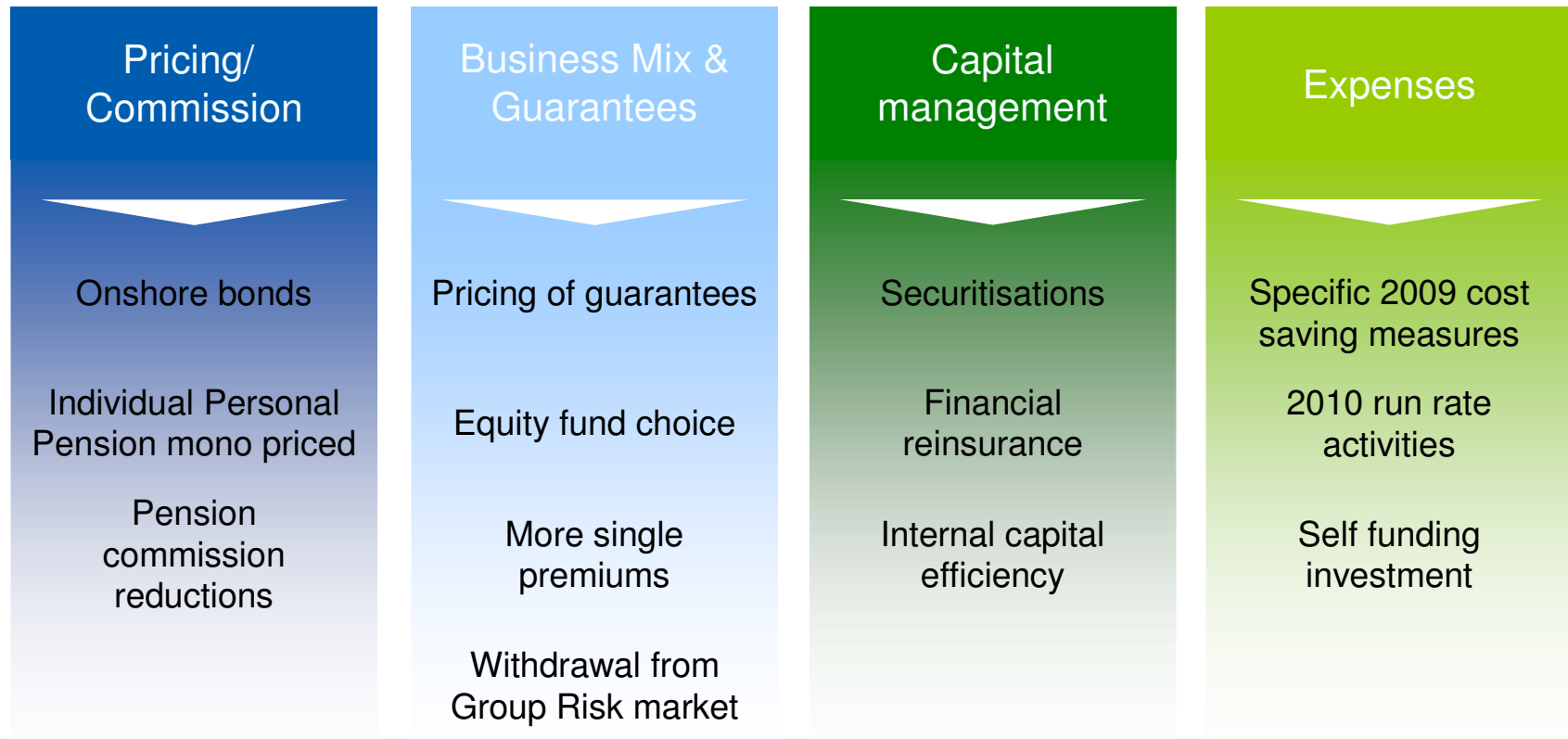
- On track with cost reduction targets
- Organisational development to simplify processes

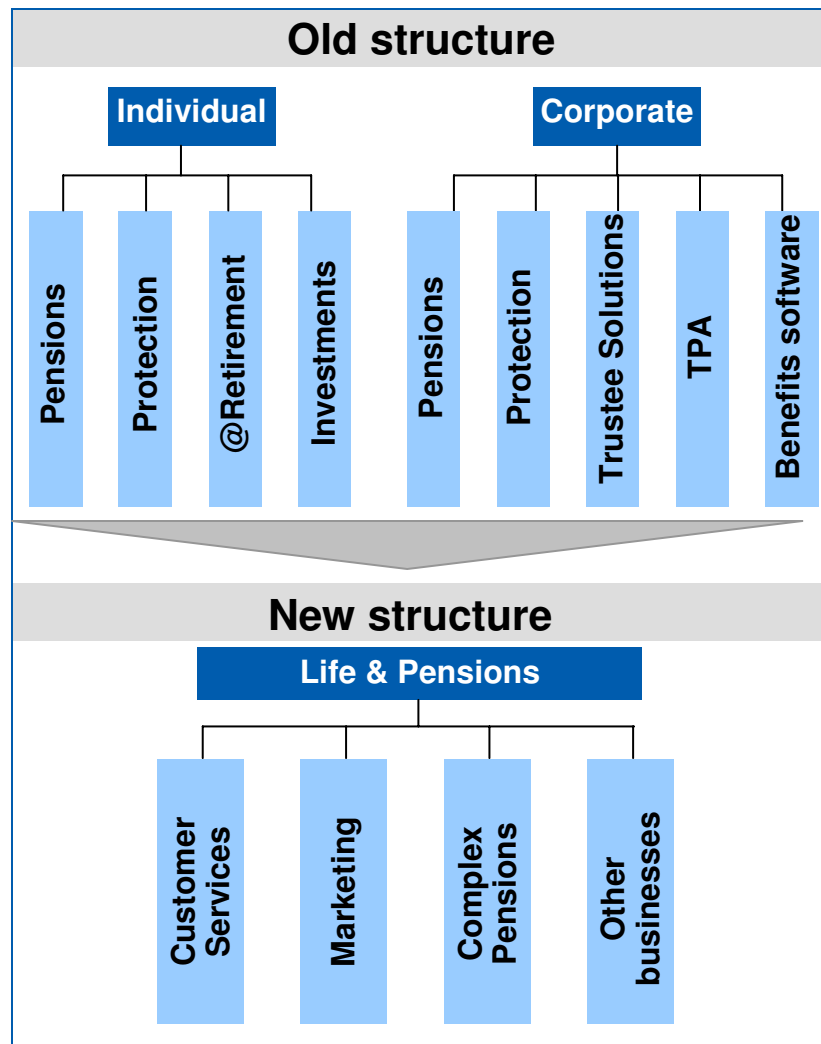
Net inflows

- Increased focus on retention to keep inflows positive

Portfolio review

- Withdrawal from Group Risk market
- Ongoing review of existing activities



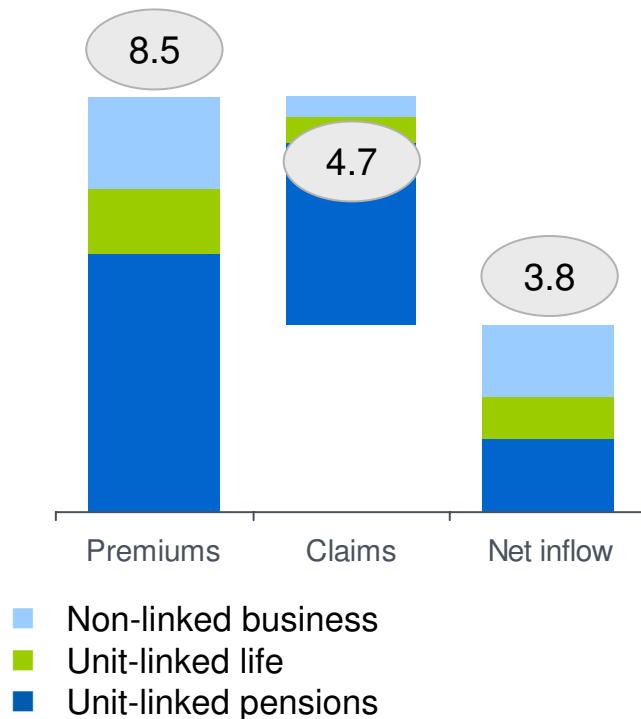


Cost savings initiatives

- Reorganisation of Customer Service & Marketing
- IT initiatives
- Data centre consolidation
- Sales division efficiency savings
- Focussed investments in new capabilities

- Distribution business efficiencies
 - Consolidation of back office
 - One operating system

2008 net product flows¹ (GBP billion)

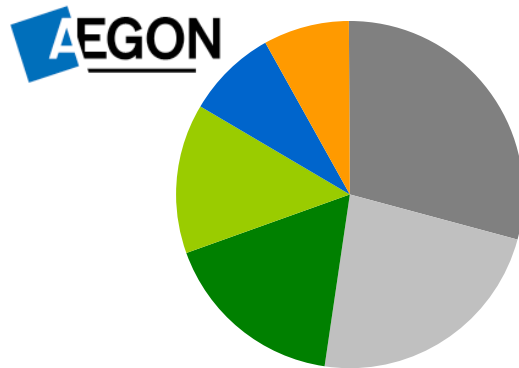


Efforts to increase retention

- Improving delivery to customers
 - Proposition, service & communications
- Improved management information
 - Rewrites & late retirements
- Scheme relationship management
 - Tiered approach by value
- Customer and adviser pilots
 - Benefits in annuities, bonds and group leavers
 - Engagement and management

1. Excluding With Profits business

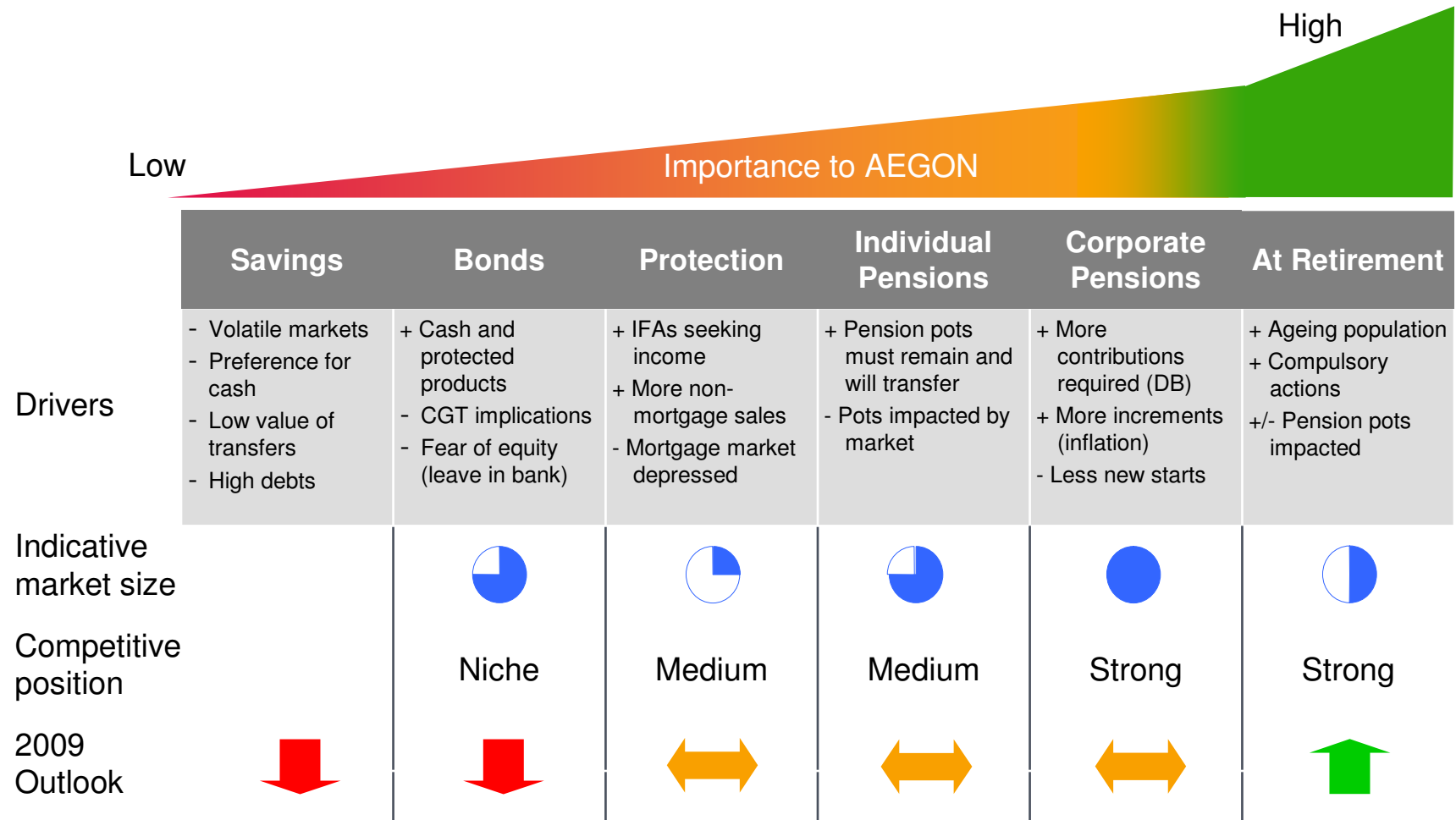
Group Risk market



- Mature market with dominant players (top 4 have 80% of the market)
- Business currently loss making and capital intensive
- In-force sub-scale with limited prospect of increasing scale

Decision to withdraw from market

- Closed to new business
- Run-off of existing business over the next 3 years
- Positive impact on future earnings and value of new business
- Releasing ~EUR 55 million in capital
- Pursue growth opportunities in more profitable business segments:
 - Pensions
 - Individual protection
 - Investments
 - Annuities



	Driver	View
Government	Pension Reform	<ul style="list-style-type: none"> o Auto-enrolment drives take-up of pensions o PADA¹ becoming less ambitious o Cross party support
	Treasury Review of Retail Financial Services	<ul style="list-style-type: none"> o To be published late June '09 o New ideas about saving and distribution o Add momentum to RDR measures (RDR II)
Regulator	Retail Distribution Review	<ul style="list-style-type: none"> o Increase focus of advisers on “wealthy” o New mid market channel emerging o New “guided sales” for simple products
	Response to crisis	<ul style="list-style-type: none"> o Risk management & TCF capability essential for success
Consumer	Corporates	<ul style="list-style-type: none"> o Move to “enable” provision o Workplace focus for saving & protection o Continued Defined Benefit run off
	Individuals	<ul style="list-style-type: none"> o More open to guarantees o Ageing pressure continuing with strong opportunities for broad At Retirement offering

1. Personal Accounts Delivery Authority

1. Protect & grow the yield of existing business
 - Customer retention
 - Broadening share of customer retirement assets
 - Continued unit cost reduction

2. Grow scale and the yield of new business
 - No1 positions in At Retirement and Corporate benefit markets
 - Strong positions in advice and asset management solutions

3. Seed new developments with significant future potential
 - Step up capability in SIPP and investment platforms
 - Workplace saving using employee focused propositions
 - Propositions for new savers as the economy recovers
 - Brand progress underpinning ability to deliver

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Variable annuities in Europe

AEGON India

Otto Thoresen

Member of the Management Board

Market opportunity

Market size		Long-term estimate (EUR billion AuM)
UK		65-160
France		75-175
Netherlands		10-30
Spain		15-35
Germany		40-85
Total (incl. Other Europe)		205-485

Driving success

- Product design
simplify and reduce guarantees to reflect market conditions
- Standardisation
single consistent product suite on single platform
- Capital efficiency restructuring
reduce capital requirements
- Distribution
review commission models (esp banks)
- Planned rollout
focus on key markets (UK, Germany), then secondary opportunities (France, Netherlands, Spain)
- Clear accountability
country units recognise VA as core product line

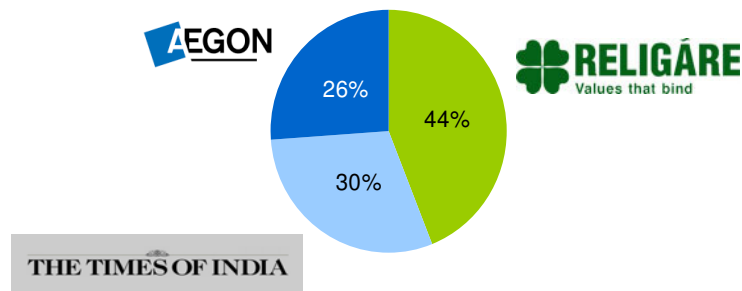
Next steps

- Re-pricing of current products to improve attractiveness and profitability
- Launch in the Netherlands and possibly in other European countries



- o Indian business now established and plans in place to grow distribution to drive volume. The business is written through a joint venture with an Indian partner

Current JV structure

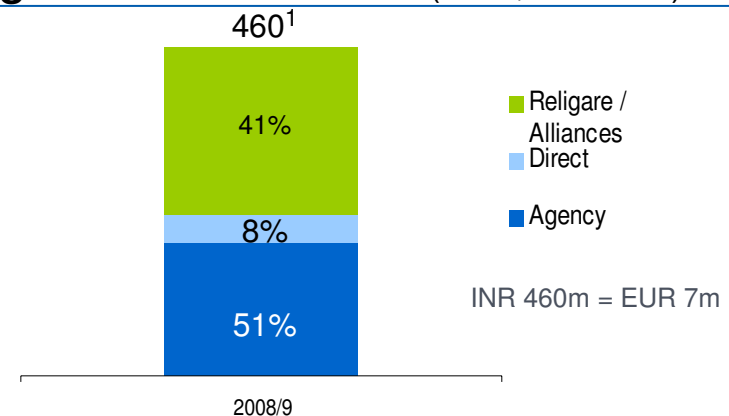


- o Commercial partners (not state controlled)
- o Current regulation limits foreign ownership but anticipate changes to this over time – agreement to move to 51% ownership when this happens
- o Board representatives from all partners and independent Non Executives
- o Competition from about 15 foreign insurers

¹ EUR = 68.35 INR (31/03/09)

Local knowledge. Global power.

Progress delivered Sales (APE, INR mln)



¹ actual results, for partial first year of trading (9 months)

- o Launched July 2008 following development supported by AEGON UK
- o Significant market opportunity
 - o Population of 1.1 billion
 - o Strong savings ethic (35% of GDP)
- o Pan Indian approach using tied agents, employed adviser, Religare network and corporate agents
- o Over 22,000 policies sold (unit linked saving, protection and pensions)
- o 1,400 staff in place and over 2,300 tied agents



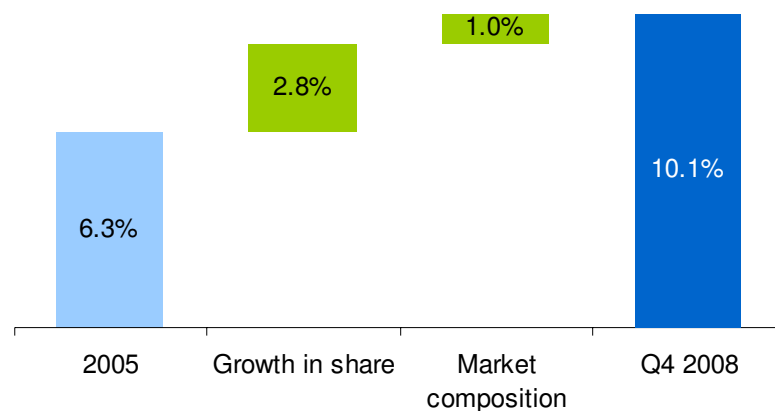
Q&A

For questions please contact Investor Relations
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Appendix

Market Share Progression



Market Share ¹	2005	Q4 2008	
Group Pensions	10.5%	12.2%	↑
Individual Pensions	7.7%	9.8%	↑
Annuities	5.9%	14.8%	↑
Individual Protection	4.4%	6.9%	↑
Bonds	2.5%	5.6%	↑

Drivers of Growth

- Significant market share growth achieving 2010 target in Q4 2008
- Built sustainable growth in the business
- Growing share of higher margin product
- Maintained market leading positions in pensions
- Not targeted low margin/high volume investment sales – market has collapsed in recent years

1. Per Association of British Insurers

- o Global & Mixed Fund performance is impressive over most time periods to the end of March 2009

Lipper Quartile Ranking	Mixed Fund	Global Fund
Quarter	3 rd	3 rd
1 Year	2 nd	3 rd
3 Years	2 nd	2 nd
5 Years	3 rd	2 nd
Fund size (GBP billion)	5.8	0.8

