Q2 2013 Results

The Hague – August 8, 2013

AEGON
Transform Tomorrow

Alex Wynaendts
CEO
Media conference call

aegon.com

Key messages

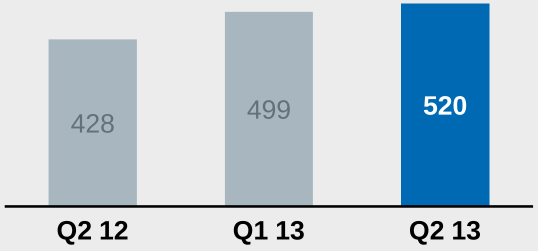
- Executing on strategic transformation
- Continued positive sales trend in accumulation and At-Retirement products
- Strong underlying earnings result of business growth and favorable equity markets
- Continued strong capital position and cash flows – interim dividend of EUR 0.11

Earnings, sales and cash flow grow in second quarter 2013

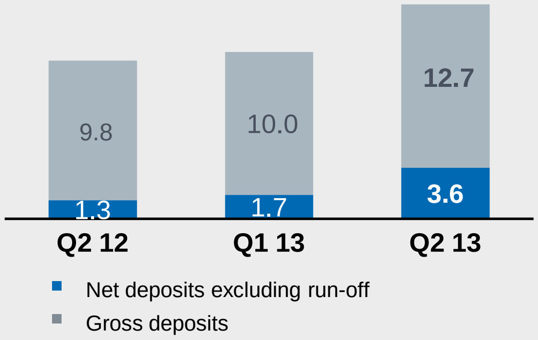
Positive sales trend continues – reflecting our strategic focus

- New life sales increased 21% to EUR 520 million
  - New life sales in NL more than doubled due to strong competitive position and increasing market demand for pensions
  - UK sales 38% higher, benefiting from auto enrollment, strong group pension sales and accelerated platform sales
  - US new life sales stable as higher traditional term life sales were offset by lower universal life sales due to re-pricing
- Gross deposits 30% higher at EUR 12.7 billion, net deposits up 176% to EUR 3.6 billion
  - US VA deposits 73% higher benefiting from strong distribution network and increased demand, retail mutual fund deposits 51% up, partially offset by sharply lower stable value deposits as balances are at target level
  - Asset Management deposits more than doubled to EUR 5.5 billion on strong third-party deposits
- Accident & health and general insurance down 7% to EUR 187 million as several distribution partnerships were ended

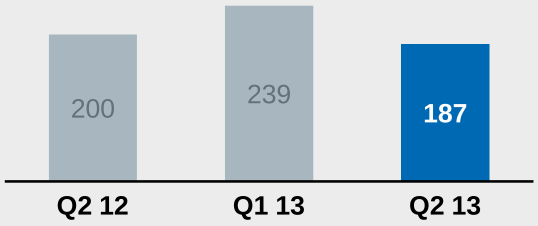
New life sales
(EUR million)



Gross and net deposits
(EUR billion)



A&H and general insurance
(EUR million)



Growth underpinned by distribution, innovation and leveraging technology

New distribution agreements

- New US VA partnership with Edward Jones and earlier announced agreement with Voya (ING U.S.)
- Selected by Mercer as one of three partners in the large DC market and sole partner for SME in the UK
- Strong start for partnership with Banco Santander, Spain's leading bank

Continued focus on innovation

- Roll out of 13 new retail mutual funds in last 15 months adds to strong rise in US deposits
- Recent launch of co-created, simplified variable annuity product with select partners in US
- Retire on Track; assisting US participants to track their financial progress to retirement
- Innovative insurance solution to fund unfunded pension plans for multinational clients in Europe

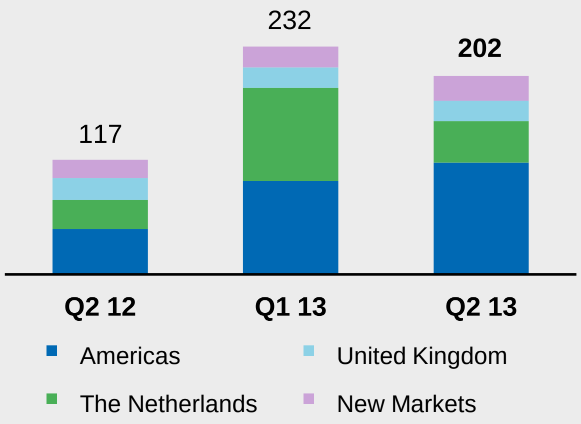
Leveraging technology

- Industry leading retirement solutions platform in US demonstrates scalability
- Straight through processing makes Dutch TKP an efficient and low cost pension provider
- State of the art UK Platform; non-advised capability soon to be launched
- Further roll out of on-line sales in CEE

Growing value of new businesses

- Market consistent value of new business in the Americas doubled
  - VA benefited from continued sales momentum and higher interest rates
  - Life up on repricing and redesign of products
- In the Netherlands value of new business increased significantly
  - Solid contribution from mortgages
  - Increased pension production
  - Lower MCVNB compared to Q1 driven by lower mortgage production
- Higher pension sales offset by lower margins in the UK
- Strong market consistent value of new business improvement in Asia offset by divestments in Spain

Market consistent VNB
(EUR million)

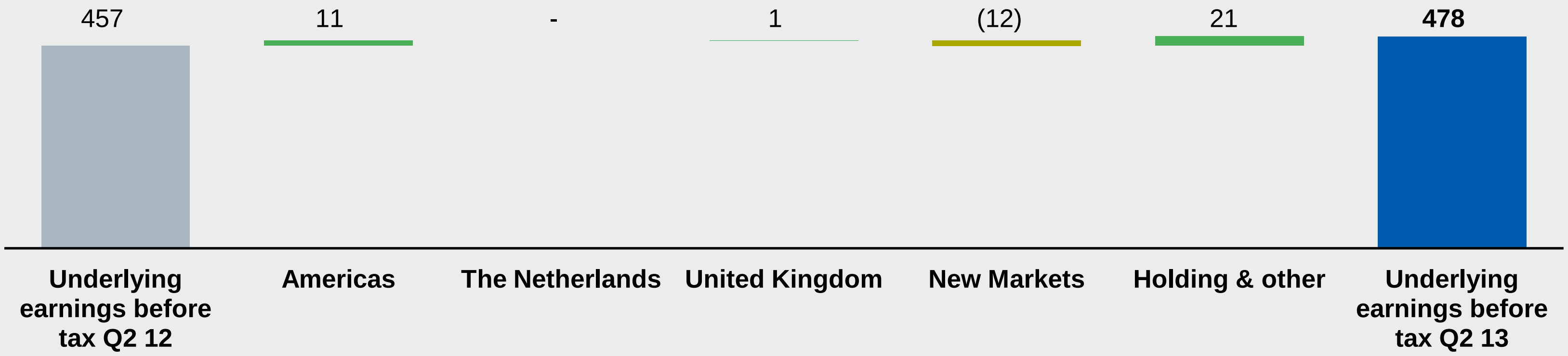


Underlying earnings up on business growth and favorable equity markets

- Americas up on both pension and variable annuities partly offset by higher sales related expenses resulting from strong sales
- Netherlands stable, higher earnings in Life & Savings were offset by lower earnings in Pensions
- UK earnings slightly higher on favorable mortality and claims experience in Life
- New markets earnings lower mainly due to divestments in Spain and higher non-life claims in CEE, partly offset by higher earnings from asset management, despite the sale of Prisma
- Holding & other improved due to lower interest expenses following debt redemption

Underlying earnings before tax

(EUR million)

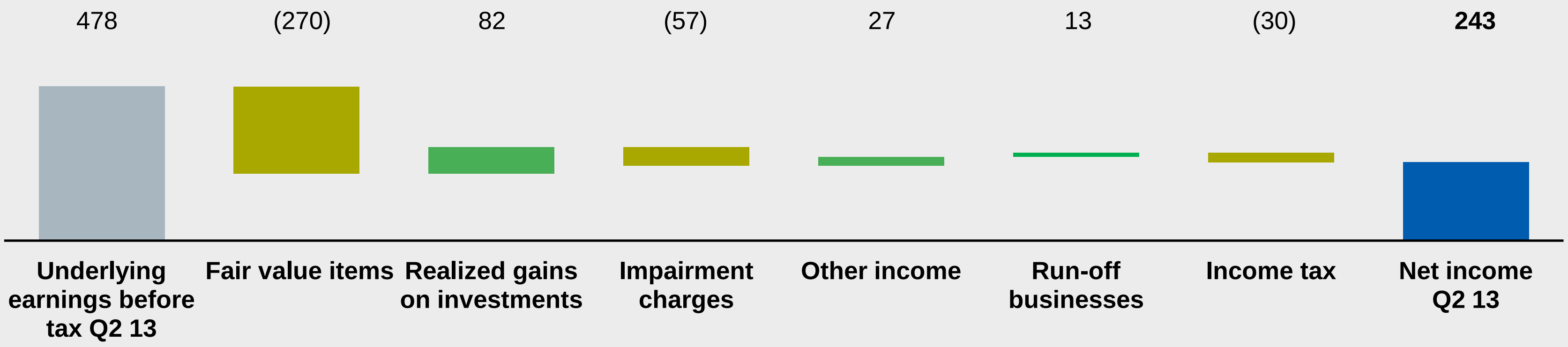


Net income impacted by fair value items

- Fair value items impacted by hedging losses in US and swaps on perpetuals and the higher valuation of medium term notes due to credit spread movements at the holding
- Gains on investments are the result of normal trading and asset-liability management
- Low level of impairments largely related to structured assets in the Americas, a single corporate exposure in the UK and impairments on the Dutch residential mortgage portfolio
  - Losses on the Dutch mortgage portfolio remain low at 6 bps year to date
- Other income includes book gain on Unnim (EUR 102 million), offset by UK restructuring charges (EUR 32 million), Positive Solutions book loss (EUR 22 million) and Dutch KoersPlan provision (EUR 25 million)

Underlying earnings to net income development in Q2 2013

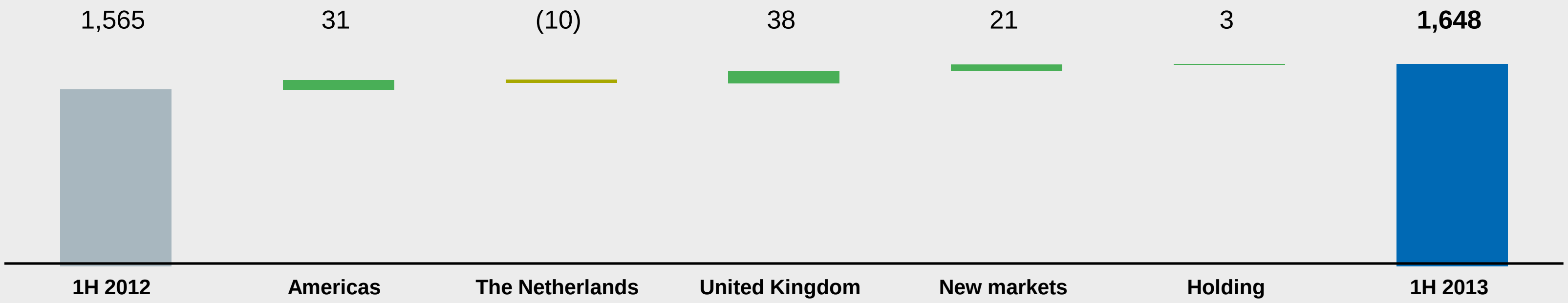
(EUR million)



Operating expenses up on sales related expenses and investments

- Total operating expenses excluding UK business transformation costs were 3% higher
- Expenses in the Americas up on higher sales related expenses following strong growth
- Operating expenses in the Netherlands declined driven by realized cost reductions
- UK expenses remained stable excluding business transformation costs of EUR 32 million and unfavorable currency exchange rates
- New markets expenses up on higher costs in Asia driven by business growth, the Hungarian insurance tax and investments to support future growth

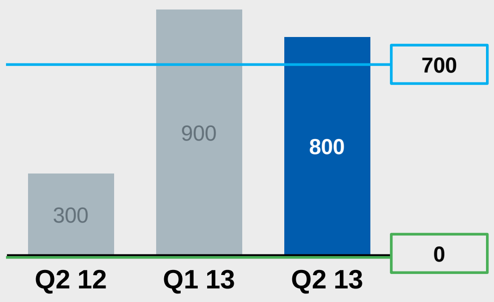
Operating expenses
(EUR million)



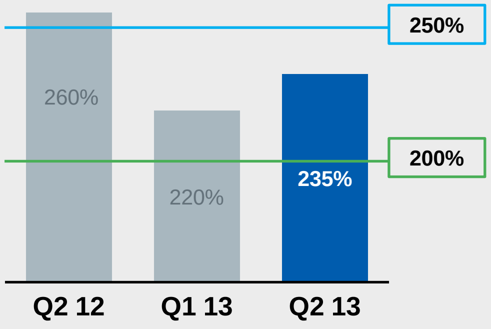
Solid group and local capital positions

- Group IGD ratio of 220%, reflecting strong operating unit regulatory capital positions
  - US RBC ratio of ~465%; NL IGD ratio of ~270% (incl. UFR and bank); UK Pillar 1 ratio of ~170%
- Cash flow generation in US and positive impact of higher interest rates offset by distributions to the Holding
- NL IGD ratio increased driven by earnings and changes to the yield curve
- UK Pillar 1 ratio rose as impact of higher interest rates was partly offset by effect of downgrades and impairments

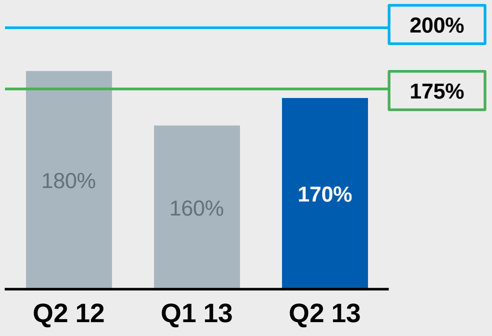
United States
(USD million excess over S&P AA)



The Netherlands
(IGD ratio ex. Bank, ex. UFR)



United Kingdom
(Pillar 1 ratio)



Target level
Buffer level

AEGON

Holding excess capital remains strong

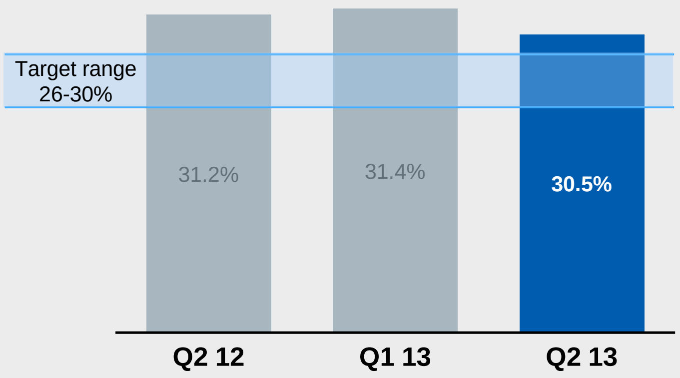
- Holding excess capital increased to EUR 1.9 billion
  - Cash used for the preferred share transaction, external dividends and investment in partnership with Santander offset by dividends from business units and proceeds from Unnim divestment
- Gross financial leverage ratio decreased to 30.5%
  - Redemption of USD 750 million senior note in June

Holding excess capital development

(EUR billion)

	Q1 13	Q2 13
Starting position	**2.0**	**1.8**
Net dividends received from business units	(0.0)	0.6
Acquisitions & divestments	(0.0)	0.1
Common & preferred dividends	-	(0.2)
Cancellation of preferred shares	-	(0.4)
Funding & operating expenses	(0.1)	(0.1)
Other	(0.1)	0.1
Ending position	**1.8**	**1.9**

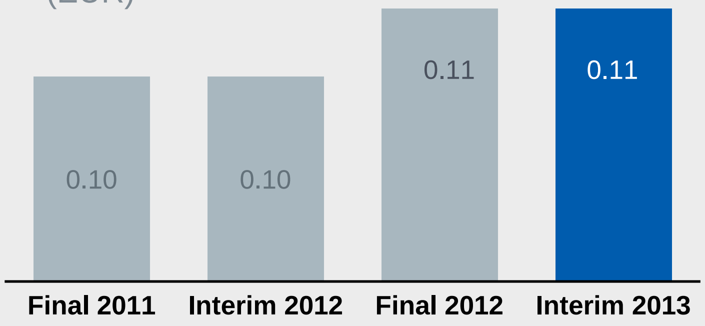
Financial leverage ratio



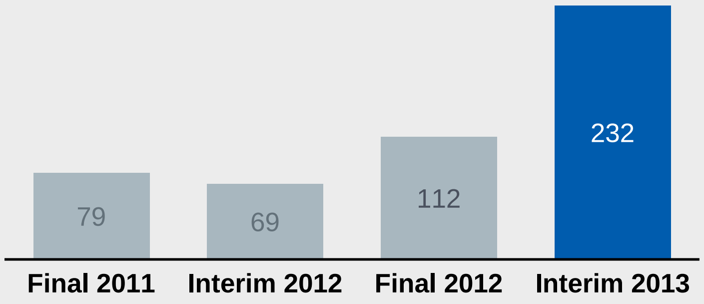
Dividend growth supported by strong capital and cash flows

- Interim 2013 dividend increased to EUR 0.11 per share
- Dividends will be paid in cash or stock at the election of the shareholder
- Repurchase of interim 2013 stock dividend; eliminating dilutive impact and increasing cash commitment
- Aim to pay a sustainable dividend supported by strong capital position and operational free cash flows

Dividend per share
(EUR)



Cash payout
(EUR millions)



Key messages

- Executing on strategic transformation
- Continued positive sales trend in accumulation and At-Retirement products
- Strong underlying earnings result of business growth and favorable equity markets
- Continued strong capital position and cash flows – interim dividend of EUR 0.11

Earnings, sales and cash flow grow in second quarter 2013

AEGON

Appendix

Transform Tomorrow

For questions please contact Group Corporate Communications
+31 70 344 8956
gcc-ir@aegon.com

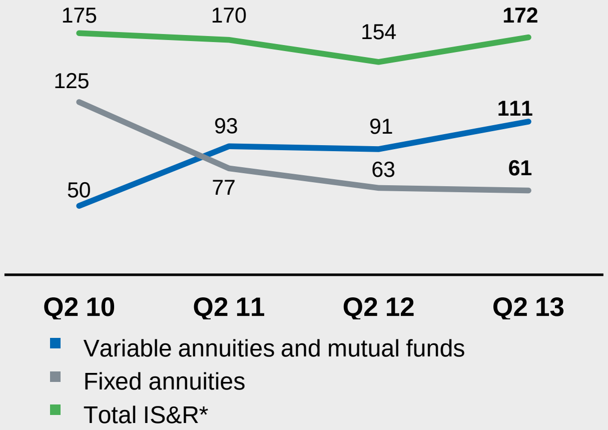
Download
IR & media App
in the appstore

LTA BRITISH TENNIS
LEAD PARTNER
AEGON

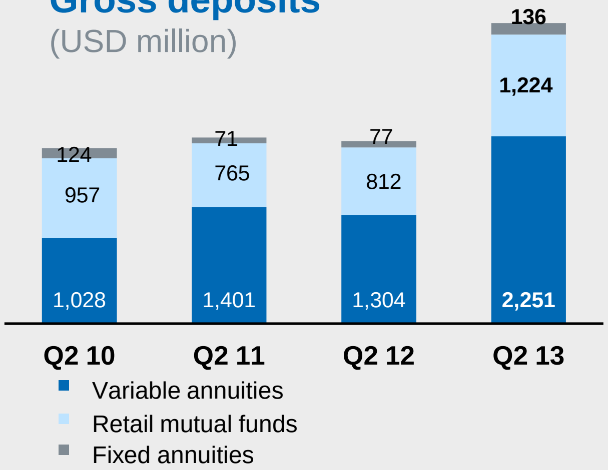
Successful transition from spread to fee-based business

- Higher earnings of US variable annuities and retail mutual funds more than compensating decrease in fixed annuities
  - Successful delivery on strategy to shift from spread to fee-based business
- Variable annuities deposits up 73% compared to Q2 2012
  - Traditional variable annuities sales benefitting from increased production at target distributors
  - New distribution arrangements continue to be added (eg. Edward Jones)
  - Large competitors scaling back
- Retail mutual funds deposits increase 51%
  - Fixed income funds continue to dominate with two-thirds of all sales
  - 60% of funds sold are managed by Aegon Asset Management
- VA and retail mutual funds net deposits of USD 1.5 billion in Q2
  - Fixed annuities outflows of USD 0.6 billion as product is de-emphasized

Underlying earnings
(USD million)



Gross deposits
(USD million)



** Individual Savings and Retirement division*

AEGON

UK transformation to low-cost platform player

At-Retirement	Workplace Savings	Non-Advised
Accumulation and decumulation capability for the adviser market ***Launched November 2011***	**"Gated" solutions for employee segments** ***Launched June 2012***	**Self-service availability for the D.I.Y. market** ***To be launched to existing customers***

- Platform growth continues
  - One platform, three solutions – non-advised market propostion to be launched soon
- New distribution deal with Mercer, following earlier deal with Barclays
  - Aegon selected by Mercer as one of three partners for large DC clients and sole partner for SME
- Continued transformation necessary to become low cost platform player
  - Sale of distribution business Positive Solutions, resulting in a book loss of GBP 18 million
  - Closure of six traditional sales branches and reduction of ~530 FTEs in 2013
  - Restructuring charges of GBP 27 million in Q2 2013

Fair value items impacted by rising equity market and interest rates

Total fair value items of EUR (270) million

FV investments	FV hedging with accounting match	FV hedging without accounting match	FV other
EUR (75) million	EUR 20 million	EUR (152) million	EUR (63) million
	Derivatives ∆: EUR (757)m Liability ∆: EUR 777m	Derivatives ∆: EUR (138)m Liability ∆: EUR (14)m	

Americas: (47)
- Alternative investments
- Credit derivatives
- Real estate

Netherlands: (28)
- Alternative investments
- Real estate

US GMWB: 10
- Guarantees net of hedges

Netherlands guarantees: 10
- Guarantees net of hedges

US equity collar hedge: (31)
- Driven by higher equity markets and volatility
- Matures Q4 2013

US macro hedging: (89)
- GMIB delta hedge
- GMDB delta and rho hedge
- Other extreme event hedges

Holding: (32)
- Swaps related to hybrids

Holding: (47)
- Credit spread on MTN
- Foreign currency exchange
- Other

Other: (16)
- Longevity swap
- Foreign currency exchange

Note: amounts in EUR million

Continued strong operational free cash flows

- Operational free cash flows of EUR 674 million
  - Market impacts of EUR 324 million driven by rising interest rates
  - One-time items of EUR (16) million

Operational free cash flow development

(EUR million)

EUR million	Q2 12	Q1 13	Q2 13
Earnings on in-force	1,125	526	428
Return on free surplus	16	17	16
Release of required surplus	(42)	270	520
New business strain	(339)	(261)	(290)
Operational free cash flow	761	553	674
Market impacts & one-time items	465	226	308
Normalized operational free cash flow	296	327	366

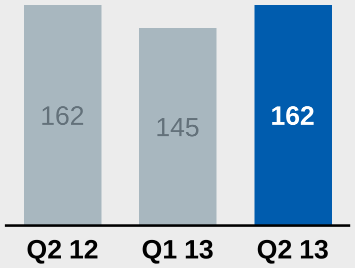
AEGON

New life sales of EUR 520 million

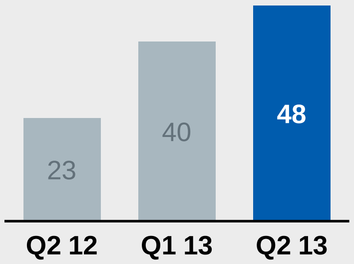
- New life sales in the Americas were flat as higher traditional term life sales were offset by lower universal life sales due to re-pricing to improve MCVNB
- New life sales in the Netherlands more than doubled due to higher pension sales resulting from a strong competitive position and increased market demand
- Sales in the UK increased 45% driven by higher group pension deposits and additional platform sales as more advisors joined the award-winning Aegon Retirement Choices (ARC) platform
- New Markets sales decreased as higher sales in Asia were offset mostly by lower sales in Spain due to divestments of partnerships

New life sales

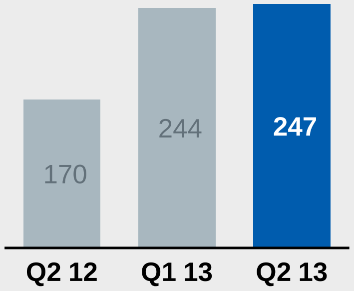
Americas
(USD million)



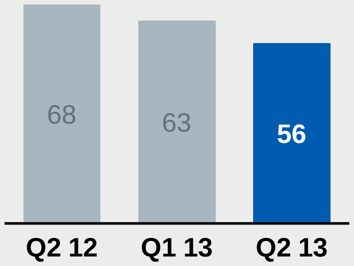
The Netherlands
(EUR million)



United Kingdom
(GBP million)



New Markets
(EUR million)



Variable annuities and retail mutual funds drive strong gross deposits

- US variable annuity deposits increased 73% as competitors withdraw from market
- Retail mutual fund deposits increased 51%
- Strong retirement plan deposits driven mainly by successful efforts to increase inflows from existing clients through higher contributions and larger participant count
- Asset management inflows as a result of strong third party sales, particularly in the Americas and the Netherlands

Gross deposits Q2 2013

(EUR billions)

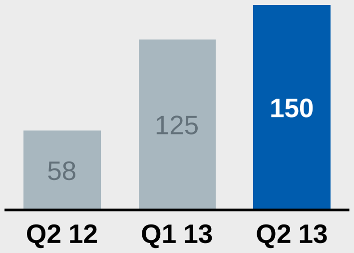
AEGON

Market consistent value of new business of EUR 202 million

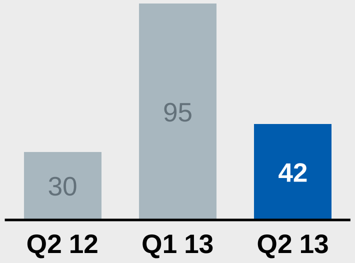
- MCVNB for the Americas increased due to variable annuity sales growth and higher interest rates
- MCVNB in the Netherlands up on higher contributions from mortgages and increased pensions production
- MCVNB in the UK lower as higher pensions sales were more than offset by lower margins
- New Markets MCVNB increased as strong sales in Asia offset the negative impact of divestments in Spain

Market consistent value of new business

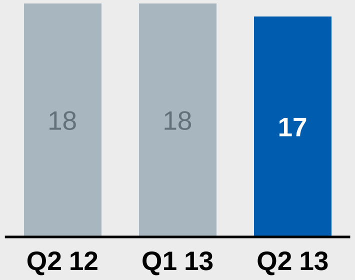
Americas
(USD million)



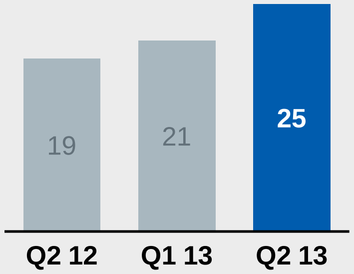
The Netherlands
(EUR million)



United Kingdom
(GBP million)



New Markets
(EUR million)

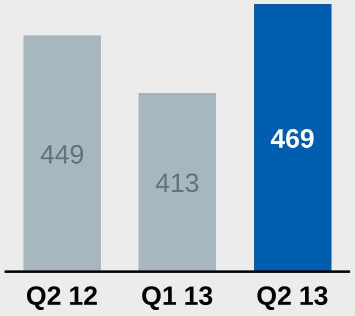


Underlying earnings increased to EUR 478 million

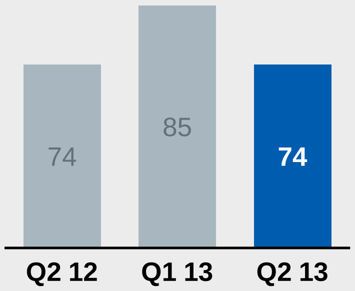
- Americas' earnings growth driven by higher fee revenues due to higher variable annuity and pension account balances
- Stable underlying earnings in the Netherlands as the benefit of favorable funding rates for mortgages was offset by adverse claims experience in pensions and non-life
- Higher earnings in the UK as the benefit from higher equity markets was only partially offset by adverse persistency following implementation of the Retail Distribution Review
- New Markets earnings decreased mostly due to divestments in Spain

Underlying earnings before tax

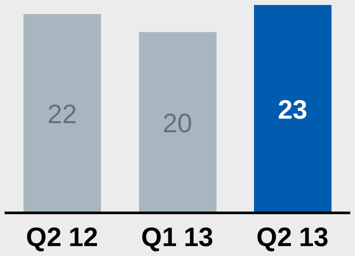
Americas
(USD million)



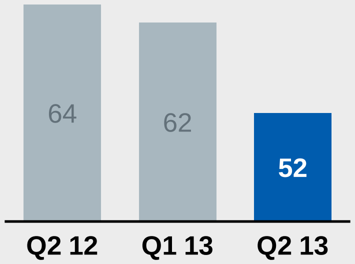
The Netherlands
(EUR million)



United Kingdom
(GBP million)



New Markets
(EUR million)

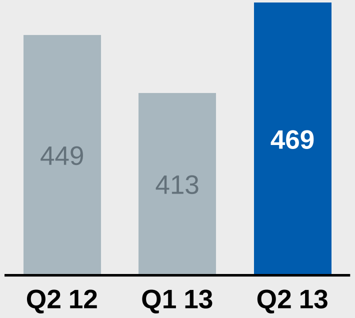


AEGON

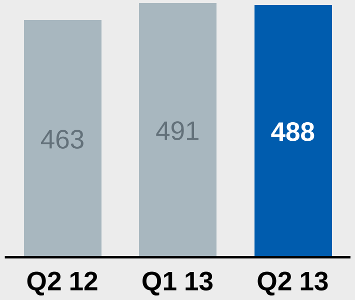
Americas

- Underlying earnings increased as higher variable annuity and pension account balances led to higher fee revenues and due to lower variable annuity reserves due to favorable markets
- Operating expenses increased as higher sales costs more than offset cost reduction initiatives
- New life sales were flat as higher traditional term life sales were offset by lower universal life sales due to re-pricing to improve MCVNB
- Higher gross deposits in variable annuities and retail mutual funds were offset by lower gross deposits in stable value solutions as total balances are targeted at current level

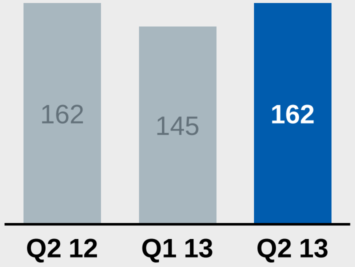
Underlying earnings before tax (USD million)



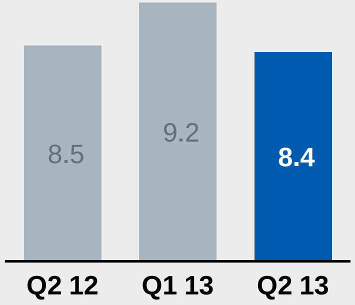
Operating expenses (USD million)



New life sales (USD million)

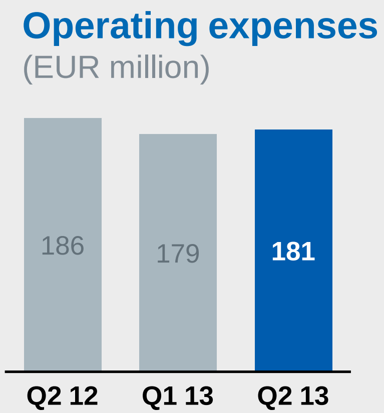


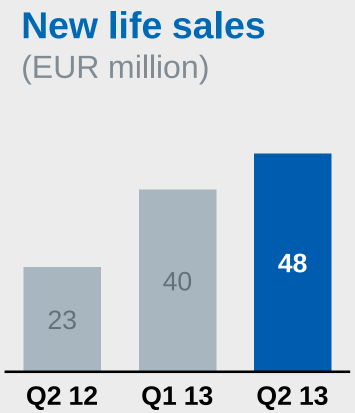
Gross deposits (USD billion)

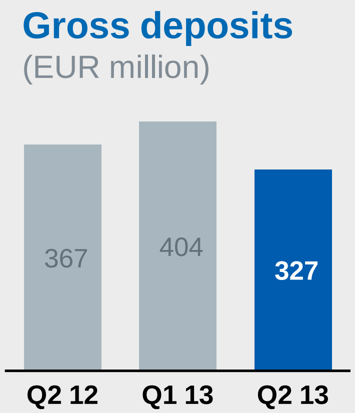


The Netherlands

- Stable underlying earnings as the benefit from lower funding costs for mortgages due to lower rates was offset by adverse claims experience in pensions and non-life
- Operating expenses decreased as a result of the successful implementation of the cost reduction program
- Sales growth driven by continued increase in pension sales resulting from strong competitive position and higher market demand
- Gross deposits declined as customers in the Dutch savings market were less active in transferring assets

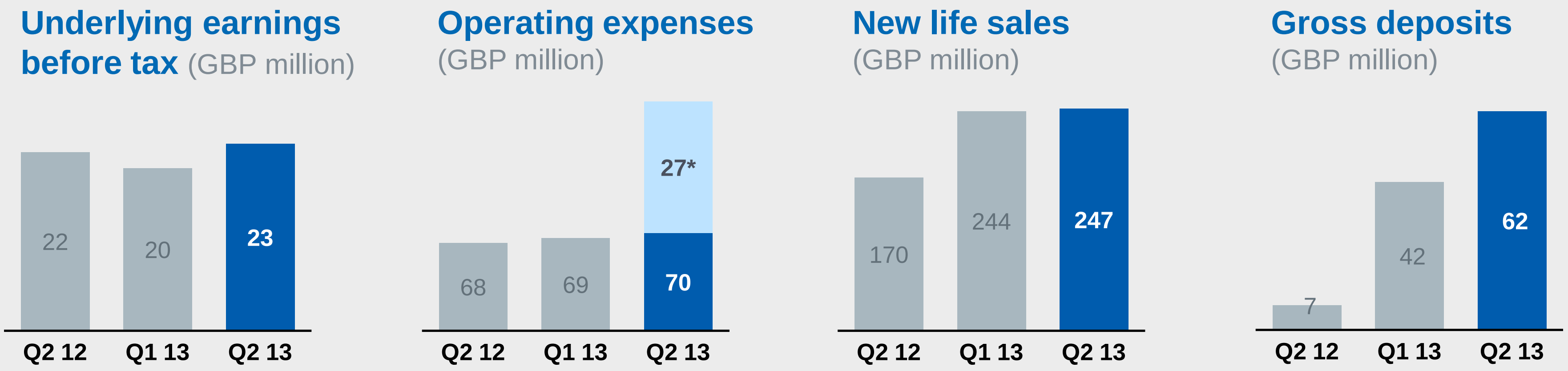






United Kingdom

- Underlying earnings increased due to favorable mortality and claims experience in the Life segment; Pension earnings were flat as the benefit from higher equity markets offset the negative impact of continued adverse persistency
- Higher operating expenses driven mostly by the closing of several sales branches (business transformation costs of GBP 27 million)
- Strong sales in the UK driven by higher group pension deposits and additional platform sales as more advisors joined the award-winning Aegon Retirement Choices (ARC) platform
- Increase in gross deposits as ARC platform gains further momentum in the market



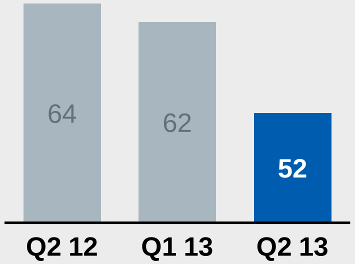
* Business transformation costs

AEGON

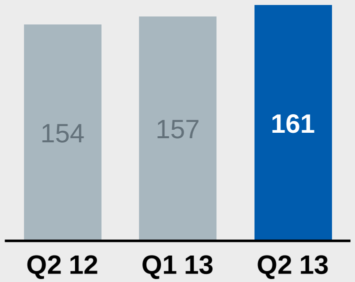
New Markets

- Underlying earnings declined mainly as a consequence of lower earnings in Hungary due to higher non-life claims and the insurance tax, and divestments in Spain
- Operating expenses increased as the result of the Hungarian insurance tax, Asset Management, Asia and VA Europe driven by investments to support future growth
- New life sales lower as higher sales in Asia were offset mostly by lower sales in Spain due to the exclusion of Cívica and exit of Unnim joint venture
- Higher gross deposits driven by strong third-party asset management deposits and successful sales campaign in Japan

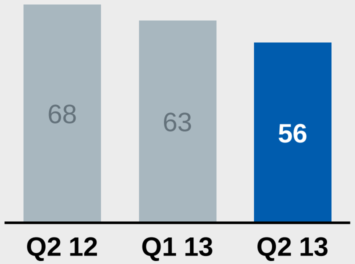
Underlying earnings before tax (EUR million)



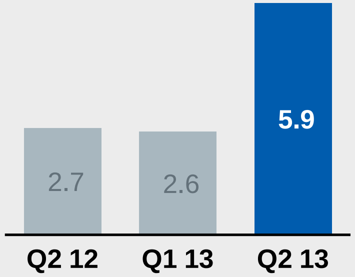
Operating expenses (EUR million)



New life sales (EUR million)



Gross deposits (EUR billion)



Capital allocated to run-off businesses

- Current capital allocated to run-off businesses of USD 2.4 billion
  - Return on capital of run-off businesses of 1.8% year to date
- 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

Allocated capital to run-off businesses*

(USD billion)

	Run-off period	2010	2011	2012	2013 Q2	2015E
Payout annuities	> 20 years	0.5	0.5	0.5	0.5	0.5
Institutional spread-based business	~ 5 years	0.8	0.7	0.6	0.6	0.1
BOLI/COLI	> 10 years	0.7	0.5	0.5	0.5	0.5
Life reinsurance	~ 15 years	3.1	1.4	1.2	0.8	0.8
		5.1	**3.1**	**2.8**	**2.4**	**1.9**

** IFRS equity, excluding revaluation reserves*

AEGON

General account investments roll-forward

General account investment roll-forward

EUR billion	Americas	The Netherlands	United Kingdom	New Markets & Other
Opening balance March 31, 2013	**86.8**	**43.8**	**11.0**	**4.1**
Net in- and outflow	(0.6)	0.8	0.1	(0.4)
Unrealized / realized results	(2.6)	(0.6)	(0.5)	(0.1)
Foreign exchange	(1.3)	(0.0)	(0.1)	(0.0)
Closing balance June 30, 2013	**82.3**	**44.0**	**10.4**	**3.6**

- Americas includes outflows from the run-off of the institutional spread business of EUR 644 million and from fixed annuities of EUR 572 million as the product is de-emphasized
- Unrealized losses higher following rise in interest rates

AEGON

Reconciliation of effective tax rate Q2 2013

Reconciliation of effective tax rate Q2 2013

EUR million		Americas		The Netherlands		United Kingdom		New Markets/ Holdings	Total
Income before tax		**224**		**20**		**(12)**		**41**	**273**
Nominal tax rate	35.0%	(78)	25.0%	(5)	24.5%	3	NM	(11)	(91)
Actual income tax		(53)		(1)		8		16	(30)
Net income		**171**		**19**		**(4)**		**57**	**243**

- Actual income tax can deviate from the nominal tax rate, amongst others due to:
  - Tax exempt income
  - Tax credits
  - Valuation allowances for tax losses
  - Cross border intercompany reinsurance
  - Policyholder tax UK (offsetting)
  - Other items

AEGON

Main economic assumptions

Main US economic assumptions

- 10-year US Treasury assumption of 4.75%
- Credit spreads are assumed to grade down over two years to 110 bps
- Bond funds are assumed to return 4% for 5 years and 6% thereafter
- Money market rates are assumed to remain flat at 0.1% for two years followed by a 3-year grading to 3%
- Annual gross equity market returns of 9% (price appreciation + dividends)

Assumptions	NL	UK
10-year interest rate	4.5%	5.6%
3-month interest rate	2.5%	4.5%
Annual gross equity market return (Q3 2012 base) (price appreciation + dividends)	9%	9%

EUR/USD rate of 1.35

EUR/GBP rate of 0.82

AEGON

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.