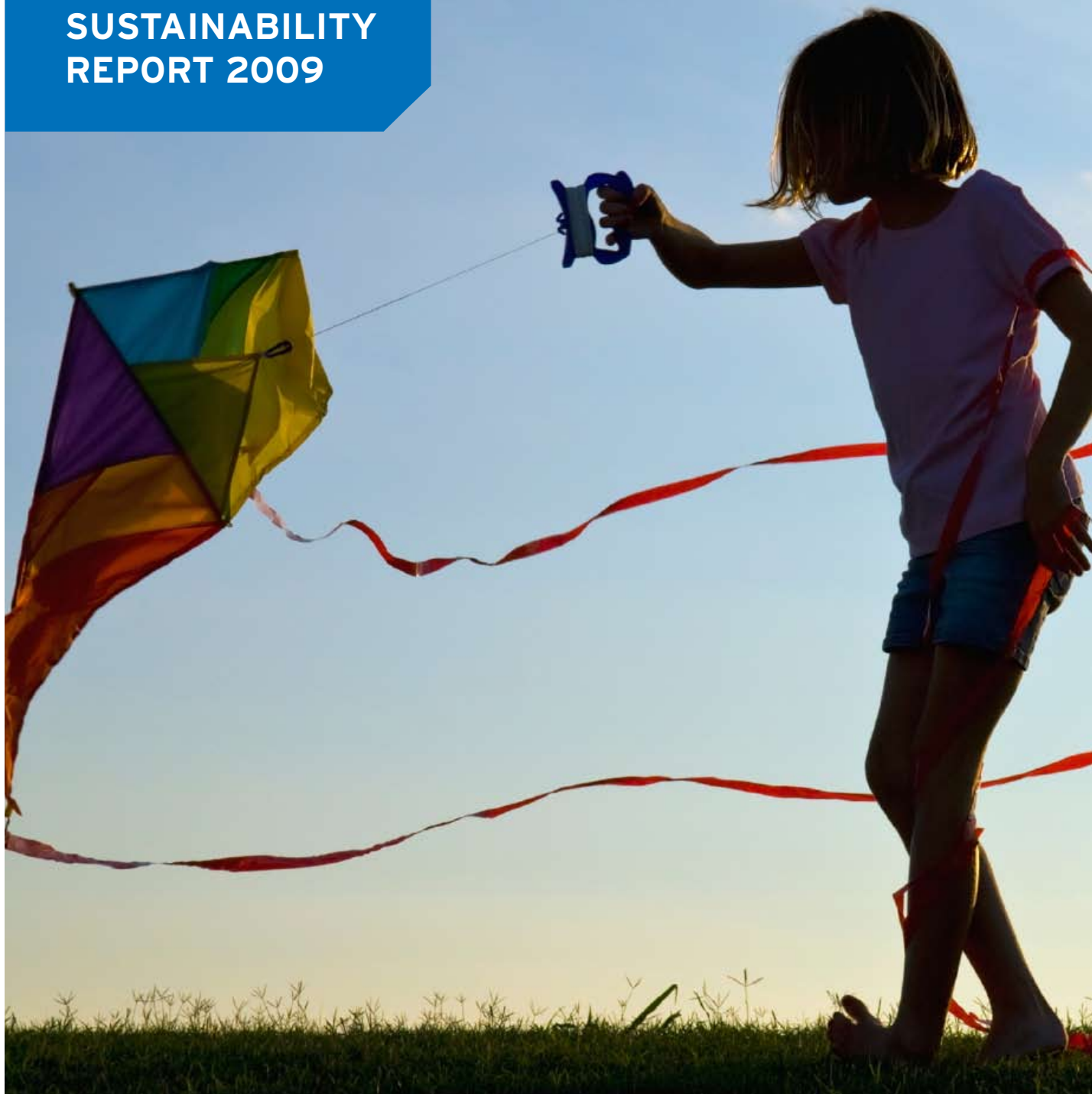


SUSTAINABILITY REPORT 2009



LIFE INSURANCE / PENSIONS / INVESTMENTS



About AEGON

Throughout their working lives and into retirement, millions of people around the world rely on AEGON to help them secure their long-term financial futures.

As an international life insurance, pension and investment company, AEGON has businesses in over twenty markets in the Americas, Europe and Asia. AEGON companies employ approximately 28,000 people and serve some 40 million customers across the globe.

AEGON uses its strength and expertise to create added value for customers, employees, shareholders and the wider community. AEGON does this by encouraging innovation and by growing its businesses profitably and sustainably.

AEGON's ambition is to be a leading force in global financial services.

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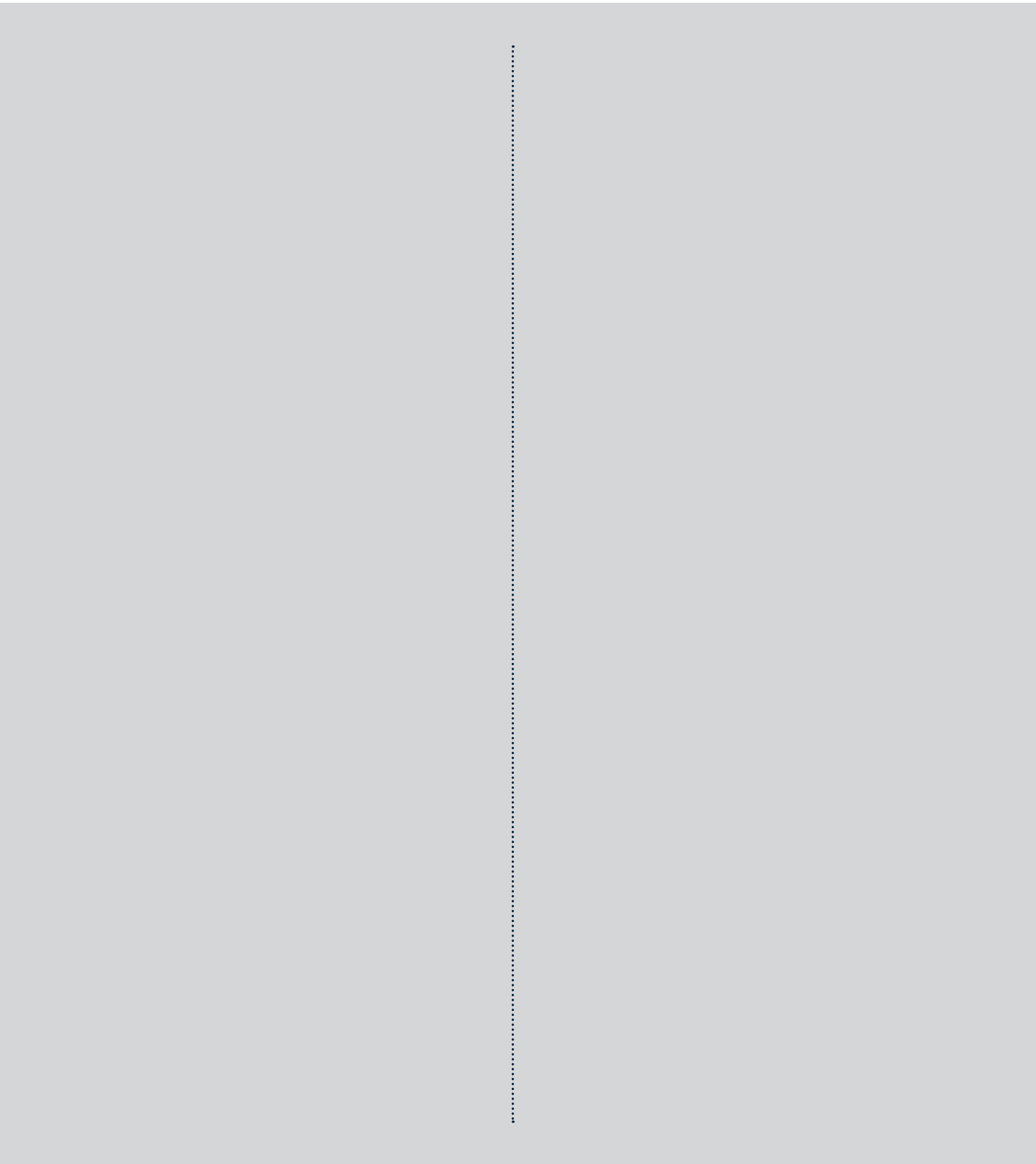
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Message from CEO Alex Wynaendts

Without question, our most significant achievement in 2009 was our ability to safeguard the trust of AEGON's many customers around the world during the period of unprecedented turmoil and uncertainty in world financial markets.

Our business is, by nature, long-term and is only sustainable if we maintain the confidence and trust of our customers, business partners, shareholders and employees. The financial crisis exposed serious and extensive weaknesses in the systems and functions of major financial institutions. Consequently, there is now even greater focus on essential issues such as transparency of products, effective risk management and corporate governance. We welcome this focus and the opportunity to detail the steps we have taken during the past year to strengthen AEGON's position, reduce market risk, lower costs and invest in our businesses to ensure that they are responsive to customer needs and market developments.

AEGON recognizes that profit alone cannot be the measure of a company's success. How we manage our business and resources and put them to work for the benefit of our many stakeholders is of critical importance for AEGON's long-term sustainability. We are working in a number of areas across our businesses to further improve AEGON's proposition to our stakeholders and the communities in which we operate and serve. A few examples: Our global Green Team is examining ways to reduce the impact of AEGON's operations on the environment. In asset management, we are developing a company-wide policy to ensure that AEGON's investments are not only financially beneficial but responsive to broader concerns. Furthermore, our businesses are working to simplify the products and services our customers rely on to plan effectively for their long-term financial security. In 2010, we will bring forward a new remuneration policy for members of the Executive Board that links pay not only to financial performance but also, for the first time, to sustainability criteria.

AEGON remains committed to its broader responsibilities as a company operating in an increasingly interconnected global arena. Even as we pursue our strategy to achieve long-term profitable growth, we are equally determined to develop our businesses and manage their

impact in a way that sustains the stakeholder confidence which is critical to our success. We invite and welcome your input as we pursue our ambition of being a global leader in helping customers secure their financial futures.

Thank you for your ongoing interest in AEGON.

Sincerely,

.....

Alex Wynaendts,
CEO



Who we are and what we do

AEGON was formed in 1983, the result of a merger between two Dutch insurance companies, AGO and Ennia. But AEGON's roots in the Netherlands can be traced back much further, to the first half of the nineteenth century. AEGON companies in the United States and the United Kingdom also have long histories. Monumental Life, one of AEGON's US subsidiaries, has been insuring people since 1858, while AEGON's history in the United Kingdom stretches back almost 180 years to the foundation of Scottish Equitable in 1831.

Today, after more than a century and a half, AEGON is an international company, with operations in over twenty countries around the world, employing approximately 28,000 people and serving some 40 million customers in the Americas, Europe and Asia.

AEGON's main operations are located in the United States, the Netherlands and the United Kingdom. Traditionally, these three markets have generated most of the company's earnings. In recent years, however, AEGON has also expanded its presence elsewhere, establishing new businesses in growth markets in the Americas, Central & Eastern Europe and Asia.

Freedom House, the non-governmental organization that promotes democracy and human rights, lists eight countries as the 'least free' in the world: Burma, Equatorial Guinea, Libya, North Korea, Somalia, Sudan, Turkmenistan and Uzbekistan. AEGON has no operations in any of these countries. Of the countries listed as 'not free' by Freedom House, AEGON has businesses in just one: China.

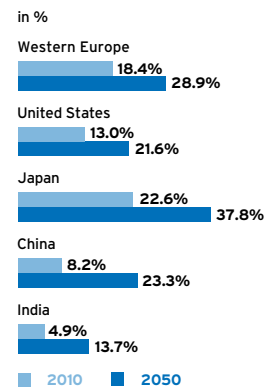
AEGON's role in the world economy

AEGON believes that its main businesses - life insurance, pensions and investments - have significant potential for growth in the years ahead. AEGON also believes that the insurance industry as a whole has a vital economic and social role to play protecting living standards and ensuring the long-term viability of pension systems around the world. In 2008, life insurance premiums worldwide totaled almost USD 2.5 trillion¹.

In many countries - particularly in Western Europe, the United States and Japan - people are living longer, healthier lives. At the same time, workforces available to finance pension systems are shrinking and governments are increasingly shifting the burden of retirement funding to individuals and private sector providers like AEGON. By 2050, according to the latest estimates from the United Nations², more than one in five Americans

will be over the age of 65. In Western Europe, that figure is higher - more than one in four - while in Japan, by the middle of the current century, those over 65 will account for nearly 40% of the country's total population.

Rising retirement populations



Source: United Nations World Population Prospects

At the same time, new markets are opening up, particularly in Asia, Central & Eastern Europe and Latin America. In many of these areas, economic growth and rising levels of personal wealth have resulted in an increase in long-term demand for pensions, life insurance and investment products. In Central & Eastern Europe, reforms have led to the widespread introduction of mandatory private pensions, while in both China and India economic growth in recent years has brought greater prosperity and a rapid expansion of the urban middle class in these countries. In 2010, India's middle class is expected to exceed 500 million people³ - more than the combined populations of AEGON's three main markets, the United States, the Netherlands and the United Kingdom.

Over the past several years, AEGON has expanded its international presence to capitalize on opportunities for growth in these new markets. Currently, the company has operations in six countries in Central & Eastern Europe - Hungary, the Czech Republic, Slovakia, Poland, Romania and Turkey. In addition, AEGON has businesses in both France and Spain, as well as China, India and Japan in Asia, and Mexico and Brazil in Latin America. In China, AEGON has operations in provinces across the country, giving it access to a potential market of some 450 million people.

¹ Source: Swiss Re.

² Source: United Nations World Population Prospects.

³ Source: PriceWaterhouseCoopers: 'Entering the Indian Financial Services Market'.

Business and market environment

Economic and financial market conditions continued to be extremely difficult during the first quarter of 2009. The remainder of the year, however, saw a significant improvement, particularly in higher equity markets and narrower corporate credit spreads. This had a positive effect on AEGON's earnings and capital position. Despite the improvement after the first quarter, financial conditions remain uncertain, with unemployment continuing to rise and growth still hampered by higher corporate and household debt levels. AEGON expects market conditions to remain uncertain throughout 2010.

A changing industry

The insurance industry is experiencing a period of considerable change. This is partly because of the effects of the global financial crisis, but also because of changing attitudes among customers and regulators. In the short term, the financial crisis presented significant challenges for the insurance industry, and resulted in lower corporate bond and equity prices and a sharp downturn in the world's leading economies. Since the end of the first quarter of 2009, market conditions have begun to improve. Even so, the crisis has had a long-term effect on the business environment in which AEGON operates, particularly as customers have become more aware of financial risk.

As a result, many customers are demanding greater financial guarantees, because of the increase in market volatility. At the same time, distribution patterns in many leading markets are changing, and products are being redesigned, becoming simpler and more transparent. Insurance companies, meanwhile, are placing greater emphasis on the importance of capital. This is partly a consequence of the global financial crisis, and partly in anticipation of the European Union's Solvency II capital adequacy rules. In the years ahead, Solvency II will have a significant effect on the insurance industry particularly in the way insurers manage both risk and capital. AEGON believes these changes, which are still under discussion, should help improve regulation of the insurance industry, and ultimately enhance the protection of policyholders and other beneficiaries.

AEGON's response to the financial crisis and its aftermath

To counter the effects of the global financial crisis, AEGON introduced a number of short-term measures in

the second half of 2008, aimed at reducing financial risk, lowering operating costs and freeing up capital from the company's existing businesses.

These short-term measures, known collectively as the 'Three Cs' - **Capital, Cost and Contingency** - significantly strengthened AEGON's financial position, improved efficiency and ensured the company would be well-placed to take advantage of future opportunities.

Capital: Between June 2008 and the end of 2009, AEGON freed up a total of EUR 4.9 billion in capital from its businesses. This capital was released through a combination of different measures, including risk reduction and a more active approach to capital management.

Cost: During 2009, AEGON's cost reduction measures totaled EUR 250 million, EUR 100 million above the company's target for the year. Most savings were the result of efficiency improvements, restructuring programs and expense reductions at AEGON's main operations in the United States, the Netherlands and the United Kingdom.

Contingency: Since the start of the crisis, AEGON has developed a number of 'contingency measures' aimed at protecting the company from any further sharp declines in financial markets. Despite the recovery in financial markets, some of these measures were put into place during 2009 as part of broader efforts to reduce risk and release capital:

- ◆ Run-off of AEGON's institutional spread-based business in the United States
- ◆ Sale of the company's life insurance activities in Taiwan
- ◆ Sale of AEGON's funeral insurance business in the Netherlands (2010)
- ◆ Withdrawal from the group risk market in the United Kingdom.

Refining AEGON's long-term strategy

In June 2008, AEGON set out an ambitious five-year plan to increase returns and grow the company's businesses. This plan - 'Unlocking the Global Potential' - is based on three strategic objectives:

1. To reallocate capital toward businesses with higher growth and return prospects
2. To improve growth and returns from AEGON's existing businesses
3. To manage AEGON as an international company.

As part of these objectives, AEGON's aim has been to further reduce risk and lessen the company's overall exposure to fluctuations in world financial markets.

In 2009, 'Unlocking the Global Potential' was refined to take into account the change in market conditions since the global financial crisis.

As part of this approach, AEGON intends to:

- ◆ Maintain efforts to direct capital to areas that offer higher returns and strong growth prospects. For the time being, AEGON will not enter new countries, but instead will concentrate efforts on strengthening its position in markets where the company already has developing operations.
- ◆ Focus on improving growth and returns from existing businesses, with an added emphasis on continuing measures to reduce risk and lower operating costs.
- ◆ Maintain the objective of managing AEGON as a single, international company.

As a result of measures implemented in 2009, AEGON marked an important milestone at the end of November with the repayment of one-third of the EUR 3 billion of capital support the company received from the Dutch government at the height of the financial crisis. AEGON's priority is to repay the remaining EUR 2 billion as soon as it is feasible and responsible to do so.

Adapting to the crisis

AEGON has worked throughout the crisis to retain the trust and confidence of its customers, shareholders and other stakeholders by maintaining open and transparent financial communication, and by continuing to provide a range of products and services suited to the changing economic circumstances. Throughout 2009, AEGON's country and business units continued with initiatives

designed to explain to customers, investors and employees both the impact of the crisis and the steps the company has taken to deal with its effects. In some cases, AEGON companies have either introduced new products or modified existing ones to meet customers' changing needs. As part of this approach, AEGON has extended its variable annuities business, using the company's existing expertise in the United States to offer products to customers in the United Kingdom, Japan, France and the Netherlands. Variable annuities provide savers a guaranteed income in retirement as well as investment gains when financial markets rise.

Given the current uncertain market environment, AEGON companies launched a number of initiatives in 2009 aimed at helping customers to:

- ◆ Better manage their retirement planning
- ◆ Renew confidence in the financial markets
- ◆ Reduce anxiety associated with fluctuations in financial markets
- ◆ And, avoid taking action that might have a negative, long-term effect on the value of their savings and investments.

AEGON's financial performance in 2009

Throughout 2009, AEGON saw a steady improvement in its quarterly earnings. However, annual earnings figures were adversely affected by losses sustained during the first three months of the year. Part of the increase in earnings during the year was due to a substantial improvement in market conditions after the end of the first quarter. Measures designed to reduce costs, lower financial risk and free up capital from existing businesses, meanwhile, further strengthened AEGON's financial position.

Underlying earnings before tax declined 26% in 2009 to EUR 1.2 billion, a reflection primarily of lower investment income, higher employee benefit expenses and a decline in fee income.

Net income totaled EUR 204 million, compared with a loss for 2008 of nearly EUR 1.1 billion. Most of the turnaround was attributable to an improvement in world financial markets during the year. Impairments showed a steady improvement during the year, but remained above long-term expectations.

New life sales, at EUR 2.0 billion, remained strong despite difficult market conditions. **Gross deposits** rose

6% during the year to EUR 23.6 billion, while AEGON's **value of new business** - a key measure of future profitability - was down just 8% at EUR 767 million. AEGON's capital position remained strong, with **excess capital** above AA capital adequacy requirements, totaling EUR 3.7 billion at the end of 2009. AEGON's core capital rose significantly to EUR 14.2 billion. **Revenue-generating investments** rose 9% to EUR 361 billion, a reflection of new business growth and stronger financial markets.

	2009	2008	% change
Underlying earnings before tax	EUR 1.16 billion	EUR 1.57 billion	-26%
Net income	EUR 204 million	(EUR 1.08 billion)	
New life sales	EUR 2.05 billion	EUR 2.63 billion	-22%
Gross deposits (excluding institutional guaranteed products)	EUR 23.63 billion	EUR 22.37 billion	+6%
Value of new business	EUR 767 million	EUR 837 million	-8%
Excess capital (above AA capital adequacy requirements) ⁴	EUR 3.7 billion	EUR 2.9 billion	+28%
Core capital (including revaluation reserve)	EUR 14.2 billion	EUR 9.1 billion	+75%
Revenue-generating investments	EUR 361.0 billion	EUR 331.8 billion	+9%

Figures have been rounded
 Figures in parentheses denote losses

⁴ The figure for 2009 includes AEGON's repayment in November 2009 of EUR 1 billion to the Dutch State, one-third of the EUR 3 billion in additional core capital provided to the company at the height of the financial crisis.

Our Approach to Sustainability



As a global company, AEGON has global responsibilities. We believe that business success is not incompatible with respect for the environment, human rights, and the broader communities in which we operate.

We recognize that creating a sustainable business means taking into account the interests of all our stakeholders – customers, employees, business partners and shareholders. We also believe we can make a valuable contribution to the wider community not only as a provider of long-term financial products and services, but also as a responsible employer and investor. We will pursue our objectives through sound business principles based on our core values of Respect, Quality, Transparency and Trust.



Defining Sustainability

AEGON uses a 'stakeholder framework' to help define its approach to Sustainability (see diagram above) and those issues the company considers to be of 'material importance'. This framework helps shape both internal initiatives and AEGON's overall policies with regard to sustainability issues, as well as providing support to the company's broader corporate strategy.

AEGON's Sustainability Report follows a similar structure, and aims to provide both information and a focus for continued dialogue with the company's stakeholders. Consequently, the report is structured around AEGON's main stakeholder groups: its customers, shareholders, employees, business partners and the wider community in which the company operates. AEGON believes that this 'stakeholder framework' provides a more balanced approach to measuring the company's overall performance, which should take into account financial, social and environmental factors.

Our stakeholders

It is important for a company like AEGON to define who its stakeholders are. AEGON's view is that any individual or group of individuals who are affected by the company's operations, or who, in turn, affect the social, economic or environmental climate in which AEGON operates, should be considered a stakeholder of the company. AEGON's approach is to engage with all stakeholder groups as actively as possible and to take their interests into account when making decisions.

At the same time, AEGON realizes that the interests of various stakeholder groups may not always coincide, and that this may give rise to dilemmas for the company. In such situations, AEGON endeavors to assess the potential impact on individual stakeholders and stakeholder groups before reaching its decisions, guided by its business principles.

For ease of reporting, AEGON has grouped its stakeholders into five main groups:

	'Direct relationship'	'Indirect relationship'
Customers	<ul style="list-style-type: none"> • Policyholders, savers and other individual investors • Pensioners • Companies and multinational corporations • Other institutional clients • Potential customers 	<ul style="list-style-type: none"> • Consumer associations • Single issue groups
Investors	<ul style="list-style-type: none"> • Retail shareholders • Institutional investors • Bondholders • Financial analysts 	<ul style="list-style-type: none"> • Shareholder and other investor representative groups.
Employees	<ul style="list-style-type: none"> • Full-time employees • Part-time employees • Tied agents • Former employees and potential new employees 	<ul style="list-style-type: none"> • Trade unions and other employee representative groups
Business partners	<ul style="list-style-type: none"> • Suppliers • Joint venture partners • Banks • Distributors • Brokers, agents and other intermediaries • Independent and other financial advisors 	<ul style="list-style-type: none"> • Industry associations and forums.
The wider community	<ul style="list-style-type: none"> • Charitable organizations • Non-governmental and humanitarian organizations. • Individuals and organizations sponsored by AEGON. • Governments, and insurance and financial industry regulators. 	<ul style="list-style-type: none"> • International and governmental bodies and associations. • Organizations issuing rules and guidelines implemented by AEGON. • International credit and Corporate & Social Responsibility (CSR) rating agencies.

AEGON Stakeholder Review

AEGON held its second annual stakeholder review in October 2009. The purpose of the review was to give the company's stakeholders an opportunity to assess the content and relevance of AEGON's 2008 Sustainability Report.

The objectives of this review are:

- ◆ To involve stakeholders more closely in AEGON's sustainability reporting process
- ◆ To strengthen external assurance with regard to the annual Sustainability Report
- ◆ To improve the overall quality of the company's sustainability reporting

- ◆ To ensure that AEGON's sustainability reporting and initiatives remain relevant to the company's stakeholders.

As part of the 2009 review, AEGON surveyed nine individual stakeholders or stakeholder groups, including shareholders and non-governmental organizations as well as representatives of employees and the media. AEGON assessed all recommendations made by those stakeholders surveyed and, where possible, has incorporated them into the company's reporting process.

Main recommendations	AEGON's response
Give clarity on vision and direction of AEGON.	AEGON has included additional material in this report, setting out the company's strategy and approach to sustainability. This includes, among other things: <ul style="list-style-type: none"> • An interview with Marco Keim, the Management Board member responsible for sustainability. • Defining what AEGON regards as 'sustainability'. • Identifying the company's main stakeholders. • Describing the role sustainability plays in AEGON's broader strategy.
Outline topics of material importance to AEGON.	The issues AEGON considers to be 'of material importance' are set out in detail under 'Defining Sustainability'.
Be more specific about targets and goals.	AEGON has included material in this report on its ambitions and objectives in the area of sustainability. <ul style="list-style-type: none"> • In his interview, Mr. Keim sets out some of the company's broader goals with regard to sustainability. (Available in the online version of this report). • AEGON's objectives for 2010 are included as a separate section in this chapter. • Further specific goals and targets are mentioned in various parts of the report, including: <ul style="list-style-type: none"> • Our approach to sustainability • The wider community • Our customers • AEGON has also been working toward setting specific targets with regard to its consumption of energy and other raw materials. AEGON expects to reach a decision on these targets during the course of 2010.
Be transparent about achievements and failures.	With this report, AEGON has made a number of additions aimed at providing a more balanced overview of its sustainability performance, both its strengths and weaknesses: <ul style="list-style-type: none"> • A more extensive overview of the external reports published during the year, which deal with AEGON's sustainability performance. • Specific 'dilemmas' with regard to AEGON's approach to responsible investing. • More extensive reporting of customer complaints and possible incidents of discrimination and corruption.
Address what AEGON wants to achieve with its Sustainability Report.	AEGON has included further details on its approach to sustainability issues in this report. Please see the section 'Defining Sustainability' for further details.
Explain investment policy and engagement policy in greater depth.	AEGON Asset Management has now adopted a long-term plan to introduce comprehensive responsible investment principles over the next two years. This plan is explained in detail in the 'Global Principles for Responsible Investment' section of this report.

Other remarks

Positive	Negative
Most stakeholders surveyed found the 2008 report to be an improvement on the previous year's.	There were relatively few targets included the report; the report also lacked vision and details of specific business dilemmas.
The report contained a lot of useful and relevant information.	There was too much focus on the economic aspects of AEGON's operations.
There was positive reaction to the chapter in the report dedicated to AEGON's handling of the global financial crisis.	There was insufficient information on the company's investment policies and its approach to shareholder engagement.
The report was an accurate reflection of AEGON as a company.	

Our business principles

In its approach to sustainability, AEGON places importance on local knowledge and local decision-making. Consequently, country and business units are encouraged to focus on issues specific to their local situations - within a global framework.

AEGON does, however, set out a number of basic business principles that apply to all its units. The aim of this approach is to ensure that these common principles become an integral part of AEGON's business activities, wherever those activities are located. These principles are also contained in AEGON's Code of Conduct, which applies to all AEGON employees.

- ◆ AEGON endeavors to provide products and services that are transparent and easy to understand, helping customers secure their long-term financial futures.
- ◆ AEGON acts as a responsible employer, providing the conditions, incentives and formal training its employees require for personal success.
- ◆ AEGON takes measures to help reduce the impact of its business operations on the environment, seeking to limit energy use and curb unnecessary waste.
- ◆ AEGON recognizes its position as a leading institutional investor and strives to ensure that its investment decisions take into account not only the

need for profit but also the interests of all legitimate stakeholders and the wider communities in which the company operates.

- ◆ AEGON endeavors always to provide clear, accurate, timely and transparent information so that investors, customers and other stakeholders can make the right financial decisions for themselves and their families.
- For the complete list of AEGON's business principles please see appendix VI.

Governance and decision-making

Each of AEGON's country and business units has its own sustainability manager, who is responsible for:

- ◆ Implementing all sustainability policies and initiatives
- ◆ Ensuring compliance with AEGON's Code of Conduct
- ◆ Developing local sustainability policies and monitoring local activities
- ◆ Collating all relevant data on sustainability issues
- ◆ Reporting all progress to AEGON's Group Sustainability team, based at the company's offices in The Hague, the Netherlands.

In many country or business units, individual managers oversee sustainability activities alongside other professional responsibilities. These activities are therefore reflected in the overall assessment of the

sustainability manager's job performance. AEGON's Group Sustainability team is part of the company's Group Corporate Communications department. Gregory W. Tucker, the head of Group Corporate Communications, oversees all sustainability initiatives. In matters relating to sustainability, Mr. Tucker reports directly to Marco Keim, the member of AEGON's Management Board responsible for sustainability issues. Questions of strategy and policy are subject to approval by AEGON's Executive and Management Boards. The company's Supervisory Board also plays a role in helping monitor and develop overall strategy.

During 2009, members of AEGON's Executive and

Management Boards discussed several sustainability initiatives and policies, including the company's:

- ◆ Approach to corporate philanthropy and donations
- ◆ Overall sustainability strategy, particularly with regard to the strengths and weaknesses of current performance
- ◆ Objectives for the year and the annual Sustainability Report for 2009.

In addition, the Supervisory Board also discussed AEGON's sustainability strategy with regard to current performance, objectives and policies, as well as initiatives already underway. As part of these discussions, Mr. Keim made a presentation to the Board, outlining AEGON's overall strategy in this area.

Progress report 2009

AEGON set out a number of objectives for its sustainability activities in 2009. The company made significant progress during the year toward these

objectives. In some areas, however, progress was slower than expected, partly because of the impact of the global financial crisis.

Objective	Status	Progress
Establish a global 'Green Team' to develop a company-wide resource management program.	Complete	AEGON has now established a global 'Green Team', which met several times during 2009 to discuss the introduction of a coordinated program to manage the company's consumption of energy and other raw materials.
Introduce limited external assurance covering AEGON's investment policies and its international commitments.	Complete	AEGON has introduced limited external assurance, beginning with this report. The limited assurance covers the entire report, rather than AEGON's investment policies and international commitments, which was the original intention. This assurance is provided by Ernst & Young Accountants LLP, AEGON's present financial auditor.
Develop company-wide principles for investment, based on existing international commitments.	In progress	AEGON Asset Management has now adopted a long-term framework, which AEGON expects will lead to the development and introduction of comprehensive responsible investment principles over the next two years.
Collate and publish details of AEGON's voting record as a shareholder in other companies.	Deferred to 2010	AEGON decided to defer this program until 2010, in part to free up resources for the company's responsible investment project.

In addition, AEGON has two projects still underway from 2008:

Objective	Status	Progress
Establish company-wide sustainability standards for suppliers in all major procurement centers.	Deferred	AEGON is working on draft proposals for company-wide sustainability standards for suppliers in its major procurement centers in Europe and North America. Progress on these proposals has, however, been slower than expected, primarily because the focus of the company's procurement operations during the financial crisis has been on reducing costs. As a result, implementation of these standards has been deferred. Cost reduction efforts will continue into 2010, but AEGON's intention remains to develop a more integrated approach to procurement standards.
Launch a global employee satisfaction survey as part of efforts to improve the working environment for staff.	In progress	In 2010, AEGON will begin by carrying out a survey of its 1,000 most senior managers. These managers will play a vital role in further strengthening internal communication and improving overall levels of employee satisfaction and engagement. During 2010, AEGON will make an inventory of employee satisfaction surveys currently being carried out across the company. On the basis of this inventory, a decision will be taken on whether and when to organize a company-wide employee satisfaction survey. This decision had originally been planned for the end of 2009 or early 2010, but was postponed to allow further work on the senior management and country unit surveys.

Highlights of 2009

	Economic	Social/environmental	Governance
January			Mark Mullin is appointed President of AEGON Americas, with responsibility for operations in the United States, Canada and Latin America.
February	AEGON announces it is running off its institutional spread-based business in the United States, significantly reducing credit risk.		AEGON announces that Rob Routs, former director at Royal Dutch Shell, will take over as Chairman of the company's Supervisory Board in April 2010, when the current chairman Dudley Eustace steps down.
March		AEGON officially launches its sponsorship of British tennis.	Dutch government signs agreement on executive remuneration with the country's leading financial services companies, including AEGON.
April	AEGON sells its life insurance activities in Taiwan, further lowering its long-term interest rate exposure and capital requirements.	AEGON Transamerica Foundation in the United States joins up with Habitat for Humanity to help build new homes in Cedar Rapids following the devastating 2008 Iowa floods.	Jan Nooitgedagt takes over as Chief Financial Officer from Jos Streppel, who retires after 35 years with the company.
May	AEGON completes its 50% joint venture with Mongeral Seguros e Previdência, Brazil's sixth largest independent life insurer.		
June	AEGON announces decision to withdraw from UK group risk market as part of efforts to direct more resources to areas with higher growth and return prospects.		
July		AEGON reaches final agreement with customer organizations to reduce charges on unit-linked insurance policies in the Netherlands. AEGON launches 'Green Stamp' campaign in Los Angeles as part of efforts to help employees reduce their carbon footprint.	Dutch government appoints former AEGON Chief Financial Officer Jos Streppel to chair a new committee on corporate governance.

Highlights of 2009

	Economic	Social/environmental	Governance
August	AEGON completes EUR 1 billion equity issue; proceeds will be used later in the year to repay part of EUR 3 billion in capital secured in December 2008 from Dutch State.		
September	Brand awareness almost doubles in the United Kingdom, primarily as a result of AEGON's sponsorship of British tennis.		
October	AEGON formally launches its new asset management organization, bringing together operations in the United States, the Netherlands, the United Kingdom, Central & Eastern Europe and the company's joint ventures in Asia. AEGON opens a new European data center in Edinburgh, part of a broader plan to save money and improve efficiency by grouping together the company's regional data operations.	AEGON adds its name to a statement by leading international investors calling for an agreement to cut CO ² emissions at the Copenhagen climate talks. AEGON announces the company will end its sponsorship of speed skating in the Netherlands after more than 25 years.	
November	AEGON repays EUR 1 billion to Dutch State; remainder will be repaid as soon as it is feasible and responsible to do so.	Transamerica's iconic Pyramid building in San Francisco is awarded the coveted 'Gold' certificate, making it one of the greenest buildings in the United States.	Mark Mullin is named member of AEGON's Management Board and CEO for the company's operations in the Americas to succeed Pat Baird, who retires at the beginning of January 2010.
December	AEGON launches joint venture with Sony Life in Japan; joint venture will focus initially on variable annuities. AEGON-CNOOC launches rebranding campaign in China.	AEGON donates EUR 57,000 - the money saved by sending out electronic, rather than traditional Christmas cards - to a CARE International project to help farmers in Burundi.	

New markets are emerging

According to a study by consultants McKinsey, by 2025, India's middle class will number 583 million people - more than 40% of the country's overall population. Economic growth in recent years has spurred a sharp rise in personal income and, astonishingly, a projected ten-fold increase in the size of India's middle class in the space of less than twenty years. Economic growth has also brought an increase in

personal wealth in China. Since 2000, according to figures from the World Bank, China's gross national income per capita has expanded by some 258%. Emerging markets in Asia, Latin America and Central & Eastern Europe present challenges for the global insurance industry, but also tremendous opportunities in the years ahead.

AEGON's performance in 2009

	2009	2008	Notes
Dow Jones Sustainability World Index	Included	Included	AEGON remains part of the DJSI World index, but in 2009 lost its place in the DJSI Stoxx index for Europe.
FTSE4 Good	Included	Included	No change
Oekom	C Prime	C Prime	Oekom's C Prime rating comprised the following grades: Staff & Suppliers (C+) Society and product responsibility (C) Corporate governance and business ethics (A) Environmental management (C) Products & services (D) Eco-efficiency (C)
Sustainalytics (formerly SiRi)	AEGON ranked sixth in global peer group of 87 insurance companies. (Report published March 2010)	Industry leader	Total score: 60 (average 47, maximum 72) Governance 66 (average 50, maximum 85) Social 63 (average 49, maximum 71) Environment 53 (average 43, maximum 74)
Vigeo	Listed in the Advanced Sustainable Performance Index (ASPI)	Listed in the Advanced Sustainable Performance Index (ASPI)	No change

AEGON has been included in the **Dow Jones Sustainability World Index (DJSI)** for the past ten years. The DJSI includes only those companies ranked in the top 10% for corporate sustainability purposes. The rating is based on independent research carried out by SAM, an asset management company specializing in sustainable investments. AEGON's DJSI score declined in 2009 to 68, down from 69 the year before. This decline resulted in the company losing its place in the DJSI Stoxx index for European insurers. Research highlighted two areas of particular weakness where AEGON falls short of other peer companies within the index: brand and environmental management.

AEGON was again included in the **FTSE4Good Global Index** in 2009. This index measures the performance of leading companies against recognized sustainability standards. FTSE4Good works closely with Eiris - the Ethical Investment Research Service.

Based in Munich, **Oekom Research AG** is an independent rating agency, providing in-depth information and analysis of companies' environmental and social performance. Oekom Research awards prime status to those companies which, according to the Oekom Corporate Rating, are among the leaders in their industry and which meet industry-specific minimum requirements.

Sustainalytics (formerly SiRi) is a global leader in

sustainability research and analysis for investors and financial institutions. Sustainalytics has nearly 20 years of local experience and expertise in the responsible investment and traditional socially responsible investment markets. The firm is headquartered in Amsterdam with local offices in Toronto, Boston, Frankfurt and Madrid. Sustainalytics evaluates and analyses over 2,500 companies using targeted sector-specific ESG indicators, allowing users to compare ESG performance within industries or across markets. Sustainalytics' analysis is based on data gathering through a variety of primary and secondary sources, and specialized third party data suppliers. In its latest survey, dated March 2010, Sustainalytics ranked AEGON sixth in its global peer group of 87 insurance companies. Sustainalytics commented: "AEGON has ranked in the top ten for three consecutive years now, clearly demonstrating the company's long-term commitment to sustainability." Sustainalytics did not carry out a ranking survey on AEGON in 2009. In its previous survey, conducted in 2007, SiRi listed AEGON as a leader in its industry and one of the ten best performing insurance companies worldwide.

Vigeo supplies research and analysis on companies' sustainability performances to asset managers across Europe. Its ASPI index comprises 120 companies across all sectors of the economy.

Other reports on AEGON's performance

A number of reports were issued during the year highlighting both strengths and weaknesses in AEGON's sustainability performance. These reports included:

<p>Goldman Sachs Sustainable returns in global insurance</p>	<p>Goldman Sachs ranked AEGON as one of the top five global life insurance companies in terms of its management of environmental, social and governance issues.</p>
<p>SOMO (Center for Research on Multinational Corporations) Overview of controversial business practices in 2008</p>	<p>SOMO's report highlighted two main issues:</p> <ul style="list-style-type: none"> • Investments made by one of AEGON's Socially Responsible Investment funds in the United Kingdom in Tullow Oil, an energy company with interests in, among other places, Equatorial Guinea and the Democratic Republic of Congo. • Donations made by AEGON's Political Action Committee in the United States. <p>AEGON responded in detail to the contents of the report. 'See appendix IV'.</p> <p>Separately, SOMO also raised concerns about an investment in the Chinese energy company Sinopec, held by AIFMC, AEGON's asset management joint venture in China. 'See appendix IV'.</p>
<p>EIRIS Aegon profile</p>	<p>EIRIS, an independent research company, published an extensive review of AEGON's performance with regard to Environmental, Social and Governance issues. EIRIS' report provided the following assessments:</p> <p>Environmental impact: Medium potential Environmental policy: Good policy and commitment Environmental management: Good Environmental reporting: Weak Environmental performance: No improvement</p> <p>Board practice: All core governance elements. Separates role of Chairman and Chief Executive. More than 33% of board are independent non-executives. Has majority independent audit committee. Discloses directors' remuneration.</p> <p>Bribery risk exposure: Medium exposure. Countering bribery: Intermediate overall approach.</p> <p>Codes of ethics: Advanced ESG risk management: Good company-wide ESG risk management. Responsibility for stakeholders: Five or more stakeholder issues allocated at board level. Women on the board: One or more, but not 20% of directors are women.</p> <p>Human rights policy: Limited policy (smaller presence). Human rights systems: Limited (smaller presence). Human rights reporting: None Stakeholder policy: Good overall Stakeholder engagement: Moderate disclosure.</p>

Eerlijke Bankwijzer
(Fair Bank Guide)

During 2009, Eerlijke Bankwijzer - a coalition of various non-governmental organizations in the Netherlands - issued a series of reports on the performance of the Dutch banking and financial services sector, particularly with regard to economic, social and environmental questions. These reports highlighted a number of issues, including alleged investments in the manufacture of cluster bombs.

Dutch Ministry of Economic Affairs
(Transparantiebenchmark)

In 2009, the Dutch Ministry of Economic Affairs published its 'transparency benchmark' score for AEGON, based on the company's 2008 Corporate Responsibility Report. Compiled by PriceWaterhouseCoopers, the Transparency benchmark measures companies in the Netherlands against a series of economic, social, governance and environmental criteria. AEGON's total score was 55 out of a possible 100, up from 46 the previous year. For each section of the benchmark, AEGON scored the following:

Profile (5 out of 10)
Vision & strategy (8 out of 10)
Management of the company (6 out of 10)
Supply chain management (4 out of 10)
Stakeholders (9 out of 10)
Economic aspects (5 out of 10)
Environmental aspects (7 out of 10)
Social aspects (6 out of 10)
Assurance & verification (1 out of 10)
Process & execution (4 out of 10)

AEGON's scores for Supply chain management, Stakeholders and Assurance & Verification all showed an improvement compared with the previous year. Profile was lower; the other sections were unchanged.

Looking forward: our objectives for 2010

- ◆ Develop a target to reduce carbon dioxide emissions over a five year-period
- ◆ Implement new company-wide policy on charitable donations
- ◆ Develop and begin implementing new company-wide policy on responsible investments
- ◆ Establish series of key performance indicators and targets for sustainability
- ◆ Include diversity in AEGON's existing Global Talent Management program

Investing responsibly: AEGON as a shareholder



With more than EUR 360 billion in revenue-generating assets, AEGON is one of the world's leading institutional investors. The company manages investments not only for its own account, but also on behalf of its various customers and policyholders. AEGON places great importance on the responsibilities it has as an investor, and recognizes that poor social or environmental practice may also affect the value of the companies in which it invests.

AEGON's approach to investments

AEGON's investment strategy operates within the company's overall risk management framework, and consists in attempting to balance the need to maximize returns with consideration for social, environmental, governance and other non-financial factors.

Most of AEGON's investments are the responsibility of AEGON Asset Management, which was set up in October 2009. AEGON Asset Management brings together AEGON asset management companies in the Americas, Europe and Asia. Currently, AEGON's investment practices and policies vary from country to country. However, AEGON Asset Management is now developing company-wide principles for responsible investment, based on existing international commitments and rules

and guidelines already in place. In 2009, AEGON Asset Management adopted a long-term plan which will lead to the development and introduction of these principles over the next two years.

When making investments, AEGON companies take into account a number of non-financial considerations. These may include:

- ◆ Regulatory and /or legal
- ◆ Environmental
- ◆ Social
- ◆ Political
- ◆ Accounting
- ◆ Reputational

In both the United Kingdom and the Netherlands, AEGON engages with management of companies in which it invests. AEGON fund managers and analysts regularly meet executives from these companies. Discussions may focus on a broad range of subjects including remuneration, corporate governance, environmental management standards, and sustainability reporting. The aim of this dialogue is to ensure that, as far as possible, AEGON is aware of all aspects of the company's activities and risks. In the Netherlands, AEGON operates a system of 'grey' and 'black' lists, which earmark certain companies for 'engagement' and preclude investment in others with poor social or environmental records. In the United States, AEGON companies have guidelines that define 'responsible investments'. In addition, AEGON's investment companies in the United States also take specific steps to ensure they are in compliance with regulations covering countries designated by the US State Department as 'sponsors of terrorism'.

Investment dilemmas

AEGON appreciates that the interests of various stakeholder groups do not always coincide and that this may give rise to dilemmas, particularly in the area of responsible investment where the company must respect both its own principles and the obligations it has toward its clients. AEGON's aim in these cases is to ensure, first of all, that the interests of relevant stakeholders are taken into account before decisions are made and, secondly, that the company is able to explain clearly the reasons for these decisions. AEGON is currently developing a set of global principles on responsible investing to create a more coordinated approach to investment dilemmas.

Voting policy

AEGON has a Global Voting Policy, which sets out company-wide practices and principles for all its asset management operations around the world. This Global Voting Policy operates alongside existing local initiatives.

All of AEGON's voting policies, including the Global Voting Policy, are reviewed and updated periodically. AEGON asset management companies regularly report their voting activities or, alternatively, will supply voting records to customers and investors, if requested. AEGON has begun to collate these records, and intends to publish all available voting decisions at a corporate level during the course of 2010.

Further information on AEGON's activities as a shareholder in other companies may be found at:

- ◆ AEGON The Netherlands: www.aegon.nl
- ◆ AEGON Capital Management (Canada): www.aegoncapital.ca
- ◆ Transamerica Investment Management LLC: www.timllc.com
- ◆ AEGON Asset Management UK: www.aegonam.co.uk

Creation of a global asset management organization

Launched at the beginning of October 2009, AEGON Asset Management brings together asset management businesses in the United States, the Netherlands, the United Kingdom and Central & Eastern Europe, as well as the company's joint ventures in Asia.

In total, AEGON Asset Management has operations in over twenty countries, managing more than EUR 180 billion in assets on behalf of individual investors, financial institutions, pension funds and insurance companies around the world.

The global asset management organization is part of broader efforts to manage AEGON as a single, international company, and the move will allow AEGON Asset Management to expand its business, improve products and services to clients and strengthen overall risk and capital management.

Global principles for responsible investment

In 2009, AEGON Asset Management adopted a long-term plan which will lead to the development and introduction of comprehensive responsible investment principles over the next two years. As part of this plan, a number of initial measures have already been taken.

These include:

- ◆ Identifying rules and guidelines already in place within individual operating units
- ◆ Providing a detailed briefing to senior executives on possible issues involved
- ◆ Developing a process for identifying and communicating possible issues within the global organization.

Under the long-term plan, AEGON Asset Management will also develop a high-level framework, setting out the company's general approach to the issue of responsible investments. This framework is expected to be in place in 2010.

In parallel, AEGON Asset Management will develop separate 'investment guidelines' and 'issue papers' detailing the company's approach to specific areas of concern. Where relevant, internal and external stakeholders will be involved in developing these guidelines and issue papers, which will also take into consideration existing rules and regulations, as well as local requirements and sensitivities. AEGON Asset Management expects these guidelines and issue papers to be developed over the course of the next two years, and will work on ways to integrate environmental, social and governance issues into the investment decision-making process. A number of specific 'areas of concern' will be addressed, including:

- ◆ Climate change and the environment
- ◆ Defense and weapons industry
- ◆ Tobacco and alcohol
- ◆ Human rights issues and discrimination
- ◆ Labor conditions, including the use of child labor
- ◆ Political risk, corruption and money laundering
- ◆ Repressive regimes and good governance.

Other issues may be added at a later date.

Part of these discussions will also focus on AEGON Asset Management's existing international commitments, and the possibility of further operating units signing up to the United Nations' Principles for Responsible Investment. AEGON Asset Management UK already adheres to the UN PRI.

Socially Responsible Investments

In the United Kingdom, the Netherlands and Hungary, AEGON offers specific Socially Responsible Investment (SRI) funds. These funds invest in companies that adhere to ethically and environmentally sound business practices. Certain AEGON companies in the United States offer similar SRI funds managed by third parties.

SRI funds typically avoid investing in certain sectors of the economy, including armaments, tobacco and gambling. They may also exclude investments in companies that have, in the past, made political donations, have been fined for pollution offenses or operate in countries with poor human rights records. AEGON's SRI funds also focus on 'positive screening' - investing in companies that, in individual sectors, offer the best sustainability records.

Most SRI assets in both the United Kingdom and the Netherlands are managed on behalf of policyholders. AEGON offers advice to its customers about their investments in SRI funds. However, decisions on where to invest and how much to invest are taken by customers alone.

AEGON Industrial Fund Management (AIFMC), AEGON's asset management joint venture in China, operates a successful SRI fund, based on 'positive screening'.

At the end of 2009, AEGON had seven separate SRI funds - three in the United Kingdom, two in the Netherlands, one in Hungary and one in China.

Country	Funds
United Kingdom	Ethical Cautious Managed Ethical Corporate Bond Ethical Equity Fund
Netherlands	AEGON Duurzaam Aandelen Fonds (AEGON Sustainable Equity Fund) AEGON Sustainable World Equity Fund
Hungary	AEGON Climate Change Fund
China	Industrial Social Responsibility Securities Investment Fund

SRI fund performance

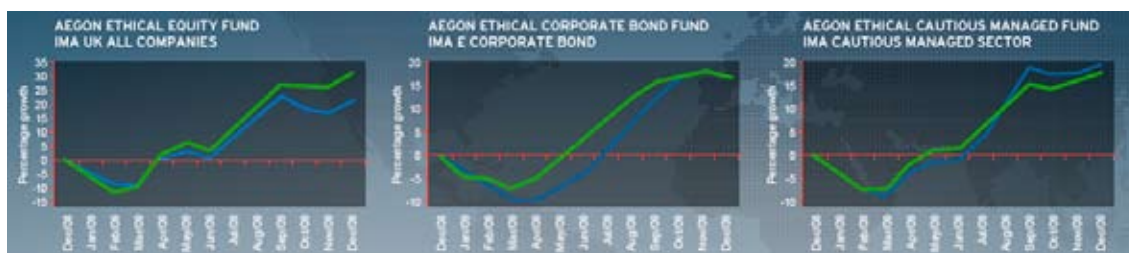
At the end of 2009, AEGON's SRI funds in the United Kingdom, the Netherlands and Hungary totaled almost EUR 940 million in invested assets, up from EUR 699 million¹ the year before and equivalent to 0.26% of the company's total revenue-generating investments. The increase was due to higher equity markets and a net inflow of funds during the year. Assets under management in AEGON's SRI fund in China totaled more than RMB 6.9 billion at the end of 2009, equivalent to EUR 705 million.

	Currency	Total invested (millions)		Change	Percentage of country unit's total revenue-generating investments	
		End-2009	End-2008			
United Kingdom	EUR	893	663	+25.6%	1.42%	1.34%
Netherlands	EUR	44	35	+27.0%	0.06%	0.06%
Hungary	EUR	2.5	1	-	na	na
TOTAL	EUR	940	699	-	0.26%	0.25%
China	RMB	6,914	n/a	-	15.88% ²	na

n/a - not applicable

Please note that figures have been rounded

Charts below show the performance of AEGON's SRI funds in the United Kingdom against their respective benchmarks. Together, these funds represent approximately 75% of the assets invested in AEGON's SRI funds in the United Kingdom, Hungary and the Netherlands.



AEGON Fund —

Sources : AEGON and, Investment Management Association (IMA)

¹ The total amount for SRI assets at the end of 2008 was previously incorrectly reported as EUR 828 million due to a translation error.

² Based on total assets under management at AEGON Industrial Fund Management Company (AIFMC).

Our customers



AEGON serves approximately 40 million customers worldwide. Almost 88% of these customers are located in one or other of our main markets - the United States, the Netherlands or the United Kingdom.

As well as the company's main markets, AEGON also serves a growing number of customers in new, emerging markets in Central & Eastern Europe, Asia and Latin America, as well as in Spain and France. In addition to selling products directly to the end-customer, most AEGON companies work through brokers, agents, financial advisors, banks and other intermediaries. In 2008 and 2009, the financial crisis underlined the importance for the insurance sector of earning and retaining the trust of its customers. Since the start of the crisis, AEGON has taken steps to further improve customer satisfaction by:

- ◆ Strengthening communications with customers
- ◆ Introducing new products or modifying existing ones to ensure they keep pace with changing customer requirements
- ◆ Supporting financial education initiatives
- ◆ Ensuring products are effective and easy to understand.

Our basic principles

- ◆ We treat our customers fairly.
- ◆ We provide clear, transparent and financially sound products and services that meet our customers' evolving long-term needs.
- ◆ We seek to build long-term relationships with our customers.
- ◆ We strive to provide customers with the information they need to make the right financial decisions for themselves and their families.
- ◆ We also support financial education initiatives and strive to promote a better understanding of the financial services industry.
- ◆ We strive to deal with business partners who share our core values.
- ◆ We are committed to fair competition.
- ◆ We recognize the importance of confidentiality and take measures to keep confidential the personal information relating to our customers, employees, business partners and shareholders.

Products and services

AEGON provides a variety of products and services to individuals, corporations and institutions. Most of these products and services fall into one of the following three categories:

- ◆ Life and protection
- ◆ Pensions
- ◆ Long-term savings and investment products.

In some countries, AEGON does supply other products, including general insurance, property & casualty insurance and banking services.

In 2009, AEGON paid out a total of EUR 16.3 billion in claims and benefits, down from EUR 17.2 billion the previous year¹. AEGON operates a 'Know Your Customer' principle. This helps ensure customers get the right financial advice and are offered products tailored to their individual requirements. The policy also enables AEGON to detect errors and anomalies more quickly, and helps in the fight against fraud and money laundering.

Ensuring product transparency

AEGON is committed to providing financial products and services that are clear, transparent and as easy to understand as possible. This principle is contained in AEGON's Code of Conduct, which applies to all employees around the world. Naturally, AEGON companies are also expected to comply with national legislation in this area, as well as other voluntary industry standards. In addition, AEGON takes initiatives at a country and operating unit level to ensure the continued transparency of its financial products - particularly important at a time of economic stress and uncertainty:

- ◆ In Canada, AEGON introduced a new e-learning course for brokers and financial advisors, improving their knowledge of the company's products and enabling them to better serve customers.
- ◆ In Hungary, AEGON has joined an industry-wide initiative to make product costs more transparent for customers.
- ◆ In Slovakia, steps were taken to make forms, supporting documentation and product descriptions easier to read.
- ◆ In Turkey, a new system was set up to keep customers informed by SMS; the system has reduced the number of telephone calls to customer call centers by almost two-thirds.

- ◆ In the Netherlands, AEGON launched an advertising and information campaign under the slogan 'eerlijk over...', or 'honest about...'. The campaign was aimed at explaining sometimes complex financial concepts in a clear, straightforward way. Alongside the campaign, AEGON took measures to improve overall levels of service in the Netherlands, including strengthening its customer contact centers, improving employees' letter-writing skills and launching a dedicated 'You Tube' channel.
- ◆ In China, AEGON has strengthened communication with its customers, simplified the language the company uses in product brochures and extended the terms and conditions of its protection policies to meet customers' needs.

Many AEGON companies also provide information for customers, brokers and intermediaries online, including access to product specifications and account details.

Helping customers on low incomes

Like many other insurance companies, AEGON has contractual measures in place to help those customers who find themselves on low incomes and, often through no fault of their own, are unable to maintain premium payments. These measures include introducing lower premium payments, grace periods, contribution breaks and loans or, in some cases, reducing the coverage offered by a particular policy. In the United States, for example, there are provisions in place to help customers serving in the military overseas. In addition, US state regulators require grace periods be extended for those affected by natural disasters, such as hurricanes and floods. Some AEGON companies also offer products and services specifically aimed at customers on low incomes:

- ◆ In Poland, in 2009, AEGON introduced a special savings program and a pension product with a minimum monthly premium of 100 zlotys, equivalent to EUR 25.
- ◆ In Hungary, AEGON launched a low-cost whole life product for the over-50s, which provides cover for funeral expenses.
- ◆ In the Netherlands, AEGON launched a new, easy-to-understand savings product, called AEGON Eigen Stijl Sparen, or 'Save-in-your-own-way', which enables customers to save small amounts each month to help pay for holidays, cars or other consumer items.
- ◆ In the United States, staff at Transamerica Reinsurance in Charlotte, North Carolina, took part in

¹ Please note that these figures exclude gains or losses on separate accounts and investment funds

a role-play to discover problems faced by those living in poverty and dependent on government assistance. The aim of the project was to help participants better understand the day-to-day challenges faced by those on low incomes.

New products and modifying existing product specifications

AEGON regularly reviews products marketed and developed in former years and, if necessary, will modify product specifications as well as processes and distribution. In 2009, AEGON companies also responded to demand among customers for greater guarantees because of the financial crisis, as well as quicker, timelier information:

- ◆ In the United States, Transamerica Retirement Services developed the 'Recover Plan' to help existing customers manage their investments during the economic downturn. Since February 2009, copies of the company's Recover Plan video presentation have been sent to more than 100,000 retirement plan participants.
- ◆ AEGON Direct Marketing Services took steps to improve its complaints procedure and introduced a new system to increase the number of customer enquiries answered without the need for a repeat call.
- ◆ In response to the financial crisis, AEGON's subsidiary Western Reserve Life extended its no lapse guarantee on its variable universal life product until 2011, allowing policyholders temporarily to pay a lower premium. Western Reserve Life also introduced a new indexed universal life product in response to demand from customers wanting exposure to the rapidly-growing markets of the Pacific Rim.
- ◆ In the United Kingdom, AEGON improved the way the company routes calls from customers to ensure they are connected immediately to the right person within the organization. This contributed to a 16% increase in customer satisfaction in this area.

In the Netherlands, in July 2009, AEGON struck an agreement with customer groups to further reduce charges on its unit-linked insurance products. Under the agreement, AEGON committed an additional EUR 110 million to improving the terms and conditions of the policies. This amount included EUR 80 million to help those customers experiencing the worst financial difficulties. The agreement was part of industry-wide

efforts to address concerns over the charges, and was the result of several months of negotiations with customer groups. The agreement was fully in line with recommendations made by the Dutch Financial Services Ombudsman. Prior to the agreement, AEGON had already committed approximately EUR 380 million to improving the terms and conditions of these policies. AEGON's portfolio of unit-linked insurance products in the Netherlands consists of some 1.3 million policies.

Financial literacy

AEGON believes it has an important role to play in ensuring customers have the information they need to make the right long-term financial decisions for themselves and their families. In each of the company's three main markets, AEGON organizes and supports initiatives aimed at improving overall levels of financial literacy in its local communities.

In the United States, for example, AEGON supports LIFE - the Life and Health Insurance Foundation for Education - a non-profit organization that instructs people on the importance of life insurance and sound financial planning. Every September, in the United States, AEGON supports Life Insurance Awareness month, which is accompanied by an advertising and sales campaign across the country.

Over the past three years, AEGON has given its backing to the UK government's National Strategy for Financial Capability, aimed at improving levels of financial education in the country.

In addition, AEGON country units in Europe, the Americas and Asia organize regular seminars and training sessions for salesmen, intermediaries and brokers to improve the quality of financial advice they are able to give potential customers.

Customer satisfaction

AEGON's approach to improve levels of customer satisfaction is based on four main objectives:

- ◆ To improve the quality and transparency of the company's products and services
- ◆ To use distribution means that allow customers to access products in a way that suits them
- ◆ To deal efficiently and effectively with all customer complaints
- ◆ To help strengthen the financial literacy of those buying AEGON's products and services.

AEGON country and business units regularly measure and monitor the satisfaction of customers and, where relevant, intermediaries and financial advisors. In the United Kingdom, for example, AEGON tracks customer satisfaction through a regular monthly survey of 500 end-customers. In the Netherlands, AEGON has taken steps to improve its customer complaints procedure and undertaken a major program to gather customer feedback. AEGON's approach in the Netherlands is based on the 'net promoter score', a technique for measuring customer loyalty. Where relevant, lessons from the program may be applied to the company's other country units. Most AEGON companies have a separate department dedicated to dealing with customer complaints.

Since the middle of 2008, AEGON companies have also made efforts to further strengthen communication with customers in light of the global financial crisis. Many country and business units have communicated with customers and intermediaries directly, or published articles on their websites. In the Netherlands, a particular effort has been made to keep pension customers informed about developments in the financial markets and the potential impact on their pensions. In 2009, AEGON's customer contact centers in the Netherlands answered 217,000 pension-related questions, an increase of 30% compared with the previous year.

Overall, customer satisfaction levels at AEGON's operating units rose by just over 5% in 2009².

Customer complaints

Dealing with complaints efficiently and openly is an important part of ensuring overall customer satisfaction. All AEGON country units have formal procedures in place for handling complaints. AEGON regularly conducts surveys to identify specific areas where the company is not meeting customer requirements. These surveys play a significant role in helping AEGON improve the quality of its products and services. In 2009, the number of complaints received, both written and oral, totaled 64,963³ - equivalent to just 0.16% of the total policyholders worldwide and a 25% improvement from 86,196 the year before. This

improvement is due, in part, to AEGON's agreement in July 2009 to reduce costs for customers of its unit-linked products in the Netherlands. The agreement was part of industry-wide efforts to address long-running concerns over charges.

Allegations of mis-selling

During 2009, AEGON received a number of complaints regarding the alleged mis-selling of its products and services including some relating to legacy products in the United Kingdom. Where justified, the company took steps to address these complaints as quickly and efficiently as possible. In some cases, action was taken against the salesmen, agents or brokers involved. In others, measures were adopted to strengthen the sales process or modify existing products and services. During 2009, AEGON paid no significant fines to redress cases of mis-selling.

Tracing absent policyholders

Every year, a number of policyholders fail to receive their full entitlements, often because they have forgotten to update their contact information. AEGON is committed to tracing all legitimate beneficiaries. Inevitably, however, some policyholders cannot be traced. AEGON estimates that 1.0% of first-time pensioners did not receive payments due to them in 2009 because they had not updated their contact information, down from 2.3% in 2008 and 3.0% in 2007. In the United States, the Netherlands and the United Kingdom - the company's three main markets - AEGON takes steps to ensure that benefits and entitlements due to these customers remain accessible for as long as possible:

- ◆ In the United States, which because of its size has the highest number of such customers, all benefits remain in policyholders' accounts and are not added to the company's income.
- ◆ In the Netherlands, customers never lose their right to claim, no matter how much time elapses.
- ◆ In the United Kingdom, unclaimed benefits are transferred to an external fund only when absent policyholders reach the age of 75.

² This figure is based on surveys conducted in the following countries: the United Kingdom, Spain, Slovakia, Poland, the Netherlands, Hungary, Czech Republic and Turkey, representing 57% of AEGON's total revenue for 2009. It excludes the United States, where AEGON's operating companies measure customer satisfaction separately. Country units were asked to indicate overall 2009 customer satisfaction levels on a scale of 0 to 100. The weighted averages of these scores, based on the eight country units listed above, was 79, up from 75 in 2008.

³ This figure covers AEGON's businesses in China, Hungary, the Netherlands, Poland, Spain, the United Kingdom, the United States and the holding company, equivalent to 97% of the company's total revenues.

At the end of 2009, AEGON estimates that it was retaining EUR 9.3 million in unclaimed benefits because of missing or unknown addresses, up from EUR 9.2 million in 2008 and a small fraction of total benefits and claims paid during the year. Experience has shown that the value of individual policies where the beneficiary cannot be traced is generally low, less than EUR 100 a year. AEGON companies use a number of different techniques to trace absent beneficiaries. These include consulting government registers and telephone directories, online searches and placing advertisements in newspapers and other publications.

Online services

Providing financial services online can help reduce transaction costs, and cut down on the need for business travel and printed materials. Most AEGON country and business units provide online services of one sort or another. These services include:

- ◆ Information on financial products
- ◆ Online application forms
- ◆ Modifying personal data
- ◆ Accessing quotes
- ◆ Online calculation tools.

In addition, most AEGON companies operate IT fraud detection systems and all units use feedback loops to compliance officers to ensure the company's online platforms remain safe and secure at all times.

The AEGON brand

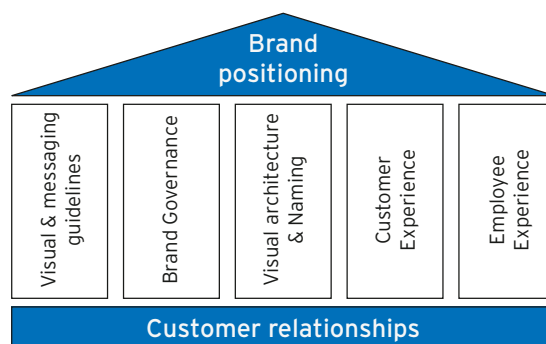
AEGON recognizes that its brand is one of the company's most important assets, particularly at a time when public confidence in the financial sector as a whole has come under pressure.

In 2008, AEGON set up a Global Brand Council to oversee management of the company's brand strategy. Members of the Council are drawn directly from the company's businesses in the United States, the Netherlands, the United Kingdom and Central & Eastern Europe, as well as from the main offices in The Hague. In 2009 and early 2010, membership of the Council was also extended to AEGON businesses in China, Japan and India, as well as to AEGON Direct Marketing Services and AEGON Asset Management.

The Global Brand Council reports directly to Marco Keim, the Management Board member responsible for AEGON's brand strategy and CEO of AEGON The Netherlands. The role of the Council is to advise the Management Board on brand issues, and ensure AEGON has an integrated and clearly-defined approach to brand management.

In 2009, the Management Board approved the establishment of a global brand framework, which will provide guidelines for AEGON companies around the world in their use of the AEGON brand. The Council will play a key role in developing this framework, and rolling it out across AEGON's operations. The framework will be based on existing 'best practices' in those markets where the AEGON or related brands are most deeply rooted - the United States, the Netherlands, the United Kingdom and Hungary - and will be in line with the company's broader corporate strategy. In some areas, AEGON companies are already working closely together on brand issues. In India, for example, AEGON's approach to brand and brand management has been closely modelled on that of the United Kingdom, adapted to local circumstances. In both the United Kingdom and India, AEGON has embedded brand values into employee appraisals. AEGON intends to continue with similar initiatives alongside development of the global brand framework.

AEGON's global framework will set out visual and messaging guidelines, ensuring a more coordinated approach to governance and improving the experience of the AEGON brand for both customers and employees.



As part of this overall initiative, AEGON has launched Global Brand Manager, an online tool that will provide country and operating units easy access to the

company's guidelines and best practices. AEGON regularly measures the performance of its brand, and benchmarks it against those of peer companies. This has a number of objectives:

- ◆ To increase awareness of the company's two leading brands (AEGON and Transamerica)
- ◆ Protect and enhance the values of these brands
- ◆ Ensure brand becomes an integral part of the company's overall strategy
- ◆ Support recruitment and customer service
- ◆ Identify potential new businesses and areas of customer preference.

AEGON's brand around the world

AEGON currently sells its products and services under a variety of different brand names. This approach has, in the past, enabled the company to cater to a broad range of customers in different markets. In all its markets around the world, AEGON operates either under its own name, a co-branded name, or a local brand.

In recent months, AEGON has been moving toward a more integrated approach to brand management. As part of that, the company has been adding the 'AEGON' name to a growing number of its brands. This has helped companies use AEGON's overall financial strength and credibility to enhance their local market position.

In Central & Eastern Europe, for example, the brand now operates in all six AEGON countries - Hungary, the Czech

Republic, Poland, Slovakia, Romania and Turkey. In Asia, AEGON works alongside partners Religare in India, Sony Life in Japan and CNOOC in China. In the United States, AEGON operates under a number of local companies, of which the best known is Transamerica, one of the best known names in the US financial sector. In the Netherlands, the AEGON name is widely known and recognized, while in the United Kingdom AEGON is currently taking steps to further improve brand recognition, including the sponsorship of British tennis. As part of this, AEGON Scottish Equitable International, which provides offshore investments to UK investors, changed its name in 2009 to AEGON. AEGON Scottish Equitable itself will follow suit over the next 12 - 18 months.

Value of AEGON's brand

In 2010, AEGON ranked tenth out of 27 insurance companies in Brand Finance's annual Global 500 index of leading brands, up from twelfth the previous year. Brand Finance, a global independent brand consultancy, valued the AEGON brand at EUR 4.0 billion, up from EUR 3.3 billion, in part because of improved market conditions during the year. At EUR 4.0 billion, brand represents approximately 34% of AEGON's enterprise value⁴.

AEGON's sponsorships

AEGON sponsors a number of individuals and sporting organizations as part of efforts to strengthen the

Top 10 insurers in Brand Finance Global 500 rankings, 2010:

Brand	Domicile	Value (EUR billions)	% change from 2008	Global ranking
Axa	France	16.4	+60.6%	30th
Allianz	Germany	12.8	+56.1%	48th
Generali	Italy	8.9	+21.9%	84th
Zurich	Switzerland	7.2	+43.4%	111th
ING	Netherlands	7.1	+37.7%	113th
Munich Re	Germany	6.6	+41.1%	121st
Aviva	United Kingdom	5.9	-3.0%	141st
AIG	United States	5.5	+8.5%	152nd
CNP Assurances	France	5.3	+67.6%	161st
AEGON	Netherlands	4.0	+21.8%	211th

Source: Brand Finance Global 500, February 2010; n/a - not available; figures have been rounded.

⁴ Enterprise value is calculated as market capitalization + debt + minority interest + preferred equity, minus cash and equivalents.

company's brand and name recognition in both its established and emerging markets. In 2009, AEGON spent EUR 25 million on these sponsorships⁵.

AEGON uses its financial support in this way to encourage talent and excellence in sport, culture and classical music.

In sport, AEGON is the lead sponsor of the Dutch club Ajax, one of the best known names in European soccer. The company also supports rowing in the Netherlands and ice skating in both the Czech Republic and the Netherlands. In 2008, AEGON became the lead sponsor of British tennis, while AEGON and its US subsidiary

Transamerica support the US golfer Zach Johnson, winner of the 2007 US Masters.

In music, AEGON has a partnership with Lang Lang, one of the world's most celebrated concert pianists, and a superstar in his native China.

In recent months, AEGON has adopted a more coordinated approach, in particular examining ways of using the company's sponsorships to increase name recognition outside traditional markets.

⁵ This figure excludes activation costs.

AEGON's sponsorships

AJAX	LANG LANG	TENNIS	GOLF
<p>One of best known names in European soccer.</p> <p>Enthusiastic following in the Netherlands and around the world, particularly elsewhere in Europe, Asia and Latin America.</p> <p>Strong track record of developing young talent.</p> <p>High visibility: AEGON name appears on Ajax's famous red-and-white jerseys.</p> <p>Long-term sponsorship deal running until 2015.</p>	<p>One of world's most celebrated classical pianists.</p> <p>Also acts as AEGON ambassador, playing key role in recent rebranding in China.</p> <p>Very high name recognition in AEGON's target market in China.</p> <p>Strong appeal to young audiences in China.</p> <p>Provides good reach into Asian and US markets.</p> <p>Named one of the world's 100 most influential people by Time Magazine in May 2009.</p> <p>Performed to an audience of more than 2 billion at the opening ceremony of the Beijing Olympic Games.</p>	<p>Sponsorship deal with UK's Lawn Tennis Association runs until 2013.</p> <p>AEGON involved at all levels of the game, from grassroots to elite players.</p> <p>Promotes both excellence and grassroots engagement in the sport.</p> <p>Sponsorship of key tournaments, including the annual 'AEGON Championships', held in the run-up to Wimbledon.</p> <p>International exposure via Davis Cup tournament.</p> <p>Sponsorship has helped almost double awareness of AEGON name and strengthens brand in UK market.</p>	<p>AEGON and Transamerica sponsor Zach Johnson in US.</p> <p>High exposure during national and international tournaments.</p> <p>Use on billboards, posters and other advertising.</p> <p>Company also supports a number of other golfers, including Taylor Leon and Kyle Stanley in the US and Lloyd Saltman in the UK.</p>

AEGON has announced that it will end its sponsorship of speed skating in the Netherlands by the summer of 2010. AEGON had been the sport's lead sponsor for more than 25 years. AEGON's sponsorships also provide cross-over support for the company's corporate giving programs. In

the United States, golfer Zach Johnson is a partner in the Birdies That Care program, which raises funds for disadvantaged young people in Iowa, where AEGON has its US corporate headquarters. Both Ajax and Lang Lang are also involved in fund raising for good causes.

“We did everything to maintain the confidence of our customers”

During the financial crisis, AEGON had one objective above all others: to make sure customers could be confident about the company's long-term financial strength.

In September 2009, AEGON CEO Alex Wynaendts told newspaper Financiële Dagblad that the company had accepted support from the Dutch State to maintain the confidence of its customers around the world. AEGON had not needed the money to survive the financial crisis, he said.

“After the collapse of Lehman Brothers,” Mr. Wynaendts said, “nobody really knew what was going to happen. We wanted to be on the safe side, the capital markets were completely closed off.”

“We had to do whatever we could to maintain the trust of our customers,” he said. “We had to make sure there could be no doubt about our ability to serve our customers.”

AEGON emerged from the crisis in a strong position, and in November 2009 started to repay the Dutch State the capital support the company had received a year earlier.

Refreshing the brand in China

In December 2009, AEGON-CNOOC launched a major rebranding campaign in China, involving TV commercials, billboard ads, new product launches and a refreshed logo. At the forefront of the campaign was AEGON ambassador Lang Lang, one of the world's most celebrated concert pianists.

AEGON-CNOOC was originally launched as a grassroots operation in China, with a strong focus on products, sales and distribution. Now, after six years of steady growth, the joint venture is ready to take the next step - and expand its business further. To do so, it needs to invest in brand recognition.

According to CEO Peter Brudnak, the campaign will help AEGON-CNOOC attract new business, as well as recruit additional agents and distribution partners - crucial to the company's plans for growth.

AEGON ambassador Lang Lang has certainly given the campaign a boost - the concert pianist is extremely well known in China, and very popular, particularly among the upwardly mobile 25-40 age group that AEGON is targeting.

AEGON has been in China since 2002; the company's joint venture with CNOOC, a key part of AEGON's overall strategy for Asia, now has offices in provinces across the country, giving it access to a potential market of some 450 million people

Our shareholders



We have thousands of both institutional and retail shareholders around the world. More than three-quarters are located in North America, the Netherlands and the United Kingdom, AEGON's three main markets. Approximately 88% of AEGON's common shares are held by institutional investors and the remaining 12% by retail shareholders.

AEGON's largest single shareholder is Vereniging AEGON, an association set up to safeguard the interests of the company and its stakeholders. Vereniging AEGON, the company's single largest shareholder, currently holds 23% of AEGON's total voting capital¹. The capital agreement with the Dutch State, in December 2008, did not lead to any change in the company's ownership structure. The Dutch State does not own shares in AEGON.

Our basic principles

- ◆ We provide a strong capital base to meet our long-term financial obligations.
- ◆ We make decisions that are in the interests of our stakeholders.

- ◆ We are accountable to our stakeholders for clear and transparent disclosure of our management policies, practices and results.
- ◆ We identify and manage risk prudently.
- ◆ We invest prudently and responsibly.
- ◆ We provide timely and accurate information to our customers, shareholders, employees, regulators and business partners.
- ◆ We comply with all applicable laws and regulations, and we proactively promote such compliance.
- ◆ We set clear internal guidelines and policies relating to the way we behave as a responsible company with a global reach.

¹ Not including preference shares. Vereniging AEGON has voluntarily waived its right to make use of the full voting rights attached to its preference shares, except in the event of a 'special cause'. These 'special causes' may include a hostile bid for all or part of the company. Including preference shares, Vereniging AEGON's voting interest represents 33%. For more information on Vereniging AEGON and its relationship with AEGON, please refer to the Annual Report or the website www.verenigingaeon.nl.



Importance of clear communications

AEGON endeavors to provide financial information that is clear, transparent, accurate and timely. The company's Investor Relations program is aimed at ensuring investors have the information they need to make sound investment decisions.

The recent global financial crisis underscored the importance of maintaining communication with investors and the broader financial community. During 2009, AEGON took steps to communicate details of its strategy and financial position as quickly and as thoroughly as possible through press releases, conferences and meetings with analysts and investors. In addition to quarterly earnings updates, AEGON organized a number of conferences, road shows and other events.

These events included:

- ◆ Presentations by senior executives to industry conferences around the world. During the year, AEGON executives spoke at a number of conferences hosted by, among others, Goldman Sachs, Citigroup, Bank of America-Merrill Lynch and UBS. All presentations are available online at www.aegon.com.
- ◆ Investor road shows in North America, Europe and Asia, with individual group meetings with shareholders and other potential investors. In total, in 2009, there were meetings with approximately 600 investors in 38 different locations around the world.

AEGON's financial communications policy

AEGON has a clear, well-defined policy with regard to communications between the company and its investors. This policy, adopted in February 2008, sets out rules and guidelines for interaction between AEGON and its investors in line with recommendations from the Monitoring Committee overseeing the Dutch Corporate Governance Code. A copy of this policy is available at www.aegon.com.

Alongside the company's Investor Relations program, AEGON also communicates extensively with the general and financial media. During 2009, AEGON organized a number of press conferences, visits, briefings and interviews with both local and international reporters to explain the company's strategy and financial position.

Share performance

AEGON's share price, like that of other international insurance groups, was adversely affected by the global financial crisis, particularly during the first quarter of 2009. An improvement in business and financial conditions, however, led to a strengthening in the share price after the first quarter. Overall, AEGON's shares on the Amsterdam Stock Exchange gained 0.3% in value during the year. AEGON shares on the New York Stock Exchange gained 6.0%.

Dividend policy and payments

AEGON recognizes the importance of a clear, stable and coherent dividend policy. Dividend payments to shareholders depend on the company's cash flow and capital position.

AEGON's policy is that the total dividend for the year should be composed of two parts:

- ◆ An interim dividend, announced at the same time as the company's second quarter results in August
- ◆ A final dividend, proposed in February with AEGON's fourth quarter results and voted on at the annual General Meeting of Shareholders, usually in April.

Payment of the interim and final dividends is made in either cash or stock.

Though the company's capital position remains strong, cash flows during the year were adversely affected by higher than average impairments. As a result, AEGON did not declare either an interim or a final dividend for 2009.

Listings

AEGON is listed on three stock exchanges: Amsterdam, New York and London. The company's primary listing is in Amsterdam². These listings give AEGON access to global capital markets, and are a vital part of the company's overall corporate and financial management strategy. In addition, AEGON is also active on world debt markets, using its strong credit rating to issue debt instruments in various currencies.

Managing risk

As an insurance company, AEGON manages risk on behalf of its customers and other stakeholders. As a result, the company is exposed to a variety of underwriting, operational and financial risks. AEGON's risk management and control systems are designed to ensure that these risks are managed as effectively and efficiently as possible.

For AEGON, risk management involves:

- ◆ Understanding which risks the company is able to underwrite
- ◆ Assessing the risk-return trade-off associated with these risks
- ◆ Establishing limits for the level of exposure to a particular risk or combination of risks
- ◆ And, measuring and monitoring risk exposures and

actively managing the company's overall risk and solvency positions.

- ◆ By setting certain pre-defined tolerances and adhering to policies that limit the overall risk the company is exposed to, AEGON is able to accept risk with knowledge of potential returns and losses both for the company and for its shareholders.

AEGON must, at all times, maintain a solvency position such that no plausible scenario would cause the company to default on its obligations to policyholders. To accomplish this, AEGON has established two basic objectives for its risk management strategy:

- ◆ AA capital adequacy requirements: AEGON maintains its companies' capital adequacy levels at whichever is the higher of local regulatory requirements, the relevant local Standard & Poor's requirements for 'very strong' capitalization and any additional self-imposed economic requirements.
- ◆ Maintain solvency even under extreme event scenarios: AEGON must remain solvent in the case of plausible extreme events.

Types of risk

As an international provider of life insurance, pensions and other long-term investment and savings products, AEGON faces a number of risks, including underwriting, operational and financial. Some of these risks may arise from internal factors, such as inadequate compliance systems. Others, such as movements in interest rates or unexpected changes in longevity trends, are external in nature.

AEGON's most significant risk is to changes in financial markets, related particularly to movements in interest rates, equity and credit markets. These risks, whether internal or external, may affect the company's operations, its earnings, its share price, the value of its investments, or the sale of certain products and services.

Risk management in 2009

The effects of the global financial crisis that began in 2008 continued to be felt in 2009. Equity markets showed a recovery after the first quarter, but remained depressed for much of the year. Similarly, credit spreads and bond default rates peaked in the first quarter, but both eased significantly afterwards. During 2008, the

² In March 2010, AEGON decided, because of low trading volumes, to delist its shares from the Tokyo Stock Exchange. AEGON shares were scheduled to be delisted on March 27th, but will continue to be traded in Amsterdam, New York and London.

official base rates of leading industrial nations were reduced to record low levels, and remained at these levels for the whole of 2009. Economic conditions remained difficult, causing companies to fail or scale back their operations. These factors had implications not only for AEGON's sales and earnings, but also for the company's capital and liquidity position. AEGON regularly carries out sensitivity analyses to determine

the impact of different scenarios (including extreme event scenarios), particularly on the company's earnings and capital position³.

During the year, AEGON took a series of measures designed to counter the effects of the crisis and, where required, limit the company's exposure to major financial risks.

Overview of risks

Credit risk	AEGON's fixed income assets recovered a significant part of their value during 2009, though credit spreads, on an historical basis, remained relatively high. Meanwhile, defaults and downgrades both reached historical highs during 2009. AEGON's strong liquidity management, however, ensured that the company would not be a forced seller of such assets. Because AEGON invests for the long term, the company is able to retain investments until they mature or recover their value. AEGON announced in February 2009 that the company would run off its institutional spread-based business in the United States, significantly reducing credit risk.
Equity market and other investment risks	Equity markets remained depressed during the first part of 2009, though they rallied later in the year. AEGON had already sold most of its direct equity market exposure in the Netherlands and the United States before financial markets began to decline. During 2009, AEGON further extended its program of hedging equity risk at its US, Dutch and Canadian operations to protect itself against a possible deterioration in equity markets.
Interest rate risk	Interest rates remained at low levels during 2009. This had important consequences, particularly for investment income and for the margins on financial guarantees included in certain policies. During the year, AEGON took further steps to reduce such guarantees. AEGON's operations in Taiwan, which carried significant long-term interest rate risk, were sold in August 2009. Continued low interest rates in 2010 may however have an adverse effect on new business rates and lead to lower lapse rates.
Currency exchange rate risk	As an international company, AEGON is exposed to movements in currency rates. However, AEGON does not consider this exposure to be material. The company holds its capital base in various currencies in amounts that correspond to the book value of individual country units, thus mitigating currency risk. AEGON does hedge cash flows from operating subsidiaries as part of its broader liquidity and capital management.
Liquidity risk	AEGON has a strong liquidity management strategy in place. Since the early 1990s, AEGON has been constantly refining and developing its approach to liquidity management. As part of this approach, AEGON regularly considers the most extreme liquidity stress scenarios, including the possibility of prolonged 'frozen' capital markets, an immediate and permanent rise in interest rates, and policyholders withdrawing liabilities at the earliest conceivable date. In addition, the company has highly developed liquidity stress planning in place. In 2009, AEGON built up its holdings of cash and highly liquid assets as a further precaution against liquidity risk. AEGON's liquidity management strategy ensures the company is not a forced seller of assets even in a severe stress scenario. Current tests show that available liquidity would more than match the company's requirements for at least the next two years, even if already poor market conditions were to deteriorate further or capital markets were to close completely.

³ Please note that the information here is intended as an overview only. A more detailed explanation of credit risk, equity and other investment risk, interest rate risk, currency exchange rate risk, liquidity risk, underwriting risk and operational risk as well as other company-wide risk management policies can be found in AEGON's 2009 Annual report.

Underwriting risk	AEGON's earnings depend, to a significant degree, on the extent to which claims experience is consistent with assumptions used by the company to price products and establish technical liabilities. Changes in, among other things, morbidity, mortality, longevity trends and policyholder behavior could have a considerable impact on AEGON's income. AEGON believes it has the capacity to take on more underwriting risk (providing of course it is correctly priced) in line with the company's broader strategy to capitalize on growth opportunities in its main life insurance and pension markets.
Operational risk	Like other companies, AEGON faces risks resulting from operational failures or external events, such as changes in regulations and natural or man-made disasters. AEGON's systems and processes are designed to support complex products and transactions and to avoid such issues as system failures, financial crime and breaches of security. AEGON is constantly working on analyses studying such operational risks and regularly develops contingency plans to deal with them. These plans also cover extreme event scenarios, such as the possibility of mortality pandemics in one or more of the company's main markets.

AEGON's risk governance framework

AEGON has a strong culture of risk management, based on a clear, well-defined governance framework. The goals of this framework are as follows:

- ◆ To minimize ambiguity by clearly defining responsibilities and escalation procedures for decision makers
- ◆ To institute a proper system of checks and balances by ensuring that senior management is aware at all times of material risk exposure
- ◆ To manage concentration by avoiding the threat of insolvency from an over-concentration of risk in particular areas
- ◆ To facilitate diversification by enabling management to identify diversification benefits from apparent risk-return trade-offs
- ◆ To reassure external constituencies that AEGON has appropriate risk management structures and controls in place.

Governance structure

AEGON's risk management framework is represented across all levels of the organization. This ensures a coherent and integrated approach to risk management throughout the company. Similarly, AEGON has a number of company-wide risk policies in place, which detail specific operating guidelines and limits. These policies are designed to keep overall risk-specific exposures to a manageable level. Breaches of policy limits or warning levels trigger immediate remedial action or heightened monitoring. Further risk policies may be developed at a local level to cover situations specific to particular country or business units. AEGON's risk management governance structure has four basic layers:

- ◆ The Supervisory Board (and the Supervisory Board Risk Committee)
- ◆ The Executive Board
- ◆ AEGON's Group Risk and Capital Committee (GRCC)
- ◆ Individual Risk and Capital Committees (RCCs) present in AEGON's operating units.

Roles and responsibilities

AEGON's Executive Board has overall responsibility for risk management. The Board adopts the risk governance framework and determines the company's overall risk tolerance and risk appetite.

The Executive Board and the Group Chief Risk Officer report to the Risk Committee of AEGON's Supervisory Board, which is responsible for overseeing AEGON's enterprise risk management framework, including governance and measures taken to ensure risk management is integrated properly into the company's broader strategy. In addition, the Risk Committee also reviews overall risk exposure in light of management's risk appetite, the company's own risk exposure limits and AEGON's overall solvency position. The Committee reports to the full Supervisory Board on a quarterly basis or more frequently, if required. Details of members of the Supervisory Board's Risk Committee may be found in AEGON's Annual Report, available at www.aegon.com. It is the responsibility of the Executive Board to inform the Supervisory Board should any risks directly threaten the solvency or operations of the company. The Executive Board also supervises the work of AEGON's Group Risk and Capital Committee (GRCC). The GRCC is responsible for overseeing AEGON's solvency position, ensuring that risk-taking is within overall tolerance levels and that the company's capital position is sufficient to support AA capital adequacy

requirements. As such, the GRCC also works closely with the company's Group Finance, Group Treasury & Capital Management and Group Risk departments.

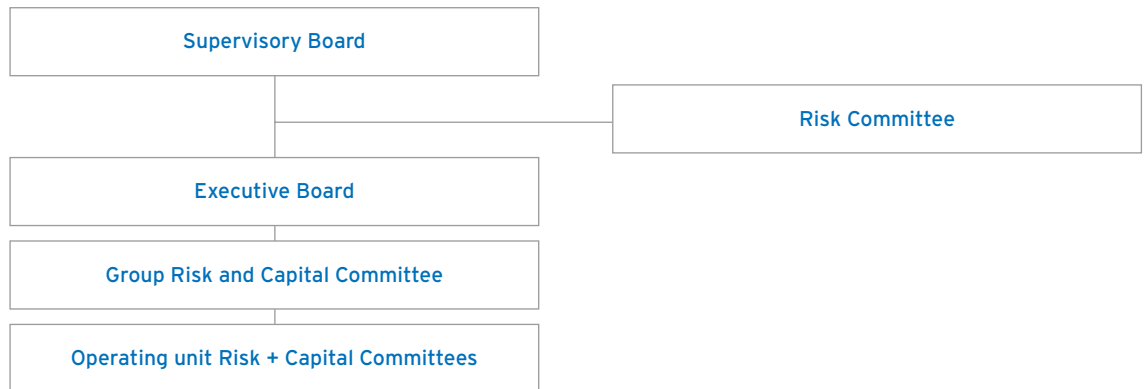
It is the responsibility of the GRCC to update the Executive Board should any risk threaten the company's economic solvency, statutory solvency or its operations. In line with AEGON's integrated approach to risk management, the company's Chief Financial Officer is both a member of the Executive Board and Chairman of the GRCC. AEGON's Chief Risk Officer, its Group Treasurer, its Director of Group Finance, the Chief Investment Officer for AEGON's general account, and CFOs from the company's three main country units - the United States, the Netherlands and the United Kingdom - are also members of the GRCC.

The GRCC is also responsible for ensuring best risk management practices are adhered to, as well as for

promoting strong risk management as an important part of AEGON's overall corporate culture.

In addition, the GRCC provides oversight for individual country unit Risk and Capital Committees (RCCs). As such, the GRCC receives regular reports from RCCs, reviews major decisions and oversees compliance with company-wide policies.

RCCs have been established at each of AEGON's country units and, within the United States, at each business unit. The responsibilities and prerogatives of the RCCs are set out in their respective charters and are similar in content to those of the GRCC, but applicable to local circumstances. AEGON's regional Chief Risk Officers are members of every operating unit RCC for which they have oversight responsibility.



Group Risk

The role of Group Risk is to act, effectively, as the working arm of the GRCC. As such, Group Risk is responsible for developing and executing risk policies and frameworks. This involves identifying risk, particularly operating and emerging risk, as well as reviewing risk assessments carried out by operating units. Group Risk also identifies best risk management practices and helps ensure there is consistency in methodology and application of these practices across

the company. In addition, Group Risk performs risk analyses, either at its own initiative or at the request of management, including the analysis of extreme events and related management capabilities.

AEGON's risk management staff structure is also integrated. Regional CROs for the Americas, Europe and Asia report directly to the company's Chief Risk Officer. CROs of individual operating units report to their respective regional CROs.



Ratings

In 2009, AEGON retained strong financial strength ratings from Standard & Poor's, Moody's and Fitch. Consistent with the credit rating agencies' overall outlook for the industry, AEGON's financial strength ratings continue to carry a negative outlook. Financial strength ratings are important to AEGON's core business model. The competitive position of an

insurer is often determined by its ability to pay benefits and claims. The market gauges an insurer's ability to make these payments based on its financial strength ratings.

At the end of 2009, the Fitch, Moody's and Standard & Poor's (S&P) insurance financial strength ratings (IFSR) and ratings outlook for AEGON's primary life insurance companies in its leading country units were as follows:

	AEGON USA IFSR	AEGON THE NETHERLANDS IFSR	AEGON SCOTTISH EQUITABLE IFSR	AEGON N.V. SENIOR Debt Rating
S&P rating	AA-	AA-	AA-	A-
S&P outlook	Negative	Negative	Negative	Negative
Moody's rating	A1	NR ¹	NR	A3
Moody's outlook	Negative			Negative
Fitch rating	AA	NR	NR	A
Fitch outlook	Negative			Negative

¹ NR - not rated

During 2009, Moody's lowered its senior debt rating for AEGON N.V. to A3 with a negative outlook, Fitch lowered its senior debt rating to A with a negative outlook, while Standard & Poor's lowered its senior debt rating to A-. The outlook for all three credit ratings remained negative. At the same time, Moody's, Fitch and S&P also lowered the insurance financial strength ratings of AEGON USA by one notch, to A1, AA and AA-, respectively.

Measures to further strengthen AEGON's risk management

AEGON frequently reviews the functioning of its risk management framework, and decided recently to introduce a number of measures aimed at further strengthening the company's approach.

This approach is based on having three so-called 'lines of defense':

- ◆ Line management
- ◆ AEGON's risk function, both at Group Risk and at individual country and operating units
- ◆ Internal and external audit.

AEGON intends to further strengthen these lines of defense by:

- ◆ Clarifying the role and accountability of senior management for risk-taking (first line of defense)
- ◆ Ensuring the company's risk function provides independent oversight for relevant management decisions (second line of defense)
- ◆ Audit will continue to offer independent assurance of AEGON's risk management processes and controls (third line of defense)

As a result of these changes, AEGON's Group Risk & Capital Committee (GRCC) will focus increasingly on the overall management of the company's balance sheet, within boundaries set by AEGON's risk tolerance levels and risk policies.

AEGON's Chief Risk Officer will continue to attend all meetings of the GRCC, but will report directly to the Executive Board on matters such as compliance with existing risk policies, risk exposures and potential threats to the company's solvency or its operations. The Executive Board will retain its overall responsibility for risk management, including AEGON's risk governance framework, its risk tolerance and policies, and the risk culture within the organization.

Internal audit and risk management

AEGON's internal audit department conducts periodic independent reviews to determine if the company's risk management functions are performing in accordance with AEGON's internal policies and procedures. The internal audit department ultimately reports its findings to the Supervisory Board's Audit Committee.

Risk management in the UK

In the United Kingdom, AEGON has decided to create two distinct, but complementary, areas of responsibility within the Management Board for Risk/ Compliance and Finance. In recent months, this structure has become increasingly commonplace in leading UK financial services companies. The objective is to further strengthen AEGON's risk and capital management in the United Kingdom, and to ensure that both disciplines are well represented at the highest level within the organization.

Corporate Governance⁴

AEGON is a public company under Dutch law. It is governed by three corporate bodies: the General Meeting of Shareholders, which meets at least once every year, the Executive Board and the Supervisory Board. In addition, AEGON also has a Management Board, which assists the Executive Board in its tasks and responsibilities. As a company based in the Netherlands, AEGON is subject to the Dutch Corporate Governance Code. The respective roles of Chief Executive Officer and Chairman of the Supervisory Board are fully separated.

⁴ This section is intended as an overview only. For more information on AEGON's corporate governance, please refer to the Annual Report, available at www.aegon.com.

General Meeting of Shareholders

A General Meeting of Shareholders is held at least once a year. Its main function is to decide matters such as the adoption of annual accounts, the approval of dividend payments and appointments to AEGON's Supervisory and Executive Boards.

When deemed necessary, the Supervisory or Executive Board has the authority to convene an extraordinary General Meeting of Shareholders.

- ◆ Every shareholder is entitled to attend the General Meeting, to speak and vote, either in person or by proxy granted in writing.
- ◆ AEGON encourages shareholder participation in these meetings. As part of this approach, AEGON is a member of the Stichting Communicatiekanaal Aandeelhouders, a Dutch foundation dedicated to improving communication between listed companies in the Netherlands and their shareholders. AEGON also solicits proxies from New York registry shareholders in line with common practice in the United States.
- ◆ Those shareholders who alone, or jointly, represent at least 0.1% of AEGON's issued capital or a block of shares worth at least EUR 50 million may request items be added to the agenda of these meetings.
- ◆ At the General Meeting, each share carries one vote. However, under certain circumstances⁵, AEGON's largest shareholder - Vereniging AEGON - may cast 25/12 votes for each of its preferred shares.
- ◆ All resolutions are adopted by an absolute majority of votes cast, unless Dutch law or AEGON's Articles of Incorporation stipulate otherwise.

Executive Board

AEGON's Executive Board is charged with the overall management of the company and, as such, is responsible for achieving the company's aims, strategy and associated risk profile, as well as overseeing any relevant corporate sustainability issues and the development of the company's earnings.

AEGON's Executive Board comprises two members:

- ◆ Alexander R. Wynaendts, Chief Executive Officer and Chairman of the Executive Board.
- ◆ Jan J. Nooitgedagt, Chief Financial Officer and member of the Executive Board.

Management Board

AEGON's Executive Board is assisted in its work by the company's Management Board, which comprises six members, including the members of the Executive Board. The Management Board helps oversee operational issues and the implementation of the company's strategy. Board members are drawn from AEGON's country and operating units, and have both regional and global responsibilities, ensuring that AEGON is managed as an integrated, international business:

- ◆ Alexander R. Wynaendts (Chief Executive Officer)
- ◆ Jan J. Nooitgedagt (Chief Financial Officer)
- ◆ Mark Mullin (Member of the Management Board, responsible for the Americas, President & CEO of AEGON Americas)
- ◆ Marco B. A. Keim (Member of the Management Board, responsible for the Netherlands, brand and corporate sustainability, CEO of AEGON The Netherlands)
- ◆ Gábor Kepecs (Member of the Management Board, responsible for Central & Eastern Europe, CEO of AEGON Central & Eastern Europe)
- ◆ Otto Thoresen (Member of the Management Board, responsible for the United Kingdom, India and variable annuities in Europe, CEO of AEGON UK)

Please note that Mark Mullin succeeded Pat Baird who retired from his position at AEGON at the beginning of January 2010. Mr. Baird's former responsibility for Asia-Pacific has now been taken over by Mr. Wynaendts.

⁵ For further details, please see AEGON's 2009 Annual Report, available at www.aegon.com.

Supervisory Board

AEGON's Supervisory Board oversees the management of the Executive Board, as well as the overall course of the company's business and corporate strategy, taking into account the interests of AEGON's stakeholders. The Supervisory Board consists of the following members:

Dudley G. Eustace (Chairman of the Supervisory Board)
Irving W. Bailey II

Robert J. Routs

Antony Burgmans

Arthur W. H. Docters van Leeuwen

Cecelia Kempler

Shemaya Levy

Karla M. H. Peijs

Kornelis J. Storm

Ben van der Veer

Dirk P. M. Verbeek

Leo M. van Wijk

Mr. Eustace was due to retire in April 2009, but his term of office was extended for a further year, following approval from AEGON's General Meeting of Shareholders. Mr. Eustace will now retire at the company's shareholders' meeting scheduled for April 2010. He will be succeeded as Chairman of the Supervisory Board by Mr. Routs, a former executive at Royal Dutch Shell plc.

All members of the Supervisory Board may be considered independent, under the definition used in the Dutch Corporate Governance Code, with the exception of Mr. Storm, who previously served as Chairman of AEGON's Executive Board.

For biographies of members of AEGON's Executive and Supervisory Board, please refer to AEGON's Annual report at www.aegon.com.

In early 2010, Marco Keim, the Management Board member responsible for sustainability, presented AEGON's strategy and policies in this area to the company's Supervisory Board, in line with recent changes to the Dutch Corporate Governance Code. In the future, AEGON expects the Supervisory Board to take a greater role in monitoring and approving the company's sustainability strategy and policies.

Committees

The Supervisory Board also oversees the activities of several committees. These committees are composed exclusively of Supervisory Board members and deal with specific issues related to AEGON's financial accounts, risk management strategy, executive remuneration and appointments:

Committee	Roles and responsibilities	Members
Audit Committee	Oversees audit of AEGON's financial accounts.	Shemaya Levy (Chairman) Dirk Verbeek Antony Burgmans Arthur Docters van Leeuwen Cecelia Kempler Ben van der Veer
Risk Committee	Oversees company's approach to risk management	Irving Bailey (Chairman) Rob Routs Cecelia Kempler Kornelis Storm Dirk Verbeek
Compensation Committee	Oversees remuneration policy for executives and senior management	Leo van Wijk (Chairman) Dudley Eustace Irving Bailey Rob Routs Karla Peijs
Nominating Committee	Oversees appointments to executive positions within the company.	Dudley Eustace (Chairman) Rob Routs Shemaya Levy Karla Peijs Kornelis Storm

State representation on the Supervisory Board

As part of its agreement to extend additional core capital to AEGON, the Dutch government has two representatives on the company's Supervisory Board. These representatives are:

- ◆ Karla Peijs
- ◆ And, Arthur Docters van Leeuwen.

Shareholders approved the appointment of Mr. Docters van Leeuwen at their annual General Meeting in April 2009. Ms. Peijs was already a member of the Supervisory Board.

Approval from the state representatives is required for certain company decisions, including:

- ◆ Issue and repurchase of shares and debentures
- ◆ Changes to AEGON's policy with regard to executive remuneration
- ◆ Any acquisitions that have a value of 25% or more of AEGON's issued capital and reserves.

Dutch Corporate Governance Code

As a company based in the Netherlands, AEGON adheres to the Dutch corporate governance code. AEGON endorses the Code and strongly supports its principles for sound and responsible corporate governance. AEGON regards the Code as an effective means of helping ensure that the interests of all stakeholders are duly represented and taken into account. The Code also promotes transparency in decision-making and helps strengthen the principles of good governance. The original Code, dated December 2003, was amended in 2008 to take into account proposals put forward by the Monitoring Committee which oversees the Code. The new, amended Code came into force on January 1, 2009.

Current practice and existing international commitments

AEGON companies adhere to a number of different local, regional and international corporate governance initiatives. These include rules and guidelines provided by the:

- ◆ Organization for Economic Cooperation and Development (OECD)
- ◆ International Corporate Governance Network (ICGN)

- ◆ Dutch Corporate Governance Code
- ◆ Department of Labor in the United States
- ◆ US Insurance Regulatory Requirements
- ◆ Combined Code in the United Kingdom.

In addition, AEGON upholds a number of different international agreements, setting out guidelines or minimum standards for pollution, human rights or labor conditions. These agreements also help shape and inform the company's investment decisions.

- ◆ AEGON is a signatory to the 2009 Carbon Disclosure Project, a program that encourages companies to be more open about their greenhouse gas emissions. Investors that have signed up to the Project have approximately USD 55 trillion⁶ in assets under management.
- ◆ In the United Kingdom, AEGON Asset Management is a member of the Association of British Insurers' investment committee, which considers corporate governance issues and sets policy in this area. In addition, AEGON Asset Management UK is a signatory to the UN Principles for Responsible Investment and a member of both the UK Sustainable Investment & Finance Association and the Extractive Industry Transparency Initiative, which aims to improve governance in the global oil, gas and minerals sector. In September 2009, AEGON added its voice to calls for a new climate change agreement at the Copenhagen Conference. The company was one of more than 180 signatories to an investor statement urging a global agreement to reduce carbon dioxide emissions. Between them, the signatories manage more than USD 13 trillion in assets. The investor statement called for a new target to reduce global emissions by between 50% and 85% over the next 40 years as well as additional government support for energy efficiency initiatives and low carbon technologies. Signatories to the statement agreed that a new target was "essential to give investors confidence about the future direction of climate policy". The investor statement was signed on behalf of AEGON by Erik van Houwelingen, Chairman of AEGON Asset Management.

⁶ Source: Carbon Disclosure Project.

Dealing with dilemmas

AEGON appreciates that the interests of various stakeholder groups do not always coincide and that this may give rise to dilemmas, particularly in the area of responsible investments where the company must respect both its own principles and the obligations it has toward its clients. AEGON's aim in these cases is to ensure, first of all, that the interests of all relevant stakeholders are taken into account before decisions are made and, secondly, that the company is able to explain clearly the reasons for these decisions.

Example: AEGON's Ethical Equity Fund in the United Kingdom invests in the global extractives industry (mining, oil & gas)

With the right governance framework, the extractives industry can play a key role in economic growth. However, the industry also faces significant environmental and social challenges, particularly when operating in developing countries.

- ◆ AEGON works through the Extractives Industry Transparency Initiative which sets global standards for companies in the industry to publish what they pay for and for governments to disclose what they receive.
- ◆ The Fund also applies strict ethical screening criteria, which change over time in response to the demands both of investors and wider society. For the extractives sector, these criteria address a number of different issues, including repressive regimes, environment, biodiversity and human rights. The criteria mean that the Fund may invest only in a limited number of extractives companies. AEGON also makes sure that all investors are aware that the Fund may make limited investments in the extractives industry.

- ◆ AEGON benchmarks environmental and safety, biodiversity and human rights performance of the extractives companies in the Fund, and uses independent sources of information to make its assessments.
- ◆ Once potential risks have been identified, AEGON engages with management of the company to make sure necessary steps are being taken to mitigate those risks. AEGON will review its position as an investor in any specific company if there are material changes to the risk profile.

Our employees



We employ more than 28,000 people in over twenty countries around the world. Nearly half AEGON's workforce is located in the United States, but the company also employs people in Asia, Europe and Latin America. AEGON endeavors to act as a responsible employer, providing the conditions, incentives and formal training its employees require for personal and business success.

Our basic principles

- ◆ We promote ethical behavior and encourage the reporting of any illegal or unethical behavior.
- ◆ We promote respect for people and their working environment.
- ◆ We actively enforce policies that promote non-discrimination in the workplace and encourage diversity.
- ◆ We hire, promote and pay our employees fairly and do so based on their qualifications, their experience and their ability to do a job.
- ◆ We provide training to encourage our employees, within the scope of their professional activities for the company, to act in the best interest of all stakeholders and abide by our business principles and core values.
- ◆ We provide employees with a safe place to work.
- ◆ We encourage personal and career advancement.
- ◆ We allow our employees the free right of association.

AEGON's global workforce

At the end of 2009, AEGON had a total of 28,382 employees, down 9.7% from 31,425 twelve months previously. This decrease was due mainly to restructuring in the United States and the United Kingdom, as well as the sale of AEGON's realtor activities in the Netherlands and the company's life insurance operations in Taiwan.

In 2009, 10% of all AEGON employees worked part-time, down from 12% the year before, due to an decrease in the number of part-time employees in the United States, which offset increases in both the Netherlands and the United Kingdom. In 2009, Intermediar, an independent labor market research firm, ranked AEGON the 13th best employer in the Netherlands from a total of fifty leading companies. Among other insurance companies, Achmea ranked 3rd, ING 12th, SNS Reaal 28th and Delta Lloyd 49th.

Employee turnover

In 2009, employee turnover reached 13%, down from 14% the previous year. Of the total, 6% left the company voluntarily to pursue opportunities elsewhere.

Employment was terminated for a further 6%, either because of internal restructuring or individual underperformance. The remaining 1% was due to a policy, in certain business areas, of not replacing those employees leaving the company either to take up other jobs or to retire. At the end of 2009, AEGON employees had, on average, spent 8.6 years with the company, up from 7.7 twelve months earlier.

During 2009, AEGON decided to restructure or sell a number of its activities. These decisions were part of an ongoing review of the company's portfolio of businesses, which began in 2008, as well as wider efforts to reduce operating costs and improve returns from AEGON's existing businesses.

Among the activities affected by AEGON's portfolio review were:

- ◆ AEGON's life insurance operations in Taiwan, which were sold in April 2009
- ◆ The spread-based institutional business in the United States, which AEGON decided to place in run-off
- ◆ There was also further restructuring of AEGON's businesses in the United States, the Netherlands and the United Kingdom.

AEGON took steps to limit the number of compulsory redundancies as a result of these decisions:

- ◆ In Taiwan, a clause in the sales agreement guaranteed employees jobs for at least twelve months.

- ◆ In the Netherlands, there were no redundancies in 2009. There will, however, be approximately 200 redundancies in 2010 as a result of the reorganization of AEGON's Dutch sales operations. AEGON has already agreed a redundancy plan with unions in the Netherlands. This plan provides a series of arrangements designed to help those employees involved, including additional training, outplacements and redundancy packages. Employees are also given priority when applying for other jobs within the company.

- ◆ Similarly, in the United Kingdom, AEGON has been working closely with trade unions to minimize the number of compulsory redundancies. Measures include freezing external recruitment, restricting or discontinuing agency or temporary contracts and introducing more flexible working hours. For those employees at risk of redundancy in the United Kingdom, AEGON also has an extensive consultation and support program, which involves among other things additional training, career counselling and help finding alternative employment. Employees in the United Kingdom are also given priority when applying for jobs elsewhere in the organization. In such circumstances, in both the United Kingdom and the Netherlands, AEGON also offers voluntary redundancy packages for those employees who wish to leave the company.

AEGON's Code of Conduct

AEGON's Code of Conduct sets out the company's core values and its underlying principles of business practice. It applies to all AEGON employees, excluding only those working for joint ventures where AEGON does not have full management control. AEGON's country units regularly provide training on the Code of Conduct and monitor compliance with provisions of the Code. For a copy of the Code, please see www.aegon.com.

AEGON's Code of Conduct contains rules, regulations and guidelines in a number of areas, including:

- ◆ Preventing discrimination in the workplace
- ◆ Protecting free and open competition
- ◆ Ensuring the confidentiality of personal information supplied by employees, customers, business partners and shareholders
- ◆ Preventing employees from accepting bribes or seeking to gain unlawful advantage
- ◆ Detecting and stopping money laundering
- ◆ Respecting the environment and promoting greater environmental responsibility
- ◆ And, ensuring clear, accurate and regular disclosure of financial and other information.

In 2008, AEGON updated its Code of Conduct to bring it into line with recent developments in world financial markets, as well as changes to regulations in the insurance industry and international accounting rules. Alongside the new Code, AEGON has also introduced a round-the-clock, multi-lingual 'Global Ethics Line', which enables employees worldwide to report in confidence any suspected violations of the Code.

Tackling corruption, money laundering and fraud

AEGON is determined to tackle incidents of corruption and malpractice in all its businesses around the world. AEGON companies have detailed procedures in place for complaints regarding accounting, international financial controls and auditing issues. These procedures operate in conjunction with national laws, as well as with separate provisions, set out at country unit level, to deal with issues ranging from handling confidential

information to tackling money laundering. AEGON also has a number of additional measures in this area:

- ◆ AEGON sets out clear rules in its Code of Conduct and elsewhere designed to prevent corruption, bribery, money laundering, insider dealing and other forms of malpractice.
- ◆ AEGON's Global Ethics Line provides employees with an opportunity to report in confidence any suspected violations of the company's Code of Conduct.
- ◆ AEGON also has a number of educational programs in place designed to raise awareness among employees of the risks posed by issues such as money laundering and insider dealing.
- ◆ In 2009, AEGON's Executive Board adopted a Global Financial Crime Notification, Investigation and Reporting procedure, which provides a clear definition of what constitutes financial crime and will help track incidents of fraud, corruption and money laundering across the company.

Each quarter, AEGON records incidents of fraud involving employees, intermediaries or external parties at its operations around the world. This information is summarized and reported to the company's Group Risk & Capital Committee, and is part of AEGON's overall approach to risk management.

Six incidents of fraud involving AEGON employees were reported in 2009, one in the United Kingdom and five in the Netherlands. In each case, action was taken against the employee involved.

Recruitment, training & performance appraisals

In 2009, AEGON recruited 2,308 new employees worldwide¹, down from 5,450 the year before. Most of these employees were hired to replace existing staff leaving the company.

On average, vacant positions were filled within 29 days, unchanged from 2008, though individual country unit rates varied widely. Each vacancy attracted an average of 75 applicants, up from 22 the previous year.

All AEGON companies have measures in place designed to attract and retain the best employees. These

¹ This figure refers to new hires only. It does not include employees taken on as a result of mergers or acquisitions

measures are vital to the long-term health of the company as a whole. At the core of AEGON's policy in this area is the need to offer attractive and flexible benefit packages. Measures vary from country to country, but include:

- ◆ Personal and career advancement
- ◆ Business and language training
- ◆ Reimbursement of tuition fees
- ◆ Mentoring and coaching programs.

AEGON often works with recruitment agencies to find the best possible candidates for vacant positions. The company also acts on findings from employee satisfaction surveys and exit interviews to improve benefits and working conditions for staff.

AEGON encourages employees at all levels to take part in formal skills and development programs. Training sessions cover topics such as customer service, product knowledge, business writing, compliance and sales. Most of AEGON's country units grant employees time and, occasionally, financial assistance to pursue individual projects such as language training or higher education related to their work at the company. In the United

Kingdom, AEGON has a specific 'talent mapping process', which links training to individual requirements and career development.

In the United States, where just under half AEGON's global workforce is located, appraisals include a 'corporate responsibility' component, which assesses employees' compliance with company values, rules and procedures, including the Code of Conduct.

Percentage of workforce taking part in formal skills and capabilities programs:

	2009	2008	Change
Senior management	91	79	+15%
Middle management	86	82	+5%
Other employees	82	80	+2.5%

AEGON's training programs 2009

	2009	2008	Change
Amount spent on training	EUR 12.5 million	EUR 19.9 million	-37.2%
Average amount spent on training per employee	EUR 440	EUR 645	-31.8%
Average number of days spent on training	4.02 days	4.19 days	-4.1%

Percentage of workforce subject to regular, standardized performance appraisals

	2009	2008	Change
Senior management	100%	91%	+10%
Middle management	98%	97%	+1%
Other employees	98%	97%	+1%

Global Talent Management

Understanding and developing talent is critical to AEGON's future success. Much of the responsibility for this lies with AEGON's individual business and operating units. In 2008 however, the company launched a Global Talent Management project to formulate a more coordinated, company-wide approach to this issue. The overall aim of the project is to develop leadership potential within the company and further enhance AEGON's reputation as an employer of choice.

AEGON's Global Talent Management project has three main objectives:

1. To ensure that AEGON realizes its full potential as a global company by identifying, managing and rewarding its leading talent on an international basis
2. To ensure that AEGON has the depth of talent with the right skills, competencies and experience to support the company's current and future strategy
3. To use the quality of AEGON's management as a competitive advantage.

In addition to the Global Talent Management project, AEGON has a number of programs in place to encourage leadership potential within the company. AEGON University has been in existence now for 15 years. The program takes in talented AEGON employees from around the world and gives them the opportunity to share knowledge and experience, as well as to learn more about the company, its businesses and its strategy. The work of AEGON University is supported by other programs, including the AEGON Americas and AEGON Asia Leadership Academies. AEGON also has an organization called Young AEGON, a network of employees designed to share information and best practice.

In 2010, AEGON will introduce a Global Assignment Policy covering employees temporarily working outside their home countries. This policy is part of wider efforts to manage AEGON as one, international company, and is aimed at encouraging greater mobility within the AEGON workforce and a more effective distribution of talent and experience within the company. The Global Assignment Policy contains principles aimed at ensuring employees are able to maintain rights and benefits in their home countries while on assignment overseas.

AEGON's In Practice program

'In Practice' is designed to increase awareness among employees of industry issues, AEGON's business principles and its broader corporate strategy, usually through e-learning programs:

- ◆ You & AEGON provides new employees with basic information about the company and its businesses around the world.
- ◆ New employees are also required to complete an online training program on the Code of Conduct.
- ◆ In 2009, all employees took part in an e-learning program to introduce the company's revised Code of Conduct.
- ◆ AEGON also has an e-learning program to outline measures taken by AEGON to prevent insider dealing.
- ◆ In the United States, AEGON's online Integrity Ed program ran several courses during the year dealing with the company's Code of Conduct, confidentiality, operational risk management as well as dealing with respect and harassment in the workplace.

Diversity and non-discrimination

AEGON actively enforces policies that promote non-discrimination in the workplace whether on grounds of race, creed, religion, sexuality, age or gender. This principle of non-discrimination is also contained in AEGON's business principles. In addition, AEGON endeavors to comply with all local legislation in the countries in which the company operates with regard to equal pay and treatment.

In the United States and the United Kingdom, all new employees are given computer-based training on issues relating to non-discrimination and equal employment. In 2009, AEGON USA's 'Take 15' voluntary training program for managers and supervisors focused on several issues, including dealing with legal hold notices, rules on family and medical leave, and sexual harassment.

AEGON has mechanisms in place to deal with cases of discrimination, including the Global Ethics Line, which enable employees to report possible violations of the company's Code of Conduct or other areas of concern. Any alleged violations not dealt with internally are referred to external employment tribunals.

AEGON also has a number of policies designed specifically to encourage those with family commitments to remain in the workforce, and to take up positions in management. These policies include part-time working, flexible hours and childcare facilities. In addition, in the Netherlands, AEGON is a signatory to the 'Talent to the Top' charter, which is aimed at encouraging more women into senior management positions. In the United States, AEGON provides skill development and mentoring programs through The Women's Way of Leadership program. At the end of 2009, women made up 59% of AEGON's total workforce, and 24% of the company's senior

management, a slight improvement from 2008 and in line with the average among leading Dutch companies. AEGON companies also offer other forms of support to employees. In the Netherlands, for example, all employees have access to company doctors and medical staff. In the United Kingdom, AEGON's Employee Assistance Programme provides round-the-clock advice for both employees and their immediate families on issues such as debt management and consumer rights, as well as emotional problems and bereavement.

Human Rights

As a global company, AEGON recognizes its responsibility for helping defend and promote human rights. AEGON has had a human rights policy in place since the end of 2007. As part of this policy, AEGON upholds the United Nations' Universal Declaration of Human Rights and subscribes to the standards of the International Labor Organization, as well as the principles on human rights and labor standards contained in the UN Global Compact. AEGON's policy on human rights applies to all AEGON business operations. The policy also commits the company to applying the same policy, wherever possible, to its dealings with third parties. AEGON's Human Rights policy is included in the company's Code of Conduct, which applies to all AEGON employees. AEGON also endeavors to raise awareness among employees about its policy and broader human rights issues through the company's e-learning programs. For a full copy of AEGON's human rights policy, please see appendix III.

Absentee rates

In 2009, AEGON companies' overall absentee rate² stood at 2.3%, an improvement from 2.5% the previous year.

Selected absentee rates

	2009	2008	Change
United States	1.8%	1.8%	Stable
Netherlands	4.2%	4.4%	Down
United Kingdom	2.4%	2.6%	Down
Central & Eastern Europe	1.6%	3.6%	Down
China	1.8%	0.4%	Up
TOTAL	2.3%	2.5%	Down

Most AEGON country units have policies in place to reduce absenteeism, including wellness programs, health check-ups, safety training and occupational health facilities. In 2009, AEGON companies also developed plans to contain the possible spread of the H1N1 virus, and, if necessary, deal with an outbreak among employees.

Work-related injuries

A total of 328 work-related injuries and illnesses were reported in 2009, down from 375 the year before³. This figure covers injuries sustained and reported by employees during the course of their work for the company.

Employee representation

In 2009, 47% of employees worked for an AEGON company that had regular dialogue with its staff through a works council or a similar structure. This represents a slight increase from 46% in 2008. During the year, works councils or employee representative bodies met regularly in the United Kingdom, the Netherlands, Hungary, Spain and China. Trade unions Unite and Aegis are both represented on AEGON's European Works Council.

Salaries, costs and benefits

To attract and retain talented employees, AEGON believes it must offer competitive salaries and compensation packages. Employment costs for AEGON's total workforce amounted to EUR 2.04 billion in 2009, up from EUR 1.90 billion the year before. The increase was due mainly to a rise in employee benefit expenses in the United States.

² illness and other reasons, but specifically excludes maternity leave (except in the United States)

³ Please note that the 2009 number does not include AEGON's Dutch subsidiary Unirobe-Meeüs. Unirobe-Meeüs was, however, included in the 2008 figure. Unirobe-Meeüs reported 25 work-related injuries in 2008.

Employment costs 2009 (EUR millions)

Unit	Total salaries	Other expenses	Total 2009	Total 2008	Change
Americas	760	298	1,058	889	+19%
Netherlands	268	244	512	539	-5%
United Kingdom	179	129	308	325	-5%
Other countries ⁴	70	28	98	99	-1%
Holding & Others	34	25	59	47	+26%
TOTAL	1,311	724	2,035	1,899	+7%

Increases in employment costs in the United States were primarily due to the significant negative 2008 returns on pension assets in the company's defined benefit plans. Employment costs at the Holding increased mainly due to a number of one-off charges relating to retirement benefits.

Employment costs per capita

Unit	2009	2008	Change
Americas	74,528	58,960	+26%
Netherlands	92,997	87,320	+7%
United Kingdom	63,452	62,633	+1%
AVERAGE TOTAL	71,716	60,441	+19%

In the Netherlands, AEGON has signed a new collective labor agreement with Dutch trade unions, which includes an increase in salaries for employees, as well as a new, more flexible payment and vacation system. This agreement covers all AEGON staff working in the Netherlands, approximately 20% of the company's total worldwide workforce.

Salary structures

Employees' salaries may contain both a fixed and a variable component linked to either company or individual performance, or both.

In 2009, because of the financial crisis, AEGON and its operating units took a number of measures to limit

bonuses and performance-related pay to staff. These measures included:

- ◆ Cancellation of AEGON's worldwide stock option program for 2009
- ◆ No salary increases for senior management in the United States or the United Kingdom; no merit-based salary increase for management in the Netherlands
- ◆ Only limited salary increases for employees in the Netherlands, the United Kingdom and the United States.
- ◆ Reducing the salary premium for management in Hungary by 25%.
- ◆ In the United States, AEGON took further steps in 2009 to link pay for senior managers to the results of both AEGON Americas and the company as whole.

Salary structures 2009

	% of total remuneration received as variable compensation	% of variable compensation based on company performance	% of variable compensation based on individual performance
Senior management	29%	76%	24%
Middle management	18%	46%	54%
Other employees	10%	44%	56%

⁴ Other countries refers to AEGON's operations in Central & Eastern Europe, Spain, France, Latin America and Asia.

Pension arrangements and other benefits

Naturally pension arrangements vary from country to country. AEGON USA offers both defined contribution (DC) and defined benefit (DB) plans. In the United Kingdom, AEGON has now closed its DB plan to new entrants and offers only a DC plan. In the Netherlands, AEGON has a number of hybrid pension plans in place. In total, AEGON pension plans in its three main markets - the United States, the Netherlands and the United Kingdom - cover an estimated 55,000⁵ current and former employees. In addition, in Central & Eastern Europe, AEGON makes contributions to several employee pension funds and individual saving programs.

Employee satisfaction

AEGON has a number of measures and initiatives in place to improve overall levels of employee satisfaction. These include employee recognition programs and initiatives to strengthen internal communications.

During the financial crisis in particular, efforts were made to ensure employees were well informed both of AEGON's own position and of broader developments in world financial markets. These efforts included articles on AEGON's intranet site and in the company's internal magazines, as well as interviews with senior executives and letters sent directly to employees.

In 2009, AEGON measured employee satisfaction at business units which represent a total of 76% of the company's global workforce. At these units, approximately 28% of employees were surveyed during the year.

According to these surveys, employee satisfaction declined overall by 7.5%⁶ compared with 2008, due mainly to the impact of the global financial crisis. AEGON regularly asks its country units to rate employee satisfaction on a scale of 1 to 100. However, not all AEGON country units measure employee satisfaction every year. At those country units that conducted surveys, employee satisfaction levels were rated at an

average of 74 in 2009, down from 80 in 2008.

In 2010, AEGON intends to carry out a survey of its 1,000 most senior managers. This survey is part of a wider leadership communications plan, designed ultimately to strengthen overall employee satisfaction and engagement. The survey will gauge managers' understanding of AEGON's strategy and businesses. AEGON believes senior managers play a vital role in helping communicate the company's strategy to employees. Alongside the survey, AEGON is also planning to hold a summit meeting of the company's leading executives in Baltimore in the United States in May 2010.

During 2010, AEGON will make an inventory of employee satisfaction surveys currently being carried out across the company. On the basis of this inventory, a decision will be taken on whether and when to organize a company-wide employee satisfaction survey. This decision had originally been planned for the end of 2009 or early 2010, but was postponed to allow further work on the senior management and country unit surveys.

Executive Board remuneration

Executive pay is an important issue for many of AEGON's shareholders, customers and employees. AEGON believes the current debate over executive pay is a legitimate one, particularly in light of the recent global financial crisis. AEGON has a clear and well-defined policy with regard to executive remuneration, which ensures that pay for members of the Executive Board is closely linked to the performance of the company and the long-term interests of its shareholders.

AEGON believes it has a part to play in the current debate over executive pay, alongside other stakeholders. During 2009, executive pay was discussed internally at meetings of AEGON's Supervisory Board, as well as externally with, among others, representatives of the Dutch Ministry of Finance.

⁵ Based on 2008 estimate.

⁶ Please note that this figure is based on surveys carried out in the following countries only: United States, Spain, Hungary, the Netherlands, the Czech Republic, Canada and Turkey.

Executive remuneration policy

AEGON's policy with regard to executive remuneration allows AEGON to attract and retain highly qualified members for its Executive Board, as well as ensuring that the interests of Executive Board members are closely aligned with those of the company's shareholders.

AEGON's policy is reviewed each year by the company's Compensation Committee. If necessary, the Committee recommends amendments to the Supervisory Board. Material changes, if any, are then submitted by the Supervisory Board to the annual General Meeting of Shareholders for adoption.

The policy applies to all members of AEGON's Executive Board and is, in addition, used as a framework to determine remuneration for members of the company's Management Board and senior managers throughout the organization.

AEGON's present remuneration policy took effect on January 1, 2007. A new policy will be proposed to the company's annual General Meeting of Shareholders on April 29th, 2010 (please see page 58).

Under the terms of the current policy:

- ◆ AEGON regularly compares its levels of executive remuneration with those at other, comparable companies in both North America and Europe.
- ◆ AEGON's Supervisory Board sets a so-called 'Total Target Compensation' for each member of the Executive Board, comprising a fixed component and variable compensation linked to the performance of the company.
- ◆ Payments are made in cash and in the form of conditionally granted shares.
- ◆ Variable compensation is dependent on AEGON's financial performance, as measured by three indicators:
 - o Net underlying earnings
 - o Value of new business
 - o Total shareholder return.
- ◆ In addition, the Supervisory Board may also make discretionary adjustments to Executive Board members' variable compensation if it considers that AEGON's business is being affected by significant and exceptional circumstances that are not reflected in the indicators.

Executive remuneration in 2009

Fixed compensation provides members of the Executive Board with a base salary. The amount is paid each year.

Member	2009	2008	Change
Alexander R. Wynaendts (CEO)	950,000	864,583	+9.9%
Jan J. Nooitgedagt (CFO)	525,000	n/a	-
Joseph B. M. Streppel (former CFO)	254,400	763,200	-
Donald J. Shepard (former CEO)	-	243,992	-

Mr. Wynaendts was appointed Chief Executive Officer in April 2008. His base salary was increased in 2008 to reflect his appointment as CEO. There was no further change to Mr. Wynaendts' base salary in 2009.

Mr. Nooitgedagt was appointed Chief Financial Officer in April 2009. His total salary therefore covers only the period from April to the end of December and is based on an annual salary of EUR 700,000.

Mr. Streppel stepped down as Chief Financial Officer in

April 2009. The salary shown therefore covers the first four months of the year. In line with the pension arrangements for Executive Board members, Mr. Streppel is entitled to his fixed compensation until he reaches the age of 62.

Mr. Shepard retired as Chief Executive Officer and Chairman of AEGON's Executive Board in April 2008. The salary shown therefore cover the first four months of that year only.

Variable compensation for members of the Executive Board is based on the company's financial performance. Amounts paid therefore vary from year to year. Variable compensation comprises two separate elements:

- ◆ Short-term incentive compensation, paid in cash
- ◆ And, long-term incentive compensation, paid in the form of conditionally granted shares.

Three separate incentive plans reached maturity in 2009:

Plan	Outcome
Long-term 2006	This plan was formulated under AEGON's previous Remuneration Policy and was based on a three-year period. The plan matured in 2009 and 75% of the shares and option rights vested as expected.
Short-term 2008	Under the terms of AEGON's Remuneration Policy, Executive Board members were not entitled to payments under this plan. This was also in line with the provisions of AEGON's capital support agreement with the Dutch State.
Long-term 2008	Under the terms of AEGON's Remuneration Policy, Executive Board members were not entitled to payments under this plan, in line with discussions that took place last year with the Dutch government.

Pension arrangements for Executive Board members

Mr. Wynaendts' pension benefits consist of a pension plan based on 70% of his final base salary, providing he completes 37 years of service, and an additional pension contribution equal to 28% of his base salary. This reflects the terms of Mr. Wynaendts' appointment as Chairman of the Executive Board on April 23rd, 2008. For Mr. Nootgedagt, the defined pension contribution equals 25% of his base salary.

Payments to Supervisory Board members

Members of AEGON's Supervisory Board are entitled to the following:

- ◆ A base fee for membership of the Supervisory Board itself
 - ◆ A fee for members of each of the Supervisory Board's committees
 - ◆ An attendance fee for each committee meeting
- Supervisory Board members attend in person.

Each of these fees is a fixed amount. Members of AEGON's Supervisory Board do not receive any performance or equity-related compensation, and do not accrue pension rights with the company. These measures are designed to ensure the independence of Supervisory Board members and strengthen the overall effectiveness of AEGON's corporate governance. In 2009, AEGON's Supervisory Board members received EUR 846,154 in base and attendance fees. For more details, please refer to the Annual Report, available online at www.aegon.com.

Executive remuneration and the financial crisis

Given the severity of the financial crisis, AEGON took a number of measures in 2009 with regard to executive remuneration. These measures followed the capital support agreement finalized with the Dutch State in December 2008, as well as other, separate discussions with the Dutch Ministry of Finance.

As part of these discussions, it was agreed that:

- ◆ Members of AEGON's Executive Board would not be entitled to any variable compensation for the year 2009.
- ◆ Severance payments for Executive Board members would be limited to a maximum of one year's fixed salary.
- ◆ AEGON would develop a sustainable Remuneration Policy for members of its Executive Board aligned with new international standards.

In this regard, AEGON will propose a new Remuneration Policy to the company's next annual General Meeting of Shareholders, scheduled to take place in The Hague on April 29th, 2010.

As proposed, this new policy would link variable compensation for members of AEGON's Executive Board for the first time to sustainability objectives, as well as financial targets and other strategic and personal goals. If adopted, the policy will apply retroactively from January 1, 2010.

Offering a helping hand to small-scale businesses in Gambia

As part of a leadership training course, AEGON The Netherlands sent a team of experts to Gambia to introduce them to some of the realities of managing small businesses in one of the world's most poorest countries.

"Last June, ten of us went to visit Gambia to provide whatever knowledge and skills we could to help set up a micro-insurance project there.

It was an amazing experience, particularly to be involved in developing products that individuals, small-scale and family businesses could really use to protect their livelihoods, alleviate poverty and help the country as a whole.

The idea was that we were really getting back to the roots of the insurance industry - finding out how basic insurance can help protect small businesses and nurture wider economic development.

We focused on three very simple products. One was a straightforward, low-cost insurance policy covering a business' inventory. People in Gambia told us that if a shop gets broken into and the stock is stolen, it can often take as much as five years to recoup the losses and for the businessman to get back to where he was before. That obviously has a devastating impact not only on the businessman but also on his family, so an insurance policy would offer very real protection.

We also looked at two other products, one that would accompany micro-loans and protect both the lender and the borrower against possible default, and a second that would encourage young people to save to start their own businesses.

These are policies that would make a significant, practical difference to ordinary people's lives, and that, over the longer term, would encourage small-scale businessmen who really are the backbone of Gambia's economy. We've been working with Reliance, a local financial services provider and some of their business partners, and I really hope that, in the next few months, we see this project go forward."

Michiel Bosman, SC Schade, AEGON The Netherlands.

Talent to the Top

AEGON has signed up to an initiative in the Netherlands, aimed at increasing the number of women in senior management. The 'Talent to the Top' charter is designed to help more women into senior management roles over the next few years.

AEGON is one of almost fifty companies backing the charter, a joint initiative between business, trade unions and the Dutch government.

As part of the charter, AEGON has promised to do more to encourage and promote women within the organization. The company will set itself a series of targets - and develop a strategy for reaching them. Progress will be made public every six months.

As a first step, AEGON The Netherlands will appoint women to senior management positions, assuming they have at least the same qualifications as other male applicants.

The initiative fits well with AEGON's 'Global Talent Management' project, which is aimed at encouraging talented business leaders within the company.

Currently, women make up 12% of AEGON's senior management in the Netherlands, but the goal is to increase that number over the years ahead.

Our business partners



AEGON works with hundreds of suppliers and other business partners around the world. In many cases, our products and services are sold via financial advisors, brokers, agents and other intermediaries. In addition, in most countries, we work alongside local distribution or business partners, including banks and other financial institutions.

AEGON's supply chain

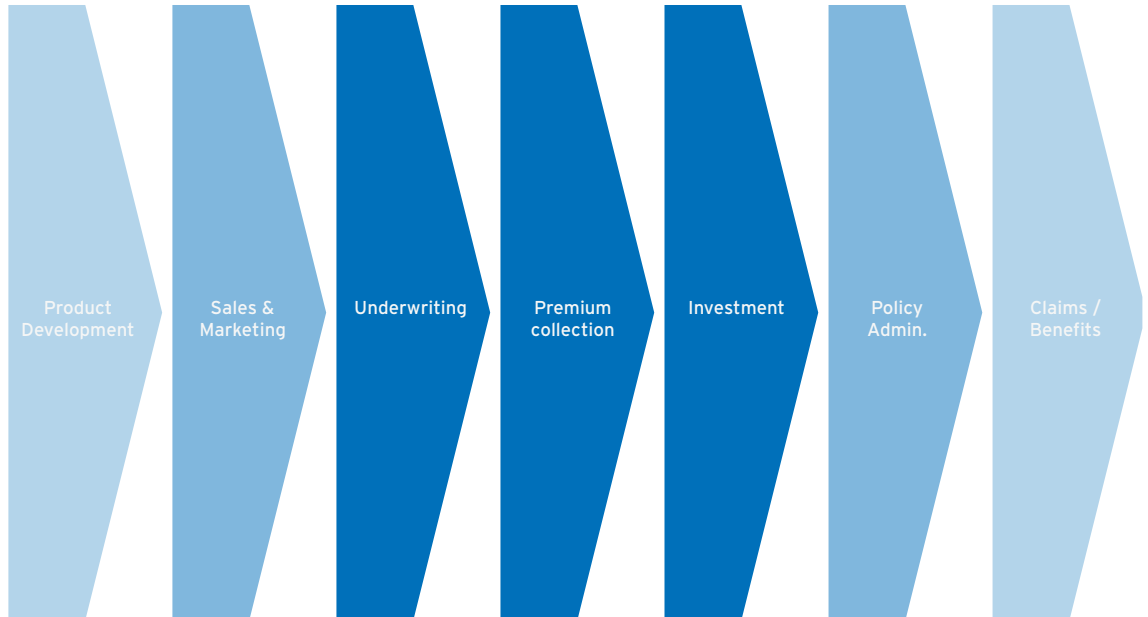
As an international provider of long-term financial products and services, AEGON has relatively few social, environmental and governance risks associated with its supply chain when compared with other sectors of the economy.

AEGON endeavors to apply a number of basic principles to supply chain management:

- ◆ With its suppliers and distributors, AEGON strives to build long-term relationships of mutual benefit to both parties.
- ◆ AEGON endeavors to work with business partners who share the company's core values.
- ◆ In its distribution contracts, AEGON endeavors to work within accepted international social and environmental standards.
- ◆ AEGON operates a 'zero tolerance' policy with regard to bribery, corruption, money laundering, fraud and other violations of the company's Code of Conduct.

Responsibility for supply chain management rests with AEGON's country and business units, which operate through individual standards, rules and guidelines.

AEGON's supply chain



Selection of suppliers

AEGON uses locally-determined standards as part of its selection process for suppliers. In the United States, these standards are an integral part of the company's procurement policy. AEGON The Netherlands, meanwhile, sets minimum standards for environmental criteria, as well as health and safety. In 2009, the company also established similar minimum standards for its tender processes. In Canada, minimum standards are in line with ISO 14001, an internationally recognized benchmark for environmental management. AEGON companies in the United Kingdom and Hungary all set pre-determined minimum standards for their suppliers.

In 2009, AEGON paid out a total of EUR 1.47 billion to suppliers for a variety of goods and services, down

10.4% from EUR 1.64 billion the year before, largely as a result of broader measures to reduce operating costs. In addition to local measures, AEGON is also working on draft proposals for company-wide sustainability standards for suppliers in its major procurement centers in Europe and North America. This is an important step toward ensuring high ethical standards throughout the company's supply chain. Progress on these proposals has, however, been slower than expected, primarily because the focus of the company's procurement operations during the financial crisis has been on reducing costs. As a result, implementation of these standards has been delayed. Cost reduction efforts will continue into 2010, but AEGON's intention remains to develop a more integrated approach to procurement standards.

Distribution

AEGON uses a number of commercial channels to distribute its products, including agents, brokers, banks and direct marketing, as well as partnerships with other companies. This approach enables customers to access AEGON products in a way that best suits them. In Spain, for example, where an estimated 70% of life insurance products are sold through banks, AEGON has a network of partnerships with the country's regional savings banks, giving the company access to a potential market of 4.4 million customers.

Minimum standards for intermediaries

AEGON country units have systems in place to ensure that brokers and other intermediaries act in accordance with the company's codes and minimum standards. In the United States, for example, AEGON is a founding member of the Insurance Marketplace Standards Association (IMSA), which sets out rules and minimum standards for advertising, sales practices and service levels. In Hungary and Canada, intermediaries are required to sign a Code of Ethics before joining the sales network. In addition, AEGON companies offer intermediaries and other financial advisors additional information and training to help them better understand and sell AEGON's products.

Fraud involving intermediaries and external parties

AEGON has measures in place to avoid incidents of fraud involving employees, intermediaries or those outside the company. This includes specific training and programs to raise awareness among staff. In those cases where fraud has been committed, AEGON takes steps against those involved. In 2009, forty incidents of fraud involving intermediaries were reported to the company, just over half in the United States. Incidents of fraud involving external parties totaled 374, more than two-thirds of which occurred in the Netherlands. Incidents of fraud are measured each quarter as one of the company's key risk indicators.

Governments & regulators

AEGON actively engages with governments and industry regulators around the world. The company holds regular discussions on new legislation for the life insurance and pension sectors in the Americas, Europe and Asia. These discussions have taken on increasing importance in light of the global financial crisis and aging populations in many parts of the world. In the United States, AEGON is actively engaged in the current debate over financial sector regulatory reform.

Over the past year, AEGON has provided considerable information and support to governments and regulators in many of the regions in which the company operates, including Asia, Latin America and Central & Eastern Europe, as well as in AEGON's three main markets. Meanwhile, AEGON's Public Policy & Regulatory Affairs department continues to work alongside policymakers in Washington, Brussels and London, and has taken an active part in recent discussions on European pension legislation. The department's overall objective is to ensure lawmakers have the opportunity to make use of AEGON's knowledge and expertise when framing new legislation.

Relations with the Dutch government

- ◆ In December 2008, AEGON secured EUR 3 billion in additional core capital from the Dutch State as part of a broader program to support healthy and viable financial services companies during the financial crisis. AEGON repaid EUR 1 billion of the capital in November 2009, and intends to repay the remaining EUR 2 billion as soon as it is feasible and responsible to do so.
- ◆ Capital support from the Dutch State is currently being reviewed by the European Commission on the basis of a long-term viability plan submitted in November 2009 by the Dutch government on AEGON's behalf.
- ◆ Two representatives of the Dutch State serve on AEGON's Supervisory Board. Approval from these representatives is required for certain decisions including:
 - ◆ The issue and repurchase of shares and debentures
 - ◆ Changes to AEGON's policy with regard to executive remuneration
 - ◆ Any acquisitions that have a value of 25% or more of AEGON's issued capital and reserves.
- ◆ At the end of March 2009, the Dutch government and representatives of the country's financial sector agreed a number of measures designed to bring about a "sustainable and moderate" system of executive remuneration. This agreement followed extensive discussions between the Dutch Ministry of Finance and banks, insurance companies and pension providers in the Netherlands, including AEGON. The agreement is aimed primarily at "preventing excessive compensation practices that damage confidence in the sector".

During 2009, the Chairman of AEGON's Supervisory Board, Dudley Eustace, and the Chairman of the company's Audit Committee, Shemaya Levy, held two separate meetings with officials from the Dutch Central Bank. These meetings discussed a number of issues including the changing regulatory landscape for financial companies, as well as AEGON's system of governance and risk management, and its capital position. Other members of AEGON senior management also held separate meetings with the Dutch Central Bank during the course of the year.

Since the beginning of October 2009, AEGON has been subject to supplemental group supervision by the Dutch Central Bank in accordance with the requirements of the European Union's Financial Conglomerate Directive.

Political contributions

AEGON respects national laws in force with regard to donations to political parties, candidates and organizations. With the exception of the United States, no other AEGON country unit is involved in making political contributions.

In the United States, like many other US companies, AEGON has a Political Action Committee (PAC), which pools contributions from employees to support Republican and Democratic candidates for both federal and state legislative offices. In 2009, the AEGON USA PAC made contributions totaling USD 85,000. This amount also included money given to trade associations PACs.

AEGON believes that its Political Action Committee plays an important role in helping strengthen the democratic process in the United States. Money donated by the PAC comes from personal, voluntary contributions from eligible employees across the US organization. The PAC operates within clearly-defined governance guidelines, and candidates are chosen on the basis of strict criteria. The PAC operates under the rules of the US Federal Election Commission. All the PAC's contributions are a matter of public record. The PAC's accounts are kept separate from those of the company. Under campaign

finance laws in the United States, companies are prohibited from making contributions to federal and some state candidates. As a matter of principle, AEGON companies in the United States do not contribute to political parties, organizations or campaigns.

In addition, AEGON has put in place a grassroots program in the United States to encourage employee involvement in the political process. This program - the AEGON Citizen Action Network (CAN) - provides information on upcoming legislation affecting the insurance and pension industry, and helps facilitate dialogue between employees. Members of the US Congress are also occasionally invited to visit AEGON offices within their districts or states to discuss relevant issues with employees.

AEGON also participates in 'Get out and vote' campaigns in the United States to encourage employees to vote at local and national elections. As part of these campaigns, employees can register to vote on a dedicated AEGON CAN website, which also provides additional information on candidates and local voting stations. AEGON does not endorse individual candidates or parties.

Tax payments

In 2009, AEGON received a net total of EUR 345.1 million in tax benefits. This amount includes tax paid by the company on behalf of its policyholders. In the United States, AEGON received USD 590 million in tax benefits related to cross-border intercompany reinsurance treaties. This was a reversal of tax losses incurred the

previous year. In 2008, AEGON paid tax totaling EUR 437 million.

It should be noted that there is often no direct correlation between earnings for any given year and the amount of tax paid or received.

Tax payments (breakdown by country unit)

	2009	2008	% change
United States	+ EUR 297.4 million	(EUR 344.9 million)	NM
Netherlands	-	(EUR 66.2 million)	NM
United Kingdom	(EUR 46 million)	(EUR 51.9 million)	-11%
Others	+ EUR 93.7 million	+ EUR 26.3 million	+256%
TOTAL	+ EUR 345.1 million	(EUR 436.7 million)	NM

Figures in parentheses denote payments to the tax authorities. Positive figures denote amounts received from the tax authorities. NM - not measured.

Navigating UK pensions' uncharted territory

With more pensioners than ever before, AEGON asked a specialist public services company in the United Kingdom - the Office for Public Management - to examine how people are managing their finances in retirement. Rachel Vahey, Head of Pension Development at AEGON UK, talks through some of the lessons learned.

"There's a real sea-change underway in the pension market. People in the UK are living much longer lives than they used to. That means they're spending longer in retirement. Our grandparents' generation would have expected their retirement to last five, maybe ten, years. Today, it's more likely to be twenty or even thirty years. These days, too, people have more plans for their retirement. They are much more active. They want to travel. They often take up part-time jobs. And, unfortunately, they're likely to need more care and support in later life.

This means that we should be taking a different approach to retirement. The days of retiring at 65 with a fixed pension are on their way out. In future, we'll need a variety of income streams that can support us at different stages of our retirement and provide us with the different types of income we'll need.

Currently, very few people are thinking actively about retirement. They seem unsure about how to frame the choices they can make at retirement, and what decisions they can take to mitigate the risks they face. That's something that came through in the research very clearly. But, if we're going to avoid storing up problems for the future, we'll need to do something today, and that means creating an environment in the UK, in terms of products, taxation and legislation, that encourages people to assess what they want in retirement and what actions they need to take to achieve that."

Rachel Vahey, Head of Pension Development, AEGON UK.

The wider community



As an international company, we pursue initiatives designed to reduce the impact of our operations on the environment, and support a wide variety of charitable causes and projects around the world.

Protecting the environment

AEGON has a company-wide environmental policy, which stresses the importance of respecting the environment, conserving energy and eliminating waste. These objectives are also contained in the company's business principles and Code of Conduct, which apply to all AEGON staff worldwide. In addition, in the United Kingdom and the Netherlands, AEGON works with an environmental management system, which:

- ◆ Identifies the potential impact of the company's operations on the environment
- ◆ Ensures compliance with local legislation
- ◆ And, encourages local policies and initiatives in this area.

AEGON is also working on extending principles of good environmental management to its approach to investments and, in many of its country units, encourages employees to take measures to reduce their own carbon footprint.

Each year, AEGON measures its consumption of energy and other raw materials, most notably paper, as well as its production of waste and emissions of carbon dioxide. In 2009, AEGON's consumption of gas and paper both rose. However, electricity consumption was reduced by nearly 10% and water by 9%, while air travel declined by just over 20%, partly as a result of measures taken during the year to reduce operating costs.

AEGON has policies and initiatives in place aimed at reducing energy consumption and making as much use as possible of renewable or recyclable sources. In addition, two of AEGON's country units - AEGON The Netherlands and AEGON UK - are certified ISO 14001¹ compliant with respect to their property activities. In the United Kingdom, AEGON has specific reduction targets in place for electricity, gas and water use, as well as objectives for waste generation and the use of renewable energy. As part of these targets, AEGON aims

¹ ISO 14001, compiled and published by the International Organization for Standardization, sets out minimum standards and quality requirements for environmental management systems. It helps companies and other organizations measure their impact on the environment and demonstrate sound environmental practice.

to reduce its consumption of electricity, gas and water in the United Kingdom by 3% in 2010, and its waste deliveries to landfill by 4%. Furthermore, the company's target is to source at least 25% of its energy in the United Kingdom from renewable supplies. In four countries - the United States, the Netherlands, the United Kingdom and Canada, covering 87% of the company's global workforce - AEGON has specific initiatives in place to reduce the impact of its operations on the process of climate change. In the United States,

AEGON lowered its spending on business travel by just over 17% in 2009, compared with the company's original target of 20%. The decrease was part of AEGON's overall cost reduction measures and efforts to reduce the number of face-to-face meetings. In addition, facility managers at properties owned and occupied by AEGON in the United States were given a target to reduce energy consumption by 5%.

	Unit	2009	2008	Change
Total paper use	Metric tons	5,077	4,990	+1.7%
-Per capita	Kilograms	179	159	+12.6%
-Recycled paper as % of total		20%	14%	+42.8%
Total electricity consumption	GwH	137	152	-9.9%
-Per capita	KwH	4,827	4,757	+1.5%
Total gas use	Million cubic meters	5.0	4.9	+2.0%
- Per capita	Cubic meters	176.2	152.1	+15.8%
Renewable energy as % of total energy consumption		4%	3%	
Total water consumption	Cubic meters	754,948	828,640	-8.9%
Total waste generation	Metric tons	3,660	4,516	-19.0%
-Per capita	Kilograms	128.9	143.7	-10.2%
-Recycled waste as % of total		58%	54%	+7.4%
Total air travel	Kilometers	107.0	134.6	-20.5%
CO ² emissions from electricity and gas use	Metric tons	80,388	88,954	-9.6%
-Per capita	Metric tons	2.8	2.8	unchanged
CO ² emissions from air travel	Metric tons	12,339	17,318	-28.8%
-Per employee	Kilograms	430	550	-21.8%

All figures in this table cover 100% of AEGON's global workforce but have been extrapolated from data covering less than 100%.

Please note that figures for air travel cover nine country units and AEGON N.V., the holding company.

¹ Please note that the figure for 2008 has been restated to reflect adjustments in figures for water consumption in both the United Kingdom and China.

AEGON's carbon footprint

Every year, AEGON reports its emissions of carbon dioxide to the Carbon Disclosure Project⁴. The last year for which figures were submitted was 2008. AEGON expects to submit its 2009 figures during the course of 2010.

Some of AEGON's carbon footprint in the United States is offset through the purchase of 'carbon credits'. This is managed on a business or operating unit basis. Last year, Transamerica Insurance & Investment Group, based in Los Angeles, bought nearly 3,400 metric tons in offsets, making the company 'carbon neutral'. AEGON will consider extending its use of carbon offsets in the future, but only as part of a coordinated, company-wide resource management program. AEGON's emissions of carbon dioxide are in line with peer companies in Europe and the United States, according to publicly disclosed figures and the company's own research.

AEGON's Global Green Team

AEGON established a so-called Global Green Team in 2008. Members of the Green Team are drawn from AEGON's main country and operating units. Work began in 2009 on a program designed to bring local and regional initiatives in this area together into a coordinated plan for company-wide resource management. The Green Team met several times in 2009 via conference call to discuss AEGON's consumption of energy and other raw materials, including electricity, gas, water and paper.

As a first step toward a coordinated plan, members of the Green Team have started to compile an extensive inventory of properties occupied by AEGON employees. This inventory will cover buildings leased by AEGON, as well as those owned by the company. This inventory will help the Green Team understand both AEGON's current energy and raw material requirements, and form the basis for further measures to reduce the company's overall consumption. During the course of 2010, AEGON will develop a specific target to reduce the company's total carbon dioxide emissions.

Country and operating unit initiatives in 2009

As part of efforts to reduce their impact on the environment, AEGON's country units are pursuing individual projects and initiatives, aimed at limiting waste generation and the consumption of energy and other raw materials:

- ◆ AEGON is in the process of renovating its main office in The Hague. As part of the renovation, the company has installed a series of energy-saving features. These include:
 - ◆ A system of 'free cooling', which will take the place of traditional air conditioning, leading to energy savings of between 30% and 40%
 - ◆ Motion and air quality sensors in the rooms to reduce electricity consumption
 - ◆ A cooling system for the building itself, which will cut energy use by approximately 10% compared with traditional ventilation systems.
- ◆ In 2009, AEGON's subsidiary Transamerica in Los Angeles launched a points-based 'Green Stamp' campaign to encourage employees to reduce their carbon footprint. The campaign was accompanied by an online calculator, which enabled employees to work out their carbon footprint and monitor their progress, as well a series of workshops to discuss ways of protecting the environment.
- ◆ In Canada, AEGON has a 'Green To Go' program to encourage employees and suppliers to find ways of reducing their use of energy and other raw materials, as well as cutting overall carbon emissions.
- ◆ At its offices in Leeuwarden in the Netherlands, AEGON launched a recycling scheme, which collected more than four metric tons of used paper, saving an estimated 670 kilograms of carbon dioxide.
- ◆ During 2009, AEGON also took a number of measures to reduce the environmental impact of the company's IT operations. In June, a meeting of AEGON's 'IT Inner Circle' devoted a session to discussing possible initiatives. These initiatives included:
 - ◆ Alternative cooling systems for servers and computer centers
 - ◆ Rationalizing applications
 - ◆ Introducing more efficient coding
 - ◆ And, recycling and re-using data for security.

² Please see table above. For a precise definition of these figures, please refer to the Carbon Disclosure Project at www.cdproject.net

Such measures would not only reduce the environmental impact of AEGON's IT operations, but also lower operating costs in line with the company's broader strategy.

AEGON companies have also embarked on a program of 'server virtualization', which uses new technology to reduce the number of servers the company requires and thereby lower energy consumption. AEGON's target in its three main markets - the United States, the Netherlands and the United Kingdom - is to 'virtualize' 50% of its Windows server capacity. At present, more than 320 separate servers have been virtualized, including 200 in the United States. This represents a saving in electricity of 1,624 MW a year - enough to satisfy the residential electricity needs of between 135 and 162 homes. Annual cost savings in the United States alone so far total just under USD 75,000. In Canada, AEGON has virtualized 60% of its servers, and expects to increase that figure to 70% by the end of 2010.

In October, AEGON opened a new state-of-the-art European data center in Edinburgh, one of the most environmentally friendly of its kind. The new center is part of a broader plan to improve efficiency by grouping together AEGON's regional data operations. The Edinburgh center includes several features that will help reduce consumption of electricity:

- ◆ A power supply system that saves an estimated 500,000 KW a year
- ◆ A more efficient cooling system that will reduce the center's overall carbon footprint
- ◆ A lay-out of the center's data hall that helps improve air flow and reduces cooling costs
- ◆ Reduced power consumption from better lighting and improved IT equipment.

In the United States, AEGON companies have made significant investments in both natural resources and sustainable technologies. These include investments of:

- ◆ USD 36 million in low income housing projects across the United States that use green design and promote the use of renewable energy
- ◆ USD 70 million in private equity funds that invest exclusively in timber and timberland in the United States, Brazil and New Zealand, approximately 96% of which is certified 'sustainable'⁵
- ◆ USD 200 million in wind generation projects capable of producing up to 286 MW of electricity, enough to power between approximately 73,000 and 88,000 homes.

Community support

AEGON and its employees around the world support a wide range of good causes and charitable organizations. These vary from research into cancer and other serious illnesses to education for disadvantaged children and financing music and the arts. Most of AEGON's charitable donations in the United States are channelled through the AEGON Transamerica Foundation. In most countries, AEGON will also support employee initiatives with additional company funds.

In 2009, AEGON donated a total of EUR 7.3 million, down from EUR 10.7 million the year before, and equivalent to 3.6% of the company's net income for the year. In 2008, AEGON's donations included two one-time gifts in the United States, totalling EUR 3 million⁶.

Of total donations in 2009, most went to projects and organizations in the following areas:

- ◆ Health & safety
- ◆ Colleges, education & sport
- ◆ Civic & community



³ Either by the Forestry Stewardship Council or the Sustainable Forestry Initiative.

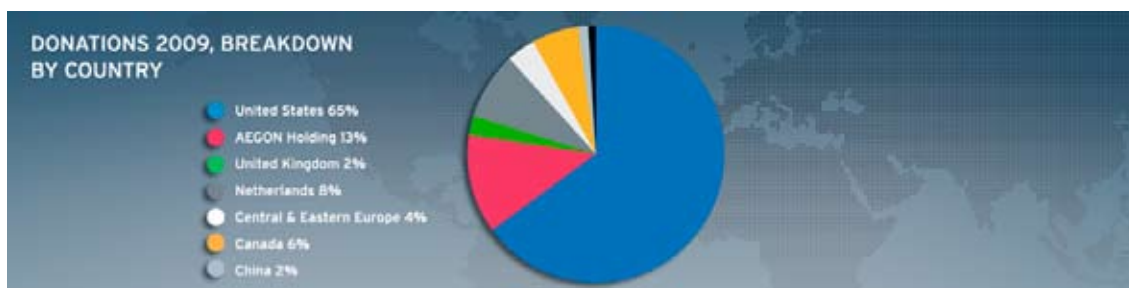
⁴ Of this amount, USD 2.5 million was donated to Johns Hopkins University to fund a professorship in prostate cancer research and a further USD 500,000 to the Peabody Institute in Baltimore.

In 2009, the leading recipients of donations from AEGON were:

Organization	Location	Amount	Category
United Way	United States	EUR 1.30 million	United Way
Habitat for Humanity	United States	EUR 727,000	Disaster relief fund
Johns Hopkins Kimmel cancer Center	United States	EUR 232,000	Health & safety
Right to Play	Netherlands, China	EUR 207,000	Colleges, education & sport

Figures have been rounded

In total, the United States accounted for almost 65% of AEGON's donations in 2009.



AEGON's approach to community support

AEGON devolves considerable responsibility for the donations it makes each year to individual country and operating units. This enables AEGON to support a wide variety of charitable organizations important to the local communities in which the company operates.

AEGON is now also developing a more integrated approach to corporate donations, which will operate alongside local practices and provide greater focus to the company's community support efforts.

As part of this approach, AEGON intends to set out rules for clearer governance, aimed at avoiding possible conflicts of interest and ensuring a proper balance in decision making between local and international considerations.

AEGON expects to implement this new approach progressively over the next two to three years.

Helping the victims of Haiti's earthquake

AEGON employees raised money to help rebuild homes and infrastructure in the wake of Haiti's devastating earthquake.

Like many other companies, AEGON launched an appeal to raise money for the victims of the earthquake, promising to match any donations made by employees. The appeal ran until February 15th and raised a total of EUR 110,000, which AEGON doubled to EUR 220,000. The money will go to the humanitarian organization CARE International to help improve living conditions in some of Haiti's devastated villages.

AEGON appeals

Strengthening food security in Burundi: Instead of traditional Christmas cards, AEGON sends out electronic cards every year, donating the money it saves to a good cause. In 2009, AEGON donated EUR 57,000 to a EUR 1 million project in east Africa run by the humanitarian organization, CARE International. The project is called 'Inabigega' - literally, 'back to the granary' - and involves setting up a fund to distribute micro-loans to farmers in Burundi. CARE International's project will help around 5,400 families in total, strengthen food security and boost economic development in one of the world's poorest countries. Much of the money will go directly to women, widely viewed as one of the most effective ways of reducing poverty.

Causes we support

We help the fight against cancer- For years, AEGON has supported the fight against cancer. In 2009, the company donated a total of EUR 826,000 to research and treatment projects in the United States, the Netherlands, the United Kingdom and Canada. Most of these funds went toward an international cancer research program involving scientists at the Johns Hopkins Oncology Center in Baltimore, the Vrije Universiteit Medical Center in Amsterdam and the University Medical Center in Utrecht. Alongside cancer, AEGON companies also fund projects around the world that help tackle other serious illnesses, including Alzheimer's, strokes, diabetes and heart disease.

We help those traumatized by war- AEGON supports the War Trauma Foundation, an international organization set up to provide psychological counseling and treatment for children and adults affected by war and terror around the world. Based in the Netherlands, the Foundation currently supports projects in areas such as the Mid-East, Afghanistan, India, Brazil, Russia and the Great Lakes region of central Africa.

We support Right To Play's work in Africa and China- AEGON has a global partnership with the international charity Right To Play, which works with children in deprived areas of Sudan, Uganda, Ghana and China. Right To Play uses sport and play programs to improve health, develop life skills and foster peace for children and communities in some of the most disadvantaged areas of the world.

We contribute to United Way's work in North

America- Founded more than a hundred years ago, United Way is a network of more than 1,300 locally governed charities stretching across the United States and Canada. United Way raises money for projects aimed primarily at promoting health and education and providing financial stability and independence. AEGON donates money to United Way organizations in several US states, including Florida, Texas, Maryland, Georgia, California and Iowa, as well as in Toronto, Canada.

We support culture and the arts- Every year, AEGON makes significant contributions to the arts and culture. In classical music, the company helps support the Residentie Orkest, The Hague's resident orchestra, as well as the Baltimore Symphony in the United States. AEGON also makes donations to the Mauritshuis, one of the Netherlands' most prestigious museums, as well as the Beelden aan Zee museum in The Hague. In Hungary, AEGON helps fund major art and literary awards.

Alongside Habitat for Humanity, we helped rebuild homes in Cedar Rapids after the devastating 2009

floods- In the United States, AEGON worked with the charity Habitat for Humanity to help communities in Cedar Rapids rebuild their lives following the traumatic floods in 2008. As part of these efforts, the AEGON Transamerica Foundation extended USD 1 million to build sixty new homes in the town over the next three years. The money will come from the Foundation's Disaster Relief Fund, which was set up to help Cedar Rapids in the wake of the flood. The town in Iowa is the headquarters for many AEGON companies in the United States. Employees have also given both time and money to help in the flood recovery efforts.

Giving China's children the right to play

In 2009, AEGON helped raise EUR 120,000 to help the children of migrant workers in China. In recent years, rapid economic growth in China has lifted millions of families out of poverty. But the boom has its dark side as well. Migrant laborers and their families, who flock every year from the countryside to China's cities in search of work, often end up in poor, cramped living conditions. AEGON has stepped in to help some of them. A total of EUR 120,000 was raised by the company's employees in the Netherlands and the Dutch soccer club Ajax. The money will go to help the children of China's migrant

workers lead a healthier and more normal life. The donation was part of AEGON's worldwide partnership with Right To Play, an international humanitarian organization that uses sport and play to help communities in some of the most deprived areas of the world.

Setting the pace for greener buildings in the US

AEGON's US realty business is applying greener environmental standards to its property portfolio. In 2009, San Francisco's iconic Transamerica Pyramid won the coveted LEED Gold Certification, making it officially one of the greenest buildings in the United States. Recent improvements at the Pyramid are part of broader efforts by AEGON USA Realty Advisors to apply greener environmental standards to its property portfolio.

As well as the Pyramid, AEGON USA Realty Advisors have applied similar standards to three other commercial properties, including the new childcare center at AEGON's US headquarters in Cedar Rapids, which has also been awarded LEED Gold Certification. LEED stands for Leadership in Energy & Environmental Design and is a certification system for environmentally friendly buildings - both residential and commercial - designed by the US Green Building Council. According to US government statistics, 17% of greenhouse gas emissions in the United States are generated by commercial properties.

Economic social and environmental indicators

Data contained in this section covers AEGON operations in the following countries: the United States, the Netherlands, the United Kingdom, Spain, Slovakia, Poland, India, Hungary, the Czech Republic, China, Canada and Romania. All information in the following tables refers to 100% of AEGON's global workforce. Environmental statistics, however, have been extrapolated from data covering less than 100% of all employees (please see footnotes for further explanation).

	Unit	2009	2008	2007
Economic				
Total income	EUR million	46,409	7,526	45,576
Total charges and costs	EUR million	46,896	8,611	42,535
Net income	EUR million	204	(1,082)	2,551
Underlying earnings before tax	EUR million	1,160	1,573	2,639
Operating earnings before tax	EUR million	700	(46)	2,367
Value of new business	EUR million	767	837	927
Basic earnings per share	Euros	0.16	(0.92)	1.47
Total dividend per share	Euros	Na	0.30	0.62
Total assets under management ¹	EUR million	260,050	235,881	275,716
Total SRI assets under management ²	EUR million	940	699	1,078
SRI as % of total assets	%	0.26%	0.25%	0.39%
Employment expenses	EUR million	2,035	1,899	1,903
Environmental				
CO2 emissions (from gas and electricity)	Metric tons	80,388	88,954	84,383
- Per employee	Metric tons	2.83	2.83	2.77
Gas consumption	Million cubic meters	5.0	4.9	4.5
Electricity consumption	GwH	137	152	146
Business travel by air	Million kilometers	107.0	134.6	126.4
CO2 emissions from air travel	Metric tons	12,339	17,318	14,470 ³
- Per employee	Metric tons	0.43	0.55	0.60
Paper consumption	Metric tons	5,077	4,990	5,753
- Per employee	Kilograms	179	159	189
Use of recycled paper	%	20%	14%	14%
Water use ⁴	Cubic meters	754,948	828,640	451,848
Waste	Metric tons	3,660	4,516	4,084
Recycled waste	%	58%	54%	52%
Social				
Total employees		28,382	31,425	30,414
Female /male breakdown	%	58.7% /41.3%	54.3%/45.7%	52.5%/47.5%
Female /male senior managers	%	24.0%/76.0%	23.3%/76.7%	22.0%/78.0%
Part-time employees	%	9.9	12.1	9.6
Training days	Days /employee	4.02	4.19	4.16
Training costs	EUR million	12.5	19.9	17.6

Please note that figures in parentheses denote losses or negative amounts

¹ Equivalent to total investments on balance sheet; excludes off balance sheet investments third parties

² Not including AEGON's Socially Responsible Investment fund in China, which at the end of 2009 had EUR 705 million in assets under management. na - not applicable

³ Figure based on reporting from seven AEGON country units and AEGON N.V. operations in The Hague.

⁴ Please note that the figure for 2008 has been restated to reflect adjustments in figures for water consumption in both the United Kingdom and China.

About this report

Over the past few years, we have taken a number of steps aimed at improving the quality and scope of information used in our annual Sustainability reports. As part of these efforts, most sustainability data has now been integrated into AEGON's main financial data gathering systems.

This 2009 report covers our operations in twelve countries: Canada, China, the Czech Republic, Hungary, the Netherlands, Poland, Romania, Slovakia, Spain, Turkey, the United Kingdom and the United States. Unless otherwise stated, all figures refer to 100% of AEGON's global workforce.

Scope of this report

- ◆ All financial information contained in this report has been taken from AEGON's 2009 Annual Report and refers to all AEGON companies.
- ◆ Unless otherwise stated, all environmental and social information refers to all AEGON operations around the world. Only those joint ventures where AEGON does not have management control are excluded.
- ◆ This report covers the full year 2009, unless specifically stated otherwise. The contents are based on the results of comprehensive reporting from AEGON's country and operating units. AEGON's previous Sustainability (Corporate Responsibility) Report was published in April 2009.
- ◆ This report was compiled with the assistance of AEGON's consultants, Triple Value, based in The Hague, the Netherlands.

Global Reporting Initiative (GRI)

The Global Reporting Initiative was set up in 1997. Its aim is to develop accepted and comparable standards for corporate environmental, social and governance reporting. GRI works with an extensive network of experts in dozens of countries around the world, representing different disciplines and interests. AEGON is an Organizational Stakeholder of the GRI, and sponsored the GRI's Global Conference on Sustainability and Transparency in Amsterdam in 2008. AEGON's 2009 Sustainability Report covers most GRI indicators relating to the company's main areas of activity in this field. Based on existing guidelines and the GRI's G3 standards, AEGON assesses the Application Level of this 2009 report as 'B+', an improvement from 'B' in 2008¹.

¹ There are three official 'application levels': C, B and A, which correspond to more or less advanced levels of reporting under the GRI Guidelines, A being the most advanced and C the least. These application levels are intended to provide readers with a guide to the extent to which GRI Guidelines have been applied in the preparation of a report. At each level, companies may declare an additional '+' if they have used external assurance (Source: GRI).

AEGON also endeavors as far as possible to apply the principles behind the GRI:

GRI principle	What's behind the principle?	How does AEGON apply this principle?
Materiality	<p>Information in the report covers topics and indicators that reflect the organization's significant economic, environmental and social impact, or that substantively influence the decisions of stakeholders.</p> <p>Materiality is the threshold at which an issue or indicator becomes sufficiently important that it should be reported.</p>	AEGON uses its stakeholder framework and annual stakeholder review to help determine the contents of its Sustainability Report, and decide the materiality of specific issues.
Stakeholder inclusiveness	The selection of key performance indicators and the content of report draw on the outcomes of stakeholder engagement processes.	AEGON organizes an annual stakeholder review and assesses all recommendations, incorporating them, where possible, into the company's reporting process.
Sustainability content	<p>The report presents the organization's performance in the wider context of sustainability.</p> <p>The report should seek to present performance in relation to broader concepts of sustainability.</p> <p>The organization's own sustainability and business organization should be made clear.</p>	<p>The section 'Our Approach to Sustainability' provides details on AEGON's strategy, policies and governance in this area.</p> <p>The interview with Marco Keim, Management Board member responsible for Sustainability, gives further information on the broader context in which AEGON is operating. This interview is available in the online version of this report.</p>
Completeness	The coverage of material topics, key performance indicators and definitions of the scope of the report are sufficient to reflect significant economic, environmental and social impacts, and enable stakeholders to assess the organization's performance during the reporting period.	In this report, AEGON has provided an overview of key events for the year, as well as disclosure on reports written by third parties on the company's performance in this area.
Balance	<p>The report discusses both favorable and unfavorable results and topics.</p> <p>Information is presented in a format that allows users to see positive and negative trends in performance on a year-to-year basis.</p>	<p>AEGON's report endeavors to address both favorable and unfavorable subjects. Criticisms of the company's 2008 report by the stakeholder review are disclosed, as well as other reports by third parties.</p> <p>Wherever possible, figures are presented on a comparable basis.</p> <p>This report also discusses AEGON's approach to dilemmas as part of responsible investment.</p>
Comparability	<p>Information in the report can be compared on a year-to-year basis.</p> <p>The organization's performance can be compared with appropriate benchmarks.</p> <p>Where available, generally accepted protocols for compiling, measuring and presenting information, including the GRI Technical Protocols for Indicators are used.</p>	<p>This report includes an update on progress made since 2008 on AEGON's key sustainability objectives.</p> <p>Wherever possible, figures are presented on a comparable basis.</p> <p>Details are also included on AEGON's membership of key sustainability indices.</p>

Accuracy	<p>The data measurement techniques and bases for calculations are adequately described, and can be replicated with similar results.</p> <p>The report indicates which data has been estimated and which are the underlying assumptions and techniques used to produce these estimates.</p> <p>Qualitative statements in the report are valid on the basis of other reported information and other available evidence.</p>	<p>Wherever possible, explanations are provided with regard to methodology and sourcing of information.</p> <p>AEGON has also introduced limited external assurance for its Sustainability Reports.</p>
Timeliness	<p>Information is recent relative to the reporting period.</p> <p>Information clearly indicates the time period to which it relates, when it will be updated, and when the last updates were made.</p>	<p>Information included in this report refers to the year 2009, unless stated otherwise.</p> <p>Financial data has been taken from AEGON's 2009 Annual Report.</p> <p>The contents of this report are based on comprehensive reporting from AEGON's country units. This reporting took place between January and March, 2010.</p>
Clarity	<p>The report avoids technical terms or other content likely to be unfamiliar to stakeholders.</p> <p>The report contains the level of information required by stakeholders, but avoids excessive and unnecessary details.</p>	<p>Recommendations from AEGON's annual Stakeholder Review are used to help determine the contents of this report.</p> <p>Wherever possible, explanations are provided with regard to methodology and sourcing of information.</p>
Reliability	<p>The original source of the information in the report can be identified by the organization.</p> <p>Reliable evidence to support assumptions or complex calculations can be identified by the organization.</p> <p>Representation is available from the original data or information owners.</p>	<p>Where relevant, sources of third party information are provided.</p> <p>AEGON has introduced limited external assurance for its Sustainability Reports.</p>

For further information on AEGON's compliance with GRI guidelines see appendix VII.

Assurance

This report is based on information and data from AEGON's country and operating units. These units are responsible for collecting and submitting data used in the report. All information is aggregated and reported on a company-wide basis, subject to internal verification. In 2008, AEGON decided to introduce limited external assurance for its Sustainability Report. As a first step, the company organized an annual Stakeholder Review to assess the content and relevance of the company's report. So far, two such reviews have taken place - one in 2008 and a second one in 2009. AEGON intends to organize its third annual Stakeholder Review in the second half of 2010.

In addition to the Stakeholder Review, AEGON has also introduced limited external assurance for its sustainability reports, starting with the current report. This assurance is provided by Ernst & Young Accountants LLP, AEGON's present financial auditor. This is in line with the objectives AEGON set out in 2009.

For the statement of the auditor please see Appendix I, page 80.

Forward-looking statements

The statements contained in this report 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 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;
- ◆ Effects of deliberations of the European Commission regarding the aid we received from the Dutch State in December 2008;
- ◆ 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;
- ◆ 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; and
- ◆ The impact our adoption of the International Financial Reporting Standards may have on our reported financial results and financial condition.
- ◆ 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.

Contact information

AEGON welcomes opinions on both the content of this report and the company's overall performance in the area of sustainability.

All comments and opinions should be sent to response@aegon.com.

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Appendix I

Assurance report

To the management of AEGON N.V.

Engagement

We have performed an assurance engagement in accordance with Standard 3410, 'Assurance standard relating to sustainability reports'. Our assurance engagement aimed to obtain limited assurance that the information in the sustainability report 2009 of AEGON N.V. (Sustainability Report) is, in all material respects, a reliable and adequate representation of the policy, activities, events and performance with respect to corporate responsibility during 2009. Our engagement did not include any quantitative or qualitative information relating to the prior years. We also do not provide any assurance relating to future information such as estimates, expectations or targets, or their achievability.

The procedures performed in order to obtain limited assurance aim to verify the plausibility of information and are more limited than for procedures to obtain reasonable assurance. Therefore, less assurance is obtained than in an engagement to obtain reasonable assurance.

Criteria

We assessed the Sustainability Report against the Sustainability Reporting Guidelines (G3) published by the Global Reporting Initiative (hereafter GRI) and AEGON N.V.'s own reporting policies, as set out in the chapter 'About this report' on page 74. We believe that these criteria are suitable for our assurance engagement.

The management's responsibility

Management is responsible for the preparation of the Sustainability Report and the information therein in accordance with the criteria mentioned above. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of a CR Report that is free of material misstatements, selecting and applying appropriate reporting policies that include the GRI reporting principles and using measurement methods and estimates that are reasonable in the circumstances. The choices made by management, the scope of this Sustainability Report and the reporting policy, including any inherent limitations that could affect the reliability of information, are set out in the chapter 'About this report' on page 74 of the Sustainability Report

The auditor's responsibility

Our responsibility is to express a conclusion with regard to the Sustainability Report based on the engagement described above. We conducted our limited assurance engagement in accordance with Dutch law and the requirements set out therein with respect to the independence of assurance team members.

We have performed all the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions. Our main procedures were:

- ◆ obtaining an understanding of the sector and the relevant corporate responsibility issues specific for the organization;
- ◆ assessing the acceptability of the reporting principles used, and the significant estimates and calculations made in preparing the Sustainability Report and its consistent application;
- ◆ performing analytical procedures in order to assess the quantitative data;
- ◆ obtaining an understanding of the design and existence of systems and methods used to collect, process and consolidate the reported information, including the consolidation process;
- ◆ testing, on a sample basis, the substantiation of the quantitative and descriptive information in the Sustainability Report and review of relevant documents;
- ◆ conducting interviews with responsible company officers in order to assess the plausibility of the quantitative and descriptive information in the report;
- ◆ evaluating the overall presentation of the Sustainability Report against the criteria mentioned above.

Conclusions

Based on our procedures performed to obtain a limited assurance, nothing came to our attention that causes us to believe that the information in the Sustainability Report, in all material respects, does not provide a reliable and sufficient representation of the policy, activities, events and performance with respect to corporate responsibility during 2009, in accordance with the Sustainability Reporting Guidelines issued by the Global Reporting Initiative and the documented reporting policy of AEGON N.V.

The Hague, April 21st, 2010
for Ernst & Young Accountants LLP

Signed D.A. de Waard

Appendix II

AEGON's global workforce 2009

Country	Agents	Employees	Total 2009	Total 2008	Change
United States	1,480	12,022	13,502	14,427	-6.4%
Canada	na	692	692	645	+7.3%
Netherlands	658	4,852	5,510	6,171	-10.7%
United Kingdom	92	4,759	4,851	5,189	-6.5%
Taiwan	na	na	na	1,248	na
China	730	470	1,200	1,122	+7.0%
Spain		257	257	237	+8.4%
Hungary		1,164	1,164	1,221	-4.7%
Poland		249	249	246	+1.2%
Romania		51	51	48	+6.3%
Slovakia		73	73	88	-17.0%
Czech Republic		100	100	81	+23.5%
Turkey	332	81	413	436	-5.3%
India		16	16	12	+33.3%
Holding & other activities		267	267	254	+5.1%
Variable annuities (UK & Ireland)		37	37	na	na
TOTAL	3,292	25,090	28,382	31,425	-9.7%

Please note that AEGON sold its life insurance business in Taiwan in April 2009.
na - not applicable

Appendix III

AEGON'S POLICY ON HUMAN RIGHTS

"All AEGON business activities are guided by the articles of the United Nations' Universal Declaration of Human Rights, the core standards of the International Labor Organization and the principles on human rights and

labor standards as set forth by the UN Global Compact. "AEGON pledges that it will actively promote the human rights principles contained in this policy with regard to both its own wholly-owned companies and, wherever possible, to its business dealings with third parties".

Appendix IV

STATEMENT ON SOMO REPORT (July 2009)

Our investment in Tullow Oil

As the report states, the AEGON Ethical Equity Fund has an investment in Tullow Oil, a UK-registered company with operations across sub-Saharan Africa. This Fund specifically excludes investments in companies that:

- ◆ operate in countries with poor human rights records
- ◆ and have no established policies on human rights issues.

Tullow Oil has grown rapidly over the past five years primarily through the development of its interests in sub-Saharan Africa. Inevitably, this growth has brought new environmental, social and governance challenges. Tullow Oil openly recognizes these challenges, which have been the subject of dialogue between AEGON and management at the company.

AEGON is aware of the challenges Tullow Oil faces in many countries in sub-Saharan Africa, but believes the company has systems and policies in place to protect human rights at its operations:

- ◆ Tullow Oil is a member of the International Association of Oil & Gas Producers and a responder to the Carbon Disclosure Project.
- ◆ The company provides regular data externally on its environmental and safety performances.
- ◆ Tullow Oil has a human rights policy which forms part of its employee handbook.
- ◆ In 2007, an external assessment carried out at the company's operations identified no human rights violations.
- ◆ Tullow Oil's 2007 CSR Report provides evidence that it reviews security across the company's operations.

Equatorial Guinea

As the report states, Tullow Oil currently has a 14.25% stake in the Okume Complex and the Ceiba field in Equatorial Guinea. It is important to note, however, that Tullow Oil is not the operator of either of these facilities. In both cases, the operator is a US-based company, Hess Corporation. With regard to human rights, Hess adheres to the United Nations' Universal Declaration of Human Rights. The company is also a signatory to the Voluntary Principles on Security and Human Rights and the Extractives Industry Transparency Initiative. AEGON believes that Hess' relatively advanced CSR position, combined with the fact that both Okume and Ceiba are located offshore, significantly reduces the human rights risks that these operations face.

Democratic Republic of Congo

Tullow Oil has an interest in two exploration blocks located in the north-east of the DRC. However, operations have not yet started. Indeed, for the moment, the status of Tullow Oil's project remains unclear. The company openly recognizes the potential difficulties of operating in the DRC. As an investor, AEGON is monitoring the situation carefully and will review its position if and when Tullow Oil decides to begin operations.

Contributions to political campaigns

1. Political Action Committees

Like many other companies in the United States, AEGON has a Political Action Committee, or PAC. These PACs operate under the rules of the US Federal Election Commission. AEGON believes the PAC plays an important role in providing employees a way to become involved in the political process.

The PAC brings together personal, voluntary contributions from employees across the organization. These contributions are pooled to support Republican and Democratic candidates for both federal and state legislative offices. Contributions are made freely. All those employees defined as able to do so by the Federal Election Commission may participate. No eligible employee is excluded. In 2008, the AEGON USA PAC made contributions of \$170,747. This amount includes money given to trade association PACs.

It should be noted that campaign finance laws in the United States prohibit companies from making direct contributions to federal and some state candidates. AEGON is also prohibited from making contributions to the PAC. Therefore, money donated by the PAC comes from personal, voluntary employee contributions only.

As stated in the report, AEGON's Socially Responsible Investment (SRI) funds in the United Kingdom screen out companies that donate above a certain amount to political organizations. However, this refers to company donations only. It does not - and cannot - refer to contributions made by a company's employees.

2. Contributions outside the PAC

In addition to the PAC, AEGON employees are of course free to make political donations of their own. AEGON regards this as a legitimate part of the democratic process. It is, indeed, a right guaranteed by the US Supreme Court. These donations, however, are a matter of personal, political conscience. No such donations are made on behalf of the company.

3. Governance

AEGON USA's Political Action Committee operates within clearly-defined governance guidelines. Its Board of Directors includes Patrick S. Baird, CEO of AEGON USA, and several other senior executives. The PAC's stated mission is to support candidates of both parties who are in a position to advocate proposals that recognize the company's business interests.

When deciding which candidates to support, the Board of Directors takes into account a number of strict criteria. These include:

- ◆ The candidate's voting record and position on issues affecting the insurance industry and business environment generally;
- ◆ The candidate's chance of winning the election, as well as the impact of any contribution;
- ◆ Whether the candidate is in a position to support AEGON's stance on important issues, including whether the candidate represents a state in which AEGON has a presence; the legislative committees on which the candidate serves; and whether the candidate holds a leadership or policy making position;
- ◆ The integrity and character of the candidate.

In addition, the US system of political action committees and lobbying is extremely transparent. Like other companies, AEGON is required to report PAC activities regularly to the Federal Election Commission. The Commission then posts details on its website. Similarly, AEGON files regular reports on lobbying activities to the House of Representatives and Senate ethics committees. These reports provide details on amounts spent on lobbying activities, including consultants' fees, office rent, trade association dues etc. This report, of course, is publicly available.

Appendix V

STATEMENT TO SOMO IN RESPONSE TO QUESTIONS ON INVESTMENTS IN CHINESE ENERGY COMPANY SINOPEC (November 2009)

AIFMC¹, our joint venture in China, has now sold its holding in Sinopec. Currently, AIFMC owns no shares in the company. The decision to sell the holding was taken for economic reasons.

We were, of course, aware of AIFMC's investment in Sinopec and Sinopec's involvement in the oil industry in Sudan. However, as we stated before, AIFMC - like other Chinese fund management companies - has an obligation to invest its assets in domestic stocks and Sinopec is one of China's largest companies and a leading component of the Shanghai Composite Index. AIFMC takes a range of factors into consideration before making investments. All investments are assessed and evaluated on a case by case basis, and kept under constant review.

AEGON's policy commits us to actively promoting a respect for human rights both with regard to our own operating units and, wherever possible, to our business dealings with third parties. This commitment applies equally to our operations in China. We have recently raised concerns with Industrial Securities, our partner in AIFMC, with regard to investments in companies that have operations in countries with a poor human rights record.

It should be remembered that AEGON holds a minority stake in AIFMC and that our partnership with Industrial Securities is still relatively recent. Our joint venture was established only in May last year and many of the investments held by AIFMC pre-date the start of the joint venture. Since May last year, we have been working closely with Industrial Securities to find a balance between the requirements of our customers, on one

hand, and the need to respect the principles of responsible investment on the other. As you will appreciate, this is a long-term process, particularly as there are still clear differences in approach to these issues between the Chinese authorities and those in Europe or the United States. We are, however, encouraged by the progress we have already made. Over recent years, AIFMC has built a good reputation in the area of corporate and social responsibility, as evidenced by its launch last year of China's first-ever Socially Responsible Investment Fund.

We recognize that there is more work to be done in this area. In this context, you should know that we are currently putting in place a new global organizational structure for all AEGON asset management units. We expect that one of the benefits of this new structure will be that we will be able to better coordinate our approach to considering ESG factors in investment decision-making across the company. Of course, this will involve dealing with very complex issues across different legal jurisdictions and cultures, and will involve making difficult trade-offs for different asset classes (including equities, fixed income, real estate and hedge funds), taking into account the interests of different types of clients (including AEGON insurance companies and third-party investors, who would have to be notified of, or provide consent to, changes in investment policies) and other stakeholders, and considering different types of investments (including index investing and passive strategies).

We don't expect wholesale change across the organization overnight but are encouraged that, working with our colleagues at AEGON Asset Management as this global organization takes shape, we will continue to make progress in this area.

¹ AEGON Industrial Fund Management Company

Appendix VI

Business Principles

AEGON's Business Principles are based on the way we do business in the marketplace, in the workplace and in the community.

Company

AEGON's corporate strategy emphasizes the importance of local knowledge and empowerment, within an expanding global group.

- ◆ We empower our local business units to identify and provide products and services designed to help meet the long-term needs of our customers, using distribution channels suited to their local markets.
- ◆ We take pride in balancing a local approach with the power of an expanding global operation.
- ◆ We operate as a responsible company in an ever-changing business environment.
- ◆ We provide a strong capital base to meet our long-term financial obligations.
- ◆ We make decisions that are in the interests of our stakeholders.
- ◆ We are accountable to our stakeholders for clear and transparent disclosure of our management practices, policies and results.
- ◆ We identify and manage risk prudently.
- ◆ We provide timely and accurate information to our customers, shareholders, employees, regulators and business partners.
- ◆ We comply with applicable laws and regulations, and we proactively promote such compliance.
- ◆ We set clear internal guidelines and policies relating to the way we behave as a responsible company with a global reach.

The marketplace

We seek to build long-term relationships with our customers, business partners and regulators based on open, honest and transparent business principles.

- ◆ We treat our customers fairly.
- ◆ We provide clear, transparent and financially sound products and services that meet our customers' evolving long-term needs.
- ◆ We seek to build long-term relationships with our customers.
- ◆ We strive to provide customers with the information they need to make the right financial decisions for themselves and their families.
- ◆ We also support financial education initiatives and strive to promote a better understanding of the financial services industry.
- ◆ We strive to deal with business partners who share our core values.
- ◆ We are committed to fair competition.
- ◆ We recognize the importance of confidentiality and take measures to keep confidential the personal information relating to our customers, employees, business partners and shareholders.

The workplace

Our goal is to be an employer of choice, to create a work environment where people are able to realize their potential and where both individuality and diversity are respected.

- ◆ We promote ethical behavior and encourage the reporting of any illegal or unethical behavior.
- ◆ We promote respect for people and their work environment.
- ◆ We actively enforce policies that promote non-discrimination in the workplace and encourage diversity.
- ◆ We hire, promote and pay our employees fairly and do so based on their qualifications, their experience and their ability to do a job.
- ◆ We provide training to encourage our employees to reach their potential.
- ◆ We require our employees, within the scope of their professional activities for the company, to act in the best interests of all our stakeholders and abide by these business principles that promote our core values: respect, quality, transparency and trust.
- ◆ We provide employees with a safe place to work.
- ◆ We encourage personal and career advancement.
- ◆ We allow our employees the free right of association.

The wider community

We have a long-term commitment to the communities in which we operate, creating job opportunities and contributing to sustainable economic growth. We support good causes. We help protect and promote **human rights in the countries in which we operate.**

- ◆ We are active corporate citizens in the communities in which we operate.
- ◆ We actively support and respect the protection of internationally proclaimed human rights and ensure we are not complicit in human rights abuses.
- ◆ We invest prudently and responsibly.
- ◆ We strive to respect the environment and undertake initiatives to promote greater environmental responsibility.

Appendix VII

Global Reporting Initiative-index (G3)

AEGON 2009¹

Strategy and analyses		Chapter
1.1	CEO statement	Message from CEO Alex Wynaendts
1.2	Key impacts, risks, and opportunities	Who we are and what we do Our approach to sustainability - New markets are emerging Our approach to sustainability - More needs to be done to expand green energy use Our Shareholders - Managing risk
Organisational profile		
2.1	Name organization	Contact information
2.2	Products and services	Our customers - Products and services Our customers - New products and modifying existing product specifications Our customers - AEGON's brands around the world
2.3	Operational structure	Our Shareholders - Corporate Governance Annual Report - Our Businesses
2.4	Location headquarters	Contact information
2.5	Countries located	About this Report Our customers - AEGON's brand around the world Appendix II: AEGON's global workforce 2009
2.6	Nature of ownership and legal form	Website (www.aegon.com)
2.7	Markets	Who we are and what we do AEGON's portfolio of brands Our Customers
2.8	Size of operations	Who we are and what we do - AEGON's financial performance in 2009 Appendix II: AEGON's global workforce 2009
2.9	Organizational changes	Appendix II: AEGON's global workforce 2009
2.10	Awards	Our approach to sustainability - AEGON's performance in 2009 The wider community - Setting the pace for greener buildings in the US
Reporting parameters		
3.1	Reporting period	About this report
3.2	Previous report	About this report
3.3	Reporting cycle	About this report
3.4	Contact person(s)	Contact information Our approach to sustainability - Governance and decision making
3.5	Process report content	About this report

¹ For ease of presentation in some cases we have summarized the text of the GRI indicators, a full definition can be found on the GRI website.

3.6	Scope	About this report
3.7	Scope limitations	About this report
3.8	Basis for reporting on joint ventures	About this report
3.9	Data measurement techniques	About this report
3.10	Re-statements	None identified
3.11	Reporting changes	About this report
3.12	Standard Disclosures	About this report Global Reporting Initiatives Index
3.13	Policy external assurance	AEGON's portfolio of brands - Assurance
Governance, Commitments, and Engagement		
4.1	Governance structure	Our Shareholders - Corporate governance
4.2	Chair of the highest governance body	Our Shareholders - Corporate governance
4.3	Independent members	Our Shareholders - Corporate governance
4.4	Mechanisms for shareholders and employees	Annual Report, available at website (www.aegon.com)
4.5	Compensation highest governance body	Our Employees - Executive Board remuneration
4.6	Processes to ensure conflicts of interest are avoided	Annual Report - Our Governance
4.7	Expertise highest governance body	Annual Report - Our Governance
4.8	Internally developed statements	Our approach to sustainability - Our business principles Appendix VI: Business principles
4.9	Procedures of the highest governance body	Annual Report - Our Governance
4.10	Performance highest governance body's	Annual Report - Our Governance
4.11	Precautionary approach	Our shareholders - Overview of risks
4.12	Externally developed principles	Our Shareholders - Current practice and existing international commitments Investing responsibly: AEGON as a shareholder Global principles for responsible investment
4.13	Memberships in associations	Our Shareholders - Current practice and existing international commitments Our business partners - Minimum standards for intermediaries
4.14	List of stakeholder groups	Our Approach to Sustainability - Our Stakeholders
4.15	Identification and selection of stakeholders	Our Approach to Sustainability - Our Stakeholders
4.16	Approaches to stakeholder engagement	Our Approach to Sustainability - Our Stakeholders Our Approach to Sustainability - AEGON stakeholder review
4.17	Key topics through stakeholder engagement	Our Approach to Sustainability - Our Stakeholders Our Approach to Sustainability - AEGON stakeholder review

Economic performance indicators

EC 1	Direct economic value	Who we are and what we do - AEGON's financial performance in 2009
EC 2	Financial implications due to climate change	Wider community - Protecting the environment
EC 3	Coverage benefit plan obligations	Annual Report, available at website (www.aegon.com)
EC 4	Financial assistance received from government	Our business partners - Relations with the Dutch government

Environmental performance indicators

EN 1	Weight of materials used	Wider community - Protecting the environment
EN 2	Recycled input materials	Wider community - Protecting the environment
EN 3	Direct energy consumption	Wider community - Protecting the environment Wider community - AEGON's carbon footprint
EN 4	Indirect energy consumption	Wider community - Protecting the environment Wider community - AEGON's carbon footprint
EN 5 (add.)	Energy saved due to conservation and efficiency improvements	Wider community - Protecting the environment Wider community - AEGON's carbon footprint Wider community - Country and operating unit initiatives in 2009
EN 8	Total water use	Wider community - Protecting the environment
EN 11	Location land in protected areas	Not applicable
EN 12	Significant impacts on biodiversity	Not applicable
EN 16	Direct and indirect green-house gas emissions	Wider community - Protecting the environment
EN 17	Other relevant indirect green-house gas emissions	Wider community - Protecting the environment
EN 19	Emissions of ozone-depleting substances	Not applicable
EN 20	NOx, SOx air emissions	Not applicable
EN 22	Total weight of waste	Wider community - Protecting the environment
EN 23	Total spills	Not applicable
EN 26	Initiatives to mitigate environmental impacts	Wider community - AEGON's Global Green Team Wider community - Country and operating unit initiatives in 2009
EN 27	Products reclaimed at the end of the products' life	Not applicable
EN 28	Monetary value of significant fines	None
EN 29 (add.)	Significant environmental impacts of transport	Wider community - Protecting the environment

Social Indicators

Labor practices and decent work

LA 1	Breakdown of total workforce	Our Employees - AEGON's global workforce
LA 2	Employee turnover	Our Employees - Employee turnover
LA 4	Employees covered by collective bargaining	Our Employees - Employee representation

LA 7	Rates of injury, occupational diseases, lost days, and absenteeism	Our Employees - Absentee rates Our Employees - Work-related injuries
LA 8	Risk-control programs regarding serious diseases	Our Employees - Absentee rates
LA 10	Training per employee category	Our Employees - Recruitment, training and performance appraisals Our Employees - Global talent management
LA 11 (add.)	Programs for skills management and lifelong learning	Our Employees - Recruitment, training and performance appraisals Our Employees - Global talent management
LA 12 (add.)	Performance and career development reviews	Our Employees - Recruitment, training and performance appraisals
LA 13	Gender breakdown of governance bodies	Our Employees - Diversity and non-discrimination
LA 14	Ratio of basic salary of men to women	Our Employees - Diversity and non-discrimination Our Employees - Salaries, costs and benefits
Human Rights		
HR 1	Significant investment agreements that include human rights clauses	Investing responsibly: AEGON as a shareholder - Global principles for responsible investment
HR 2	Screening of suppliers on human rights	Our Business Partners - Selection of suppliers
HR 4	Incidents of discrimination	Our Employees - Diversity and non-discrimination
HR 5	Operations identified as having risk for incidents of violations of freedom of association and collective bargaining	None identified
HR 6	Operations identified as having risk for child labour	None identified
HR 7	Operations identified as having risk for forced labour	None identified
Society		
SO 1	Impact on communities	Wider community - Community support
SO 2	Number of business units analyzed for risks related to corruption	Our Employees - Tackling corruption, money laundering and fraud
SO 3	Employees trained in organization's anti-corruption policies and procedures	Our Employees - AEGON's Code of Conduct Our Employees - AEGON's In Practice Program
SO 4	Actions taken in response to incidents of corruption	None identified
SO 5	Public policy positions and participation in public policy development	Our Business Partners - Governments & regulators
SO 8	Monetary value of significant fines	None
Product responsibility		
PR 1	Improving health and safety impacts across life cycle	Not applicable
PR 3	Product information and labelling	Our Customers - Ensuring product transparency
PR 5 (add.)	Customer satisfaction	Our Customers - Customer satisfaction

PR 6	Marketing communications	Our shareholders - Importance of clear communications Our shareholders - AEGON's financial communications policy Our business partners - Distribution
PR 9	Monetary value of significant fines	Customers - Allegations of mis-selling

Financial Services Sector Specific Performance Indicators

FS 1	Policies with environmental and social components	Our Employees - AEGON's Code of Conduct Our Business Partners - Selection of suppliers Our Business Partners - Minimum standards for intermediaries Wider community - Protecting the environment
FS 2	Procedures for assessing and screening environmental and social risks	Investing responsibly: AEGON as a shareholder - Global principles for responsible investment
FS 4	Processes for improving staff competency to implement the environmental and social policies and procedures	Our Employees - AEGON's 'In Practice' program The Wider Community - AEGON's Green Team
FS 6	Percentage of the portfolio for business lines by specific region, size and by sector	Who we are and what we do Annual Report - Our Businesses
FS 10	Percentage and number of companies which have interacted with the company on environmental and social issues	Our Approach to Sustainability: Other reports on AEGON's performance Investing responsibly: AEGON as a shareholder: AEGON's approach to investing
FS 12	Voting policies applied to environmental and social issues	Investing responsibly: AEGON as a shareholder - Voting policy Investing responsibly: AEGON as a shareholder: AEGON's approach to investing
FS 13	Access points in low populated or economically disadvantaged areas	Our Customers - Helping customers on low incomes
FS 14	Initiatives to improve access to financial services for disadvantaged people	Our Customers - Helping customers on low incomes
FS 15	Policies for the fair design and sale of financial products and services	Our Customers - New products and modifying existing product specifications
FS 16	Initiatives to enhance financial literacy	Our Customers - Financial literacy

Disclosure on management approach		Chapter				
	Materiality	Responsibility	Objectives and performance	Policy	Training	Monitoring
Economic	Economic performance Market presence	Executive Board	Annual Report	Annual Report Appendix VI: Business principles	Annual Report	Annual Report
Environment	Paper Energy Water Waste	Management Board	The Wider Community	The Wider Community Appendix VI: Business principles		The Wider Community
Labour rights	Non- discrimination Diversity Training Fair wages Employee satisfaction Health & Safety	Management Board	Our Employees	Our Employees Appendix VI: Business principles	In Practice Code of Conduct	Our Employees
Human rights	Ensuring basic human rights and freedoms	Management Board	Our Employees	Appendix III: AEGON's policy on human rights Appendix VI: Business principles	In Practice Code of Conduct	
Society	Customers Distribution partners Suppliers Government & regulators Community engagement	Management Board	Our Customers Our Business Partners The Wider Community	Our Customers Our Business Partners The Wider Community Appendix VI: Business principles	In Practice Code of Conduct	Our Customers Our Business Partners The Wider Community
Product responsibility	Compliance Product transparency Financial literacy Investing responsibly	Management Board	Our Customers Our Shareholders	Our Customers Our Shareholders	Our Customers	Our Customers Our Shareholders Shareholders

Appendix VIII

AEGON's portfolio of brands

Main brands	Other brands	Joint ventures	Intermediaries
AEGON	Stonebridge (US)	AEGON-CNOOC (China)	Unirobe Meeùs Groep (Netherlands)
Transamerica	TKP Pensioen (Netherlands)	AEGON Industrial Fund Management (China)	Origen (UK)
	OPTAS (Netherlands)	La Mondiale (France)	Positive Solutions (UK)
	HS Admin (UK)	Seguros AEGON (Mexico)	World Financial Group (US)
	Guardian (UK)	AEGON Religare Life Insurance (India)	InterSecurities (US)
	Monumental Life (US)	Caja de Ahorros del Mediterráneo (Spain)	Nedasco (Netherlands)
	Western Reserve Life (US)	Caja Navarra (Spain)	
	Financieel Verder (Netherlands)	Caja de Badajoz (Spain)	
	AEGON Direct Marketing Services (US)	Caja Cantabria (Spain)	
		Caixa Terrassa (Spain)	
		AEGON Sony Life Insurance Co. (Japan)	
	AEGON Brazil		