

Results Q3 AEGON

Interview Jan Nooitgedagt – CFO AEGON

Q: Mr. Nooitgedagt, today AEGON announced the First net profit in five quarters, what were the main drivers behind the improvement?

A: The improvement is clear we have done the right things and have taken the right actions. Of course the financial markets have improved in the third quarter, and we are very pleased that we have after 5 quarters a positive income. We have been focussing during the quarter on capital, strong capital and also on cost savings. As you have seen we already achieved our target for the full year this quarter and you can see all kind of benefits from that.

Q: In your view, is the financial crisis over for AEGON, is it a thing of the past?

A: A good thing what you can see during this quarter is the credit spreads. The credit spread came down. You can see it also on our strong equity position. The level of our equity and capital is higher than ever has been the last year. I do not think it is all over, we have to be cautious and that is also one of the reasons that we want to have access to capital, additional buffers for this period of time, for this period of time and this environment we are living in.

Q: Mr. Nooitgedagt, AEGON has put a lot of emphasis on capital in the past year. Will you continue to see that as key in your strategy? Will you continue to pursue capital preservation measures?

A: Yes, we have said that we will free up between 4 and 5 billion capital before 2012. I can tell you that we have succeeded in making available 4 billion of capital now, and we really do believe that that is the right level at this moment in this environment.

Q: What about the capital AEGON received from the Dutch government last year?

A: We announced we will pay back one billion at November 30th, and this will save us 370 million, and don't forget that 1 billion is one third of the amount we received last year.

Q: What about the remaining 2 billion of capital that AEGON will then owe to the Dutch government?

A: We will pay back the remaining 2 billion when it is feasible. It is one of our highest priorities to pay back the 2 billion, but we should not forget that under these circumstances in this environment, we like to have access buffers of capital.

Q: Over the past years, you have said that you focussed on reducing risk to capital markets. What does this entail?

A: The objective is to achieve more stable income for the long run for AEGON. We have taken a lot of measures to reduce our risk. Examples are IMD run off, the sell of Taiwan and all kind of measures to de-risk our investments. We have more liquid assets, we have more cash and one of the impacts of de-risking is also not only capital efficiency but also de-risking which has impact on our earnings. Keep in mind a lot of these measures can be reversed, for instance by investing cash in high quality low-risk assets which we have done in Q3 already.

Q: Let's speak for a moment how AEGON businesses have performed in the third quarter.

A: If you look at our new life-sales for this quarter, it went up 3 % to 484 million. If you look at our net deposits worldwide, it went up 2 billion, I think a great success for our franchise and also even more important for our customers who had great confidence in AEGON. If you look at the UK we had new asset management contracts for our pension business. If you look at the Netherlands we had an increase in saving depositors, so overall I am very happy with our franchise and especially with the customers and the confidence they have in AEGON.

Q: You have established that AEGON had a solid third quarter. What can we expect going forward?

A: Let me summarize. We returned to profit. We have a strong financial position. We have sufficient capital buffers, we are repaying back 1 billion. Our customers have great confidence in AEGON. We are doing the right things and we will continue to do so.

Thank you for your time Mr. Nooitgedagt and much success in the coming months.