

AEGON announces Q2 2011 net income of EUR 404 million

○ Growth offset by unfavorable currency movements and anticipated exceptional charges

- Underlying earnings before tax of EUR 401 million; growth offset by unfavorable currency movements (EUR 44 million), higher provisioning for longevity in the Netherlands (EUR 23 million) and UK customer redress charges (EUR 14 million)
- Net income amounts to EUR 404 million, supported by realized gains on investments
- Return on equity of 8.0% in the first half year of 2011

○ Continued strong sales in fee-based businesses in line with strategic focus

- Total sales¹ decline to EUR 1.3 billion, due mainly to unfavorable currency movements
- New life sales total EUR 431 million; declines in the Americas and the UK following repricing of products
- Gross deposits amount to EUR 6.7 billion, supported by strong variable annuity and pension deposits

○ Strong capital position and healthy cash flows

- Excess capital of EUR 1 billion at the holding after full repurchase of core capital securities from Dutch State
- IGD solvency ratio of ~200% reflection of strong capitalization
- Capital base ratio of 73%; full repurchase of core capital securities partly offset by retained earnings
- Operational free cash flow of EUR 283 million

Statement of Alex Wynaendts, CEO

“During the second quarter, we made solid progress in delivering on AEGON's key strategic priorities, not least of which was the completion of repayment to the Dutch State. The particularly strong sales of variable annuities and pension and retirement products in the United States are a result of the successful repositioning of our business toward more fee-generating income. Our pursuit of growth opportunities in AEGON's new markets led to strong new life sales in Central & Eastern Europe, as well as expanded distribution in Spain, where we recently strengthened our life insurance and pension partnership with Unnim, a leading savings bank in the northeastern region of the country.

“The weakening of the US dollar had a notable impact on AEGON's reported results. Net income was strong for the quarter, however, underlying earnings were negatively affected by anticipated exceptional items in the United Kingdom and the Netherlands.

“Clearly, the current economic environment poses considerable challenges. However, over the past years we have implemented measures to strengthen and protect AEGON's balance sheet by reducing our exposure to equity and credit markets, as well as interest rate risks. At the same time, we are restructuring our businesses in our key markets. These actions, along with our very limited exposure to peripheral European countries, support our confidence in AEGON's growth prospects going forward.”

KEY PERFORMANCE INDICATORS

amounts in EUR millions ^{b)}	Notes	Q2 2011	Q1 2011	%	Q2 2010	%	YTD 2011	YTD 2010	%
Underlying earnings before tax	1	401	414	(3)	483	(17)	815	929	(12)
Net income	2	404	327	24	413	(2)	731	785	(7)
Sales	3	1,261	1,411	(11)	1,475	(15)	2,672	2,917	(8)
Value of new business (VNB)	4	103	118	(13)	138	(25)	221	276	(20)
Return on equity	5	8.1%	7.8%	4	8.5%	(5)	8.0%	8.4%	(5)

For notes see page 22.

¹ To reflect all of AEGON's sales in one sales indicator, AEGON introduced a composite sales number consisting of new life sales, new premium production of both accident & health insurance and general insurance and 1/10 of gross deposits.

STRATEGIC HIGHLIGHTS

- **AEGON further detailed strategy and reiterated targets at Analyst & Investor Conference**
- **Repayment to Dutch State completed**
- **Divestment of Transamerica Reinsurance concluded**
- **Appointment of Jaime Kirkpatrick as CEO of AEGON Spain**

Sustainable earnings growth with an improved risk-return profile

AEGON's transformational process to deliver sustainable earnings growth with an improved risk-return profile is on track with the completion of full repayment to the Dutch State in June. The company reiterated its targets¹ at its recent Analyst & Investor Conference in London:

- Grow underlying earnings before tax on average by 7%-10% per annum;
- Achieve a return on equity of 10%-12% by 2015;
- Increase fee businesses to 30%-35% of underlying earnings before tax by 2015; and
- Increase 2010 normalized operating free cash flow by 30% by 2015.

AEGON also announced its intention to achieve structural cost reductions in its established markets. In the Netherlands, a 20% reduction in operating expenses as compared to the 2009 base is targeted by the end of 2012. In the United Kingdom, AEGON is on track to reduce costs by 25% by the end of 2011. In the United States, AEGON aims to grow its life and protection business faster than the industry, while keeping operating expenses flat throughout the period until 2015.

AEGON's ambition

AEGON's ambition to be a leader in all of its chosen markets by 2015 is supported by four strategic objectives: Optimize Portfolio, Enhance Customer Loyalty, Deliver Operational Excellence and Empower Employees.

These key objectives have been embedded in all AEGON businesses and provide the strategic framework for the company's ambition to become the most-recommended life insurance and pension provider by customers and distributors, as well as the most-preferred employer in the sector.

AEGON's AMBITION

To be a leader in all our chosen markets by 2015

AEGON's STRATEGIC OBJECTIVES

- Optimize portfolio
- Enhance customer loyalty
- Deliver operational excellence
- Empower employees

Optimize portfolio

In Spain, AEGON has finalized an agreement to expand its life and health insurance and pension partnership with Unnim. The agreement includes the acquisition of a 50% stake in the life insurance business of Caixa Sabadell, expanding into the network of Caixa Manlleu and strengthening of AEGON's existing partnership with Caixa Terrassa. These three savings banks joined together earlier this year to form Unnim. The agreement gives AEGON the exclusive right to distribute its life insurance and pension products through Unnim's network of 623 branches. Unnim is a leading savings bank in the northeastern part of Spain, with a significant presence and more than one million customers.

Also, AEGON has closed an agreement to jointly develop health insurance business with Caja Navarra, part of Banca Cívica.

AEGON continues to closely monitor the process of consolidation and restructuring in the financial sector in Spain.

AEGON has appointed Jaime Kirkpatrick to the role of CEO of AEGON Spain effective July 1, 2011. Mr. Kirkpatrick has played a key role in expanding AEGON's presence across the Spanish market in his previous capacity of director of bancassurance for AEGON Spain.

¹Main economic assumptions embedded in targets: annual gross equity market return of 9%, 10-year US interest rate of 5.25% in 2015 and EUR/USD rate of 1.35.

On August 9, 2011, AEGON completed the divestment of its life reinsurance activities, Transamerica Reinsurance, to Scor. The total after-tax consideration amounted to USD 1.4 billion, consisting of cash proceeds of USD 0.9 billion from Scor and a further USD 0.5 billion of capital released. AEGON estimates that this transaction will have a positive impact on its IGD solvency ratio of approximately 13% in the third quarter of 2011.

Enhance customer loyalty

In its aim to develop a stronger and more consistent brand portfolio globally, with shared purposes and core values, AEGON has sharpened its brand proposition in the United States. The company will bring together its North American retail businesses under one name, Transamerica. A new advertising campaign will be launched in September.

AEGON has also decided to rebrand its asset management activities in the United Kingdom as Kames Capital to enhance its distinctive investment propositions while supporting accelerated growth of the business.

Deliver operational excellence

In the Netherlands, AEGON has decided to combine its pension service centre with its corporate & institutional clients sales unit into one pension business with the aim of increasing efficiency, providing better service and strengthening AEGON's leading position in the Dutch pension market. The new unit will serve three customer groups – small and medium sized enterprises, institutional clients and pension plan participants.

AEGON has established a target to reduce the CO₂ emissions of its offices by 10% by 2012. The goal is part of AEGON's continuing efforts to manage all assets – including those that affect the environment – in a responsible way. In the long run, the changes that are implemented to meet the target will reduce costs as well as CO₂ emissions. Setting a goal in this respect will also help the company meet the growing expectations of its stakeholders.

FINANCIAL OVERVIEW ^{c)}

EUR millions	Notes	Q2 2011	Q1 2011	%	Q2 2010	%	YTD 2011	YTD 2010	%
Underlying earnings before tax									
Americas		325	347	(6)	398	(8)	672	735	(9)
The Netherlands		74	81	(9)	97	(24)	155	201	(23)
United Kingdom		10	12	(17)	22	(55)	22	50	(56)
New markets		59	57	4	40	48	116	86	35
Holding and other		(67)	(83)	9	(74)	9	(150)	(143)	(5)
Underlying earnings before tax		401	414	(3)	483	(17)	815	929	(12)
Fair value items		(23)	(85)	73	3	-	(108)	(13)	-
Realized gains / (losses) on investments		204	91	24	148	38	295	274	8
Impairment charges		(100)	(62)	(61)	(77)	(30)	(162)	(227)	29
Other income / (charges)		(16)	(3)	-	(60)	73	(19)	(37)	49
Run-off businesses		10	22	(55)	(10)	-	32	(28)	-
Income before tax		476	377	26	487	(2)	853	898	(5)
Income tax		(72)	(50)	(44)	(74)	3	(122)	(113)	(8)
Net income		404	327	24	413	(2)	731	785	(7)
Net income / (loss) attributable to:									
Equity holders of AEGON N.V.		403	327	23	413	(2)	730	784	(7)
Non-controlling interests		1	-	-	-	-	1	1	-
Net underlying earnings		339	333	2	350	(3)	672	695	(3)
Commissions and expenses		1,500	1,513	(1)	1,375	9	3,013	2,961	2
of which operating expenses	11	847	837	1	841	1	1,684	1,653	2
New life sales									
Life single premiums		1,189	1,726	(31)	1,922	(38)	2,915	3,841	(24)
Life recurring premiums annualized		312	328	(5)	362	(14)	640	673	(5)
Total recurring plus 1/10 single		431	501	(14)	554	(22)	932	1,057	(12)
New life sales									
Americas	12	104	113	(8)	131	(21)	217	241	(10)
The Netherlands		40	65	(38)	41	(2)	105	103	2
United Kingdom		217	247	(12)	308	(30)	464	573	(19)
New markets	12	70	76	(8)	74	(5)	146	140	4
Total recurring plus 1/10 single		431	501	(14)	554	(22)	932	1,057	(12)
New premium production accident and health insurance		145	159	(9)	148	(2)	304	296	3
New premium production general insurance		14	13	8	15	(7)	27	29	(7)
Gross deposits (on and off balance)									
Americas	12	5,014	5,629	(11)	5,154	(3)	10,643	10,556	1
The Netherlands		442	462	(4)	624	(29)	904	1,367	(34)
United Kingdom		17	19	(11)	19	(11)	36	55	(35)
New markets	12	1,242	1,267	(2)	1,787	(30)	2,509	3,380	(26)
Total gross deposits		6,715	7,377	(9)	7,584	(11)	14,092	15,358	(8)
Net deposits (on and off balance)									
Americas	12	426	(233)	-	758	(44)	193	1,293	(85)
The Netherlands		(113)	(115)	2	55	-	(228)	122	-
United Kingdom		14	2	-	10	40	16	39	(59)
New markets	12	(2,487)	(1,719)	(45)	187	-	(4,206)	308	-
Total net deposits excluding run-off businesses		(2,160)	(2,065)	(5)	1,010	-	(4,225)	1,762	-
Run-off businesses		(527)	(880)	40	(1,849)	71	(1,407)	(4,059)	65
Total net deposits		(2,687)	(2,945)	9	(839)	-	(5,632)	(2,297)	(145)

REVENUE-GENERATING INVESTMENTS

	June 30, 2011	Mar. 31, 2011	%
Revenue-generating investments (total)	391,276	399,882	(2)
Investments general account	132,837	136,991	(3)
Investments for account of policyholders	142,672	144,296	(1)
Off balance sheet investments third parties	115,767	118,595	(2)

OPERATIONAL HIGHLIGHTS

Underlying earnings before tax

AEGON's underlying earnings before tax amounted to EUR 401 million in the second quarter. The decline, compared with the same quarter last year, was mainly due to unfavorable currency exchange rate movements, higher provisioning for longevity in the Netherlands and charges related to the customer redress program in the United Kingdom.

Underlying earnings from the Americas decreased to EUR 325 million. The decline was the result of a weakening of the US dollar against the euro and a lower contribution from fixed annuities as balances are being managed lower. Lower earnings from Life & Protection were offset by higher fee-based earnings, consistent with AEGON's strategy.

In the Netherlands, underlying earnings decreased to EUR 74 million as a result of higher provisioning for longevity of EUR 23 million and investments in developing new distribution capabilities. AEGON expects to provision on average EUR 20 million per quarter in 2011 in addition to previous levels of provisioning.

In the United Kingdom, underlying earnings declined to EUR 10 million. The decrease was mainly due to charges of EUR 14 million related to an ongoing program to correct historical issues within customer policy records. Expenses related to the execution of this program amounted to EUR 7 million. In addition, investments in developing new propositions amounted to EUR 8 million.

Underlying earnings from New Markets increased to EUR 59 million driven mainly by strong earnings in Central & Eastern Europe and AEGON Asset Management.

Costs for the holding amounted to EUR 67 million as lower interest income and increased expenses related to the preparation for implementation of Solvency II were more than offset by a one-time benefit of EUR 14 million in the second quarter of 2011.

Net income

Net income decreased slightly to EUR 404 million. Higher net income for the Americas and New Markets was offset by lower net income for the Netherlands and the United Kingdom.

Fair value items

In the second quarter, fair value items recorded a loss of EUR 23 million. Negative results in the Americas, mainly related to lower interest rates and equity market volatility, were partly offset by positive fair value movements of derivatives related to debt issued by the holding.

Realized gains on investments

Realized gains on investments amounted to EUR 204 million for the quarter and were the result of a strategic reallocation of equities into fixed income in the Netherlands in addition to normal trading in the investment portfolio.

Impairment charges

Impairment charges amounted to EUR 100 million and were linked to residential mortgage-backed securities in the United States and the result of exchange offers on specific holdings of European banks in the United Kingdom.

Other charges

Other charges amounted to EUR 16 million and are mostly related to restructuring charges in the United Kingdom (EUR 15 million), the Netherlands (EUR 10 million) and New Markets (EUR 3 million).

Run-off businesses

The results of run-off businesses increased to EUR 10 million, mainly as a result of a lower amortization yield paid on internally transferred assets related to the institutional spread-based business.

Income tax

Tax charges for the quarter amounted to EUR 72 million. These charges included EUR 4 million in tax benefits related to cross-border intercompany reinsurance transactions and a favorable tax settlement of EUR 15 million in the United States.

Return on equity

In the first half of 2011, AEGON's return on equity declined to 8.0%, mainly the result of higher average shareholders' equity excluding revaluation reserves. The increase in average shareholders' equity was mainly the result of an equity issue of EUR 0.9 billion in February 2011.

Operating expenses

As a result of movements in currency exchange rates, operating expenses remained level at EUR 847 million. Excluding restructuring charges and employee benefit plans and at constant currencies, operating expenses remained level as well.

Sales

AEGON's total sales decreased 15% to EUR 1.3 billion due mainly to unfavorable currency movements. At constant currencies, total sales declined 7%. New life sales were mainly impacted by lower production in the United Kingdom and the Americas following repricing of products, only partly offset by growth in Central & Eastern Europe.

Gross deposits amounted to EUR 6.7 billion, or a decline of 2% at constant currencies. Strong variable annuity and stable value deposits in the United States were more than offset by the effects of a weaker US dollar, lower asset management inflows and less savings account deposits in the Netherlands.

Value of new business

Compared with the second quarter 2010, the value of new business declined considerably to EUR 103 million. This was the result of higher mortgage-related funding costs and updated mortality assumptions in the Netherlands, lower new business volumes in the United Kingdom and Spain, discontinuance of new mandatory pension sales in Hungary and unfavorable currency exchange rates.

Revenue-generating investments

Revenue-generating investments declined 2% compared with the end of the first quarter of 2011 to EUR 391 billion, the result of a weakening of the US dollar against the euro and the transfer of over EUR 2 billion of pension assets to the Hungarian State during the second quarter 2011.

Capital management

At the end of the second quarter, AEGON's core capital, excluding revaluation reserves, amounted to EUR 15.9 billion, equivalent to 73%⁶ of the company's total capital base. The decline from the previous quarter was mainly due to the repurchase of all remaining convertible core capital securities from the Dutch State for an amount of EUR 750 million plus a premium of EUR 375 million. AEGON is on target to achieve the proportion of core capital to be at least 75% of total capital by the end of 2012.

Shareholders' equity remained level compared with first quarter-end 2011 at EUR 16.8 billion as net income in the second quarter was offset by the premium paid on the repurchase of the final tranche of convertible core capital securities from the Dutch State.

The revaluation reserves at June 30, 2011, increased to EUR 1 billion, mainly the result of a decrease in risk-free interest rates which had a positive effect on the value of fixed income securities. This positive effect was offset by a decline in the foreign currency translation reserve, primarily the result of a weakening of the US dollar against the euro.

AEGON aims to maintain at least 1.5 times holding expenses as a buffer at the holding, currently equivalent to approximately EUR 900 million. During the second quarter, excess capital in the holding decreased to EUR 1 billion. The EUR 1.125 billion payment to the Dutch State, holding costs, interest payments and the preferred dividend were partly offset by EUR 1.4 billion in dividends received from the company's operating units.

At June 30, 2011, AEGON's Insurance Group Directive (IGD) ratio amounted to ~200%, a slight decline from the level of ~210% at the end of the first quarter. Solvency ratios in the Netherlands and the United Kingdom were relatively flat, while the solvency ratio in the United States declined. The main driver of this decline was up-streaming of dividends to repurchase all remaining convertible core capital securities provided by the Dutch State for an amount of EUR 1.125 billion. The proceeds related to the divestment of Transamerica Reinsurance will be accounted for in the third quarter.

Cash flows

AEGON's subsidiaries generated EUR 564 million in operational cash flows during the second quarter of 2011. Operational free cash flows, which reflect excess capital generation, were relatively stable as the impact of realized gains in the Netherlands was offset by increased capital requirements in the United States related to low interest rates.

After deduction of EUR 281 million for investments in new business, operational free cash flow totaled EUR 283 million for the quarter. This brings the total for the first half year of 2011 to EUR 547 million of operational free cash flows.

APPENDIX I • Americas • The Netherlands • United Kingdom • New Markets

FINANCIAL OVERVIEW, Q2 2011 GEOGRAPHICALLY ^{c)}

EUR millions	Americas	The Netherlands	United Kingdom	New Markets	Holding, other activities & eliminations	Total
Underlying earnings before tax by line of business						
Life	147	55	20	19	-	241
Individual savings and retirement products	119	-	-	(4)	-	115
Pensions	58	16	(8)	4	-	70
Non-life	-	-	-	11	-	11
Distribution	-	(1)	(2)	-	-	(3)
Asset Management	-	-	-	18	-	18
Other	-	-	-	-	(67)	(67)
Share in underlying earnings before tax of associates	1	4	-	11	-	16
Underlying earnings before tax	325	74	10	59	(67)	401
Fair value items	(52)	2	-	(3)	30	(23)
Realized gains / (losses) on investments	51	142	11	-	-	204
Impairment charges	(53)	(3)	(40)	(4)	-	(100)
Other income / (charges)	(3)	(11)	1	(3)	-	(16)
Run-off businesses	10	-	-	-	-	10
Income before tax	278	204	(18)	49	(37)	476
Income tax	(41)	(35)	-	(10)	14	(72)
Net income	237	169	(18)	39	(23)	404
Net underlying earnings	256	67	15	47	(46)	339

EMPLOYEE NUMBERS

	June 30, 2011	Mar. 31, 2011
Employees excluding agents	23,639	23,990
Agents	2,892	2,990
Total number of employees excluding Associates	26,531	26,980
AEGON's share of employees (including agents) in Associates	3,561	3,932
Total	30,092	30,912

AMERICAS

- Underlying earnings before tax decline to USD 469 million; a result of lower fixed annuity earnings
- Net income increases to USD 342 million
- New life sales decline to USD 151 million as a result of lower universal life sales due to repricing
- Gross deposits increase to USD 7.2 billion driven by strong variable annuity and stable value deposits

Underlying earnings before tax

Underlying earnings from the Americas decreased to USD 469 million for the second quarter 2011.

- Earnings from Life & Protection in the Americas amounted to USD 194 million. The decrease, as compared to the same quarter last year, was mainly due to unfavorable persistency and lower spreads, while the comparable quarter last year included reserve releases.
- Individual Savings & Retirement earnings amounted to USD 170 million. Fixed annuity earnings decreased to USD 77 million as a result of lower spreads and declining asset balances as the product is de-emphasized. Variable annuity earnings increased as a result of continued strong net inflows and higher asset balances to USD 87 million. Earnings from retail mutual funds also increased as a result of higher account balances and amounted to USD 6 million.
- Earnings from Employer Solutions & Pensions increased to USD 83 million mainly as a result of continued growth of the business.
- Earnings from Canada amounted to USD 19 million and included a one-time benefit of USD 7 million. The joint ventures in Latin America contributed USD 3 million.

Net income

Net income from AEGON's businesses in the Americas increased to USD 342 million in the second quarter. Lower underlying earnings and lower earnings from fair value items were more than offset by higher realized gains on investments and a positive contribution from run-off businesses. In addition, the second quarter 2010 included a one-time charge of USD 140 million for settlement of a dispute related to a BOLI policy in the United States.

The loss of USD 72 million for fair value items in the Americas was mainly related to lower interest rates and equity market volatility.

Gains on investments of USD 71 million were realized as a result of normal trading activity. Net impairments amounted to USD 76 million and were largely linked to residential mortgage-backed securities.

The results of run-off businesses increased to USD 15 million. This was mainly a result of a lower amortization yield paid on internally transferred assets related to the institutional spread-based business.

Net income contained a tax expense of USD 60 million in the second quarter, including a favorable tax settlement of USD 20 million and USD 6 million in tax benefits related to cross-border intercompany reinsurance transactions.

Return on capital

In the first half of 2011, the return on average capital, excluding revaluation reserves, invested in AEGON's businesses in the Americas declined to 7.1%, mainly the result of lower net underlying earnings. Excluding the capital allocated to the run-off businesses, the return on capital in the Americas would amount to 9.3%. Return on capital of AEGON's businesses excludes the benefit of leverage at the holding.

Operating expenses

Operating expenses increased 4% to USD 502 million, mainly as a result of higher employee benefit plan expenses. Operating expenses increased 2% excluding restructuring charges and employee benefit plan expenses.

Sales

New life sales declined to USD 151 million, mainly the effect of the discontinuance of single premium universal life sales in the bank channel during the second half of 2010, as well as repricing of certain universal life products this year to reflect the current interest rate environment. New premium production for accident & health insurance increased to USD 201 million.

Gross deposits increased to USD 7.2 billion as a result of higher fee-based deposits. In addition to organic growth in traditional distribution channels, the introduction during the first quarter of a new variable annuity rider, Retirement Income Max, drove an 8-year record level of variable annuity deposits of USD 1.4 billion in the second quarter. Stable value and retirement plan deposits also continued to be strong during the quarter.

Net deposits for the ongoing businesses totaled USD 0.6 billion as continued net inflows for the pension and variable annuity businesses were only partly offset by fixed annuity outflows. AEGON is de-emphasizing sales of fixed annuities as part of a strategic repositioning and incurred net outflows for this business as a result.

Value of new business

Value of new business increased to USD 73 million, mainly as a result of improved margins on variable annuities. The internal rate of return on new business was 15%.

Revenue-generating investments

Revenue-generating investments were stable at USD 325 billion as compared to the first quarter of 2011.

The decline in general account assets as a result of a fixed annuity coinsurance transaction of USD 1.5 billion and lower run-off balances was compensated for by higher variable annuity and pension account balances.

AMERICAS ^{c)}

USD millions	Notes	Q2 2011	Q1 2011	%	Q2 2010	%	YTD 2011	YTD 2010	%
Underlying earnings before tax by line of business									
Life and protection		194	195	(1)	241	(20)	389	435	(11)
Fixed annuities		77	90	(14)	125	(38)	167	246	(32)
Variable annuities		87	93	(6)	50	74	180	119	51
Retail mutual funds		6	6	-	-	-	12	-	-
Individual savings and retirement products		170	189	(10)	175	(3)	359	365	(2)
Employer solutions & pensions		83	81	2	79	5	164	148	11
Canada		19	11	73	15	27	30	26	15
Latin America		3	(2)	-	1	200	1	2	(50)
Underlying earnings before tax		469	474	(1)	511	(8)	943	976	(3)
Fair value items		(72)	(17)	-	(39)	(85)	(89)	(159)	44
Realized gains / (losses) on investments		71	35	103	21	-	106	54	96
Impairment charges		(76)	(80)	5	(73)	(4)	(156)	(264)	41
Other income / (charges)		(5)	-	-	(140)	96	(5)	(140)	96
Run-off businesses		15	30	(50)	(13)	-	45	(37)	-
Income before tax		402	442	(9)	267	51	844	430	96
Income tax		(60)	(83)	28	(12)	-	(143)	42	-
Net income		342	359	(5)	255	34	701	472	49
Net income / (loss) attributable to:									
Equity holders of AEGON N.V.		342	359	(5)	255	34	701	472	49
Net underlying earnings		368	346	6	361	2	714	719	(1)
Commissions and expenses		1,210	1,209	-	961	26	2,419	2,316	4
of which operating expenses		502	492	2	484	4	994	985	1
New life sales									
Life single premiums	12	78	147	(47)	278	(72)	225	457	(51)
Life recurring premiums annualized		143	139	3	138	4	282	274	3
Total recurring plus 1/10 single		151	154	(2)	166	(9)	305	320	(5)
Life & protection		114	121	(6)	134	(15)	235	255	(8)
Employer solutions & pensions		7	6	17	4	75	13	12	8
Canada		18	17	6	16	13	35	31	13
Latin America		12	10	20	12	-	22	22	-
Total recurring plus 1/10 single		151	154	(2)	166	(9)	305	320	(5)
New premium production accident and health insurance		201	199	1	180	2	400	364	10
Gross deposits (on and off balance) by line of business									
Life & protection	12	3	3	-	3	-	6	6	-
Fixed annuities		71	83	(14)	124	(43)	154	309	(50)
Variable annuities		1,401	1,179	19	1,028	36	2,580	1,837	40
Retail mutual funds		765	775	(1)	957	(20)	1,540	1,933	(20)
Individual savings & retirement products		2,237	2,037	10	2,109	6	4,274	4,079	5
Employer solutions & pensions		4,913	5,554	(2)	4,311	14	10,467	9,528	10
Canada		83	97	(14)	118	(30)	180	404	(55)
Total gross deposits		7,236	7,691	(6)	6,541	11	14,927	14,017	6
Net deposits (on and off balance) by line of business									
Life & protection	12	(10)	(14)	29	(12)	17	(24)	(27)	11
Fixed annuities		(810)	(801)	(1)	(653)	(24)	(1,611)	(1,196)	(35)
Variable annuities		471	220	114	217	117	691	194	-
Retail mutual funds		(5)	(50)	90	357	-	(55)	775	-
Individual savings & retirement products		(344)	(631)	45	(79)	-	(975)	(227)	-
Employer solutions & pensions		1,048	485	116	1,264	(17)	1,533	2,650	(42)
Canada		(105)	(158)	34	(197)	47	(263)	(679)	61
Total net deposits excluding run-off businesses		589	(318)	-	976	(40)	271	1,717	(84)
Run-off businesses		(772)	(1,202)	36	(2,332)	67	(1,974)	(5,390)	63
Total net deposits		(183)	(1,520)	88	(1,356)	87	(1,703)	(3,673)	54

REVENUE-GENERATING INVESTMENTS

	June 30, 2011	Mar. 31, 2011	%
Revenue-generating investments (total)	324,919	324,849	-
Investments general account	121,723	124,185	(2)
Investments for account of policyholders	83,383	82,459	1
Off balance sheet investments third parties	119,813	118,205	1

THE NETHERLANDS

- Underlying earnings before tax decrease to EUR 74 million due to higher provisioning for longevity
- Net income amounts to EUR 169 million
- New life sales were level at EUR 40 million

Underlying earnings before tax

Underlying earnings from AEGON's operations in the Netherlands decreased to EUR 74 million as higher results in Life & Savings were more than offset by higher provisioning for longevity in Pensions and a decline in non-life results.

- Earnings from AEGON's Life & Savings operations in the Netherlands were strong and amounted to EUR 55 million as a result of favorable mortality and a higher contribution from mortgages compared to the second quarter of 2010.
- Earnings from the Pension business declined to EUR 16 million primarily due to higher provisioning for longevity of EUR 23 million. AEGON expects to provision approximately EUR 20 million on average per quarter in 2011, in addition to 2010 levels of provisioning.
- Earnings from Non-life were nil, a decrease from the comparable quarter of 2010 as a result of higher claims and investments made in the business to increase efficiency.
- The Distribution businesses recorded a loss of EUR 1 million, while associates contributed EUR 4 million.

Net income

Net income from AEGON's businesses in the Netherlands remained level and amounted to EUR 169 million. Fair value items amounted to EUR 2 million, as the negative movement in market value of real estate was offset by other fair value items. Gains on investments totaled EUR 142 million for the quarter and were primarily a result of a strategic reallocation of equities into fixed income. Other charges of EUR 11 million included EUR 10 million of charges related to the restructuring of AEGON's bank and distribution businesses. The reorganization is expected to save EUR 20 million per annum in costs when completed.

Return on capital

In the first half of 2011, the return on capital excluding revaluation reserves, invested in AEGON's businesses in the Netherlands, remained level compared to the same period last year at 7.3%. Return on capital of AEGON's businesses excludes the benefit of leverage at the holding.

Operating expenses

Operating expenses increased to EUR 201 million in the second quarter of 2011, mainly as a result of restructuring charges and investments in the further development of new distribution capabilities. Excluding restructuring charges, operating expenses would have been level with the second quarter of 2010.

Sales

New life sales remained level at EUR 40 million during the second quarter of 2011. Individual life sales increased 19% to EUR 25 million driven by mortgage-related product sales. Through successful mortgage production AEGON increased its market share in the individual life insurance market to above 11%. New mortgage production for the quarter amounted to EUR 1.1 billion, equivalent to an estimated market share of approximately 9%. Pension sales were lower than in the comparable quarter last year as the market is waiting for a final outcome of the national pension debate and pricing became more competitive in this market. AEGON was one of the first parties to adjust its pricing policy to reflect updated mortality tables.

Premium production for accident & health and non-life products amounted to EUR 11 million and increased slightly compared with the second quarter of 2010.

Gross deposits decreased to EUR 442 million as AEGON offered less competitive interest rates on savings accounts. Following the transfer of activities, third-party pension deposits are included in AEGON Asset Management's gross deposits from the second quarter of 2011.

Value of new business

The value of new business declined to EUR 20 million, mainly as a result of higher mortgage-related funding costs and updated mortality assumptions. The internal rate of return on new business amounted to 17%.

Revenue-generating investments

Revenue-generating investments decreased 18% to EUR 60 billion compared with the previous quarter. This was mainly driven by the transfer of EUR 12 billion of assets related to third-party pension asset management operations from AEGON The Netherlands to AEGON Asset Management.

THE NETHERLANDS

EUR millions	Notes	Q2 2011	Q1 2011	%	Q2 2010	%	YTD 2011	YTD 2010	%
Underlying earnings before tax by line of business									
Life and Savings		55	43	28	42	31	98	81	21
Pensions		16	22	(27)	29	(45)	38	76	(50)
Non life		-	5	-	19	-	5	26	(81)
Distribution		(1)	11	-	6	-	10	17	(41)
Share in underlying earnings before tax of associates		4	-	-	1	-	4	1	-
Underlying earnings before tax		74	81	(9)	97	(24)	155	201	(23)
Fair value items		2	(60)	-	68	(97)	(58)	159	-
Realized gains / (losses) on investments		142	35	-	23	-	177	119	49
Impairment charges		(3)	(2)	(50)	(6)	50	(5)	(7)	29
Other income / (charges)		(11)	(8)	(38)	33	-	(19)	33	-
Income before tax		204	46	-	215	(5)	250	505	(50)
Income tax		(35)	(7)	-	(45)	22	(42)	(112)	63
Net income		169	39	-	170	(1)	208	393	(47)
Net income / (loss) attributable to:									
Equity holders of AEGON N.V.		169	39	-	170	(1)	208	393	(47)
Net underlying earnings		67	66	2	57	18	133	134	(1)
Commissions and expenses		278	272	2	263	6	550	527	4
of which operating expenses		201	189	6	182	10	390	364	7
New life sales									
Life single premiums		217	457	(53)	241	(10)	674	638	6
Life recurring premiums annualized		18	19	(5)	18	-	37	40	(8)
Total recurring plus 1/10 single		40	65	(38)	41	(2)	105	103	2
Life and Savings		25	26	(4)	21	19	51	48	6
Pensions		15	39	(62)	20	(25)	54	55	(2)
Total recurring plus 1/10 single		40	65	(38)	41	(2)	105	103	2
New premium production accident and health insurance		4	10	(60)	4	-	14	15	(7)
New premium production general insurance		7	8	(13)	6	17	15	14	7
Gross deposits (on and off balance) by line of business									
Life and Savings		442	382	16	534	(17)	824	1,217	(32)
Pensions		-	80	-	90	-	80	150	(47)
Total gross deposits		442	462	(4)	624	(29)	904	1,367	(34)
Net deposits (on and off balance) by line of business									
Life and Savings		(113)	(142)	20	50	-	(255)	132	-
Pensions		-	27	-	5	-	27	(10)	-
Total net deposits		(113)	(115)	2	55	-	(228)	122	-

REVENUE-GENERATING INVESTMENTS

	June 30, 2011	Mar. 31, 2011	%
Revenue-generating investments (total)	60,005	73,393	(18)
Investments general account	36,810	37,448	(2)
Investments for account of policyholders	23,195	23,627	(2)
Off balance sheet investments third parties	-	12,318	-

UNITED KINGDOM

- **Underlying earnings before tax of GBP 9 million due to anticipated exceptional charges and expenses**
- **Net income amounts to GBP (15) million**
- **New life sales decrease to GBP 191 million as a result of lower pension sales**

Underlying earnings before tax

In the United Kingdom, underlying earnings before tax amounted to GBP 9 million as a result of charges relating to the customer redress program (GBP 12 million) and expenses related to the execution of this program (GBP 6 million), the development of new product propositions (GBP 7 million) and expenses related to regulatory changes. These exceptional expenses are expected to continue throughout the remainder of 2011.

- Earnings from Life increased to GBP 17 million, mainly as a result of cost reductions.
- Pensions recorded a loss of GBP 7 million as the benefits from further business growth and improved market conditions were more than offset by charges of GBP 12 million relating to the customer redress program, expenses related to the execution of this program of GBP 6 million and investments of GBP 7 million in the development of new propositions.
- Distribution recorded a loss of GBP 1 million, level with the results in the same quarter last year.

In May 2009, AEGON began the implementation of a program to identify and correct historical issues within its customer policy records. The immediate priority of the program has been to deal with issues that resulted in financial detriment and to return affected customers to the financial position they would have been in had the issue not occurred. The program of determining the full scope of customer redress is expected to continue throughout the remainder of the year and could lead to additional charges. AEGON is on track to resolve all issues and expects to have repaid the majority of the customer detriment by the end of 2011.

Net income

Net income declined to GBP (15) million, as lower underlying earnings and higher impairments were only partly offset by better results on fair value items and higher gains on investments.

Gains on investments amounted to GBP 10 million as a result of a continuing shift from corporate bonds into gilts. Impairments in the second quarter increased to GBP 35 million as a result of exchange offers on specific holdings of European banks. Net income also contained a charge of GBP 13 million related to the restructuring of AEGON's operations in the United Kingdom.

Return on capital

In the first half of 2011, the return on average capital invested in the United Kingdom, excluding the revaluation reserves, declined to 3.8%. The decrease was the result of higher average capital invested in the unit in combination with lower net underlying earnings. Return on capital of AEGON's businesses excludes the benefit of leverage at the holding.

Operating expenses

Operating expenses increased to GBP 109 million, mainly driven by charges relating to the restructuring program of GBP 13 million, as well as investments in the new proposition development of GBP 7 million. Operating expenses in the second quarter of 2011 also include expenses of GBP 6 million relating to the execution of the customer redress program. The restructuring aims to reduce operating expenses by 25%, or GBP 80-85 million, by the end of 2011. It is expected that further restructuring charges will arise in coming quarters. To date, AEGON has enacted cost savings of GBP 58 million.

Sales

New life sales decreased to GBP 191 million during the quarter as a result of a planned decrease in sales of individual pensions, new group schemes and annuities following repricing, partially offset by an increase in group pension new entrants.

Value of new business

Value of new business in the United Kingdom declined to GBP 10 million, mainly driven by lower sales. The internal rate of return on new business for the second quarter was 11%.

Revenue-generating investments

Revenue-generating investments remained level at GBP 58 billion compared with the first quarter 2011.

UNITED KINGDOM

GBP millions	Notes	Q2 2011	Q1 2011	%	Q2 2010	%	YTD 2011	YTD 2010	%
Underlying earnings before tax by line of business									
Life		17	21	(9)	15	13	38	33	15
Pensions		(7)	(9)	22	5	-	(16)	14	-
Distribution		(1)	(2)	50	(2)	50	(3)	(4)	25
Underlying earnings before tax		9	10	(10)	18	(50)	19	43	(56)
Fair value items		-	(1)	-	(11)	-	(1)	(9)	89
Realized gains / (losses) on investments		10	25	(60)	3	-	35	5	-
Impairment charges		(35)	-	-	(1)	-	(35)	(8)	-
Other income / (charges)	7	1	(5)	-	19	(95)	(4)	40	-
Income before tax		(15)	29	-	28	-	14	71	(80)
Income tax attributable to policyholder return		(15)	(1)	-	(19)	21	(16)	(40)	60
Income before income tax on shareholders return		(30)	28	-	9	-	(2)	31	-
Income tax on shareholders return		15	18	(17)	15	-	33	13	54
Net income		(15)	46	-	24	-	31	44	(30)
Net income / (loss) attributable to:									
Equity holders of AEGON N.V.		(15)	46	-	24	-	31	44	(30)
Net underlying earnings		14	33	(58)	31	(55)	47	53	(11)
Commissions and expenses		193	172	2	181	7	365	351	4
of which operating expenses		109	98	11	95	5	207	190	9
New life sales									
Life single premiums	8	711	841	(15)	1,050	(32)	1,552	2,189	(29)
Life recurring premiums annualized		120	127	(6)	158	(24)	247	279	(11)
Total recurring plus 1/10 single		191	211	(9)	263	(27)	402	498	(19)
Life		15	16	(6)	23	(35)	31	49	(37)
Pensions		176	195	(10)	240	(27)	371	449	(17)
Total recurring plus 1/10 single		191	211	(9)	263	(27)	402	498	(19)
Gross deposits (on and off balance) by line of business									
Variable annuities		14	17	(18)	16	(13)	31	48	(35)
Total gross deposits		14	17	(18)	16	(13)	31	48	(35)
Net deposits (on and off balance) by line of business									
Variable annuities		12	2	-	9	33	14	34	(59)
Total net deposits		12	2	-	9	33	14	34	(59)

REVENUE-GENERATING INVESTMENTS

	June 30, 2011	Mar. 31, 2011	%
Revenue-generating investments (total)	58,319	57,717	1
Investments general account	7,952	7,855	1
Investments for account of policyholders	50,367	49,862	1

NEW MARKETS

- **Underlying earnings before tax increase 48% to EUR 59 million mainly driven by higher results in CEE**
- **Net income increases to EUR 39 million**
- **New life sales decline to EUR 70 million driven by lower single premium sales in Poland and Spain**

Underlying earnings before tax

In New Markets, AEGON reported underlying earnings before tax of EUR 59 million as a result of higher underlying earnings before tax from Central & Eastern Europe and AEGON Asset Management.

- Earnings from Central & Eastern Europe increased to EUR 29 million, largely driven by higher earnings in Hungary, as an improvement in the claim experience more than offset the negative impact from pension legislation changes. The comparable quarter in 2010 included higher claims related to storms and floods in Hungary.
- Results from AEGON's operations in Asia improved to EUR (8) million. Higher contributions from the in-force business were only partly offset by continued investments in the company's joint ventures in China, India and Japan. The results for the Asia regional office have been included in the Asia results since the first quarter of 2011, following the implementation of the new operational structure for the Asian operations.
- Earnings from Spain & France increased to EUR 20 million as a result of business growth in Spain following the successful strategic focus on the bancassurance channel.
- Earnings from Variable Annuities Europe amounted to nil as a result of a true up of deferred policy acquisition costs.
- AEGON Asset Management reported increased earnings of EUR 18 million driven by higher performance fees and lower expenses.

In June, over EUR 2 billion of pension assets were transferred to the Hungarian State. As part of the new pension legislation in Hungary, asset management and administration fees have been reduced. In Poland, the government reduced contributions to private pension funds. AEGON expects the measures in Hungary and Poland to have a negative impact on underlying earnings of approximately EUR 20 million in 2011, much of which is expected to occur during the second half of the year.

Net income

Net income from New Markets increased to EUR 39 million during the quarter, primarily as a result of higher underlying earnings. In addition, lower realized gains were offset by lower other charges. Impairment charges declined to EUR 4 million and were mainly related to mortgages in the CEE.

Return on capital

In the first half of 2011, the return on capital invested in New Markets, excluding revaluation reserves, increased to 8.2%, mainly the result of higher net underlying earnings. AEGON's businesses reported under New Markets are in different stages of development and therefore generate different returns. The majority of the capital is allocated to Central & Eastern Europe and Spain & France, which posted returns of 15.6% and 6.0% respectively. Return on capital of AEGON's businesses excludes the benefit of leverage at the holding.

Operating expenses

Operating expenses increased to EUR 132 million in the second quarter, mainly as a result of higher operating expenses in Spain, Asia and Variable Annuities Europe as a result of growth of the business.

Sales

New life sales declined 5% to EUR 70 million.

- In Central & Eastern Europe, new life sales increased by 25% to EUR 30 million driven by Hungary and Turkey. A decline in single premium production in Poland was offset by an increase in life recurring premium production, mainly as a result of increased focus on life insurance in Hungary and Poland.
- In Asia, new life sales declined to EUR 7 million as growth in India was offset by lower new life sales in China, primarily as a result of new regulation.
- New life sales in Spain & France declined 20% to EUR 33 million, largely as a result of lower production at one of the distribution partners in Spain.

New premium production from AEGON's general insurance and accident & health businesses decreased to EUR 8 million, driven by lower motor insurance production due to increased competition.

Gross deposits in New Markets declined to EUR 1.2 billion, primarily driven by lower asset management deposits.

Value of new business

Value of new business in New Markets decreased to EUR 20 million as a result of combined negative effects of adverse pension legislation in Hungary, lower production at one of the distribution partners in Spain and margin pressure for Variable Annuities Europe.

Revenue-generating investments

Revenue-generating investments increased 31% compared with the first quarter of 2011 to EUR 42 billion, driven by the transfer of EUR 12 billion of assets related to third-party pension asset management operations from AEGON The Netherlands to AEGON Asset Management, which were only partly offset by net outflows in Hungary.

NEW MARKETS

EUR millions	Notes	Q2 2011	Q1 2011	%	Q2 2010	%	YTD 2011	YTD 2010	%
Underlying earnings before tax									
Central Eastern Europe		29	26	2	19	53	55	46	
Asia		(8)	(11)	27	(11)	27	(19)	(17)	(2)
Spain & France		20	23	(13)	19	5	43	39	10
Variable Annuities Europe		-	5	-	1	-	5	(1)	-
AEGON Asset Management		18	14	29	12	50	32	19	68
Underlying earnings before tax		59	57	4	40	48	116	86	35
Fair value items		(3)	-	-	(4)	25	(3)	(1)	(200)
Realized gains / (losses) on investments		-	2	-	8	-	2	11	(82)
Impairment charges		(4)	(2)	(100)	(9)	56	(6)	(11)	45
Other income / (charges)		(3)	11	-	(11)	73	8	(11)	-
Income before tax		49	68	(28)	24	104	117	74	58
Income tax		(10)	(26)	62	(9)	(11)	(36)	(22)	(64)
Net income		39	42	(7)	15	160	81	52	56
Net income / (loss) attributable to:									
Equity holders of AEGON N.V.		38	42	(10)	15	53	80	51	57
Non-controlling interests		1	-	-	-	-	1	1	-
Net underlying earnings		47	38	24	30	57	85	62	37
Commissions and expenses		175	180	(3)	169	4	355	344	3
of which operating expenses		132	141	(6)	127	4	273	260	5
New life sales									
Life single premiums	12	117	174	(33)	234	(50)	291	342	(15)
Life recurring premiums annualized		58	59	(2)	51	14	117	106	10
Total recurring plus 1/10 single		70	76	(8)	74	(5)	146	140	4
Life		64	62	3	66	(3)	126	119	6
Associates		6	14	(57)	8	(25)	20	21	(5)
Total recurring plus 1/10 single		70	76	(8)	74	(5)	146	140	4
Central Eastern Europe		30	27	11	24	25	57	43	33
Asia		7	11	(36)	9	(22)	18	19	(5)
Spain & France		33	38	(13)	41	(20)	71	78	(9)
Total recurring plus 1/10 single		70	76	(8)	74	(5)	146	140	4
New premium production accident and health insurance		1	3	(67)	4	(75)	4	8	(50)
New premium production general insurance		7	5	40	9	(22)	12	15	(20)
Gross deposits (on and off balance)									
Central Eastern Europe	12	167	182	(8)	249	(33)	349	475	(27)
Asia		7	11	(36)	10	(30)	18	35	(49)
Spain & France		11	8	38	12	(8)	19	56	(66)
Variable Annuities Europe		159	131	21	175	(9)	290	363	(20)
AEGON Asset Management		898	935	(4)	1,341	(33)	1,833	2,451	(25)
Total gross deposits		1,242	1,267	(2)	1,787	(30)	2,509	3,380	(26)
Net deposits (on and off balance)									
Central Eastern Europe	12	(1,972)	108	-	149	-	(1,864)	218	-
Asia		4	11	(64)	9	(56)	15	34	(56)
Spain & France		(43)	(11)	-	4	-	(54)	29	-
Variable Annuities Europe		63	26	142	47	34	89	126	(29)
AEGON Asset Management		(539)	(1,853)	71	(22)	-	(2,392)	(99)	-
Total net deposits		(2,487)	(1,719)	(45)	187	-	(4,206)	308	-

REVENUE-GENERATING INVESTMENTS

	June 30, 2011	Mar. 31, 2011	%
Revenue-generating investments (total)	42,154	32,211	31
Investments general account	2,819	2,926	(4)
Investments for account of policyholders	6,203	6,210	-
Off balance sheet investments third parties	33,132	23,075	44

FINANCIAL OVERVIEW, 2011 YEAR-TO-DATE GEOGRAPHICALLY ^{c)}

EUR millions	Americas	The Netherlands	United Kingdom	New Markets	Holding, other activities & eliminations	Total
Underlying earnings before tax by line of business						
Life	297	98	44	38	-	477
Individual savings and retirement products	258	-	-	(4)	-	254
Pensions	117	38	(18)	7	-	144
Non-life	-	5	-	22	-	27
Distribution	-	10	(4)	-	-	6
Asset Management	-	-	-	32	-	32
Other	-	-	-	-	(150)	(150)
Associates	-	4	-	21	-	25
Underlying earnings before tax	672	155	22	116	(150)	815
Fair value items	(64)	(58)	(1)	(3)	18	(108)
Realized gains / (losses) on investments	76	177	40	2	-	295
Impairment charges	(111)	(5)	(40)	(6)	-	(162)
Other income / (charges)	(3)	(19)	(5)	8	-	(19)
Run-off businesses	32	-	-	-	-	32
Income before tax	602	250	16	117	(132)	853
Income tax	(102)	(42)	20	(36)	38	(122)
Net income	500	208	36	81	(94)	731
Net underlying earnings	509	133	54	85	(109)	672

OPERATIONAL HIGHLIGHTS FIRST SIX MONTHS 2011

Underlying earnings before tax

AEGON's underlying earnings before tax amounted to EUR 815 million for the first six months of 2011. The decline compared with the same period last year was mainly due to unfavorable currency exchange rates, higher provisioning for longevity in the Netherlands and charges related to the customer redress program in the United Kingdom.

Underlying earnings from the Americas decreased to EUR 672 million. The decline was the result of a weakening of the US dollar against the euro and a lower contribution from fixed annuities as balances are being managed lower. Lower earnings from Life & Protection were offset by higher fee-based earnings, consistent with AEGON's strategy.

In the Netherlands, underlying earnings decreased to EUR 155 million as a result of higher provisioning for longevity of EUR 47 million and investments in developing new distribution capabilities. AEGON expects to provision on average EUR 20 million per quarter in 2011, in addition to 2010 levels of provisioning.

In the United Kingdom, underlying earnings declined to EUR 22 million. The decrease was mainly due to charges of EUR 39 million related to an ongoing program to correct historical issues within customer policy records.

Underlying earnings from New Markets increased to EUR 116 million driven mainly by growth in Central & Eastern Europe and AEGON Asset Management.

Higher funding costs and increased expenses related to the preparation for implementation of Solvency II increased costs for the holding company to EUR 150 million in the first six months of 2011.

Net income

Net income decreased to EUR 731 million. Higher net income for the Americas and New Markets was offset by lower net income for the Netherlands and the United Kingdom.

Fair value items

In the first six months of 2011, fair value items recorded a loss of EUR 108 million. An improvement in the Americas related to strong results from real estate and private equity was more than offset by an exceptional loss on strategic allocation funds in the Netherlands. In addition, results related to the interest rate hedging program in the Netherlands contributed less than in the comparable period.

Realized gains on investments

Realized gains on investments increased to EUR 295 million for the first half of the year and were the result of normal trading in the investment portfolio and a reallocation of equities into fixed income in the Netherlands.

Impairment charges

Impairment charges improved considerably to EUR 162 million and were linked to residential mortgage-backed securities in the United States and the result of exchange offers on specific European bank holdings in the United Kingdom.

Other charges

Other charges amounted to EUR 19 million and are mostly related to the annual Hungarian bank tax of EUR 20 million and restructuring charges in the United Kingdom (EUR 23 million), the Netherlands (EUR 18 million) and New Markets (EUR 9 million). These charges are partly offset by a EUR 37 million benefit related to the settlement of legal claims.

Run-off businesses

As of the first quarter of 2011, AEGON's run-off line of business in the Americas comprises the institutional spread-based business, structured settlement pay-out annuities, BOLI/COLI and life reinsurance. The results of the combined run-off businesses for the first six months of 2011 increased to EUR 32 million, mainly as a result of a lower amortization yield paid on internally transferred assets related to the institutional spread-based business, favorable mortality results in the pay-out annuities block of business and strong BOLI/COLI earnings.

Income tax

Tax charges for the first six months of 2011 amounted to EUR 122 million. These charges included EUR 21 million in tax benefits related to cross-border intercompany reinsurance transactions and one-time tax credits the United States and the United Kingdom totaling EUR 38 million.

Return on equity

In the first half of 2011, AEGON's return on equity declined to 8.0%, mainly the result of higher average shareholders' equity excluding revaluation reserves. The increase in average shareholders' equity was mainly the result of an equity issue of EUR 0.9 billion in February 2011.

Operating expenses

Operating expenses increased 2% to EUR 1,684 million. Cost savings in AEGON's established markets were more than offset by restructuring charges in these businesses. At constant currencies and excluding restructuring charges and employee benefit plans, operating expenses remained level.

Sales

AEGON's total sales decreased 8% to EUR 2.7 billion. New life sales declined mainly as a result of lower production in the United Kingdom and the Americas following repricing of products, only partly offset by growth in Central & Eastern Europe and the Netherlands. Growth of gross deposits in the Americas was offset mainly as a result of a weakening of the US dollar, lower asset management inflows and less savings account deposits in the Netherlands.

Value of new business

Compared with the first six months of 2010, the value of new business declined 20% to EUR 221 million. This was the result of higher mortgage-related funding costs and updated mortality assumptions in the Netherlands, lower new business volumes in the United Kingdom and Spain, discontinuance of new mandatory pension sales in Hungary and unfavorable currency exchange rates.

Revenue-generating investments

Revenue-generating investments declined compared with the end of 2010 to EUR 391 billion, the result

primarily of weakening of the US dollar against the euro and over EUR 2 billion of pension assets that have been transferred to the Hungarian State during the second quarter 2011.

Capital management

At June 30, 2011, AEGON's core capital position, excluding revaluation reserves, amounted to EUR 15.9 billion, equivalent to 73% of the company's total capital base. The decline from the year-end 2010 was mainly due to the repurchase of EUR 1,500 million of convertible core capital securities from the Dutch State, related premium of EUR 750 million and unfavorable currency movements, partly offset by net income of EUR 0.7 billion and an equity issue of EUR 0.9 billion in February 2011. AEGON aims the proportion of core capital to be at least 75% of total capital by the end of 2012.

Shareholders' equity declined compared with year-end 2010 at EUR 16.8 billion as net income and the proceeds of the equity issue were offset by the premium paid on the repurchase of the final tranche of convertible core capital securities from the Dutch State in addition to unfavorable currency movements.

The revaluation reserves at June 30, 2011 remained level compared with year-end 2010 at EUR 1 billion.

AEGON aims to maintain at least 1.5 times holding expenses as a buffer at the holding, equivalent to approximately EUR 900 million. During the first six months of 2011, excess capital in the holding decreased to EUR 1 billion as a result of a EUR 2.25 billion payment to the Dutch State only partly offset by dividends received from the company's operating units and an equity issue of EUR 0.9 billion.

At June 30, 2011, AEGON's Insurance Group Directive (IGD) ratio amounted to approximately 200%.

Cash flows

AEGON's subsidiaries generated EUR 1,103 million in operational cash flows during the first half of 2011. After deduction of EUR 556 million for investments in new business, operational free cash flow totaled EUR 547 million for the period.

APPENDIX II

VALUE OF NEW BUSINESS AND IRR

EUR millions, after tax	VNB		VNB		VNB		VNB		VNB	
	Q2 2011	Q1 2011	%	Q2 2010	%	YTD 2011	YTD 2010	%	YTD 2011	YTD 2010
Americas	51	63	(19)	52	(2)	114	96	19		
The Netherlands	20	23	(13)	30	(33)	44	80	(45)		
United Kingdom	11	9	22	24	(54)	20	37	(46)		
New Markets	20	23	(13)	32	(38)	43	63	(32)		
Total	103	118	(13)	138	(25)	221	276	(20)		

EUR millions, after tax	IRR %		IRR%	
	Q2 2011	Q1 2011	Q2 2010	
Americas	14.8	16.0	12.9	
The Netherlands	17.3	13.9	17.0	
United Kingdom	10.6	10.0	11.9	
New Markets	36.5	35.1	35.3	
Total	19.5	18.8	18.4	

MODELED NEW BUSINESS, APE AND DEPOSITS

EUR millions	Notes	Premium business				Premium business			
		APE				APE			
		Q2 2011	Q1 2011	%	Q2 2010	%	YTD 2011	YTD 2010	%
Americas	9	231	248	(7)	238	(3)	479	454	6
The Netherlands		45	75	(40)	58	(22)	120	150	(20)
United Kingdom		227	237	(4)	303	(25)	464	569	(18)
New Markets		88	95	(7)	97	(9)	183	177	3
Total		592	655	(10)	696	(15)	1,247	1,351	(8)

EUR millions	Notes	Deposit business				Deposit business			
		Deposits				Deposits			
		Q2 2011	Q1 2011	%	Q2 2010	%	YTD 2011	YTD 2010	%
Americas	9	4,223	4,636	(9)	4,325	(2)	8,859	8,250	7
United Kingdom		17	19	(11)	17	-	36	51	(29)
New Markets		258	216	19	303	(15)	474	610	(22)
Total		4,498	4,871	(8)	4,645	(3)	9,369	8,911	5

VNB/PVNB SUMMARY

EUR millions	Notes	Premium business				Premium business			
		VNB	PVNB	VNB / PVNB	VNB / APE	VNB	PVNB	VNB / PVNB	VNB / APE
		Q2 2011	%	%		YTD 2011	%	%	
Americas	10	18	742	2.5	7.9	48	1,568	3.1	10.1
The Netherlands		20	370	5.5	45.2	44	1,007	4.3	36.5
United Kingdom		11	1,329	0.8	4.9	20	2,818	0.7	4.3
New Markets		21	641	3.3	23.6	42	1,335	3.2	23.2
Total		71	3,082	2.3	11.9	155	6,728	2.3	12.4

EUR millions	Notes	Deposit business				Deposit business			
		VNB	PVNB	VNB / PVNB	VNB / Deposits	VNB	PVNB	VNB / PVNB	VNB / Deposits
		Q2 2011	%	%		YTD 2011	%	%	
Americas	10	32	5,240	0.6	0.8	65	11,717	0.6	0.7
The Netherlands		0	17	0.6	0.6	0	36	0.5	0.5
United Kingdom		(0)	312	(0.1)	(0.2)	1	629	0.1	0.1
Total		32	5,569	0.6	0.7	66	12,381	0.5	0.7

Notes:

- 1) For segment reporting purposes underlying earnings before tax, net underlying earnings, commissions and expenses, operating expenses, income tax including associated companies, income before tax including associated companies and value of new business (VNB) are calculated by consolidating on a proportionate basis the revenues and expenses of certain of our associated companies in Spain, India, Brazil and Mexico. We believe that our non-IFRS measures provide meaningful information about the underlying operating results of our business including insight into the financial measures that our senior management uses in managing our business. Among other things our senior management is compensated based in part on AEGON's results against targets using the non-IFRS measures presented here. While other insurers in our peer group present substantially similar non-IFRS measures, the non-IFRS measures presented in this document may nevertheless differ from the non-IFRS measures presented by other insurers. There is no standardized meaning to these measures under IFRS or any other recognized set of accounting standards and readers are cautioned to consider carefully the different ways in which we and our peers present similar information before comparing them.

AEGON believes the non-IFRS measures shown herein, when read together with our reported IFRS financial statements, provide meaningful supplemental information for the investing public to evaluate AEGON's business after eliminating the impact of current IFRS accounting policies for financial instruments and insurance contracts, which embed a number of accounting policy alternatives that companies may select in presenting their results (i.e. companies can use different local GAAPs) and that can make the comparability from period to period difficult.

For a definition of underlying earnings and the reconciliation from underlying earnings before tax to income before tax we refer to Note 3 "Segment information" of our Condensed consolidated interim financial statements.

- 2) Net income refers to net income attributable to equity holders of AEGON N.V. and minority interest.
- 3) Sales is defined as new recurring premiums plus 1/10 of single premiums plus 1/10 of gross deposits plus new premium production accident and health plus new premium production general insurance.
- 4) The present value of future distributable earnings on the block of business sold in the reporting period. Value of new business is calculated using beginning of year economic assumptions and assumptions outside of management control, and beginning of quarter operating assumptions
- 5) Return on equity is calculated by dividing the net underlying earnings after cost of leverage by the average shareholders' equity excluding the preferred shares and the revaluation reserve.
- 6) Capital securities that are denominated in foreign currencies are, for purposes of calculating the capital base ratio, revalued to the period-end exchange rate. All ratios exclude AEGON's revaluation reserve.
- 7) Included in other income/(charges) are charges made to policyholders with respect to income tax in the United Kingdom.
- 8) Includes production on investment contracts without a discretionary participation feature of which the proceeds are not recognized as revenues but are directly added to our investment contract liabilities.
- 9) APE = recurring premium + 1/10 single premium.
- 10) PVNBP: Present Value New Business Premium.
- 11) Reconciliation of operating expenses, used for segment reporting, to our IFRS based operating expenses.

	Q2 2011	YTD 2011
Employee expenses	517	1.054
Administrative expenses	313	597
Operating expenses for IFRS reporting	830	1.651
Operating expenses related to associates	17	33
Operating expenses in earnings release	847	1.684

- 12) New life sales, gross deposits and net deposits data include results of our associated companies in Spain, India, Brazil and Mexico which are consolidated on a proportionate basis.
- 13) Operational free cash flow reflect the sum of the return on free surplus, earnings on in-force business, release of required surplus on in-force business reduced by new business first year strain and required surplus on new business. Refer to our Embedded Value 2010 report for further details.
- a) The calculation of the IGD (Insurance Group Directive) capital surplus and ratio are based on Solvency I capital requirements on IFRS for entities within the EU (Pillar 1 for AEGON UK), and local regulatory solvency measurements for non-EU entities. Specifically, required capital for the life insurance companies in the US is calculated as two times the upper end of the Company Action Level range (200%) as applied by the National Association of Insurance Commissioners in the US. The calculation of the IGD ratio excludes the available and required capital of the UK With-Profit funds. In the UK solvency surplus calculation the local regulator only allows the available capital number of the With-Profit funds included in overall local available capital to be equal to the amount of With-Profit funds' required capital.
- b) The results in this release are unaudited.
- c) The comparative 2010 earnings and sales information has been revised to reflect the transfer of the Life Reinsurance and BOLI/COLI businesses to the Run-off businesses line to make the information consistent with the current period figures.

Currencies

Income statement items: average rate 1 EUR = USD 1.4025 (2010: USD 1.3279).

Income statement items: average rate 1 EUR = GBP 0.8670 (2010: GBP 0.8696).

Balance sheet items: closing rate 1 EUR = USD 1.4499 (2010: USD 1.2271; year-end 2010: USD 1.3362).

Balance sheet items: closing rate 1 EUR = GBP 0.9031 (2010: GBP 0.8175; year-end 2010: GBP 0.8608).

ADDITIONAL INFORMATION

The Hague, August 11, 2011

Press conference call

8:00 am CET: Audio webcast on www.aegon.com

Analyst & investor presentation / conference call

9:00 am CET: Audio webcast on www.aegon.com

Call-in numbers

United States: +1 480 629 9673

United Kingdom: +44 207 153 2027

The Netherlands: +31 45 631 6902

Replay

Two hours after the conference call, a replay will be available on www.aegon.com and on the following phone numbers:

United Kingdom: +44 207 154 2833, access code: 4458655#

United States: +1 303 590 3030, access code: 4458655#

Supplements

AEGON's Q2 2011 Financial Supplement and Condensed Consolidated Interim Financial Statements are available on www.aegon.com.

About AEGON

As an international life insurance, pension and asset management company based in The Hague, AEGON has businesses in over twenty markets in the Americas, Europe and Asia. AEGON companies employ approximately 26,500 people and have some 40 million customers across the globe.

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Key figures - EUR	Second quarter 2011	Full year 2010
Underlying earnings before tax	401 million	1.8 billion
New life sales	431 million	2.1 billion
Gross deposits	6.7 billion	33 billion
Revenue-generating investments (end of period)	391 billion	413 billion

DISCLAIMERS

Cautionary note regarding non-GAAP measures

This document includes certain non-GAAP financial measures: underlying earnings before tax and value of new business. The reconciliation of underlying earnings before tax to the most comparable IFRS measure is provided in Note 3 "Segment information" of our Condensed consolidated interim financial statements. Value of new business is not based on IFRS, which are used to report AEGON's primary financial statements and should not be viewed as a substitute for IFRS financial measures. We may define and calculate value of new business differently than other companies. Please see AEGON's Embedded Value Report dated May 12, 2011 for an explanation of how we define and calculate. AEGON believes that these non-GAAP measures, together with the IFRS information, provide a meaningful measure for the investment community to evaluate AEGON's business relative to the businesses of our peers.

Local currencies and constant currency exchange rates

This document contains certain information about our results and financial condition in USD for the Americas and GBP for the United Kingdom, because those businesses operate and are managed primarily in those currencies. Certain comparative information presented on a constant currency basis eliminates the effects of changes in currency exchange rates. None of this information is a substitute for or superior to financial information about us presented in EUR, which is the currency of our primary financial statements.

Forward-looking statements

The statements contained in this document that are not historical facts are forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995. The following are words that identify such forward-looking statements: aim, believe, estimate, target, intend, may, expect, anticipate, predict, project, counting on, plan, continue, want, forecast, goal, should, would, is confident, will, and similar expressions as they relate to our company. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. We undertake no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which merely reflect company expectations at the time of writing. Actual results may differ materially from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:

- Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom;
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
 - The frequency and severity of defaults by issuers in our fixed income investment portfolios; and
 - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities we hold;
- The frequency and severity of insured loss events;
- Changes affecting mortality, morbidity, persistence and other factors that may impact the profitability of our insurance products;
- Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
- Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- Changes in laws and regulations, particularly those affecting our operations, the products we sell, and the attractiveness of certain products to our consumers;
- Regulatory changes relating to the insurance industry in the jurisdictions in which we operate;
- Acts of God, acts of terrorism, acts of war and pandemics;
- Changes in the policies of central banks and/or governments;
- Lowering of one or more of our debt ratings issued by recognized rating organizations and the adverse impact such action may have on our ability to raise capital and on our liquidity and financial condition;
- Lowering of one or more of insurer financial strength ratings of our insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability of its insurance subsidiaries and liquidity;
- The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital we are required to maintain;
- Litigation or regulatory action that could require us to pay significant damages or change the way we do business;
- Customer responsiveness to both new products and distribution channels;
- Competitive, legal, regulatory, or tax changes that affect the distribution cost of or demand for our products;
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including our ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- Our failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving initiatives.

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.



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS Q2 2011

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CONDENSED CONSOLIDATED INCOME STATEMENT

EUR millions (except per share data)	Notes	Q2 2011	Q2 2010	Ytd 2011	Ytd 2010
Premium income	4	4,501	5,264	10,778	11,427
Investment income	5	2,099	2,286	4,210	4,378
Fee and commission income		428	405	888	841
Other revenues		2	-	4	1
Total revenues		7,030	7,955	15,880	16,647
Income from reinsurance ceded		477	426	907	906
Results from financial transactions	6	932	(4,978)	2,045	1,314
Other income	7	(3)	34	34	34
Total income		8,436	3,437	18,866	18,901
Benefits and expenses	8	7,759	2,640	17,618	17,440
Impairment charges / (reversals)	9	106	106	170	276
Interest charges and related fees		117	99	228	195
Other charges	10	(7)	116	21	116
Total charges		7,975	2,961	18,037	18,027
Share in net result of associates		12	9	17	19
Income / (loss) before tax		473	485	846	893
Income tax (expense) / benefit		(69)	(72)	(115)	(108)
Net income / (loss)		404	413	731	785
Net income / (loss) attributable to:					
Equity holders of AEGON N.V.		403	413	730	784
Non-controlling interests		1	-	1	1
Earnings and dividend per share (EUR per share)					
Earnings per share ¹		(0.04)	0.16	(0.09)	0.35
Earnings per share, excluding premium on convertible core capital securities		0.16	0.16	0.32	0.35
Diluted earnings per share ^{1,2}		(0.04)	0.16	(0.09)	0.35
Earnings per share after potential attribution to convertible core capital securities ^{1,3}		-	0.13	-	0.30
Diluted earnings per share after conversion of convertible core capital securities ^{1,2}		-	0.12	-	0.27
Dividend per common share		-	-	-	-
Net income / (loss) per common share calculation					
Net income / (loss)		403	413	730	784
Preferred dividend		(59)	(90)	(59)	(90)
Coupons on perpetuals		(43)	(49)	(87)	(96)
Coupons and premium on convertible core capital securities		(375)	-	(750)	-
Earnings attributable to common shareholders		(74)	274	(166)	598
Potential coupon on convertible core capital securities		-	(43)	-	(85)
Earnings after potential attribution to convertible core capital securities		(74)	231	(166)	513
Weighted average number of common shares outstanding		1,880	1,707	1,823	1,707
Weighted average number of common shares outstanding, after conversion of convertible core capital securities		-	2,207	-	2,207

¹ After deduction of preferred dividend, coupons on perpetuals and coupons and premium on core capital securities.

² The potential conversion of the convertible core capital securities is taken into account in the calculation of diluted earnings per share if this would have a dilutive effect (i.e. diluted earnings per share would be lower than the earnings after potential attribution to convertible core capital securities).

³ Reflect basic earnings per share. For Q2 2011, basic earnings per share is EUR (0.04).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR millions	Q2 2011	Q2 2010	Ytd 2011	Ytd 2010
Net income / (loss)	404	413	731	785
Other comprehensive income:				
Gains / (losses) on revaluation of available-for-sale investments	565	1,492	365	3,277
(Gains) / losses transferred to the income statement on disposal and impairment of available-for-sale investments	(158)	(122)	(219)	(142)
Changes in revaluation reserve real estate held for own use	1	4	-	6
Changes in cash flow hedging reserve	84	311	(3)	319
Movement in foreign currency translation and net foreign investment hedging reserve	(293)	1,381	(1,173)	2,234
Equity movements of associates	1	(10)	(7)	8
Disposal of group assets	-	(22)	-	(22)
Aggregate tax effect of items recognized in other comprehensive income	(156)	(659)	(56)	(1,237)
Other	(7)	2	(6)	(7)
Other comprehensive income for the period	37	2,377	(1,099)	4,436
Total comprehensive income	441	2,790	(368)	5,221
Total comprehensive income attributable to:				
Equity holders of AEGON N.V.	441	2,790	(368)	5,218
Non-controlling interests	-	-	-	3

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		June 30, 2011	Dec. 31, 2010
<i>EUR millions</i>	Notes		
ASSETS			
Intangible assets	11	4,016	4,359
Investments	12	132,837	143,188
Investments for account of policyholders	13	142,672	146,237
Derivatives		5,221	6,251
Investments in associates		743	733
Reinsurance assets		6,302	5,580
Deferred expenses and rebates	14	11,222	11,948
Other assets and receivables		8,512	8,776
Cash and cash equivalents		4,450	5,231
Total assets		315,975	332,303
EQUITY AND LIABILITIES			
Shareholders' equity		16,845	17,210
Convertible core capital securities	16	-	1,500
Other equity instruments		4,711	4,704
Issued capital and reserves attributable to equity holders of AEGON N.V.		21,556	23,414
Non-controlling interests		11	11
Group equity		21,567	23,425
Trust pass-through securities		131	143
Subordinated borrowings		16	-
Insurance contracts		94,390	100,506
Insurance contracts for account of policyholders		76,149	77,650
Investment contracts		20,578	23,237
Investment contracts for account of policyholders		68,058	69,527
Derivatives		5,563	5,971
Borrowings	17	9,409	8,518
Other liabilities		20,114	23,326
Total liabilities		294,408	308,878
Total equity and liabilities		315,975	332,303

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR millions	Share capital ²	Retained earnings	Revaluation reserves	Other reserves	Convertible core capital securities	Other equity instruments	Issued capital and reserves ¹	Non-controlling interests	Total
Six months ended June 30, 2011									
At beginning of year	8,184	9,421	958	(1,353)	1,500	4,704	23,414	11	23,425
Net income recognized in the income statement	-	730	-	-	-	-	730	1	731
Other comprehensive income:									
Gains / (losses) on revaluation of available-for-sale investments	-	-	365	-	-	-	365	-	365
(Gains) / losses transferred to income statement on disposal and impairment of available-for-sale investments	-	-	(219)	-	-	-	(219)	-	(219)
Changes in cash flow hedging reserve	-	-	(3)	-	-	-	(3)	-	(3)
Movement in foreign currency translation and net foreign investment hedging reserves	-	-	-	(1,173)	-	-	(1,173)	-	(1,173)
Equity movements of associates	-	-	-	(7)	-	-	(7)	-	(7)
Aggregate tax effect of items recognized in other comprehensive income	-	-	(112)	56	-	-	(56)	-	(56)
Other	-	(5)	-	-	-	-	(5)	(1)	(6)
Total other comprehensive income	-	(5)	31	(1,124)	-	-	(1,098)	(1)	(1,099)
Total comprehensive income for 2011	-	725	31	(1,124)	-	-	(368)	-	(368)
Shares issued	913	-	-	-	-	-	913	-	913
Repurchase of convertible core capital securities	-	-	-	-	(1,500)	-	(1,500)	-	(1,500)
Preferred dividend	-	(59)	-	-	-	-	(59)	-	(59)
Coupons on perpetuals	-	(87)	-	-	-	-	(87)	-	(87)
Coupons and premium on convertible core capital securities	-	(750)	-	-	-	-	(750)	-	(750)
Share options	-	-	-	-	-	7	7	-	7
Other	-	(14)	-	-	-	-	(14)	-	(14)
At end of period	9,097	9,236	989	(2,477)	-	4,711	21,556	11	21,567
Six months ended June 30, 2010									
At beginning of year	8,184	7,995	(1,709)	(2,306)	2,000	4,709	18,873	10	18,883
Net income / (loss) recognized in the income statement	-	784	-	-	-	-	784	1	785
Other comprehensive income:									
Gains / (losses) on revaluation of available-for-sale investments	-	-	3,277	-	-	-	3,277	-	3,277
(Gains) / losses transferred to income statement on disposal and impairment of available-for-sale investments	-	-	(142)	-	-	-	(142)	-	(142)
Changes in revaluation reserve real estate held for own use	-	-	6	-	-	-	6	-	6
Changes in cash flow hedging reserve	-	-	319	-	-	-	319	-	319
Movement in foreign currency translation and net foreign investment hedging reserves	-	-	-	2,234	-	-	2,234	-	2,234
Equity movements of associates	-	-	-	8	-	-	8	-	8
Disposal of group assets	-	-	(22)	-	-	-	(22)	-	(22)
Aggregate tax effect of items recognized in other comprehensive income	-	-	(1,141)	(96)	-	-	(1,237)	-	(1,237)
Other	-	(9)	-	-	-	-	(9)	2	(7)
Total other comprehensive income	-	(9)	2,297	2,146	-	-	4,434	2	4,436
Total comprehensive income / (loss) for 2010	-	775	2,297	2,146	-	-	5,218	3	5,221
Preferred dividend	-	(90)	-	-	-	-	(90)	-	(90)
Coupons on perpetual securities	-	(96)	-	-	-	-	(96)	-	(96)
Share options	-	-	-	-	-	(7)	(7)	-	(7)
At end of period	8,184	8,584	588	(160)	2,000	4,702	23,898	13	23,911

¹ Issued capital and reserves attributable to equity holders of AEGON N.V.

² For a breakdown of share capital please refer to note 15.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

<i>EUR millions</i>	Ytd 2011	Ytd 2010
Cash flow from operating activities	(345)	1,490
Purchases and disposals of intangible assets	(7)	(11)
Purchases and disposals of equipment and other assets	(25)	(53)
Purchases, disposals and dividends of subsidiaries and associates	(7)	(169)
Cash flow from investing activities	(39)	(233)
Issuance and purchase of share capital	913	-
Dividends paid	(59)	(90)
Issuances, repurchases and coupons of convertible core capital securities	(2,250)	-
Issuances, repurchases and coupons of perpetuals	(117)	(129)
Issuances and repayments on borrowings	1,149	73
Cash flow from financing activities	(364)	(146)
Net increase / (decrease) in cash and cash equivalents	(748)	1,111
Net cash and cash equivalents at January 1	5,174	4,013
Effects of changes in exchange rate	(46)	113
Net cash and cash equivalents at end of period	4,380	5,237
	June 30, 2011	June 30, 2010
Cash and cash equivalents	4,450	5,328
Bank overdrafts	(70)	(91)
Net cash and cash equivalents	4,380	5,237

Notes to the condensed consolidated interim financial statements

Amounts in EUR millions, unless otherwise stated

1. Basis of presentation

The condensed consolidated interim financial statements as at and for the second quarter ended June 30, 2011, have been prepared in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union (EU) as issued by the International Accounting Standards Board (IASB). It does not include all of the information required for a full set of financial statements prepared in accordance with IFRS and should therefore be read together with the 2010 consolidated financial statements of AEGON N.V. as included in AEGON's Annual Report for 2010. AEGON's Annual Report for 2010 is available on our website (www.aegon.com).

The condensed consolidated interim financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investment properties and those financial instruments (including derivatives) and financial liabilities that have been measured at fair value. The condensed consolidated interim financial statements were approved by the Executive Board on August 10, 2011.

The published figures in these condensed consolidated interim financial statements are unaudited.

2. Significant accounting policies

All accounting policies and methods of computation applied in the condensed consolidated interim financial statements are the same as those applied in the 2010 consolidated financial statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as adopted by the European Union.

Taxes on income for the first six months of 2011 interim period are accrued using the tax rate that would be applicable to expected total annual earnings.

The following standards, interpretations, amendments to standards and interpretations became effective in 2011:

- ◆ Amendment to IAS 24 - Related party disclosures.
- ◆ Amendment to IFRS 1 - First time adoption.
- ◆ Amendment to IFRIC 14 - Prepayments of a minimum funding requirement.
- ◆ Amendment to IAS 32 - Classification of Rights Issues.
- ◆ IFRIC 19 - Extinguishing financial liabilities with equity instruments.
- ◆ Improvements to IFRS (2010).

None of these new or revised standards and interpretations had a significant effect on the condensed consolidated interim financial statements for the period ended June 30, 2011.

AEGON has not early adopted any other standards, interpretations or amendments, that have been issued but are not yet effective.

Critical accounting estimates

Certain amounts recorded in the condensed consolidated interim financial statements reflect estimates and assumptions made by management. Actual results may differ from the estimates made.

Exchange rates

The following exchange rates are applied for the condensed consolidated interim financial statements:

Income statement items: average rate 1 EUR = USD 1.4025 (2010: USD 1.3279); 1 EUR = GBP 0.8670 (2010: GBP 0.8696).
Balance sheet items: closing rate 1 EUR = USD 1.4499 (2010: USD 1.3362); 1 EUR = GBP 0.9031 (2010: GBP 0.8608).

3. Segment information

3.1 Income statement

Three months ended June 30, 2011

<i>EUR millions</i>	Americas	The Netherlands	United Kingdom	New Markets	Holding and other activities	Eliminations	Non-IFRS Total	Associates eliminations	Total IFRS based
Three months ended June 30, 2011									
Underlying earnings before tax geographically	325	74	10	59	(68)	1	401	(4)	397
Fair value items	(52)	2	-	(3)	30	-	(23)	-	(23)
Realized gains / (losses) on investments	51	142	11	-	-	-	204	-	204
Impairment charges	(69)	(3)	(40)	(4)	-	-	(116)	1	(115)
Impairment reversals	16	-	-	-	-	-	16	-	16
Other income / (charges)	(3)	(11)	1	(3)	-	-	(16)	-	(16)
Run-off businesses	10	-	-	-	-	-	10	-	10
Income before tax	278	204	(18)	49	(38)	1	476	(3)	473
Income tax (expense) / benefit	(41)	(35)	-	(10)	14	-	(72)	3	(69)
Net income	237	169	(18)	39	(24)	1	404	-	404
<i>Inter-segment underlying earnings</i>	<i>(31)</i>	<i>(10)</i>	<i>(17)</i>	<i>53</i>	<i>5</i>				
Revenues									
Life insurance gross premiums	1,489	483	1,648	299	-	-	3,919	(69)	3,850
Accident and health insurance	435	40	-	13	-	-	488	(1)	487
General insurance	-	127	-	37	-	-	164	-	164
Total gross premiums	1,924	650	1,648	349	-	-	4,571	(70)	4,501
Investment income	896	549	609	63	67	(66)	2,118	(19)	2,099
Fee and commission income	249	79	36	117	-	(53)	428	-	428
Other revenues	1	-	-	-	1	-	2	-	2
Total revenues	3,070	1,278	2,293	529	68	(119)	7,119	(89)	7,030
<i>Inter-segment revenues</i>	<i>3</i>	<i>-</i>	<i>1</i>	<i>53</i>	<i>62</i>				

Three months ended June 30, 2010

<i>EUR millions</i>	Americas	The Netherlands	United Kingdom	New Markets	Holding and other activities	Eliminations	Non-IFRS Total	Associates eliminations	Total IFRS based
Three months ended June 30, 2010									
Underlying earnings before tax geographically	398	97	22	40	(76)	2	483	-	483
Fair value items	(33)	68	(14)	(4)	(14)	-	3	-	3
Realized gains / (losses) on investments	17	23	3	8	97	-	148	(2)	146
Impairment charges	(92)	(6)	(1)	(9)	-	-	(108)	-	(108)
Impairment reversals	31	-	-	-	-	-	31	-	31
Other income / (charges)	(105)	33	23	(11)	-	-	(60)	-	(60)
Run-off businesses	(10)	-	-	-	-	-	(10)	-	(10)
Income before tax	206	215	33	24	7	2	487	(2)	485
Income tax (expense) / benefit	(7)	(45)	(6)	(9)	(7)	-	(74)	2	(72)
Net income	199	170	27	15	-	2	413	-	413
<i>Inter-segment underlying earnings</i>	<i>(46)</i>	<i>(14)</i>	<i>(19)</i>	<i>75</i>	<i>4</i>				
Revenues									
Life insurance gross premiums	1,772	520	2,008	357	-	-	4,657	(87)	4,570
Accident and health insurance	485	32	-	13	-	-	530	(1)	529
General insurance	-	124	-	41	-	-	165	-	165
Total gross premiums	2,257	676	2,008	411	-	-	5,352	(88)	5,264
Investment income	1,089	547	597	58	91	(80)	2,302	(16)	2,286
Fee and commission income	231	90	41	115	-	(72)	405	-	405
Other revenues	-	-	-	-	-	-	-	-	-
Total revenues	3,577	1,313	2,646	584	91	(152)	8,059	(104)	7,955
<i>Inter-segment revenues</i>	<i>-</i>	<i>-</i>	<i>2</i>	<i>72</i>	<i>78</i>				

Six months ended June 30, 2011

<i>EUR millions</i>	Americas	The Netherlands	United Kingdom	New Markets	Holding and other activities	Eliminations	Non-IFRS Total	Associates eliminations	Total IFRS based
Six months ended June 30, 2011									
Underlying earnings before tax geographically	672	155	22	116	(150)	-	815	(8)	807
Fair value items	(64)	(58)	(1)	(3)	18	-	(108)	-	(108)
Realized gains / (losses) on investments	76	177	40	2	-	-	295	-	295
Impairment charges	(152)	(6)	(40)	(6)	-	-	(204)	1	(203)
Impairment reversals	41	1	-	-	-	-	42	-	42
Other income / (charges)	(3)	(19)	(5)	8	-	-	(19)	-	(19)
Run-off businesses	32	-	-	-	-	-	32	-	32
Income before tax	602	250	16	117	(132)	-	853	(7)	846
Income tax (expense) / benefit	(102)	(42)	20	(36)	38	-	(122)	7	(115)
Net income	500	208	36	81	(94)	-	731	-	731
<i>Inter-segment underlying earnings</i>	(65)	(20)	(34)	111	8				
Revenues									
Life insurance gross premiums	3,066	2,354	3,510	668	-	-	9,598	(225)	9,373
Accident and health insurance	875	149	-	45	-	-	1,069	(1)	1,068
General insurance	-	259	-	78	-	-	337	-	337
Total gross premiums	3,941	2,762	3,510	791	-	-	11,004	(226)	10,778
Investment income	1,850	1,069	1,208	119	132	(129)	4,249	(39)	4,210
Fee and commission income	519	174	73	233	-	(111)	888	-	888
Other revenues	1	-	-	1	2	-	4	-	4
Total revenues	6,311	4,005	4,791	1,144	134	(240)	16,145	(265)	15,880
<i>Inter-segment revenues</i>	3	1	1	111	124				

Six months ended June 30, 2010

<i>EUR millions</i>	Americas	The Netherlands	United Kingdom	New Markets	Holding and other activities	Eliminations	Non-IFRS Total	Associates eliminations	Total IFRS based
Six months ended June 30, 2010									
Underlying earnings before tax geographically	735	201	50	86	(144)	1	929	(3)	926
Fair value items	(119)	159	(11)	(1)	(41)	-	(13)	-	(13)
Realized gains / (losses) on investments	41	119	6	11	97	-	274	(2)	272
Impairment charges	(247)	(12)	(12)	(11)	-	-	(282)	-	(282)
Impairment reversals	47	5	3	-	-	-	55	-	55
Other income / (charges)	(105)	33	46	(11)	-	-	(37)	-	(37)
Run-off businesses	(28)	-	-	-	-	-	(28)	-	(28)
Income before tax	324	505	82	74	(88)	1	898	(5)	893
Income tax (expense) / benefit	32	(112)	(32)	(22)	21	-	(113)	5	(108)
Net income	356	393	50	52	(67)	1	785	-	785
<i>Inter-segment underlying earnings</i>	(76)	(28)	(32)	127	9				
Revenues									
Life insurance gross premiums	3,320	2,269	3,955	645	-	-	10,189	(203)	9,986
Accident and health insurance	918	140	-	40	-	-	1,098	(1)	1,097
General insurance	-	259	-	85	-	-	344	-	344
Total gross premiums	4,238	2,668	3,955	770	-	-	11,631	(204)	11,427
Investment income	2,014	1,105	1,156	116	160	(138)	4,413	(35)	4,378
Fee and commission income	484	176	79	227	-	(125)	841	-	841
Other revenues	1	-	-	1	-	-	2	(1)	1
Total revenues	6,737	3,949	5,190	1,114	160	(263)	16,887	(240)	16,647
<i>Inter-segment revenues</i>	-	-	2	125	136				

Non-IFRS measures

This report includes the non-IFRS financial measure: underlying earnings before tax. The reconciliation of this measure to the most comparable IFRS measure is presented in the tables in this note. This non-IFRS measure is calculated by consolidating on a proportionate basis the revenues and expenses of our associated companies in Spain, India, Brazil and Mexico. AEGON believes that its non-IFRS measure provides meaningful information about the underlying operating results of our business including insight into the financial measures that senior management uses in managing the business.

Among other things our senior management is compensated based in part on AEGON's results against targets using the non-IFRS measure presented here. While many other insurers in our peer group present substantially similar non-IFRS measures, the non-IFRS measure presented in this document may nevertheless differ from the non-IFRS measures presented by other insurers. There is no standardized meaning to these measures under IFRS or any other recognized set of accounting standards and readers are cautioned to consider carefully the different ways in which AEGON and its peers present similar information before comparing them.

AEGON believes the non-IFRS measure shown herein, when read together with our reported IFRS financial statements, provides meaningful supplemental information for the investing public to evaluate AEGON's business after eliminating the impact of current IFRS accounting policies for financial instruments and insurance contracts, which embed a number of accounting policy alternatives that companies may select in presenting their results (i.e. companies can use different local GAAPs) and that can make the comparability from period to period difficult.

Underlying earnings

Certain assets held by AEGON Americas, AEGON The Netherlands and AEGON UK are carried at fair value and managed on a total return basis, with no offsetting changes in the valuation of related liabilities. These include assets such as investments in hedge funds, private equities, real estate limited partnerships, convertible bonds and

structured products. Underlying earnings exclude any over- or underperformance compared to management's long-term expected return on assets. Based on current holdings and asset returns, the long-term expected return on an annual basis is 8-10%, depending on asset class, including cash income and market value changes. The expected earnings from these asset classes are net of deferred policy acquisition costs (DPAC) where applicable.

In addition, certain products offered by AEGON Americas contain guarantees and are reported on a fair value basis, including the segregated funds offered by AEGON Canada and the total return annuities and guarantees on variable annuities of AEGON USA. The earnings on these products are impacted by movements in equity markets and risk free interest rates. Short-term developments in the financial markets may therefore cause volatility in earnings. Included in underlying earnings is a long-term expected return on these products and excluded is any over- or underperformance compared to management's expected return. The fair value movements of certain guarantees and the fair value change of derivatives that hedge certain risks on these guarantees of AEGON The Netherlands and Variable Annuities Europe (included in New Markets) are excluded from underlying earnings, the long-term expected return for these guarantees is set at zero.

Holding and other activities include certain issued bonds that are held at fair value through profit or loss. The interest rate risk on these bonds is hedged using swaps. The fair value movement resulting from changes in AEGON's credit spread used in the valuation of these bonds are excluded from underlying earnings and reported under fair value items.

Fair value items

Fair value items include the over- or underperformance of investments and guarantees held at fair value for which the expected long-term return is included in underlying earnings.

In addition, hedge ineffectiveness on hedge transactions, fair value changes on economic hedges without natural offset in earnings and for which no hedge accounting is applied and fair value movements on real estate are included under fair value items.

Realized gains or losses on investments

Includes realized gains and losses on available-for-sale investments, mortgage loans and loan portfolios.

Impairment charges / reversals

Includes impairments / (reversals) on available-for-sale debt securities and impairments on shares including the effect of deferred policyholder acquisition costs, mortgage loans and loan portfolios on amortized cost and associates.

Other income or charges

Other income or charges is used to report any items which cannot be directly allocated to a specific line of business. Also items that are outside the normal course of business are included under this heading.

Other charges include restructuring charges that are considered other charges for segment reporting purposes because they are outside the normal course of business. In the condensed consolidated income statement, these charges are included in operating expenses.

Run-off businesses

Includes underlying results of business units where management has decided to exit the market and to run-off the existing block of business. Currently, this line includes the run-off of the institutional spread-based business, structured settlements blocks of business Bank-Owned and Corporate-Owned Life Insurance (BOLI/COLI) business and life reinsurance business in the United States. AEGON has other blocks of business for which sales have been discontinued and of which the earnings are included in underlying earnings.

On April 26, 2011, AEGON publicly announced the decision of its Executive Board to divest its life reinsurance activities, Transamerica Reinsurance, to SCOR. These activities are no longer reported in underlying earnings but are reflected in the run-off businesses line in the segment reporting (both in 2011 and in 2010). More details on this transaction are given in note 18.

Also, in December 2010, AEGON publicly announced the decision of its Executive Board to discontinue new sales of executive non-qualified benefit plans and related Bank-Owned and Corporate-Owned Life Insurance (BOLI/COLI) business in the United States. Earnings from the BOLI/COLI business are no longer reported in underlying earnings but reflected in the run-off businesses line in the segment reporting (both in 2011 and 2010).

The comparative figures, affecting the Americas segment, regarding the underlying earnings and the run-off businesses have been revised as follows:

EUR millions	Reported	Reclassification		Revised
		BOLI/COLI	Reinsurance	
Three months ended June 30, 2010				
Underlying earnings before tax geographically	522	(13)	(26)	483
Fair value items	3	-	-	3
Realized gains / (losses) on investments	148	-	-	148
Impairment charges	(108)	-	-	(108)
Impairment reversals	31	-	-	31
Other income / (charges)	(60)	-	-	(60)
Run-off businesses	(49)	13	26	(10)
Income before tax	487	-	-	487
Income tax (expense) / benefit	(74)	-	-	(74)
Net income	413	-	-	413

EUR millions	Reported	Reclassification		Revised
		BOLI/COLI	Reinsurance	
Six months ended June 30, 2010				
Underlying earnings before tax geographically	1,010	(25)	(56)	929
Fair value items	(13)	-	-	(13)
Realized gains / (losses) on investments	274	-	-	274
Impairment charges	(282)	-	-	(282)
Impairment reversals	55	-	-	55
Other income / (charges)	(37)	-	-	(37)
Run-off businesses	(109)	25	56	(28)
Income before tax	898	-	-	898
Income tax (expense) / benefit	(113)	-	-	(113)
Net income	785	-	-	785

Share in earnings of associates

Earnings from the Company's associates in insurance companies in Spain, India, Brazil and Mexico are reported on an underlying earnings basis. Other associates are included on a net income basis.

3.2 Investments geographically

At June 30, 2011

amounts in million EUR (unless otherwise stated)									
Americas USD	United Kingdom GBP		Americas	The Netherlands	United Kingdom	New Markets	Holding & other activities	Eliminations	Total EUR
At June 30, 2011									
Investments									
1,806	52	Shares	1,245	632	57	70	-	(2)	2,002
85,594	7,893	Debt securities	59,035	16,194	8,740	2,047	-	-	86,016
14,261	7	Loans	9,836	17,932	8	658	-	-	28,434
19,044	-	Other financial assets	13,135	41	-	44	452	-	13,672
1,018	-	Investments in real estate	702	2,011	-	-	-	-	2,713
121,723	7,952	Investments general account	83,953	36,810	8,805	2,819	452	(2)	132,837
-	25,976	Shares	-	7,975	28,763	3,304	-	(6)	40,036
-	12,834	Debt securities	-	14,662	14,211	256	-	-	29,129
83,383	7,076	Separate accounts and investment funds	57,509	-	7,835	1,267	-	-	66,611
-	3,494	Other financial assets	-	558	3,870	1,376	-	-	5,804
-	987	Investments in real estate	-	-	1,092	-	-	-	1,092
83,383	50,367	Investments for account of policyholders	57,509	23,195	55,771	6,203	-	(6)	142,672
205,106	58,319	Investments on balance sheet	141,462	60,005	64,576	9,022	452	(8)	275,509
119,813	-	Off balance sheet investments third parties	82,635	-	-	33,132	-	-	115,767
324,919	58,319	Total revenue generating investments	224,097	60,005	64,576	42,154	452	(8)	391,276
Investments									
100,337	7,882	Available-for-sale	69,203	16,654	8,727	1,899	5	-	96,488
14,261	7	Loans	9,836	17,932	8	658	-	-	28,434
-	-	Held-to-maturity	-	-	-	141	-	-	141
89,490	49,443	Financial assets at fair value through profit or loss	61,721	23,408	54,749	6,324	447	(8)	146,641
1,018	987	Investments in real estate	702	2,011	1,092	-	-	-	3,805
205,106	58,319	Total investments on balance sheet	141,462	60,005	64,576	9,022	452	(8)	275,509
118	8	Investments in associates	81	59	9	590	4	-	743
29,023	5,735	Other assets	20,018	10,169	6,351	1,765	28,037	(26,617)	39,723
234,247	64,062	Consolidated total assets	161,561	70,233	70,936	11,377	28,493	(26,625)	315,975

At December 31, 2010

amounts in million EUR (unless otherwise stated)									
Americas USD	United Kingdom GBP		Americas	The Netherlands	United Kingdom	New Markets	Holding & other activities	Eliminations	Total EUR
At December 31, 2010									
Investments									
1,737	53	Shares	1,300	945	62	72	-	(3)	2,376
89,687	7,917	Debt securities	67,121	18,504	9,198	2,041	-	-	96,864
15,249	8	Loans	11,412	15,629	9	653	-	-	27,703
17,481	-	Other financial assets	13,083	40	-	45	293	-	13,461
974	-	Investments in real estate	729	2,055	-	-	-	-	2,784
125,128	7,978	Investments general account	93,645	37,173	9,269	2,811	293	(3)	143,188
-	25,470	Shares	-	8,087	29,589	3,139	-	(5)	40,810
-	13,573	Debt securities	-	14,435	15,768	223	-	-	30,426
79,308	6,393	Separate accounts and investment funds	59,353	-	7,427	1,309	-	-	68,089
-	3,250	Other financial assets	-	536	3,775	1,467	-	-	5,778
-	976	Investments in real estate	-	-	1,134	-	-	-	1,134
79,308	49,662	Investments for account of policyholders	59,353	23,058	57,693	6,138	-	(5)	146,237
204,436	57,640	Investments on balance sheet	152,998	60,231	66,962	8,949	293	(8)	289,425
115,297	-	Off balance sheet investments third parties	86,287	12,353	-	25,126	-	-	123,766
319,733	57,640	Total revenue generating investments	239,285	72,584	66,962	34,075	293	(8)	413,191
Investments									
102,792	7,899	Available-for-sale	76,929	19,261	9,177	1,879	4	-	107,250
15,249	8	Loans	11,412	15,629	9	653	-	-	27,703
-	-	Held-to-maturity	-	-	-	139	-	-	139
85,421	48,757	Financial assets at fair value through profit or loss	63,928	23,286	56,642	6,278	289	(8)	150,415
974	976	Investments in real estate	729	2,055	1,134	-	-	-	3,918
204,436	57,640	Total investments on balance sheet	152,998	60,231	66,962	8,949	293	(8)	289,425
114	8	Investments in associates	85	59	9	576	4	-	733
27,165	5,415	Other assets	20,331	11,626	6,290	1,703	30,824	(28,629)	42,145
231,715	63,063	Consolidated total assets	173,414	71,916	73,261	11,228	31,121	(28,637)	332,303

The decline in off balance sheet investments third parties in the Netherlands reflect a transfer of third party asset management operations from AEGON The Netherlands to AEGON Asset Management, included in New Markets.

4. Premium income and premium to reinsurers

EUR millions	Q2 2011	Q2 2010	Ytd 2011	Ytd 2010
Gross				
Life	3,850	4,570	9,373	9,986
Non-Life	651	694	1,405	1,441
Total	4,501	5,264	10,778	11,427
Reinsurance				
Life	380	371	742	698
Non-Life	87	91	168	169
Total	467	462	910	867

5. Investment income

EUR millions	Q2 2011	Q2 2010	Ytd 2011	Ytd 2010
Interest income	1,785	2,057	3,622	3,934
Dividend income	273	184	501	357
Rental income	41	45	87	87
Total investment income	2,099	2,286	4,210	4,378
Investment income related to general account	1,432	1,651	2,903	3,141
Investment income for account of policyholders	667	635	1,307	1,237
Total	2,099	2,286	4,210	4,378

6. Results from financial transactions

EUR millions	Q2 2011	Q2 2010	Ytd 2011	Ytd 2010
Net fair value change of general account financial investments at FVTPL other than derivatives	30	(26)	157	20
Realized gains and losses on financial investments	277	184	381	335
Gains and (losses) on investments in real estate	(15)	(43)	(26)	(47)
Net fair value change of derivatives	(78)	553	(601)	1,357
Net fair value change on for account of policyholder financial assets at FVTPL	728	(5,736)	2,138	(498)
Net fair value change on investments in real estate for account of policyholders	5	20	11	72
Net foreign currency gains and (losses)	(1)	52	(9)	84
Net fair value change on borrowings and other financial liabilities	(18)	18	(10)	(9)
Realized gains and (losses) on repurchased debt	4	-	4	-
Total	932	(4,978)	2,045	1,314

Net fair value changes on for account of policyholder financial assets at fair value through profit and loss are

offset by amounts in Claims and benefits reported in the Benefits and expenses line (note 8).

7. Other income

In 2011, other income mainly relates to a benefit related to a settlement of legal claims.

8. Benefits and expenses

EUR millions	Q2 2011	Q2 2010	Ytd 2011	Ytd 2010
Claims and benefits	6,945	2,009	16,013	15,917
Employee expenses	517	552	1,054	1,067
Administration expenses	313	274	597	553
Deferred expenses	(371)	(426)	(758)	(803)
Amortization charges	355	231	712	706
Total	7,759	2,640	17,618	17,440

Claims and benefits includes the claims and benefits paid to policyholders, including claims and benefits in excess of account value for products for which deposit accounting is applied and the change in valuation of liabilities for insurance and investment contracts. Claims and benefits increased

mainly as a result of changes in technical provisions resulting from fair value changes on for account of policyholder financial assets included in results from financial transactions (note 6).

9. Impairment charges / (reversals)

EUR millions	Q2 2011	Q2 2010	Ytd 2011	Ytd 2010
Impairment charges / (reversals) comprise:				
Impairment charges on financial assets, excluding receivables ¹	121	134	209	327
Impairment reversals on financial assets, excluding receivables ¹	(16)	(31)	(42)	(55)
Impairment charges / (reversals) on non-financial assets and receivables	1	3	3	4
Total	106	106	170	276
Impairment charges on financial assets, excluding receivables, from:				
Shares	1	1	3	4
Debt securities and money market instruments	115	107	185	276
Loans	6	26	15	47
Other	(1)	-	6	-
Total	121	134	209	327
Impairment reversals on financial assets, excluding receivables, from:				
Debt securities and money market instruments	(14)	(28)	(38)	(52)
Loans	(2)	(3)	(4)	(3)
Total	(16)	(31)	(42)	(55)

¹ Impairment charges / (reversals) on financial assets, excluding receivables, are excluded from underlying earnings before tax for segment reporting (refer to note 3).

10. Other charges

In 2011, other charges includes an annual charge related to a bank tax charged by the Hungarian government of EUR 20 million.

11. Intangible assets

EUR millions	June 30, 2011	Dec. 31, 2010
Goodwill	636	652
VOBA	2,932	3,221
Future servicing rights	407	444
Software	29	32
Other	12	10
Total intangible assets	4,016	4,359

The decrease in goodwill and future servicing rights is mainly attributable to foreign currency effects. In addition, future servicing rights decreased due to amortization.

The decrease in value of business acquired (VOBA) is mainly attributable to foreign currency effects and amortization partly offset by the impact of shadow accounting.

12. Investments

EUR millions	June 30, 2011	Dec. 31, 2010
Available-for-sale (AFS)	96,488	107,250
Loans	28,434	27,703
Held-to-maturity (HTM)	141	139
Financial assets at fair value through profit or loss (FVTPL)	5,061	5,312
Financial assets, excluding derivatives	130,124	140,404
Investments in real estate	2,713	2,784
Total investments for general account	132,837	143,188

Total financial assets, excluding derivatives					
	AFS	FVTPL	HTM	Loans	Total
Shares	981	1,021	-	-	2,002
Debt securities	84,362	1,513	141	-	86,016
Money market and other short term investments	10,343	781	-	-	11,124
Mortgages	-	-	-	24,817	24,817
Private loans	-	-	-	804	804
Deposits with financial institutions	-	-	-	648	648
Policy loans	-	-	-	1,995	1,995
Receivables out of share lease agreements	-	-	-	21	21
Other	802	1,746	-	149	2,697
June 30, 2011	96,488	5,061	141	28,434	130,124

	AFS	FVTPL	HTM	Loans	Total
Shares	1,298	1,078	-	-	2,376
Debt securities	94,936	1,789	139	-	96,864
Money market and other short term investments	10,141	659	-	-	10,800
Mortgages	-	-	-	23,781	23,781
Private loans	-	-	-	829	829
Deposits with financial institutions	-	-	-	748	748
Policy loans	-	-	-	2,169	2,169
Receivables out of share lease agreements	-	-	-	25	25
Other	875	1,786	-	151	2,812
Dec. 31, 2010	107,250	5,312	139	27,703	140,404

Government bond investments

Included in our available for sale debt securities and money market investments are EUR 949 million (December 31, 2010: EUR 1,250 million) of exposures to the central governments of

the European peripheral countries of Portugal, Italy, Ireland, Greece and Spain. The table below provides the amortized cost and fair value of these exposures.

EXPOSURE TO CENTRAL GOVERNMENTS OF EUROPEAN PERIPHERAL COUNTRIES

EUR millions	June 30, 2011		Dec. 31, 2010	
	Amortized cost	Fair value	Amortized cost	Fair value
Portugal	13	9	33	32
Italy	89	85	114	112
Ireland	32	24	37	32
Greece	4	4	58	45
Spain	811	745	1,008	904
Total	949	867	1,250	1,125

13. Investments for account of policyholders

EUR millions	June 30, 2011	Dec. 31, 2010
Shares	40,036	40,810
Debt securities	29,129	30,426
Money market and short-term investments	2,275	2,597
Deposits with financial institutions	2,945	2,630
Separate accounts and unconsolidated investment funds	66,611	68,089
Other	584	551
Total investments for account of policyholders at fair value	141,580	145,103
through profit or loss, excluding derivatives		
Investment in real estate	1,092	1,134
Total investments for account of policyholders	142,672	146,237

14. Deferred expenses and rebates

EUR millions	June 30, 2011	Dec. 31, 2010
DPAC for insurance contracts and investment contracts with discretionary participation features	10,636	11,340
Deferred transaction costs for investment management services	371	380
Unamortized interest rate rebates	215	228
Total deferred expenses and rebates	11,222	11,948

Deferred policy acquisition costs (DPAC) balances decreased, reflecting changes in foreign currency exchange rates,

amortization and the impact of shadow accounting partly offset by newly deferred expenses.

15. Share capital

<i>EUR millions</i>	June 30, 2011	Dec. 31, 2010
Share capital - par value	310	278
Share premium	8,787	7,906
Total share capital	9,097	8,184
Share capital - par value		
Balance at January 1	278	278
Issuance	32	-
Balance	310	278
Share premium		
Balance at January 1	7,906	7,906
Issuance	881	-
Balance	8,787	7,906

On March 1, 2011, AEGON completed the issue of 173,604,912 new common shares of AEGON N.V. with a par value of EUR 0.12. The shares were issued at a price of EUR 5.20 per share. The proceeds of EUR 903 million were used to fund part of the repurchase of the convertible core capital securities described in note 16.

On March 15, 2011, Vereniging AEGON exercised its option rights to purchase 41,042,000 class B preferred shares at par value of EUR 0.25 in order to avoid dilution of its voting rights following the issuance of 10% new common shares completed on March 1, 2011.

The new shares have been listed on Euronext Amsterdam, the principal market for AEGON's common shares.

16. Convertible core capital securities

AEGON repurchased EUR 1.5 billion in principal amount of the original EUR 3 billion in convertible core capital securities from the Dutch State. The total payment to the Dutch State amounted to EUR 2,250 million of which EUR 1,500 million related to the repurchase of 375 million convertible core capital securities and EUR 750 million related to the premium attached to this repurchase. This repurchase was completed in two equal tranches on March 15 and June 15 respectively.

With these transactions AEGON has repurchased all of the EUR 3 billion core capital securities issued to the Dutch State at the height of the financial crisis in 2008.

17. Borrowings

EUR millions	June 30, 2011	Dec. 31, 2010
Debentures and other loans	8,901	7,743
Commercial paper	420	701
Short term deposits	18	17
Bank overdrafts	70	57
Total borrowings	9,409	8,518

On April 14, 2011, AEGON The Netherlands sold EUR 1.5 billion class A residential mortgage backed securities (RMBS) to a broad group of institutional investors. These securities consist of two tranches:

- ♦ EUR 375 million of class A1 notes with an expected weighted average life of 1.9 years and priced at par with a coupon of three month Euribor plus 0.95 %.
- ♦ EUR 1,125 million of class A2 notes with an expected weighted average life of 4.9 years and priced at par with a coupon of three month Euribor plus 1.35 %.

The securities were issued under the Dutch SAECURE program. The net proceeds were used to finance a part of the existing Dutch mortgage portfolio of AEGON The Netherlands.

Debentures and other loans increased due to the sale of these residential mortgage backed securities, partly offset by redemptions and negative impact of foreign currency exchange rates.

Included in Debentures and other loans is EUR 960 million relating to borrowings measured at fair value (2010: EUR 987 million).

Commercial paper, Short term deposits and Bank overdrafts vary with the normal course of business.

18. Commitments and contingencies

See note 19 for litigation with respect to Koersplan products.

There have been no material changes in contingent assets and liabilities reported in the 2010 consolidated financial statements of AEGON.

19. Events after the balance sheet date

Effective July 1, 2011, AEGON entered into a joint venture contract with Unnim, the entity which was created by the merger of Caixa Terrassa, Caixa Sabadell and Caixa Manlleu. AEGON Spain is the sole insurance partner of Unnim to provide life and pension insurance products.

On July 26, 2011, the Amsterdam Court of Appeal, an intermediate appeals court, ruled with respect to a specific AEGON unit-linked product (Koersplan).

The Amsterdam Court of Appeal accepted AEGON's positions that Koersplan products sold during the period 1989-1998

entailed an obligation on the part of customers to pay a premium for a death benefit.

However, the Court ruled that AEGON should have more clearly informed its customers about the amount of premium which the company charged in relation to the embedded death benefit. AEGON acknowledges that its level of communication could have been better at the time and has subsequently taken steps to substantially improve its communications with customers.

In its decision, the Court ruled that customers are required to pay a reasonable premium. However, the Court went on to define what it considers to be a reasonable premium at a level below that charged by AEGON. The Court based its decision on a single industry example, which AEGON believes is not representative. It is AEGON's view that, based on the arguments presented, the Court's ruling was wrongly decided. AEGON will appeal the decision to the Supreme Court in the Netherlands.

On August 9, 2011, AEGON completed the previously announced divestment of its life reinsurance business, Transamerica Reinsurance (TARe), to SCOR. The divestment resulted in a total after-tax consideration of USD 1.4 billion, consisting of cash proceeds of USD 0.9 billion and a capital release of USD 0.5 billion.

AEGON has retained certain blocks of business consisting primarily of variable annuity guarantee products with a book value of USD 0.4 billion.

The divestment of TARe consists of a series of reinsurance agreements between various statutory insurance entities and SCOR for the US domestic business. In addition, SCOR has acquired Transamerica International Reinsurance Ireland (TIRI), a company that includes reinsurance contracts that are assumed by AEGON US domestic companies which have been retroceded to TIRI, and has taken over the operational assets and systems of TARe.

The business residing in Transamerica International Reinsurance, Bermuda (TIRe) has been retroceded to SCOR. TIRe will continue to provide reserve credit security for redundant reserves to AEGON USA's ceding companies. AEGON will maintain approximately half of the collateral requirements needed for reinsurance reserve financing. This obligation provides reserve credit security and will run-off over approximately 15 years.

Structuring the transaction as a reinsurance arrangement leaves AEGON exposed to a counter-party risk of SCOR not performing on the reinsurance contracts as the business matures. For such an event, certain levels of collateral related to the reinsured contracts have been placed in trust for AEGON's benefit. SCOR is rated A2/A by Moody's and Standard & Poor's, both with positive outlooks.

The transaction will be accounted for primarily as a reinsurance transaction between AEGON and SCOR. Certain fixed assets and certain investment assets will be transferred with any related gain (loss) being recognized. As a result, the divestment will have no significant impact on shareholders' equity. Earnings on the business retained as well as amortization of the prepaid cost of reinsurance asset will be reflected in the run-off businesses line in AEGON's segment reporting.

The reinsurance business being retained by AEGON, which is comprised primarily of the variable annuity guarantee business, is substantially hedged for financial market risks and produces normalized results which are negligible. In addition, various administration, service and asset management contracts are part of the transaction. The combined result, consisting primarily of the amortization of the prepaid cost of reinsurance, is approximately USD 40 million before tax per annum initially. These costs are expected to trend down as the contracts mature. Transamerica Reinsurance realized underlying earnings before tax of USD 105 million in 2010.

Management statement

The interim report for the six months ended June 30, 2011, consists of the condensed consolidated interim financial statements, the Q2 results release and the responsibility statement by the Company's Executive Board. The information in this interim report is unaudited.

The Executive Board is responsible for preparing the condensed consolidated interim financial statements in accordance with Dutch law and those International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and with IFRS as issued by the International Accounting Standards Board (IASB).

The Executive Board declares that, to the best of its knowledge, the condensed consolidated interim financial statements which have been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU, with IFRS as issued by the IASB, give a true and fair view of the assets, liabilities, financial condition and profit or loss of AEGON N.V. and the undertakings included in the consolidation as a whole and that the Q2 results release includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

The Hague, August 10, 2011

[A.R. Wynaendts](#)

Chairman of the Executive Board and CEO

[J.J. Nooitgedagt](#)

Member of the Executive Board and CFO

To: The Supervisory Board and the Executive Board of AEGON N.V.

Review report

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements for the six month period ended June 30, 2011 of AEGON N.V., The Hague, as set out on pages 2 to 19, which comprises the condensed consolidated statement of financial position as at June 30, 2011 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and the related notes for the six month period then ended. We have not reviewed the income statement, the statement of comprehensive income and the statement of changes in equity for the three month period ended as at June 30, 2011 and 2010. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union and as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the six month period ended June 30, 2011 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union as issued by the International Accounting Standards Board.

The Hague, August 10, 2011

Ernst & Young Accountants LLP

signed by R.J.W. Lelieveld



Disclaimers

Cautionary note regarding non-GAAP measures

This document includes non-GAAP financial measures: underlying earnings before tax. The reconciliation of underlying earnings before tax to the most comparable IFRS measure is provided in Note 3 "Segment information" of this report. AEGON believes that this non-GAAP measure, together with the IFRS information, provide a meaningful measure for the investment community to evaluate AEGON's business relative to the businesses of our peers.

Local currencies and constant currency exchange rates

This document contains certain information about our results and financial condition in USD for the Americas and GBP for the United Kingdom, because those businesses operate and are managed primarily in those currencies. Certain comparative information presented on a constant currency basis eliminates the effects of changes in currency exchange rates. None of this information is a substitute for or superior to financial information about us presented in EUR, which is the currency of our primary financial statements.

Forward-looking statements

The statements contained in this document that are not historical facts are forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995. The following are words that identify such forward-looking statements: aim, believe, estimate, target, intend, may, expect, anticipate, predict, project, counting on, plan, continue, want, forecast, goal, should, would, is confident, will, and similar expressions as they relate to our company. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. We undertake no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which merely reflect company expectations at the time of writing. Actual results may differ materially from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:

- ◆ Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom;
- ◆ Changes in the performance of financial markets, including emerging markets, such as with regard to:
 - The frequency and severity of defaults by issuers in our fixed income investment portfolios; and
 - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities we hold;
- ◆ The frequency and severity of insured loss events;
- ◆ Changes affecting mortality, morbidity, persistence and other factors that may impact the profitability of our insurance products;

- ◆ Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
- ◆ Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- ◆ Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- ◆ Changes in laws and regulations, particularly those affecting our operations, the products we sell, and the attractiveness of certain products to our consumers;
- ◆ Regulatory changes relating to the insurance industry in the jurisdictions in which we operate;
- ◆ Acts of God, acts of terrorism, acts of war and pandemics;
- ◆ Changes in the policies of central banks and/or governments;
- ◆ Lowering of one or more of our debt ratings issued by recognized rating organizations and the adverse impact such action may have on our ability to raise capital and on our liquidity and financial condition;
- ◆ Lowering of one or more of insurer financial strength ratings of our insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability of its insurance subsidiaries and liquidity;
- ◆ The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital we are required to maintain;
- ◆ Litigation or regulatory action that could require us to pay significant damages or change the way we do business;
- ◆ Customer responsiveness to both new products and distribution channels;
- ◆ Competitive, legal, regulatory, or tax changes that affect the distribution cost of or demand for our products;
- ◆ The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including our ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- ◆ Our failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving initiatives.

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.

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Publication date figures in 2011 and 2012

Thursday, November 10, 2011	Results third quarter 2011
Friday, February 17, 2012	Results fourth quarter 2011
Thursday, May 10, 2012	Results first quarter 2012
Thursday, August 9, 2012	Results second quarter 2012
Thursday, November 8, 2012	Results third quarter 2012

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AEGON's Q2 2011 press release and Financial Supplement are available on www.aegon.com.

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 asset management company, AEGON has businesses in over twenty markets in the Americas, Europe and Asia. AEGON companies employ approximately 26,500 people and serve some 40 million customers across the globe.

AEGON uses its strength and expertise to create added value for customers, shareholders, employees 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 leader in all its chosen markets by 2015.