

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF AEGON GROUP

Amounts in EUR millions, unless otherwise stated

53 GROUP COMPANIES

SUBSIDIARIES

The principal subsidiaries of the parent company AEGON N.V. are listed by geographical segment. All are wholly owned, directly or indirectly, unless stated otherwise, and are involved in insurance or reinsurance business, asset management or services related to these activities. The voting power in these subsidiaries held by AEGON is equal to the shareholdings.

Americas

AEGON USA, Inc., Cedar Rapids, Iowa (United States)
Commonwealth General Corporation, Wilmington, Delaware (United States)
Life Investors Insurance Company of America, Cedar Rapids, Iowa (United States)
Monumental Life Insurance Company, Baltimore, Maryland (United States)
Peoples Benefit Life Insurance Company, Cedar Rapids, Iowa (United States)
Stonebridge Casualty Insurance Company, Columbus, Ohio (United States)
Stonebridge Life Insurance Company, Rutland, Vermont (United States)
Transamerica Corporation, Wilmington, Delaware (United States)
Transamerica Financial Life Insurance Company, Inc., Purchase, New York (United States)
Transamerica Life Canada, Toronto, Ontario (Canada)
Transamerica Life Insurance and Annuity Company, Charlotte, North Carolina (United States)
Transamerica Life Insurance Company, Cedar Rapids, Iowa (United States)
Transamerica Occidental Life Insurance Company, Cedar Rapids, Iowa (United States)
Veterans Life Insurance Company, Springfield, Illinois (United States)
Western Reserve Life Assurance Co. of Ohio, Columbus, Ohio (United States)

The Netherlands

AEGON Bank N.V., Utrecht
AEGON Financiële Diensten B.V., The Hague
AEGON International N.V., The Hague
AEGON Levensverzekering N.V., The Hague
AEGON NabestaandenZorg N.V., Groningen
AEGON Nederland N.V., The Hague
AEGON Schadeverzekering N.V., The Hague
AEGON Spaarkas N.V., The Hague
AEGON Vastgoed Holding B.V., The Hague
Meeüs Groep B.V., Amersfoort
Sparbeleg Kas N.V., Utrecht
TKP Pensioen B.V., Groningen
AEGON Investment Management B.V., The Hague

United Kingdom

AEGON Asset Management UK plc, London
AEGON UK Distribution Holdings Ltd., London
AEGON UK plc, London
Guardian Assurance plc, Lytham St Annes
Guardian Linked Life Assurance Limited, Lytham St Annes
Guardian Pensions Management Limited, Lytham St Annes
HS Administrative Services Limited, Chester
Scottish Equitable International Holdings plc, London
Scottish Equitable plc, Edinburgh

Other countries

AEGON Hungary Composite Insurance Company Rt., Budapest (Hungary)
AEGON España S.A., Madrid (Spain) (99.98%)
AEGON Life Insurance (Taiwan) Inc., Taipei (Taiwan)
AEGON Pension Fund Management Company Slovakia, Bratislava (Slovakia)
AEGON Pojistovna a.s., Prague (Czech Republic)
AEGON Towarzystwo Ubezpieczen na Zycie S.A., Warsaw (Poland)

JOINT VENTURES

The principal joint ventures are listed by geographical segment.

The Netherlands

AMVEST Vastgoed B.V., Utrecht (50%)

Other countries

AEGON-CNOOC Life Insurance Company Ltd, Beijing (China) (50%)

Caja Badajoz Vida y Pensiones, Sociedad Anónima de Seguros, Badajoz (Spain) (50%)

SUMMARIZED FINANCIAL INFORMATION OF JOINT VENTURES FOR 2005 ACCOUNTED FOR USING PROPORTIONATE CONSOLIDATION

	Current assets	Long-term assets	Current liabilities	Long-term liabilities	Income	Expenses
AMVEST	46	905	13	614	74	13
AEGON-CNOOC	10	25	2	16	14	21
	56	930	15	630	88	34

There were no operations yet in Caja Badajoz Vida y Pensiones by the end of 2005.

INVESTMENTS IN ASSOCIATES

The principal investments in associates are listed by geographical segment.

The Netherlands

Nieuw Rotterdam Holding B.V., Utrecht (45%)

N.V. Levensverzekering-Maatschappij 'De Hoop', The Hague (35%)

United Kingdom

Tenet Group Limited, Leeds (19.51%)

Other countries

CAM AEGON Holding Financiero, Alicante (Spain) (49.99%)

La Mondiale Participations S.A., Lille (France) (35%)

Refer to note 10 for further details on investments in associates.

54 RELATED PARTY TRANSACTIONS

Related party transactions for the period under review include transactions between AEGON N.V. and Vereniging AEGON, as well as the reinsurance of blocks of immediate annuity business in with profit funds to shareholders of Guardian Assurance plc and transactions from the relationship with Prisma Capital Partners LP.

In both 2001 and 2002, AEGON N.V. entered into total return swaps with Vereniging AEGON in order to hedge the share option plan for each respective year. On April 15, 2005, these total return swaps were terminated, resulting in a positive impact on shareholders' equity of EUR 115 million. The amount has been added to retained earnings.

On May 17, 2005, AEGON N.V. purchased 3,821,645 of its common shares from Vereniging AEGON at a purchase price of EUR 9.847. On December 5, 2005, Vereniging AEGON exercised its option rights to purchase in aggregate 6,950,000 class B preferred shares at par value to correct dilution caused by AEGON's stock dividend issuances and treasury stock sales during the year.

As described in note 4.1.5, as all of AEGON UK's with profit funds are closed to new business with investment guarantees, the process has begun of gradually distributing free assets to with profits policyholders through the bonus system outlined earlier. Part of the management of this process involves trying to ensure that any surpluses in the with profit fund from other (historic) business lines can be distributed to existing with profits policyholders at a suitable rate. In particular, Guardian Assurance plc has reinsured blocks of immediate annuity business to the shareholder on terms reflective of prevailing market rates; this helps avoid a tontine effect building up in the fund, whilst the number of with profit policyholders reduces.