

Transamerica Capital Inc. (TCI) works in partnership with many of the largest banks in the United States to market fixed and variable annuities and life insurance through the banking channel. Recent product focus has been on the 50 years and older segment and 'proprietary' bank annuities, whereby AEGON USA develops an annuity specifically branded for the individual financial institution and the financial institution earns fee income from the marketing and investment management functions. In addition, TCI serves as the wholesale marketing and sales arm to leading New York brokerage firms, regional and independent broker-dealers and independent financial planners to help them market, promote and sell mutual fund and variable annuity products to their clients.

Transamerica Investment Management is a registered investment advisor and provides investment management services to mutual funds, institutional accounts, pension funds, and variable annuity and variable life insurance separate accounts.

Extraordinary Markets offers fixed and variable life insurance products to the bank- and corporate-owned life insurance market through top level independent brokers. Extraordinary Markets' specialized team of product development, financial, actuarial and investment professionals has helped some of the world's leading financial institutions and corporations fund employee and executive benefit and compensation programs, through innovative insurance and investment solutions. The market is approached opportunistically and thus sales results can vary dramatically from year to year.

INSTITUTIONAL PRODUCTS AND SERVICES GROUP

The Institutional Products and Services Group include AEGON Institutional Markets Division and Transamerica Reinsurance.

AEGON Institutional Markets Division (IMD) is well positioned and long established in the competitive and mature institutional market. IMD entered the market with a distinctive floating rate GIC in 1982. Since then, it has significantly expanded its platform to include traditional fixed rate GICs, funding agreements and fee-based businesses, such as synthetic GICs, in which IMD holds the leading market position (source: reports of LIMRA International), while new entrants in this market have increased competition and margin compression. IMD responded through product customization, strong service capabilities and profitable pricing. IMD's skills in product development, distribution, investment and risk management have resulted in a diversified customer and market base and multi-channel distribution. IMD also administers AEGON's USD 6.9 billion (book value) block of structured settlement payout annuities business. New sales of this product were discontinued in 2003.

Transamerica Reinsurance provides traditional risk and capital management, facultative and contract underwriting services,

product development services and term insurance wholesaling. It provides coinsurance and modified coinsurance of fixed and variable annuities. In the United States, customer focus is on large, primary insurance carriers and other significant businesses in the financial services arena. Transamerica Reinsurance writes reinsurance directly with its ceding company clients rather than through brokers. This direct relationship produces an expense advantage and a more complete understanding of risks, while contributing to more favorable underwriting results and deeper, longer-lasting customer relationships. In today's highly competitive reinsurance environment, Transamerica Reinsurance distinguishes itself through its knowledge and experience in assessing and pricing mortality risk, underwriting and private label term services. Transamerica Reinsurance continues to advance international efforts, with a focus on select markets in Latin America and the Asia Pacific region. Foreign offices have been established in Taipei (Taiwan), Seoul (Korea), Hong Kong, Tokyo (Japan), Mexico City (Mexico) and Santiago (Chile). Transamerica Reinsurance writes business through various AEGON USA companies as well as offshore affiliates, Transamerica International Re (Bermuda) Ltd. and Transamerica International Reinsurance Ireland Limited.

PENSION GROUP

The Pension Group includes Diversified Investment Advisors and Transamerica Retirement Services.

Diversified Investment Advisors (Diversified) is a registered investment advisory firm dedicated exclusively to retirement plan management. Diversified provides a customized approach to retirement plans, which includes comprehensive investment, administrative and technical services for 401(k), section 403(b) of the Employee Retirement Income Security Act of 1973, as amended (ERISA), defined benefit, profit sharing, money purchase, NQDC and 457(b) plan types. Diversified provides retirement products and services for the mid- to large-sized pension market, which includes companies with between 250 and 10,000 employees and pension assets between USD 5 million and USD 250 million. These products and services are sold through a variety of intermediaries, including benefit consulting firms, broker-dealers, agents and brokers.

Transamerica Retirement Services (TRS) offers customized retirement plan services in the small business retirement plan market and the multiple employer plan market. A full line of 401(k), profit sharing, age-weighted and age-neutral plans are serviced. TRS distributes its products through intermediaries, including life agents, brokers, registered representatives, financial planners and certified public accountants as well as through a series of strategic alliance relationships. TRS seeks to distinguish itself from its competitors by focusing on innovative plan design, ERISA expertise and offering a broad range of investment choices.