



Local knowledge. Global power.

AEGON CORPORATE RESPONSIBILITY REPORT 2005



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AEGON has long been committed to sound and responsible principles of Corporate Governance. This third annual Corporate Responsibility Report provides an opportunity to detail the specific steps senior management and local divisions are taking to ensure that these principles are integrated in the day-to-day function of AEGON's businesses around the world.

AEGON's obligations to its many stakeholders are paramount. It is for this reason that AEGON regards it as necessary to articulate a clear and consistent approach for fulfilling its obligations while ensuring the highest standards of transparent and responsible business practices.

CHAIRMAN'S LETTER



DONALD J. SHEPARD
CHAIRMAN OF THE EXECUTIVE BOARD

Dear Stakeholder,

As a company that provides long-term protection and financial services to individuals, families and institutions in diverse international markets, AEGON also has long-term responsibilities to the communities we serve. On behalf of the Executive Board, I am pleased to present AEGON's 2005 Corporate Responsibility Report which highlights our ongoing efforts to fulfill those responsibilities through sound and responsible business practices.

Recognizing that our business has changed considerably in recent years, we welcome this opportunity to reaffirm AEGON's commitment to conducting our business according to the highest ethical standards. AEGON's Code of Conduct identifies the core values and underlying principles for how we expect our managers, employees and business partners to carry out their work with respect to local laws, customs and industry standards. We require the Code of Conduct to be integrated in the day-to-day operations of each of AEGON's country units and expect employees to fully understand and implement these basic principles in their customer and business relationships. To ensure the broad implementation of the Code, an internet-based training module has been developed and is being rolled-out across our business and country units during 2006. This is a further educational resource that will complement existing employee training programs that have long been a part of AEGON's culture.

Central to AEGON's growth objectives is the firm commitment to transparent products and services and personal accountability in the manner we provide them. As our business evolves in response to changing needs, we continue to invite suggestions from our many stakeholders as to how AEGON can maintain the highest ethical standards in all of our activities. In the final analysis, the only target that truly matters is the continued confidence and trust of our customers, partners, employees and shareholders.

Consistent with our decentralized business model, AEGON encourages a decentralized approach to Corporate Responsibility, within the central framework of AEGON's Code of Conduct. We continue to believe that managers and employees must be responsive to the local environments in which they work and live. This refers not only to regulatory requirements, but to the Corporate Responsibility expectations as defined by specific locales and regions.

Thank you for your ongoing interest in the progress of AEGON.

A handwritten signature in blue ink, appearing to read 'Donald J. Shepard', with a stylized flourish at the end.

Sincerely,
Donald J. Shepard
Chairman of the Executive Board

1. INTRODUCTION



Employees of AEGON Taiwan collect donations for an elderly care foundation

1. INTRODUCTION

AEGON's Corporate Responsibility strategy is a reflection of the company's overall strategic framework, which is comprised of five essential pillars:

- a focus on core businesses of life, pensions, savings and investment products;
- a decentralized organization to allow local managers to identify and serve the opportunities of local markets;
- an emphasis on profitability by achieving a long-term average net income growth of 10% per annum;
- a leading position in chosen markets;
- organic growth, complemented by growth through selective acquisitions and partnership.

AEGON's Corporate Responsibility (CR) approach focuses on three key themes that are directly related to the business; they are: *governance, marketplace, and workplace*. These designations indicate the appropriate contexts for implementing AEGON's CR principles and practices and are detailed extensively within this report.

AEGON's decentralized structure is also reflected in the company's CR approach. While AEGON's parent company provides the general framework for Corporate Responsibility through its business principles and Code of Conduct, each country and business unit is empowered to identify and focus on issues specific to their local situation with respect to Corporate Responsibility. The common objectives of all country units, however, include providing sound and transparent financial products that add value for customers; relying on employees who are committed and knowledgeable in their various responsibilities; and managing the company's businesses with the highest standards of integrity and in the best interests of all stakeholders.

AEGON has received external recognition for its Corporate Responsibility performance, including its continued inclusion in the Dow Jones Sustainability and FTSE4Good indices. AEGON is pleased that its focused approach to integrating Corporate Responsibility into AEGON's business operations is supported by relevant stakeholders. AEGON, as one of the world's leading insurance companies, aspires to remain a leader in the industry, and seeks to deliver lasting value to its customers, shareholders, employees, business partners and the communities in which its managers and employees live and work.

OUR STAKEHOLDERS

CUSTOMERS

We build long-term relationships with our customers by delivering products and services that are designed to improve their financial security, now and in the future. We strive to provide our customers with clear, accurate and timely information to enable them to choose the right products and services for their evolving needs. We show our customers respect by honoring our commitments and soliciting their feedback and then acting upon it.

SHAREHOLDERS

We strive to create sustainable financial returns for all our shareholders while living our values and balancing the interests of all stakeholders. Open, accurate and timely communication allows our shareholders to make informed decisions.

EMPLOYEES

We work together to create a culture in which we encourage and provide our employees incentives for living the core values and being committed to each others' success through teamwork. Everyone is expected to seek the opportunities, training and resources necessary to succeed. We hold each other accountable for living our values, demonstrating initiative and teamwork, and acting in the long-term interest of all of our stakeholders.

BUSINESS PARTNERS

We strive to build long-term relationships with our business partners who we carefully select to share our core values. Together, we work to provide quality products and services. We work to communicate openly and accurately and expect our business partners to do the same, which benefits our stakeholders and allows them to make informed decisions.

COMMUNITIES

We demonstrate that we are good corporate citizens by striving to establish long-term relationships with community stakeholders and enriching the communities where we do business.

2. PROFILE

In the Netherlands a happy couple celebrates their retirement with a bouquet from AEGON

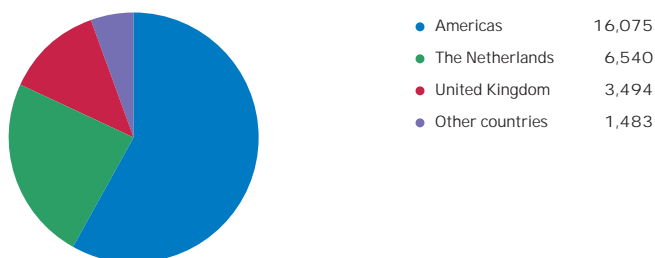


2. PROFILE

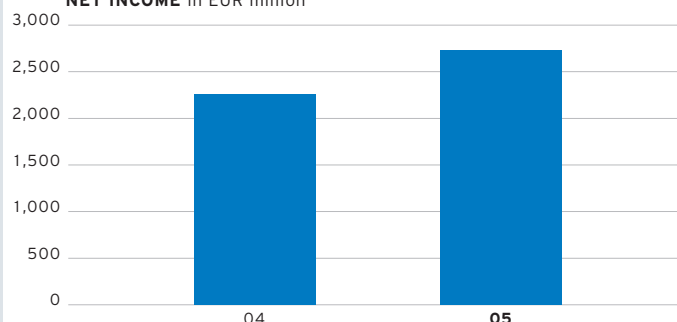
2.1 AEGON PROFILE

AEGON is one of the world's largest life insurance and pension companies, and a strong provider of investment products. AEGON's business model is to empower local business units to identify and provide products and services that meet the evolving needs of customers, using distribution channels best suited to their local markets. AEGON takes pride in balancing a local approach with the power of an expanding global operation.

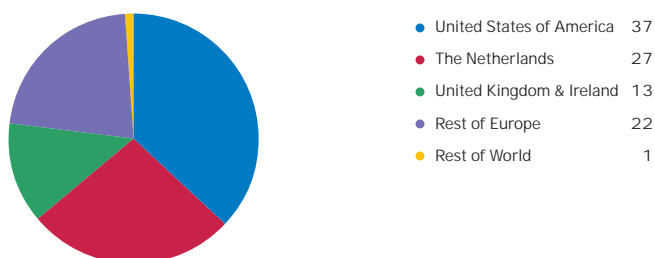
EMBEDDED VALUE LIFE INSURANCE in EUR million



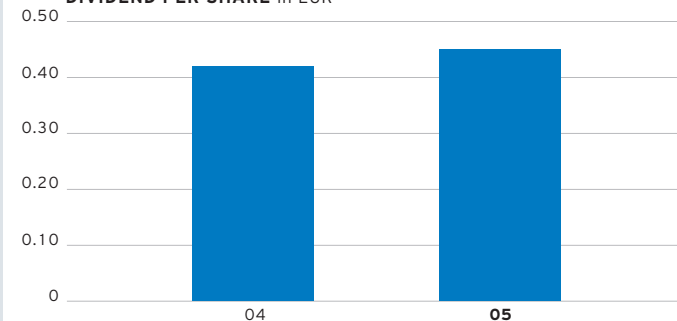
NET INCOME in EUR million



SHAREHOLDER BASE AEGON N.V. COMMON SHARES in percentage (estimated)

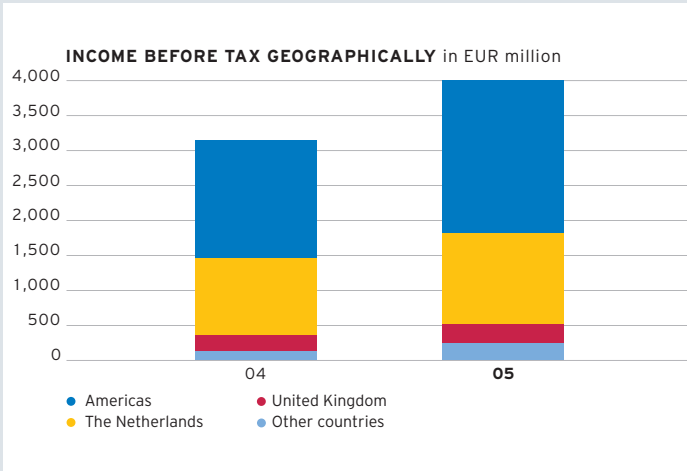
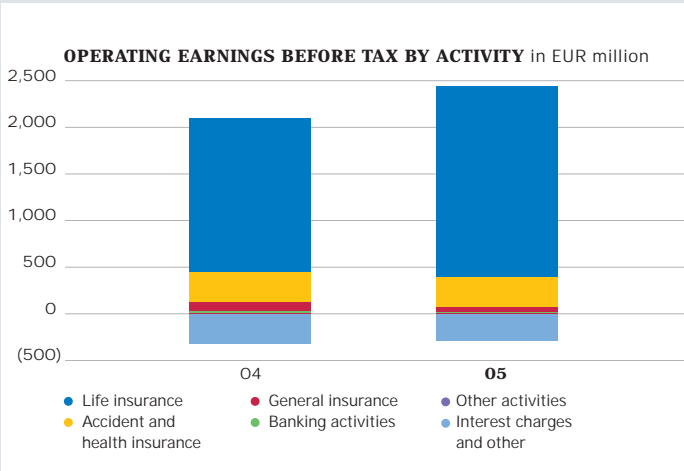
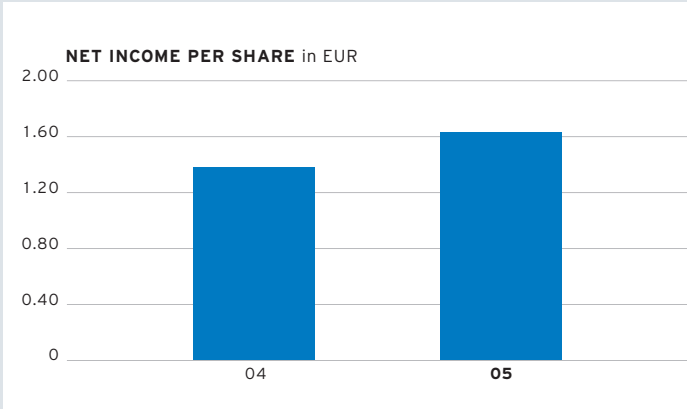
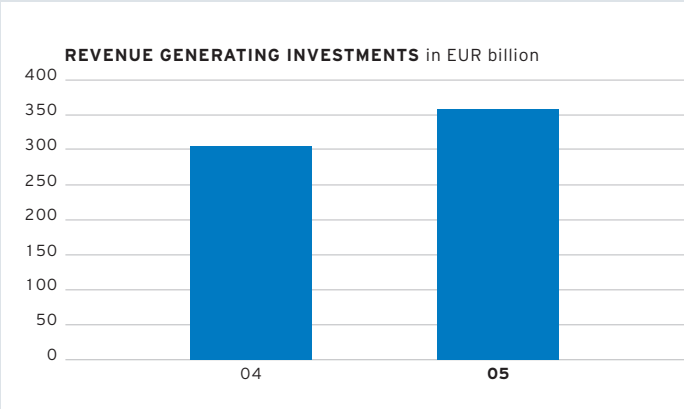


DIVIDEND PER SHARE in EUR



With headquarters in The Hague, the Netherlands, AEGON companies employ approximately 27,000 people. AEGON's three major markets are the United States, the Netherlands and the United Kingdom. In addition, the Group is present in a number of other countries including Canada, China, the Czech Republic, Hungary, Poland, Slovakia, Spain and Taiwan.

Respect, quality, transparency and trust constitute AEGON's core values as the company continually strives to meet the expectations of customers, shareholders, employees and business partners. AEGON is driven to deliver new thinking and its ambition is to be the best in the industry.



2. PROFILE

2.2 ORGANIZATION

To achieve its growth objectives, AEGON relies on the local knowledge of its business managers and employees while providing the resources of an expanding global operation. AEGON gives the necessary decision-making power to the managers of its various country units so that they can run their businesses in a manner that is responsive to the needs and opportunities of their specific markets. Some control functions are managed at the Group level, but local management is empowered to make decisions about branding, product offering and distribution.



AEGON Direct Marketing Services (ADMS), part of AEGON USA, is focused on customers that might not be reached by AEGON USA's other distribution channels. The company has developed a highly targeted approach using sophisticated database technology to increase its ability to develop niche markets and design products to meet specific customer needs. Additionally, ADMS has applied its direct marketing expertise internationally and is now doing business in Europe, Asia, Australia and Latin America.

This decentralized business approach with centralized support allows AEGON's business or country unit leaders to act as entrepreneurs while benefiting from shared resources and knowledge across the larger organization.

With respect to CR, AEGON uses the same decentralized approach. Instead of imposing a Group directive, AEGON provides a framework of guiding principles and empowers each business and country unit to identify and focus on issues relevant to their local environments.



2. PROFILE

2.3 REPORT SCOPE

AEGON recognizes that to implement Corporate Responsibility practices effectively requires an understanding of the various markets, countries and cultures where it is active. AEGON's country units subscribe to a common set of CR guidelines and principles that are based on the Code of Conduct and are established at the Group level. This CR Report aims to provide a complete overview of AEGON's worldwide Corporate Responsibility performance and activities. The financial information in this report has been extracted from the Annual Report and refers to the entire organization. The environmental and social information in this report refers to all country units with more than 600 employees¹. Overall, the environmental and social information in this report covers the major country units, which is close to 90% of the total AEGON Group, measured in number of employees. Illustrative text box stories, however, have been derived from the entire organization. AEGON's objective in the coming years is to have all AEGON country and business units represented in this report.

Unless otherwise stated, this report covers the full year 2005. The previous CR report covered the year 2004 and was released in August 2005. Financial information and employee information coincide with the numbers presented in AEGON's 2005 Annual Report. This report was developed by the Group Corporate Responsibility department, which is managed by AEGON's Group Corporate Affairs. Please share your opinion about this report and AEGON's corporate responsibility efforts at: response@aegon.com.

2.4 REPORT PROFILE AND PARAMETERS

The guidelines of the Global Reporting Initiative (GRI) have served as a partial framework for this CR Report. GRI refers to the large multi-stakeholder network of thousands of experts, in dozens of countries worldwide, who participate in working groups to develop common indicators, with the vision that reporting on economic, environmental and social performance by all organizations is as routine and comparable as financial reporting. AEGON's CR report does include most of the GRI indicators, relating to AEGON's focus areas of governance, marketplace and workplace.

The content of this report is partly based on the results of extensive reporting by the major country units. The country units, through their CR leaders, are responsible for collecting and submitting the data. Complete data is not available for all country units.

AEGON is listed on the world's leading stock exchanges:

New York, London, Amsterdam, Frankfurt, Zurich and Tokyo.

The Group works closely with insurance and pension regulators, central banks and accountants in all its geographies to monitor its performance and data reliability. AEGON's extensive disclosure processes do not warrant the additional step of obtaining an outside audit of this CR report.

2.5 CR ORGANIZATION

GROUP LEVEL

Corporate Responsibility is promoted and coordinated across the business through Group CR, which is a department within Group Corporate Affairs. Group CR is led by Guy Nielsen, senior vice-president, whose role is to manage AEGON's corporate responsibility progress across the Group, including policy formulation and the management of corporate responsibility reporting.

Mr. Nielsen reports his CR activities to Executive Board member Johan van der Werf. Mr. Van der Werf chairs the CR strategy team consisting of eight individuals from AEGON's management and is the executive responsible for facilitating improvements in CR across the entire Group.

COUNTRY LEVEL

In line with AEGON's strategy of ensuring local autonomy, each country unit controls its own Corporate Responsibility agenda, within the framework provided by Group CR. Each country unit has a CR leader who is responsible for the following:

- managing corporate responsibility implementation and integration
- managing implementation of the Code of Conduct
- overseeing data collation for reporting
- developing local policies
- monitoring local activities
- reporting progress to Group CR

The CR leader typically manages the country unit's CR activities in tandem with his or her other work responsibilities. As a result, the CR activities are reflected in the CR leader's job performance goals and are thus a factor in determining the individual's performance-based remuneration.

¹ Except when specifically indicated, operations in the Czech Republic, Poland, Slovakia and Spain are not included in the presented data, nor are joint ventures included. In addition, the operations of several sales organizations of AEGON, including Meeüs (NL), Positive Solutions (UK), Origen (UK) and World Financial Group (US), are omitted.

3. GOVERNANCE

Annual General Meeting of Shareholders 2005 at AEGON Group's headquarters in The Hague, the Netherlands



3. GOVERNANCE

3.1 CORPORATE GOVERNANCE

As a company subject to Dutch law, AEGON is governed by three corporate bodies: the General Meeting of Shareholders, the Supervisory Board, and the Executive Board. AEGON has a well-established and comprehensive governance framework. Please refer to the Corporate Governance section of AEGON's 2005 Annual Report at www.aegon.com for details regarding AEGON's compliance with the Dutch Corporate Governance Code. In early 2005, the Supervisory Board reviewed the Dutch Corporate Governance Code and subsequently approved amendments to AEGON's Articles of Incorporation. Shareholders approved these amendments during the General Meeting of Shareholders (AGM) held on April 21, 2005. AEGON's compliance with the Dutch Corporate Governance Code was a specific agenda item at the AGM as recommended by the Corporate Governance Committee.

3.2 PROVIDERS OF CAPITAL

At December 31, 2005, AEGON's shareholders' equity capital represented 76% of its total capital base (up from 72% in 2004),

well within its internal minimum requirement of 70%. Perpetual capital securities comprised 13% of its total capital base. Senior and dated subordinated debt accounted for the remaining 11%. Overall this reflects a strong capital base to the benefit of customers.

AEGON is committed to a strategy that assures its continuing financial strength. The financial strength is reflected in the ratings as depicted in the table.

RATINGS as per January 31, 2006	CREDIT	INSURANCE FINANCIAL STRENGTH		
	AEGON N.V.	AEGON USA	AEGON NL	Scottish Equitable
S&P rating	A+	AA	AA	AA
S&P outlook	Stable	Stable	Stable	Stable
Moody's rating	A2	Aa3	Not rated	A1
Moody's outlook	Stable	Stable	Not rated	Stable
Fitch rating	AA-	AA+	Not rated	Not rated
Fitch outlook	Stable	Stable	Not rated	Not rated



AEGON CFO, JOS STREPPTEL, ACTIVELY PARTICIPATES IN CORPORATE GOVERNANCE DEBATE AND OVERSIGHT

AEGON attaches great value to well-functioning governance and economic frameworks, as they are essential for a company to remain sound and responsible and capable of capturing continued growth. For this reason, we actively participate in the development and promotion of such rules. As exemplified by Jos Streppel's membership in the Dutch Monitoring Committee, AEGON's leaders play an active role in public debate and take on responsibility as members of advisory bodies and committees for the development of legal frameworks. The Dutch Monitoring Committee's primary task is to monitor the operation of the Dutch Corporate Governance Code and its implementation by listed companies and shareholders. Jos Streppel also participates in the development of the International Financial Reporting Standards (IFRS) via the European insurance industry's 'CFO Forum'.



AEGON USA WEB-BASED TRAINING 'INTEGRITY ED'

In 2002, AEGON USA established a web-based employee-training program designed to reinforce the strong values AEGON considers beneficial to its customers, employees, shareholders, and other stakeholders. The program is called 'Integrity ED' and encompasses training modules that overview legal, ethical and integrity topics.

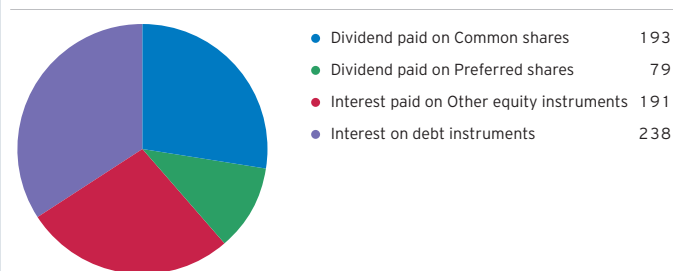
In 2005 'Our Code of Conduct' module was completed by 98% of the USA employees. In addition new employees are also assigned this module.

The entire Integrity ED training program has received high marks from AEGON USA employees. Of the employees who responded, 96% found that the courses deliver value, 91% considered the material relevant and timely and 95% said that they would apply what they learned to their jobs.

In 2005, AEGON paid a total of EUR 701 million in interest and dividends. See the breakdown in the pie chart below.

AEGON values its many trusted relationships within the global investment community and is committed to the highest standards of integrity and fair disclosure. The geographical diversity of the investor base reflects AEGON's broad international business reach (see page 6).

INTERESTS AND DIVIDENDS 2005 in EUR million



3.3 CODE OF CONDUCT

AEGON's Code of Conduct provides management and employees with guidelines based on AEGON's core values, business principles and rules of conduct. AEGON believes that it is critical for the Code to be incorporated into the day-to-day operations of all country units and that each and every employee comes to understand and abide by its principles. AEGON provides ongoing education and continuously monitors the Code's implementation and its effect, as well as ensuring its ongoing compliance.

The Code of Conduct has been distributed to AEGON's entire workforce with the exception of employees of AEGON's joint ventures. However, AEGON's executive management does expect joint ventures to practice high ethical standards. To strengthen the awareness and compliance of the Code of Conduct, an intranet-based training module about the Code was developed and piloted in 2005 and will be rolled-out to the entire global workforce during 2006.

AEGON USA'S 'RULES OF THE ROAD' PROMOTE AEGON'S CODE OF CONDUCT

RULE 1 - CREATE A POSITIVE WORKPLACE

Positive work environments depend on respecting people and empowering them to do their best. Make it a goal to promote cooperation, teamwork, creativity, fairness, and a positive attitude – not only in your department but anywhere you travel along the AEGON road.

RULE 2 - INFLUENCE OTHERS

Good AEGON drivers make a point of doing the right thing – from contributing to our communities to promoting fair play. Be sure to treat other drivers – customers, business partners, competitors, and employees – with the honesty and respect they deserve.

RULE 3 - KEEP ACCURATE FINANCIAL AND ACCOUNTING RECORDS

Complete and accurate records of all financial transactions are critically important to AEGON's reputation. Be a good AEGON driver – track income and expenses carefully and be ready for an inspection.

RULE 4 - PROTECT COMPANY PROPERTY AND INFORMATION

Ideas and data are important corporate assets, and good AEGON drivers protect them. Be on guard: keep company information and property safe and secure at all times.

RULE 5 - PRESERVE COMPANY REPUTATION

Your driving principle should be to do what's right for AEGON. Don't turn any corner that might take you down the road toward a conflict of interest causing others to doubt your integrity. Stay clear of intersections that could cause accidental damage to our name or image.

RULE 6 - COMPLY WITH LAWS AND REGULATIONS

AEGON drivers respect and follow all industry laws and regulations to assure safety and compliance. Be sure to report any dangerous or illegal activity you see on the road.

RULE 7 - COMMUNICATE FOR THE COMPANY

Only specifically authorized AEGON drivers can speak for the company. Direct all enquiries or requests for information from outside the company to the appropriate designated spokesperson.

RULE 8 - MAKE RESPONSIBLE INVESTMENTS

AEGON drivers who manage financial assets must follow appropriate investing standards, while weighing the factors most likely to affect the return on investments. Take risk matters into proper account, and make sure you follow all generally accepted regulatory and accounting rules that apply to the financial services and investment industry.

RULE 9 - RESPECT THE ENVIRONMENT

Responsible AEGON drivers take an active role in preserving environmental resources. Look for ways you and your colleagues can reduce consumption and follow environmentally friendly practices.

RULE 10 - GOVERN THE CORPORATE RESPONSIBILITY

AEGON has an excellent driving record and holds itself accountable to all stakeholders who join us for the ride. We provide clear and transparent disclosure of our management practices, policies and results. Having a clear view of the road ahead will take us toward a bright future.

3. GOVERNANCE

3.4 RISK AND COMPLIANCE MANAGEMENT

GROUP LEVEL

AEGON has moved towards greater levels of centralization in the areas of risk management, capital management and compliance programs. This has been necessitated by today's increasingly complex and highly regulated environment. AEGON believes that greater centralization in these areas will contribute to better products and services which will help to ensure long-term confidence in AEGON's businesses and sustain the trust of its many stakeholders. Please refer to the risk section in the AEGON 2005 Annual Report.

Employees of all Group companies are required to comply with AEGON's core values, business principles and Code of Conduct. At the same time, AEGON's decentralized approach, whereby local management is empowered to develop products

and services best suited to local needs, also applies to Corporate Responsibility. Determining specific policies and targets continues to be the responsibility of management in local country units in order to ensure that those objectives reflect local circumstances.

3.5 STAKEHOLDER ENGAGEMENT

AEGON engages with a wide array of stakeholders, both at the corporate level and at the country level. AEGON's key stakeholders are customers, shareholders, employees, business partners and communities where it maintains operations. Other parties whom AEGON regards as essential to its sustainability include regulatory bodies and industry associations.

Each country unit has its own methodology for internally communicating stakeholder feedback and making sure promises are being kept and actions taken.



PIET SPRENGERS OF THE VBDO COMMENTS ON AEGON'S PROGRESS IN THE AREA OF CORPORATE RESPONSIBILITY

"This is the third year AEGON is reporting on Corporate Responsibility; this alone is a positive indicator that the company is committed to the subject. Overall there is clearly an effort being made to increase transparency with regard to CR activities.

To keep the momentum AEGON should strive to complete future reports prior to its Annual General Meeting of Shareholders (AGM). In addition, AEGON should focus on clearly defining key performance indicators on sustainability, with clear objectives and targets. This will add to clarity, direction, measurability and management, both internally and externally."

Piet Sprengers

Director of the VBDO (the Dutch Association of Investors for Sustainable Development)

Response: AEGON understands the importance of completing the CR report prior to the Annual General Meeting of Shareholders and will do its utmost to improve the timing of future CR reports. In addition, AEGON intends to improve its transparency by providing more quantitative data to support



AEGON UK BOOSTS CONSUMERS' FINANCIAL LITERACY

Financial illiteracy regarding savings products is a pervasive problem throughout Britain and has led directly and indirectly to the burdens of today's market: heavy regulation of sales and marketing; low levels of participation in long-term savings and protection products; and the industry's damaged reputation.

To help remedy this situation, AEGON UK has been campaigning for public and private sector efforts to improve the population's financial literacy across all generations – in schools, in the workplace and at retirement. The issue is at the forefront, and specific projects are currently being rolled out in schools and workplaces across Britain.

AEGON UK is heavily involved in the National Strategy for Financial Capability run by the Financial Services Authority and the Informed Choice Initiative, spearheaded by the Department for Work and Pensions. Other partners include the Consumer's Association, the National Consumer Council, the Personal Finance Education Group and Citizen's Advice. AEGON UK has been campaigning for industry-wide participation through the Association of British Insurers. AEGON UK, proving its commitment to practical action and a sound framework, will sponsor several of the most productive projects and initiatives.

4. MARKETPLACE



AEGON employees participate in a charity run to support a foundation that uses sport and play for the development of underprivileged children

4. MARKETPLACE

4.1 CUSTOMER BENEFITS

4.1.1 CUSTOMER NEEDS REGARDING INSURANCE, PENSIONS AND LONG-TERM SAVINGS PRODUCTS

AEGON regards insurance and pensions as a global growth business, given demographics and global trends. At the same time, crucial differences exist in local markets. In its main markets, the United States, the Netherlands and the United Kingdom, AEGON focuses on providing products and services to individuals, companies and institutions. In these markets, AEGON enjoys significant scale advantages to capitalize on a broad range of efficiencies. In its other markets – Canada, China, Czech Republic, Hungary, Poland, Slovakia, Spain and Taiwan – AEGON focuses mostly on individuals and, in some cases, companies. In 2005, AEGON paid in total EUR 16.0 billion in claims and benefits to its customers around the world.



TRANSAMERICA RETIREMENT SERVICES RECEIVES SIX 'BEST IN CLASS' CLIENT SATISFACTION RANKINGS

Transamerica Retirement Services (Transamerica) received six 'Best in Class' ratings from the Chatham Partners' 2005 Client Satisfaction Analysis. This is a significant acknowledgement of its commitment to continuously improve on client relationships.

Transamerica received 'Best in Class' ratings in the following areas: timeliness of contributions, distributions and loans, accuracy of contributions, overall satisfaction with processing of employee transactions, accuracy of participant statements, clarity of participant statements, and courtesy and professionalism of personnel.

"Transamerica has taken remarkable steps this year to improve in all areas of client satisfaction," said Peter Starr, president of Chatham Partners. "The six 'Best in Class' ratings are a testament to Transamerica's dedication to client communication and its consistent effort to meet the retirement planning needs of plan sponsors."

The survey indicated that 'overall client satisfaction' with Transamerica exceeded Chatham's proprietary benchmark, as well as its 2004 rating.

4.1.2 CUSTOMER SERVICE FEEDBACK AND COMPLAINTS

AEGON serves over 30 million customers in diverse markets and with differing customer service requirements. Responsiveness to varying client demands continues to be a high priority within AEGON. All AEGON Group companies aim to establish and maintain long-term relationships with their customers. This is achieved by providing excellent service and by active listening in order to best service clients' needs. Respecting customer privacy, as highlighted in the Code of Conduct, is a critical requirement. Moreover, across the Group companies, underwriting processes are established in a fair and ethical manner, taking into account all risks relevant for insurance policies and other contracts. Openness and responsiveness to customer feedback and complaints is yet another essential element to good customer relations.



AEGON UK RECOGNIZED AS GROUP PENSIONS PROVIDER OF THE YEAR

Scottish Equitable, a subsidiary of AEGON UK, operates primarily through financial advisers. It strongly believes in the benefits its customers receive through independent financial advice. Such support allows customers to make informed decisions, investing in products that best suit their needs and personal circumstances.

Scottish Equitable was awarded Group Pensions Provider of the Year 2005 at the Financial Adviser Life and Pensions Awards. This award is voted for by financial advisers who were asked to rate Scottish Equitable in relation to competitive rates, product innovation, sales, marketing and PR, charges and financial advisory support. At the same awards ceremony, Scottish Equitable came in third in the Pension Provider of the Year category.

Adding to its accolades, the company also won the International Insurance Excellence Award at the 2005 KPMG Business and Finance Awards.

Customer service is a top priority and AEGON takes all steps to assure transparency and clarity. All of AEGON's country units systematically monitor customer satisfaction and complaints. Nearly all country units have separate organizational units dedicated to fielding such complaints. Apart from monitoring, separate customer surveys are conducted to uncover unmet client needs in order to develop improved insurance and savings propositions. As much as possible, AEGON Group companies work to convert individuals' feedback into positive change for all their customers.

In smaller country units, AEGON maintains customer feedback and complaint systems at country unit level. For larger country units, those systems are maintained at operating unit level. Given the varied client segments and product offerings, in addition to multiple complaint numbers and definitions, it is not feasible to maintain an AEGON-wide central customer feedback organization. Nevertheless, where possible, AEGON Group companies continue to work towards a more uniform approach within their units. For example, the units of AEGON The Netherlands jointly developed a uniform complaint registration system.



AEGON UK AND THE TREATING CUSTOMERS FAIRLY INITIATIVE

AEGON UK is required to treat all of its customers fairly. And the British Financial Services Authority (FSA) and the Association of British Insurers (ABI) are also putting renewed focus on the customer; there are two initiatives in particular that fit well with AEGON UK's desire to put the customer first:

The FSA's Treating Customers Fairly Initiative requires all companies regulated by the FSA to follow a set of customer-focused principles. In response, AEGON UK has developed an overall company-wide Treating Customers Fairly policy statement. And AEGON UK has put these principles to action. For example, in relation to its insurance companies, AEGON UK has made improvements in its marketing and product development. In these areas the company now carries out more customer research at the product design stage in order to fully understand client requirements. And literature, including material for advisors, explicitly defines the target customer group to ensure more customized service.

The ABI has launched the Customer Impact Scheme. It is a voluntary scheme for life and pension providers and offers a support mechanism for AEGON UK's own Treating Customers Fairly program. This program seeks continual improvements over the life of a customer's relationship. For example, in relation to its insurance companies, AEGON UK has already improved the layout of its company's Key Features, Illustrations and Yearly Statements; removed certain complex charges; and adopted plain English across all literature and customer communication. The entire organization has implemented these improvements, and they are now treated as 'business as usual.'

海康保

AEGON-CNOOC RECEIVES VARIOUS CUSTOMER SERVICE AWARDS

AEGON-CNOOC started operations in May 2003 in Shanghai, China. In April 2005, the Beijing branch opened and in September of that year the opening of the Jiangsu branch was celebrated. AEGON-CNOOC uses multiple distribution channels and has a strong focus on customer service.

Following a survey conducted by the influential Shanghai Jiefang Daily, AEGON-CNOOC was recognized with various awards, including:

- outstanding Service Insurance Company of 2005
- outstanding Service Team of 2005 – Claims
- outstanding Special Service of 2005 – Telemarketing
- outstanding Service Agents of 2005

4. MARKETPLACE

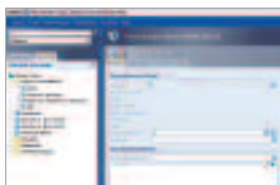
4.1.3 RESPONSIBLE SALES

Life insurance products are generally regarded as complex financial instruments aimed at risk reduction and long-term saving. Since customers' circumstances and objectives differ greatly, their insurance and investment needs are likewise varied.

A product designed to mitigate risks and achieve savings for one customer may be less suited in achieving the same objectives for another. Given the complexity and long-term nature of insurance products, and customers' awareness of their risks and real objectives, the insurance sector is prone to allegations of 'mis-selling' – meaning selling products that in the final analysis do not meet the needs or expectations of the customer during the whole contract period.

Like its peers, AEGON has had to deal with cases of alleged mis-selling. AEGON The Netherlands is involved in a discussion with 'Koersplan' policyholders, an investment product with built-in life insurance coverage. The buyers claim that they were not aware of the plan's term-life insurance component. After mediation through the Dutch insurance sector Ombudsman in May 2005, AEGON offered financial compensation to the policyholders.

Another example, but not related to life insurance, concerns the security lease products issue in the Netherlands. During the 1990s security lease products were sold in the Netherlands on a large scale by several financial institutions, including Legiolease/Labouchere, at that time a subsidiary of AEGON.



TOPDESK UNIFORM COMPLAINT REGISTRATION SYSTEM IN THE NETHERLANDS

AEGON The Netherlands has recently converted to a new, uniform complaint registration system called TOPdesk. This system enables AEGON The Netherlands to register and monitor customers' complaints in an organized fashion. Marieke Fieten, manager of the project team, is very enthusiastic about the possibilities of TOPdesk: "The system gives us an overview of the complaints so we can identify trends from which we can learn. But it is crucial to register all complaints carefully in order to really know what we are doing right and what we are doing wrong." The project team consists of eight members from all participating units and two IT specialists.

There are currently two units who do not use TOPdesk, SC Asset Management and Sales Corporate & Institutional Clients. This is because these units do not have direct contact with individual customers and intermediaries. However, AEGON The Netherlands strives to have all its units connected to the TOPdesk system in due course.



THE MEDIATOR FOR THE KOERSPLAN CASE COMMENTS ON THE OUTCOME

The Ombudsman (an independent mediator) for the insurance sector in The Netherlands, Mr. J.W. Wabeke, mediated between AEGON The Netherlands and customers who bought the 'Koersplan' products and claimed they were not aware of the term life insurance component of the product.

The Ombudsman considered the product improvements offered by AEGON The Netherlands as fair. He furthermore declared "AEGON showed the willingness to work together with the Ombudsman in an open and honest manner to find a fair solution. I have good memories about the attitude of AEGON The Netherlands' management in the process."

Source: Jaarverslag Ombudsman Verzekeringen 2005
(Annual Report Ombudsman Insurance 2005)

In 2000, Labouchere was sold to Dexia. Shortly thereafter in 2001, the security lease issue emerged following the sharp fall of share prices. In 2002, Dexia initiated a lawsuit against AEGON, which was settled out of court in 2005 by a payment by AEGON to Dexia of an amount of EUR 218 million. The settlement contributed to a special arrangement between customers and Dexia that has become a standard for compensatory settlement in the Netherlands. It was accomplished through the mediation of former European Central Bank president Duisenberg. AEGON applies the principles of the Duisenberg Arrangement when dealing with complaints regarding its own security lease products.

In order to enhance AEGON The Netherlands' services and products, the company has taken a number of measures in recent years.

4.2 PRODUCT INNOVATION AND TRANSPARENCY

Customers' pension and long-term savings needs are complex since circumstances and risk tolerance vary widely. It is for this reason that there is a need for the ongoing development of financial products that can be tailored to suit individual needs and changing circumstances. Increasingly, products must also take into account fluctuations of financial markets and the heightened regulatory environment.



AKZO NOBEL CHOOSES AEGON'S LIFE CYCLE SCHEME

Beginning January 2006, Dutch employees can individually finance their own sabbatical leave or early retirement with a tax-friendly regime called the 'Levenslooptegeling' (individual life-cycle savings scheme).

The individual life-cycle savings scheme that AEGON has developed perfectly combines the certainty of saving and the growth potential of investing in shares. When a customer prefers saving, he or she receives an attractive savings rate. If the customer prefers to invest in shares, he or she can choose between different investment profiles.

Akzo Nobel was looking for a partner that offered the possibility to both save and invest. After a thorough search and selection procedure, the company chose AEGON as its partner. Akzo Nobel decided to sign a collective contract with AEGON and offer all 12,000 of its employees the AEGON individual life-cycle savings scheme. Since Akzo Nobel's move, many other companies have followed its example and signed collective life-cycle savings schemes with AEGON. AEGON The Netherlands is now recognized as a market leader in this segment.



ONCOLOGY RESEARCH

The AEGON Group is a supporter of oncology research, focusing on funding coordinated prostate, breast and colon cancer research at three locations: the VU Medical Center in Amsterdam, Utrecht University Medical Center in Utrecht and the Johns Hopkins Oncology Center in Baltimore. In recent years, AEGON Group has extended its oncology funding to Asia by supporting a joint cancer research program between Johns Hopkins and the Nanjing University in China.

4. MARKETPLACE

AEGON is committed to clear, transparent and sound products and services. Marketing, communications and product information are also subject to government regulation and all AEGON Group companies are expected to comply with various local legislations covering these aspects. Moreover, AEGON companies subscribe to voluntary industry standards and continually attempt to improve the product documentation. This multi-faceted approach requires well-established checks and balances to safeguard that all regulatory, voluntary and internal requirements are being met.

Increasingly, AEGON is moving beyond its role as a service and product provider to also educate consumers and their financial advisors about how its products work in the present and in the future so that all interested parties can make better, more informed decisions.

Regardless of the time and attention given to developing clear and transparent product conditions and materials, it is only when they are delivered into the marketplace that their effectiveness can ultimately be measured. Modifications are made if and when they are deemed necessary to better serve the needs and interests of the consumer.



AEGON USA'S MARKETING MATERIALS DEVELOPMENT PROCESS

AEGON USA serves as an example of the rigor that goes into developing product materials. Established principles, policies and AEGON's Code of Conduct are fundamental in its material production, supervision and review. Materials that are used in the sale of our products require review and approval by the company to assure the material is clear, understandable and in compliance with applicable laws, regulations, and the Insurance Marketplace Standards Association (IMSA) principles and code of ethics.

The end result of this process is effective product material that provides clear, understandable and complete disclosure about premium, costs, values and benefits and the products' guaranteed and the non-guaranteed elements.



AEGON CANADA MOVES BEYOND SELLING INSURANCE TO EDUCATING CUSTOMERS

AEGON Canada has developed pro-active, innovative ways to explain to external parties how its products work. For example, the company conducts sales conferences with distributors and key advisors, involving representatives from most of its departments. At these conferences, it opens up to questions in order to foster a better understanding of how its products function.

AEGON Canada also organizes 'Business Builder' workshops. These workshops are conducted by Marketing in conjunction with other units, such as Underwriting, to provide more information about the inner workings of the products. While these sessions were mainly targeted to advisors and financial planners, some were designed for accountants and tax consultants.

4.3 RESPONSIBLE PRODUCTS

In the United Kingdom and the Netherlands, AEGON offers Socially Responsible Investment (SRI) funds managed by AEGON asset management divisions. In the United Kingdom, the SRI funds – as a percentage of all assets under management – remained constant at 0.6% in 2005. All these assets are managed on behalf of policyholders who decide in which funds their assets are invested. In the Netherlands, SRI assets as a fraction of all assets under management grew from 0.10% in 2004 to 0.28% in 2005. Moreover, 35.7% of the Dutch SRI assets are managed on behalf of policyholders whereas the remainder is managed in general account. AEGON The Netherlands' employee pension fund has invested 24% of its equity assets in AEGON The Netherlands' SRI fund. Within the entire organization, 0.18% of the assets under management are in SRI funds.

In the UK, where policyholders also decide in which funds to invest, the Ethical Corporate Bond Fund and the Ethical Equity Fund issue a newsletter for investors. These are the only AEGON UK funds to do so. The newsletter appears twice a year and informs investors about trends and developments in socially responsible investing and the performance of the funds. Besides the strong fund performance, this is another way to actively promote SRI within AEGON UK.

Besides considering criteria specific to socially responsible Investments, AEGON attaches great importance to making responsible investments in general. That is why an entire section of AEGON's Code of Conduct deals with making responsible investments. When selecting or advising clients on selecting equity, debt or other investments, relevant company and sector factors must be considered.



SUCCESS OF AEGON'S UK ETHICAL CORPORATE BOND FUND HIGHLIGHTED IN 'THE SCOTSMAN'

Excerpts follow from the article 'Ethical approach pays off with a healthy return for AEGON fund':

A near GBP 60 million fund, AEGON's Ethical Corporate Bond Fund is prohibited by its own parameters from investing in about two-thirds of investment grade bonds. The strict 'dark-green' criteria also preclude it from investing in gilts. Yet, the fund – the first ethical bond fund in the UK – is ranked in the top quartile in its sector over one, three and five years. It aims to maximize total returns by investing in sterling-denominated corporate bonds that meet its predefined, ethical criteria.

Companies that are involved in the likes of animal testing, armaments or nuclear weapon manufacture, nuclear power, gambling, alcohol, tobacco and pornography are screened out, as are banks with exposure to large corporate or Third World debt and businesses that operate in countries with poor human rights records.

Phil Milburn has managed the fund since March 2002, turning in a performance that earned him the title of UK corporate bond manager of the year at the Lipper Citywire All Star Awards earlier in 2005 – the second successive year in which an AEGON manager clinched the crown. "As much as it was me who won the award, it's genuinely a team effort," Milburn told The Scotsman. "Our process isn't rocket science: it's all about diversified sources of outperformance."

Jennifer Hill
The Scotsman

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AEGON UK STRUCTURAL BRAND REVIEW

In early 2005, AEGON UK conducted its first structural brand review in order to understand the values and identities of all its brands and identify commonalities. Internal and external stakeholders were interviewed to gain a perspective of the challenges and opportunities for AEGON UK and its portfolio of brands. Common attributes such as straightforwardness, transparency, intelligence, and expertise were found.

AEGON UK will continue its brand research to be able to determine how to deliver a unified message internally and for its markets. The aim is to achieve a winning brand strategy that reflects and supports AEGON UK's strategy.

4. MARKETPLACE

Moreover, AEGON does not invest in nor does it recommend investments in companies that it knows to have engaged in or have links to unethical activities or organizations.

Life insurance is designed to provide protection and future financial security. The demands of individuals and families with middle to low household income, are underserved in most countries in which AEGON operates. AEGON has products and services especially designed to meet the needs of this market as follows:

- AEGON Direct Marketing Services, Inc. focuses on middle income households seeking affordable insurance protection. In addition, they offer a range of supplemental life and health

insurance products for the underinsured and low-income market. This includes accidental death, term life, credit and whole life insurance.

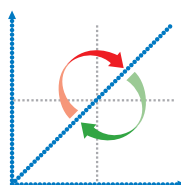
- Transamerica Life (AEGON) Canada offers various products designed to satisfy the income protection needs for low-to-middle market clients, e.g. TermSelect 10 and TermSelect 20, ProtectorPlus, WealthAdvantage & EstateAdvantage.
- The Community Investments Group of AEGON USA Realty Advisors originates investments in low-income housing tax credit (LIHTC) partnerships and provides permanent financing for qualifying projects in which AEGON USA is the equity investor.



AEGON THE NETHERLANDS HELPS INTERMEDIARIES WITH IMPLICATIONS OF A NEW LAW

Starting in August 2005, intermediaries can call a special AEGON-telephone number to get answers to questions regarding the implications of a new Dutch law on financial service provisioning (Wfd, 'Wet financiële dienstverlening' – a new Dutch Financial Services Act). Thirteen specially trained employees are available.

AEGON also offers its intermediaries training sessions on the subject. These training sessions are tailor-made for AEGON products and comply with all standards of the AFM (The Netherlands Financial Markets Authority). Additionally, AEGON organizes workshops for its intermediaries to check if their management complies with current Wfd-standards and to generate new ideas regarding their market approach.



AEGON COMES OUT ON TOP IN THE BRAND ASSET VALUATOR IN THE NETHERLANDS

AEGON was identified as one of the most valued brands in the Dutch insurance sector according to recent independent research using the Brand Asset Valuator. This tool, developed by advertising agency Young & Rubicam, measures brand value using two dimensions: brand vitality and brand stature. In both categories, the score garnered by AEGON was among the highest, resulting in the best overall position among Dutch insurance brands. The high score on brand stature indicates that AEGON currently has a powerful brand in the Dutch insurance market and the high score on brand vitality indicates significant growth potential. The research was conducted and initiated independently.

4.4 CORPORATE GOVERNANCE AS AN INVESTOR

In addition to AEGON's responsibility to its shareholders and other stakeholders, as outlined in the section on governance, the company is also an institutional investor. Consequently, in deciding whether to exercise its rights as a shareholder of other listed companies, AEGON acts primarily in the interest of its policyholders and shareholders while honoring its responsibility to the beneficiaries and investors in the companies in which it has invested.

In compliance with local codes of conduct applicable to institutional investors in the US, the Netherlands, and the United Kingdom, AEGON has detailed policies with regard to exercising voting rights related to shares held in other companies and interests. In addition, AEGON The Netherlands has published on its website its policies regarding the exercising of the voting

rights attached to the shares it holds in other Dutch-listed companies. The website further provides a report on how this policy was implemented in 2005 and AEGON The Netherlands' voting record from General Meetings of Shareholders of Dutch listed companies.

Due to the differences between countries, there is no consolidated information on AEGON's overall voting record. In 2005, AEGON Asset Management UK voted 64% of the share capital it held. AEGON The Netherlands voted in the shareholder meetings of its major Dutch holdings and also voted in the shareholder meetings of its top 500 international, non-Dutch holdings.



'SCOTTISH EQUITABLE PROTECT' ENHANCES ONLINE SERVICES

Scottish Equitable Protect has improved its online underwriting service to help make its advisers' lives easier by enabling them to submit business more efficiently and cost effectively.

The changes became active on October 24, 2005. The main features of the enhancement to our online service offering are:

- greater number of online underwriting acceptance decisions, allowing clients to get cover in the place more quickly
- our new data capture form allows advisers to submit business electronically more quickly and more easily than before

Consequently, on-line submissions will speed the application process through increasing the number of automatic point of sale underwriting decisions. It does this by asking the adviser to answer a series of detailed questions related to their clients' personal and health circumstances, thus increasing the likelihood of online approval.

This adds to the already significant features of our online service:

- Single data entry with pre-population of quotation data
- Ability to submit multi-benefit applications
- Auto save and recall functionality
- 10% enhance commission for online applications



INCORPORATING ENVIRONMENTAL STANDARDS IN SUPPLIER SELECTION AT AEGON THE NETHERLANDS

AEGON The Netherlands has formulated a detailed policy about the incorporation of environmental criteria in the procurement of services. Regarding product procurement, the company considers issues affecting performance sustainability such as energy efficiency, recyclability, environmental certificates, the presence of forbidden substances and ISO 14001 certification of the production location. Criteria used in the procurement of services focus on environmentally friendly and safe work practices including the usage of water-based paints and environmentally friendly cleaning agents. The policy also includes internal procedures for archiving contract requirements and monitoring suppliers' compliance.

4. MARKETPLACE

4.5 DISTRIBUTION AND SALES

4.5.1 VALUE OF BRANDS

AEGON Group companies sell products under a range of different brands. This assists them in the goal of serving a broad range of customer needs. Including the AEGON brand itself, AEGON's leading brands include Transamerica and Life Investors in the US; Spaarbeleg and TKP Pensioen in the Netherlands; and Scottish Equitable in the United Kingdom.

Given the market importance of brands, AEGON Group companies have identified key metrics for their main brands, which constitute 93% of Group revenues. More than 76% of AEGON Group revenues are derived from brands that have formal feedback systems between customer point of contacts and brand managers, the remainder being covered by more informal interactions. Brand awareness and brand preference and competitive benchmarking studies are performed for brands

making up nearly 94% of the entire AEGON Group revenues. For nearly 37%, detailed customer perception and customer loyalty studies are conducted.

4.5.2 DISTRIBUTION PARTNERSHIPS

One of AEGON's distinct advantages is its multi-channel distribution strategy that utilizes agents, brokers, banks and partnerships as well as direct marketing channels. Since multi-channel distribution is so integral to AEGON's growth strategy, considerable effort is dedicated to streamlining distribution processes to achieve cost efficiencies for AEGON, its customers and its brokers. AEGON assists its brokers in many ways including providing low-cost administrative systems and by collaborating with them to identify ways to improve their business.

AEGON also works to increase transparency in the payment structure for distributors. Transparent financial incentive arrangements are especially important in the insurance sector,

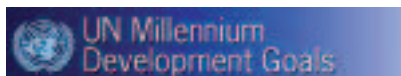
USD 5.2m

IOWA FIRST CAPITAL FUND

AEGON's first Corporate Responsibility Report highlighted The Iowa First Capital Fund in which AEGON USA invested USD 5 million. Through the fund, AEGON USA intended to help create economic opportunity for Iowa citizens and help diversify the state's economic base. Since 2003, the Fund has made eight investments totaling USD 5.2 million.

The products being developed through the Fund's investment include cancer vaccines and cancer drug development; dairy cattle embryonic transplantation; managed computer security systems for home and small businesses; and specialized food products for the gluten-free, allergenic and health markets. The Fund is working with all three state universities as well as chambers of commerce from across Iowa. Many of the investments have been collaborative efforts with other venture funds in Iowa, universities, and Angel Investment Groups.

The Fund has helped companies grow their markets and enhance their product development, demonstrating AEGON USA's strong interest in helping develop Iowa's economy.



THE IMPACT OF MILLENNIUM DEVELOPMENT GOALS FOR COMPANIES

On December 14, 2005, AEGON The Netherlands hosted a meeting regarding the United Nations Millennium Development Goals and the Millennium Promise made by 37 Dutch heads of industry together with Prince Willem-Alexander and Princess Maxima. AEGON was represented by Johan van der Werf, member of the AEGON Executive Board.

During the meeting, which was hosted at AEGON headquarters in The Hague, the developments of the United Nations Millennium Development Goals were discussed. Besides AEGON's Board member, leaders from ABN AMRO, Ahold, Unilever, Wolters Kluwer and others joined in discussions with the Prince and Princess.

Millennium Promise is an organization that helps the United Nations in achieving one of its Millennium Goals: to eradicate extreme poverty by the year 2025. Initiatives to fight poverty in Africa were described in detail to the industry leaders in attendance.

given the wide variety of products and the number of brokers and customers involved in transactions. It also assures that all interested parties are adequately informed and in a position to act in the best interest of customers. AEGON The Netherlands proved its commitment to this strategy by devising and promoting a financial industry-wide agreement with the Dutch Finance Ministry, brokers and consumer organizations about compensation transparency. The results of this cooperative agreement are influencing a new law about financial services under consideration in the Netherlands.

4.5.3 INTERNET SERVICES

AEGON Group companies increasingly provide internet and electronic service solutions for their products. On-line financial services can reduce the transaction cost between company and customer, improving productivity and efficiency as well as reducing the need for travel and printed materials. Based on

data representing nearly half of the company, it is estimated that 30% of AEGON customers use electronic or internet-based financial service platforms. This number indicates that the trend towards on-line services has accelerated sharply, a further incentive for the AEGON Group companies to actively promote on-line communication and business.

In 2005, AEGON UK's achievements in electronic distribution were recognized by the Money Marketing e-Excellence Ratings 2005. AEGON UK was specifically recognized as:

- the joint leading provider of e-commerce services to advisers, voted for by advisers (for Scottish Equitable brand)
- the company with the best technology for Independent Financial Advisers (for Positive Solutions brand)
- the company that best uses new media (for Positive Solutions brand)

Another example of success in this area is the 'Enhance online services' from Scottish Equitable Protect.

USD 700,000

AEGON/TRANSAMERICA FOUNDATION SUPPORTS REBUILDING EDUCATIONAL INFRASTRUCTURE DESTROYED BY HURRICANE RITA

The AEGON/Transamerica Foundation, along with the employees and agents of the AEGON USA companies, committed USD 700,000 to support the Cameron Parish school district's plan to establish a consolidated, temporary campus to replace the schools and other educational infrastructure destroyed by Hurricane Rita in the southwest corner of Louisiana. The campus will be ready for occupancy by the beginning of the 2006/2007 school year and will accommodate approximately 400 elementary and high school students. Students will remain at the temporary campus through the construction of a new, permanent school complex, estimated to be ready no sooner than August 2009.

In addition to this formal commitment, AEGON USA is organizing a group of its employees to participate in Cameron's community workday scheduled for August 8th when the community will come together to set up the new school complex for the 2006-2007 school year.

Moreover, AEGON USA has offered the services of its information technology resources to help as the district rebuilds its IT infrastructure.



TRANSAMERICA CANADA SUPPORTS CANADIANS' WELLNESS

As a life insurance company, Transamerica Life Canada has a strong understanding of the health issues that affect Canadians and an interest in improving its community's wellness. In 2005, the company demonstrated its commitment to this cause by participating in the Spirit of Hope Charitable Giving Committee and donating over CAD 1 million to regional and national charities and events that support health and wellness across Canada.

Transamerica Canada donates 1% of annual pre-tax profits to The Spirit of Hope and in the last nine years has raised over CAD 6.6 million for other worthy charities. This qualifies us as an Imagine Caring Company, a designation awarded by the Canadian Center for Philanthropy to corporations that generously support charity.

4. MARKETPLACE

4.6 RELATIONS WITH SUPPLIERS

AEGON has business relationships with many different suppliers and most procurement is conducted within the country units. In 2005, for all country units, AEGON paid a total of EUR 1.25 billion to its suppliers, down 4% from 2004.

For AEGON Canada, AEGON The Netherlands and AEGON Hungary, which together constitute 24% of the AEGON Group's revenues, environmental and health and safety conditions are considered when selecting suppliers.

4.7 GOVERNMENTS AND REGULATORS

As the aging population increases and the number of labor participants decreases in many countries, governments and citizens are discussing how best to regulate their pension systems in the long-term. The issues at stake are large and complex and involve many different stakeholders. A recent report by the European Financial Services Roundtable¹ estimates that the six largest European economies require additional annual savings of

TAX PAYMENTS

COUNTRY UNIT	AMOUNT 2005	AMOUNT 2004
AEGON Americas	USD 781 million	USD 356 million
AEGON The Netherlands	EUR (12) million	EUR 0 million
AEGON UK	GBP (6.2) million	GBP (7.9) million
Other countries	EUR 81 million	EUR 29 million
AEGON Group	EUR 680 million	EUR 296 million

EUR 390 billion to maintain pensions at a level equal to the year 2000. Recognizing the need for savings rates to increase, AEGON is an active participant in discussions with governments and regulators on the future of pension provisioning.

Due to the improving business climate, the total tax payments for the AEGON Group have increased, though significant differences between countries exist. See the table on this page.



AEGON THE NETHERLANDS' GIVING IS SYNONYMOUS WITH SPEED SKATING

For almost 30 years, AEGON The Netherlands has been involved with speed skating. In 2005 the Royal Dutch Skating Association received EUR 5 million in sponsoring, of which 50% is earmarked for the development of young talent in the region.

Apart from sponsoring, AEGON also donates substantially to foundations related to skating. For example, Right To Play, founded by the former Olympic champion speed skater Johann Olav Koss, received EUR 0.2 million through active AEGON fundraising. Right To Play is an athlete-led international humanitarian organization that utilizes sport and play in child and youth development activities in the most disadvantaged areas of the world.



AEGON TAIWAN COLLECTS OVER EUR 25,000 FOR ELDERLY CARE

AEGON Taiwan's workforce volunteered for a fundraiser to support the Huashan Social Welfare Foundation, which aids the elderly care. The workforce hit the streets of Taipei and collected over EUR 25,000 by gathering over one million consumer receipts. These consumer receipts carry lottery numbers that can be converted into a cash value. This is one example of the many different charitable activities that AEGON Taiwan participates in to aid the underprivileged and elderly in Taiwan.

¹ Pan-European Pension Plan, European Financial Services roundtable, December 2005.

4.8 COMMUNITY IMPACT

4.8.1 IMPACT OF PRODUCTS AND OPERATIONS

AEGON has a positive impact on communities around the world. AEGON's insurance, pensions, and long-term savings and investment products provide financial security for many individuals, families and institutions, thus impacting the communities where AEGON operates. As a large employer, AEGON also directly impacts communities by providing job opportunities and stimulating the local economy. Beyond this, AEGON looks for other ways to play a positive role in the communities where it operates. For instance, two years ago AEGON USA created the Iowa First Capital Fund, which was mentioned in AEGON's first Corporate Responsibility Report. In addition to a healthy financial return, this fund aimed to increase economic opportunities and jobs for citizens of Iowa.

As a company that seeks to develop markets as a source of growth, AEGON is aware of problems associated with persistent poverty and – together with large parts of the international

business community – supports the Millennium Development Goals formulated by the United Nations. In support of the UN's initiative, AEGON The Netherlands hosted a meeting with high-level representatives to discuss the Millennium Goals and examine the company's possible contribution towards reaching them.

4.8.2 COMMUNITY GIVING AND VOLUNTEER WORK

AEGON and AEGON employees are active members of the communities in which they work and live. AEGON companies donate charitable contributions, as well as volunteer time and expertise to a wide variety of local causes. AEGON Group donates funds to larger causes such as the War Trauma Foundation and the Alzheimer Centrum at the Vrije Universiteit (VU) of Amsterdam. In particular, the Group is a supporter of oncology research.



ZACH JOHNSON AND AEGON USA'S 'BIRDIES THAT CARE' PROGRAM

In 2005 and 2006, professional golfer and Cedar Rapids native Zach Johnson has partnered with AEGON USA on the 'Birdies That Care' program, a fundraising partnership benefiting area charities.

In 2005, 'Birdies That Care' raised nearly USD 90,000 for the Community Free Health Clinic in Cedar Rapids. For 2006, Johnson and AEGON have selected a new beneficiary – Waypoint's Madge Phillips Center, a program serving homeless women and children.

For every birdie Zach shoots on the 2006 PGA TOUR, he and AEGON will make matching contributions of USD 50 to the Madge Phillips Center at Waypoint. For every eagle, they each donate USD 100. Johnson, AEGON USA and Waypoint are working together to ensure that other individuals and corporate contributors join the cause to financially match Zach's Birdies and Eagles.



AEGON TAIWAN EDUCATION FUND

AEGON Taiwan has set up an Education Fund that aims to help ensure children living in Guizhou, China – a poverty-stricken province – receive an education. AEGON Taiwan is convinced that providing education is one of the best ways to achieve real and lasting development.

4. MARKETPLACE

Across the Group, cash donations in 2005 amounted to EUR 8.8 million, up 42% from EUR 6.2 million in 2004. The donations amount to 0.32% of AEGON's net income attributable to equity holders.

While it is not possible for the AEGON Group companies to monitor and track all the volunteer work committed by their employees, it is clear that many employees and senior management devote considerable time and effort to a wide range of charitable activities.

Examples of the voluntary positions held by the Executive Board are: Don Shepard, Member of the Board of Trustees, Johns Hopkins University, Baltimore; Jos Streppel, Member of the Board

of Werkvoorziening Regio Amsterdam, an organization working for the provision of employment for physically and mentally handicapped people in the Amsterdam region. Johan van der Werf, Member of the International Board of Directors of 'Right to Play'; and Alex Wynaendts, Treasurer of the Foundation Friends of the Mauritshuis, The Hague.

Political contribution is a matter relegated to AEGON's country units and must adhere to the guidelines set forth in the Group's Code of Conduct. At present, apart from AEGON USA, no other AEGON Group company makes political contributions. AEGON USA makes political contributions in accordance with existing US campaign finance laws and are fully disclosed accordingly.



'EDUCATION ON LIFE PRODUCTS'

AEGON USA, Inc. is a major contributor to The Life and Health Insurance Foundation for Education (LIFE). In 2005, USD 500,000 was contributed and Pat Baird, CEO for AEGON USA, has served on the board. LIFE is a non-profit organization dedicated to addressing the public's growing need for information and education about life, health, disability and long-term care insurance. LIFE also seeks to remind people of the important role agents perform in helping families, businesses and individuals find the insurance products that best fit their needs.

LIFE was formed in 1994 by seven insurance groups, representing 160,000 agents, which saw a strong need for public education. Since then, LIFE has developed a diverse educational program which educates consumers and empowers them with the knowledge needed to make informed insurance decisions.

Many of AEGON USA's business units participate in the realLIFEstories client service award and Life Insurance Awareness Month (September). LIFE provides assistance with designing of the campaign and provides campaign materials for purchase.

AEGON RAISED EUR 963,000

TSUNAMI AID PROGRAM

An AEGON world-wide program raises over EUR 963,000 for the Tsunami victims. AEGON N.V. matched every contribution. In addition, some country units also matched the collective donations brought together by their employees and/or agents. In total Habitat for Humanity and the Red Cross received over EUR 963,000. These charitable organizations were selected with the purpose of assisting immediate needs through the Red Cross, as well as re-building efforts through Habitat for Humanity.

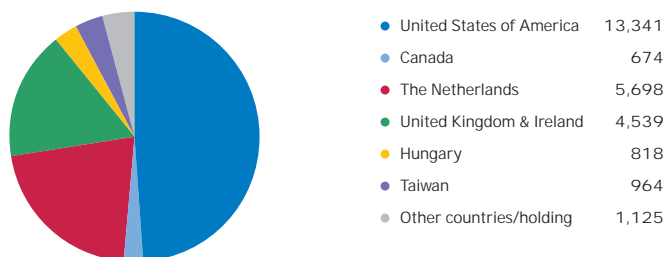
5. WORKPLACE

AEGON employees and their families enjoy a speed skating event in the Netherlands



5. WORKPLACE

BREAKDOWN OF THE NUMBER OF EMPLOYEES



5.1 EMPLOYEES

5.1.1 WORKFORCE AND EMPLOYEE TURNOVER

AEGON Group companies employed 27,159 people at the end of 2005 down 1% from 27,446 in 2004. The pie chart shows the breakdown of the number of employees within the various regions where AEGON is active.

AEGON Group companies have non-discrimination policies that are actively enforced. 52.8% of AEGON Group's employees are female and 47.2% are male. More than 80% of senior management is male. Although AEGON Group companies do not positively discriminate in order to promote a higher percentage of women, various initiatives exist to encourage women to apply for senior management roles. For instance, AEGON The Netherlands facilitates working part-time and working from home. Currently 8.4% of AEGON employees work part-time and 91.6% work full-time.

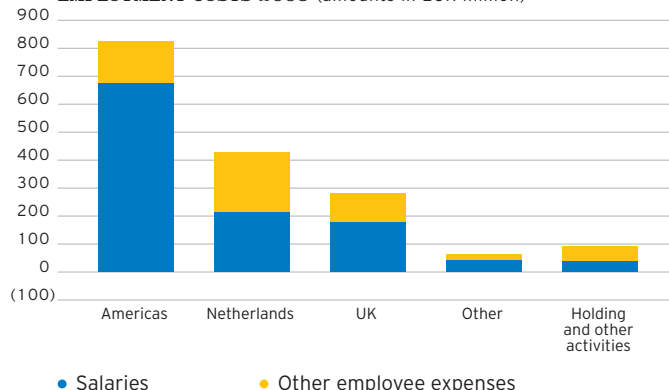
Employee turnover in 2005 was 11.8%, down from 12.9% in 2004. Approximately 7% of AEGON employees voluntarily left the company to pursue opportunities elsewhere and approximately 3% were dismissed by AEGON, either because of reorganizations or because of underperformance. The remaining 1% of turnover was due to attrition (e.g. retirement). Although there is variation between the country units, the AEGON Group is generally satisfied with the current levels of employee turnover since they indicate a proportionate balance between being an attractive employer where people wish to maintain employment and the need for attracting new employees as a source for new energy and creativity within the workforce.

5.1.2 EMPLOYEE AND MANAGEMENT DEVELOPMENT

Long-term success requires that AEGON maintains a competitive position in its markets. In part, this is dependent on employee and management development. Therefore, training and performance appraisals are high priorities for the company.

In 2005, AEGON spent approximately EUR 555 per employee on internal and outside training, down from EUR 574 in 2004. Not included in these costs are employees spending on average 4.1 days on training, up slightly from 4.0 the year prior.

EMPLOYMENT COSTS 2005 (amounts in EUR million)



AEGON CEDAR RAPIDS NAMED EMPLOYER OF THE YEAR BY EDUCATORS

In 2005, a nine state educators association named AEGON USA in Cedar Rapids 'Employer of the Year 2004' for its internship program and support of cooperative education. Since 2000, AEGON companies in Cedar Rapids have hosted 286 interns from 22 colleges and universities during the school year and summer months. The award was given by the Midwest Cooperative Education & Internship Association.

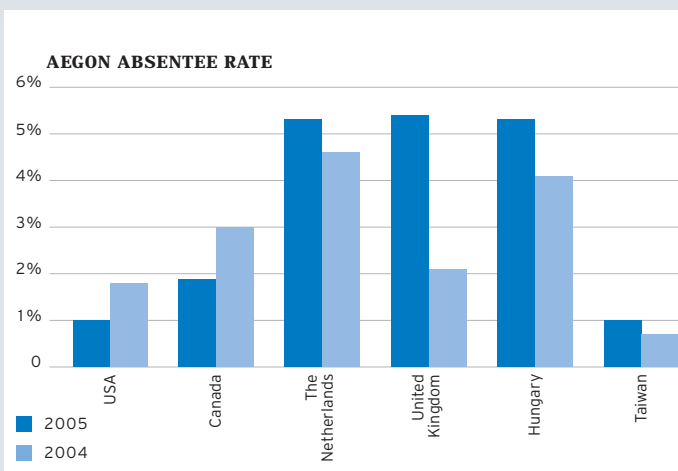
Training needs in AEGON Group companies are partly based on individual development plans and partly on the companies' needs for specific skills and competencies. Trainings are organized according to such topics as customer service, product knowledge, business writing, coaching, teambuilding, respect, leadership, compliance and sales. In addition, most country units provide their employees allowances (financial and/or time) for individual development, such as language training and higher education related to their work.

AEGON's performance appraisal processes vary according to country and business unit. The methods that are used for performance appraisal are 'management by objectives' and multidimensional methods.

5.1.3 EMPLOYEE COSTS

In order to attract high quality employees and management and maintain a competitive position in its markets, AEGON Group companies have competitive compensation packages in place. AEGON's total employment costs were EUR 1.66 billion for its entire workforce of 27,159 employees. The graph shows the breakdown of this amount according to salaries and other employee expenses (e.g. post-employment benefit costs, social security charges, and share appreciation rights and share options), for the main geographic regions.

Per employee, the employment costs amounted to EUR 61,196 in 2005. Due to the transition from Dutch Accounting Principles to IFRS and the inclusion of two extra categories, the numbers



cannot be directly compared to the numbers given in the 2004 CR Report, nor can numbers be compared country to country. On a restated basis, the employment cost per employee decreased by 5.9%. The main explanation for this decrease is the different treatment of post-employment benefit costs.

Typically, employee salaries contain a fixed and a variable component. Variable compensation can be based on individual performance, country unit performance or a combination of the two. The variable component is always related to performance indicators. Although variation between AEGON Group companies is considerable, typically 77% of variable compensation is related to the performance of the country unit and 23% to individual performance.

Pension arrangements differ according to each country unit. AEGON USA and AEGON The Netherlands operate defined benefit plans, while most of the smaller country units operate defined contribution plans. AEGON UK offers both. The Annual Report 2005 provides detailed information about the pension plans and the funding status of the defined benefit plans.

Other benefits that are provided across nearly all AEGON Group companies are health insurance for employees and their family members, and disability insurance. Childcare programs are available in Group companies covering 90% of all employees, and flexible work schemes and maternity leave programs are available for all eligible employees.

5.1.4 EMPLOYEE SATISFACTION

AEGON measures its employee satisfaction at a country and divisional level. In some countries, company-wide surveys are conducted whereas in AEGON USA employee satisfaction is measured at the divisional level through different methods, given its size and scope. These factors make it unfeasible to provide a comprehensive evaluation of employee satisfaction. For the operations in Canada, the Netherlands, Hungary and the United Kingdom, which together constitute over 40% of all employees, 72% of the employees indicated above average or better satisfaction levels. In AEGON-CNOOC China, the employee satisfaction index was 93% in 2005, indicating that the

CENTRAL WORKS' COUNCIL AND AEGON THE NETHERLANDS AGREE ON A NEW HEALTH INSURANCE PACKAGE

Together with the management of AEGON The Netherlands, the Central Works' Council arrived at a suitable agreement regarding health insurance benefits. Such an agreement was necessary as the health insurance system in the Netherlands was to be radically changed by the government as of January 1, 2006, which would have significant consequences for employees and companies alike.

The employees emphasized the importance of an appropriate health insurance package that included a reasonable contribution by AEGON The Netherlands, with equal benefits for employees across all age groups. After several working sessions, the management of AEGON The Netherlands and the Central Works Council agreed on a solution that satisfies both parties.

company's performance is very close to employee expectations. Typical levels for this indicator are between 70-80%. AEGON Taiwan intends to measure its employee satisfaction beginning in 2007. It is worth noting, however, that employee turnover in Taiwan is currently 34% lower than the national average.

In all units, employee satisfaction results are used to inform Human Resources departments in their efforts to further enhance work environments and refine HR strategy. Results are also fed back to relevant management. In all units that measure employee satisfaction, results are shared with employees in a number of ways such as internal communication publications, bulletin board announcements, and during management meetings.

5.1.5 LABOR RELATIONS

In all AEGON Group companies, employees are free to associate themselves with independent trade unions. Because of privacy regulation in some of the countries where AEGON operates, AEGON does not maintain an inventory of unionization.

5. WORKPLACE

AEGON UK PROPERTY GROUP REVIEWS ITS SUSTAINABILITY PERFORMANCE AND SETS ENVIRONMENTAL TARGETS

In 2005, AEGON UK Property Group conducted research in order to assess its progress with incorporating sustainability into its policies and processes and identifying what additional work is required to meet ISO 14001 requirements. This represents the follow-up deemed necessary to research initiated in 2004, which benchmarked UK Property Group's performance from a sustainability perspective. This second review is designed to measure progress one year later.

Research was conducted by an independent party that reported the most significant environmental improvements in the areas of management commitment; legal compliance; waste management; and energy management, largely resulting from the documentation of a formal Environmental Manual.

For 2006, AEGON UK has formulated three environmental targets:

- procurement of 20% of its electricity from renewable resources
- installation of a new building management system
- undertaking and follow-up to Carbon Trust audit

When fully operating under ISO 14001, these targets will be adjusted annually.

5.2 HEALTH AND SAFETY

Each country unit measures absentee rates. Since methodologies are different, however, these figures cannot be aggregated into a meaningful number for the AEGON Group. Nonetheless, the graph on page 31 depicts the absentee rates per country unit.

The increase in the United Kingdom is most likely due to the introduction of a more robust system for recording absence. The figure reported for the UK is in line with the national absentee level of 5.7%, according to the CIPD survey. The figure in Hungary is lower than the national average of 6.1%. The absentee rate in The Netherlands is in line with the national average (4.6% in 2004, no information yet available for 2005).

Privacy legislation in many countries does not allow AEGON Group companies to monitor the reasons for absenteeism. Nevertheless, since absenteeism poses a real cost for the Group companies, a wide array of programs exists to improve employee attendance. A sampling of these programs are provided according to country unit:

AEGON USA

Several programs are in place to reduce employee absenteeism. For example, the Employee Safety Program and Employee Assistance Program make available a wide array of resources to employees and family members to assist in coping with personal problems. These include:

- web-based resource library (self help)
- confidential counseling assistance
- customized seminars and events about topics such as stress and time management, healthy lifestyles, work-life balance.

AEGON CANADA

The Occupational Health & Safety Committee coordinates activities in the area of absenteeism reduction. Some examples of its activities are:

- wellness fairs that are offered twice annually
- stress management workshops
- attendance management policy about which management receives training
- third party adjudication of claims and intervention

AEGON THE NETHERLANDS

A variety of programs exist, for example:

- workshops for preventing repetitive strain injury for employees
- workshops for managers about work-life balance;
- Ergonomic checks are conducted on a variety of issues relating to the working environment

AEGON UK

Absentee levels are recorded by managers within the HR system. They are responsible for highlighting cases in which individual absence is in excess of a specified threshold level. The manager is charged with addressing absentee issues with relevant employees and identifying the appropriate support to remedy the situation. When an employee has been absent for more than three weeks, the case is referred to the Occupational Health staff who are then responsible for managing the rehabilitation process.

In addition to this, through AEGON UK's partnership with the British United Provident Association, AEGON UK provides a range of onsite occupational health services including rehabilitation, medical screening and health promotion and awareness. The company continually reviews the services and support it provides to employees to encourage attendance at work and enhance overall employee wellbeing offering.

AEGON HUNGARY

The country unit provides a detailed list of work-environment instructions. An example of one measure is the obligatory break per hour.

AEGON TAIWAN

Activities to reduce absenteeism include:

- company paid physical check ups
- pressure management workshops
- recreation activities organized by the Employee Club

AEGON Group's work-related injuries were at 304 almost identical to the 305 recorded in 2004.

5.3 ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

In addition to the corporate environmental policy (see www.aegon.com) nearly all country units (comprising 94% of all AEGON Group employees) have implemented more detailed policies with specific allocation of responsibilities. Most of these policies deal with the eco-efficiency of internal operations.

Based on the total number of employees, 33% of AEGON's worldwide operations is either ISO 14001 certified (AEGON The Netherlands) or is working towards certification in 2006

AEGON USA REALTY ADVISORS INSTALLS COMBINED HEAT AND POWER SYSTEM IN THE TRANSAMERICA PYRAMID

Northern Power will design, install and commission a 1.1 megawatt (MW) combined heat and power (CHP) system for the landmark Transamerica Pyramid in San Francisco, California. The 48-story building, managed by Lowe Enterprises, is known as the 'Pyramid' and is located in the heart of San Francisco's financial district.

Northern Power's CHP system will consist of two 560 kW natural gas-fired reciprocating engine generators, which will operate in parallel with the utility's downtown network grid. The two generators are designed to provide approximately 70% of the electrical requirements of the 530,000 square foot commercial office building. Recovered waste heat from the engines will be used to heat the building, displacing 100% of the steam currently purchased for heating purposes. Additionally, waste heat will drive a 320-ton absorption chiller that will be installed to create chilled water for the building.

By recovering waste heat from the engine's exhaust system and using it to meet the building's heating and cooling needs, the power system's overall efficiency will increase substantially. The higher fuel efficiencies to be realized by the CHP system qualify it for an incentive rebate from the Self-Generation Incentive Program of the California Public Utility Commission (CPUC), which would reduce the installed cost of the system by over 15%. Established in 2001, the program encourages on-site generation in order to reduce peak demand and avoid rolling blackouts such as those experienced by California in recent years.

Mark Novack at AEGON USA stated: "We expect Northern Power's CHP system to help us achieve three key objectives: to strengthen our environmental commitment, deliver annual energy savings, and increase the competitiveness of AEGON's property in the downtown commercial office market."

(AEGON UK). Environmental target setting is obligatory when operating according to ISO 14001. AEGON The Netherlands' most important target is to comply with a Dutch government covenant that requires the organization to reduce its energy usage by 23% from 1996-2006. The covenant is part of an effort by the Dutch government to comply with the Kyoto targets for CO₂ emission reduction. More information on this can be found in the 2003 CR Report.

MATERIAL USE

The most materially measurable output that AEGON produces is paper. The Group uses paper for policies and documentation and for internal and external communications. In 2005, AEGON used approximately 3,290 metric tons of paper, a minimal increase (0.2%) relative to 2004 in spite of growing business.

ENERGY USE

Within AEGON, gas and electricity are the two main sources of energy. Total electricity consumption is 112.7 GWh and total gas consumption is 2.8 million m³. Using the conversion guidelines from the United Nations Environmental Program to convert energy use to CO₂ emission on a per country basis, AEGON emits

60,187 tons of CO₂ per year, down 2.8% from 61,897 tons last year (the 2004 number is restated due to a revised conversion factor for the natural gas related emissions). Per employee, this equals 2.54 tons per year, up slightly from 2.51 tons last year. As discussed before, AEGON The Netherlands and AEGON UK have explicit targets for energy efficiency and green energy respectively. As the Transamerica example on the left shows, progress is being made in all countries regardless of whether they have targets implemented.

WATER USE

AEGON Group companies have considerably decreased their water use during 2005. Total water use was 329,598 cubic meters. Per employee, water use was down to 60 liters per day from 70 in 2004. This is due to water savings measures, especially in the UK and the USA. For example, in St. Petersburg, Florida, water condensation is captured from outdoor air units and subsequently pumped into cooling towers. This technique saves 190,000 liters of water per month. This is equivalent to the water use of 165 employees.

WASTE

Not all country units measure waste production and recycling. Waste production by 40% of AEGON's workforce - where waste streams are monitored - is 1,624 metric tons. Of this, 59% is recycled.

6. SUMMARY

While the intent of this report has been to present a comprehensive overview of AEGON's ongoing commitment to sound Corporate Responsibility principles, demonstrated by verifiable measures taken by senior management and employees across AEGON companies during 2005, AEGON readily acknowledges that the work of operating its businesses responsibly, with integrity and transparency is ongoing. Consequently, this most recent CR Report is as much a starting point as it is a summary of actions taken and processes underway.

Recognizing that market conditions evolve and expectations change, AEGON is nonetheless committed to principles and practices of responsible Corporate Governance that are resolute. As a company that makes long-term promises to its customers and many stakeholders, AEGON is determined to fulfill those promises whenever the time comes and to whomever it has made them. This requires honest assessment of areas in need of improvement, candid dialogue with all stakeholders to reinforce proper due diligence and innovative measurement systems to ensure that its businesses act responsibly and with utmost integrity as they deal with inevitable challenges and pursue new opportunities.

AEGON continues to invite broad input and constructive critique of its Corporate Responsibility programs, confident that AEGON's commitment to the highest ethical standards will continue to validate the ongoing trust and confidence of its customers, partners, employees, shareholders and the diverse communities AEGON serves.

APPENDIX: GLOBAL REPORTING INITIATIVE OVERVIEW TABLE

Indicator	Section
VISION AND STRATEGY	
1.1 Vision and strategy	CR 1. Introduction; AR 2., page 10-11
1.2 CEO statement	CR Chairman's letter
PROFILE	
2.1 Name of organization	CR Cover
2.2 Products and/or services	CR 2.1 Profile
2.3 Operational structure	AR 1. At a glance: geographical information, page 6-7
2.4 Organization structure	AR 5. Notes to the consolidated financial statements, pages 172-173
2.5 Countries located	CR 2.2 Organization
2.6 Nature of ownership	AR 2. Strategy and Governance: corporate governance, page 23
2.7 Nature of markets served	AR 3. Report of Executive Board: review of operations, page 39
2.8 Organization scale	CR 2.3 Report scope
2.9 Stakeholders	CR 1 Introduction R 2.2 Organization R 3.4 Risk and reputation management
2.10 Contact person(s) for the report	CR 2.3 Report scope
2.11 Reporting period	CR 2.3 Report scope
2.12 Previous report	CR 2.3 Report scope
2.13 Boundaries	CR 2.3 Report scope
2.14 Organization changes	CR 2.3 Report scope
2.15 Joint ventures/outourced operations	CR 2.3 Report scope
2.16 Re-statements	CR 5.3 Environment (CO ₂ emissions 2004)
2.17 GRI principles applied	CR 2.4 Report profile and parameters
2.18 Criteria/definitions used	CR 2.4 Report profile and parameters
2.19 Measurement changes	CR 2.3 Report scope
2.20 Policies and internal practices	CR 2.4 Report profile and parameters
2.21 Independent assurance	CR 2.4 Report profile and parameters
2.22 Additional information	Not relevant
STRUCTURE AND GOVERNANCE	
3.1 Governance structure	CR 3.1 Corporate governance as an investee AR 2. Strategy and Governance: Dutch corporate governance code, page 27
3.2 Independency of board members	AR 2. Strategy and Governance: corporate governance, page 12
3.3 Expertise board members	AR 2. Strategy and Governance: Dutch corporate governance code, page 26
3.4 Board-level processes	CR 3.3 Risk and reputation management
3.5 Executive compensation	AR 2. Strategy and Governance: remuneration policy and report, page 33-35
3.6 Key individuals	CR 3.3 Risk and reputation management
3.7 Mission and values statement	CR 2.1 AEGON profile CR 3.2 Code of Conduct
3.8 Shareholders' mechanisms	CR 3.5 Stakeholder engagement
STAKEHOLDER ENGAGEMENT	
3.9 Major stakeholders	CR 1. Introduction
3.10 Consultations stakeholders	CR 3.5 Stakeholder engagement Individual cases described in text boxes
3.11 Information generated by stakeholder consultation	CR 4.1.2 Customer service feedback and complaints
3.12 Use of information	CR 4.1.2 Customer service feedback and complaints
POLICIES AND MANAGEMENT SYSTEMS	
3.13. Explanation precautionary approach	CR 3.3 Risk and reputation management
3.14 Externally developed voluntary charters	CR 3.2 Code of Conduct
3.15. Principal memberships in industry associations	CR 3.1 Corporate governance as an investee
3.16. Policies for impacts	CR 4.5.2 Distribution partnerships CR 4.6 Relations with suppliers
3.17 Managing indirect impacts	CR 4.8.1 Impacts of products and operations
3.18 Decisions during the reporting period	CR 1 Introduction CR 2.2 Organization

- 3.19 Pertaining to 3P performance
3.20 Status of certification

Fragmented over whole report
CR 5.3 Environment

ECONOMICAL PERFORMANCE INDICATORS

- EC 1 Net sales
EC 2 Geographic breakdown of markets
EC 3 Procurement spending
EC 4 Percentage of contracts paid in accordance with agreed terms
EC 5 Total staff costs
EC 6 Distribution to capital providers
EC 7 Change in retained earnings
EC 8 Taxes
EC 9 Subsidies received
EC 10 Funds and foundations (contributions)

CR 2. Profile
AR 3. Review of operations, page 38
CR 4.6 Relations with suppliers

Not available
CR 5.1.3 Employee compensation
CR 3.2 Providers of capital
AR 3. Review of operations, page 38
CR 4.7 Governments and regulators
Not relevant
CR 4.8.2 Community giving

ENVIRONMENTAL PERFORMANCE INDICATORS

- EN 1 Total material use other than water
EN 2 Use of recycled materials
EN 3 Direct energy use
EN 4 Indirect energy use
EN 5 Total water use
EN 6 Location and size of land owned/leased/ or managed in biodiversity rich habitats
EN 7 Impacts on biodiversity
EN 8 Greenhouse gas emissions
EN 9 Use and emissions of ozone depleting substances
EN 10 NO_x, SO_x and other significant air emissions by type
EN 11 Waste
EN 12 Significant discharges to water by type
EN 13 Significant spills of chemicals, oils and fuels in terms of total number and total volume
EN 14 Environmental impacts of principal products and services
EN 15 Percentage of the weight of products sold that is reclaimable
EN 16 Incidents of non-compliance

CR 5.3 Environment
CR 5.3 Environment
CR 5.3 Environment
CR 5.3 Environment
CR 5.3 Environment

Not relevant
Not relevant
CR 5.3 Environment

Not available

Not available
CR 5.3 Environment
Not available

Not available

Not relevant

Not relevant
Not available

SOCIAL PERFORMANCE INDICATORS: LABOR PRACTICES AND DECENT WORK

- LA 1 Breakdown of workforce
LA 2 Net employment creation and average turnover
LA 3 Percentage employees represented by independent trade union organizations
LA 4 Labor/management relations
LA 5 Occupational health
LA 6 Health and safety committees
LA 7 Absentee rates
LA 8 Policies or programs on HIV/AIDS
LA 9 Training per employee
LA 10 Diversity
LA 11 Gender diversity

CR 5.1.1 Workforce and employee turnover
CR 5.1.1 Workforce and employee turnover

5.1.5 Labor relations
CR 5.1.5 Labor relations
CR 5.2. Health and safety
CR 5.2. Health and safety
CR 5.2. Health and safety
Not relevant
CR 5.1.2 Employee and management development
CR 5.1.1 Workforce and employee turnover
CR 5.1.1 Workforce and employee turnover

SOCIAL PERFORMANCE INDICATORS: HUMAN RIGHTS

- HR 1 Human rights guidelines
HR 2 Human rights impacts
HR 3 Human rights performance
HR 4 Non-discrimination
HR 5 Freedom of association policy
HR 6 Child labor

AEGON website www.aegon.com: Code of Conduct
Not available
Not available
CR 5.1.1 Workforce and employee turnover
CR 5.1.5 Labor relations
Not relevant

APPENDIX: GLOBAL REPORTING INITIATIVE OVERVIEW TABLE

Indicator	Section
HR 7 Forces and compulsory labor	Not relevant
SOCIAL PERFORMANCE INDICATORS: SOCIETY	
SO 1 Impacts on communities	CR 4.8 Community impact
SO 2 Bribery and corruption	AEGON website www.aegon.com : Code of Conduct
SO 3 Political contributions	CR 4.8 Community impact
SOCIAL PERFORMANCE INDICATORS: PRODUCT RESPONSIBILITY	
PR 1 Policy preserving customer health and safety	Not relevant
PR 2 Product information and labeling	CR 4.2 Product innovation and transparency CR 4.5.1 Value of brands
PR 3 Respect for privacy	4.1.2 Customer service feedback and complaints
FINANCIAL SERVICES SECTOR SUPPLEMENT: SOCIAL PERFORMANCE	
CSR 1 CSR policy	CR 3.2 Code of conduct
CSR 2 CSR organization	CR 3.3 Risk and reputation management
CSR 3 CSR audits	Not available
CSR 4 Management of sensitive issues	CR 4.1.2 Customer service feedback and complaints CR 4.1.3 Responsible sales
CSR 5 Non-compliance	Not available
CSR 6 Stakeholder dialogue	CR 3.5 Stakeholder engagement
INT 1 Internal CSR policy	CR 5.1.2 Employee and management development
INT 2 Staff turnover and job creation	CR 5.2 Health and safety
INT 3 Employee satisfaction	CR 5.1.1 Workforce and employee turnover
INT 4 Senior management remuneration	CR 5.1.4 Employee satisfaction
INT 5 Bonuses fostering sustainable success	AR 2. Remuneration policy and report, page 33-36
INT 6 Female-male salary ratio	AR 2. Remuneration policy and report, page 33-36
INT 7 Employee profile	Not available
SOC 1 Charitable contributions	CR 5.1.1 Workforce and employee turnover
SOC 2 Economic value added	CR 4.8.2 Sponsoring, donations and volunteering
SUP 1 Screening of major suppliers	AEGON Embedded Value Report
SUP 2 Supplier satisfaction	CR 4.6 Relations with suppliers
INS 1 Underwriting policy	Not available
INS 2 Customer profile	Not available
INS 3 Customer complaints	CR 4.1.1 Customer needs regarding pensions and long-term savings
INS 4 Insurance with high social benefit	CR 4.1.2 Customer service feedback and complaints CR 4.3 Responsible products
FINANCIAL SERVICES SECTOR SUPPLEMENT: ENVIRONMENTAL PERFORMANCE	
F 1 Policies applied to core business lines	Not available
F 2 Screening of environmental risks	AEGON website www.aegon.com : Code of Conduct
F 3 Threshold(s) for risk assessment	Not available
F 4 Monitoring aspects raised in risk assessment process(es)	Not available
F 5 Addressing risks and opportunities	Not available
F 6 Audits of risk systems and procedures	Not available
F 7 Interaction with stakeholders about risks and opportunities	Not available
F 8 Engagement with companies in portfolio	Not available
F 9 Assets subjected to screening	4.4 Corporate governance as an investor
F 10 Share voting policy	4.3 Responsible products
F 11 AUM with right to vote shares	CR 4.4 Corporate governance as an investor
F 12 Value of products and services	CR 4.4 Corporate governance as an investor
AEGON Embedded Value Report	

FORWARD-LOOKING STATEMENTS

Please read these forward-looking statements carefully and in full as it applies to all persons who read this Corporate Responsibility Report. Depending on the reader and locale, it may affect the reader's rights. You should read it in full.

The information in this Corporate Responsibility Report is intended to be useful and informative for customers and partners of and investors in AEGON N.V. AEGON N.V. is dedicated to ensuring that the information is accurate at the time it is included in this Corporate Responsibility Report.

All information in this Corporate Responsibility Report pertains to time periods leading up to December 31, 2005. The Corporate Responsibility Report does not contain information from any date thereafter.

Certain information in this Corporate Responsibility Report may, however, be of a historical nature. All historical information contained in this Corporate Responsibility Report should be understood as referring to events and circumstances as they existed on the date that the relevant documents or presentations were first published or the relevant recordings were made.

The statements contained in this Corporate Responsibility Report that are not historical facts may be forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as 'believe', 'estimate', 'intend', 'may', 'expect', 'anticipate', 'predict', 'project', 'counting on', 'plan', 'continue', 'want', 'forecast', 'should', 'would', 'is confident' and 'will' and similar expressions as they relate to us are intended to identify such forward-looking statements. 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 speak only as of their dates.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations, including, but 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, including:

- 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 value of equity and debt securities we hold;
- The frequency and severity of insured loss events;
- Changes affecting mortality, morbidity and other factors that may affect the profitability of our insurance products;
- Changes affecting interest rate levels and continuing low interest rate levels and rapidly changing interest rate levels;
- Changes affecting currency exchange rates, including 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;
- 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;
- Our failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving initiatives;
- The impact on our reported financial results and financial condition as a result of our adoption of International Financial Reporting Standards.

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