REGISTRATION DOCUMENT

as filed with the Netherlands Authority for the Financial Markets on October 12, 2016

Aegon N.V.

(registered at The Hague, The Netherlands)

and

Aegon Funding Company LLC.

(registered at Wilmington, Delaware)

REGISTRATION DOCUMENT PURSUANT TO ARTICLES 4, 7 AND 9 OF COMMISSION REGULATION (EC) NO 809/2004 (THE "EU PROSPECTUS REGULATION") FOR AEGON N.V. AND AEGON FUNDING COMPANY LLC.

FORWARD-LOOKING STATEMENTS

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

Presentation of certain information

Aegon N.V. is referred to in this Registration Document as "Aegon," "we", "us" or "the Company" and Aegon N.V. together with its member companies are together referred to as the "Aegon Group". For such purposes, "member companies" means, in relation to Aegon N.V., those companies that are required to be consolidated in accordance with legislative requirements of the Netherlands relating to consolidating accounts. References to "Vereniging Aegon" are to Vereniging Aegon and Aegon Funding Company LLC. is referred to in this Registration Document as "AFC". Unless otherwise stated, information regarding Aegon N.V. equally applies to AFC.

In this Registration Document, references to the "NYSE" are to the New York Stock Exchange and references to the "SEC" are to the Securities and Exchange Commission. Aegon uses "EUR" and "euro" when referring to the lawful currency of the member states of the European Monetary Union; "USD," and "US dollar" when referring to the lawful currency of the United States of America; "GBP", "UK pound" and "pound sterling" when referring to the lawful currency of the United Kingdom; "CAD" and "Canadian dollar" when referring to the lawful currency of Canada; "PLN" when referring to the lawful currency of Poland; "CNY" when referring to the lawful currency of the People's Republic of China; "RON" when referring to the lawful currency of Romania; "HUF" when referring to the lawful currency of Hungary; "TRY" when referring to the lawful currency of Turkey, "CZK" when referring to the lawful currency of Czech Republic and "UAH" when referring to the lawful currency of Ukraine.

TABLE OF CONTENTS

1. Risk factors Aegon N.V. and Aegon Funding Company LLC.

Aegon Funding Company LLC (AFC) is an indirect wholly owned subsidiary of Aegon N.V. If AFC issues any debt securities, Aegon N.V. will fully and unconditionally guarantee the due and punctual payment of the principal of, any premium and any interest on those debt securities, when and as these payments become due and payable, whether at maturity, upon redemption or declaration of acceleration, or otherwise. All risk factors regarding Aegon N.V. equally apply to AFC.

1.1 Risks relating to Aegon's business

Set out below are risk factors which could affect the future financial performance of Aegon's businesses and operations and thereby potentially affect Aegon's ability to fulfil its obligations in respect of securities issued or guaranteed by it. Aegon has described the risks relating to its operations of which it is aware and that it considers to be material. There may be additional risks that Aegon currently considers not to be material or of which it is not currently aware and any of these risks could have effects set forth above. Therefore, the risk factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties Aegon and its subsidiaries might face at any time.

Risks related to the global financial markets and general economic conditions

Disruptions in the global financial markets and general economic conditions have affected and continue to affect, and could have a materially adverse effect on Aegon´s businesses, results of operations, cash flows and financial condition.

Aegon´s results of operations and financial condition may be materially affected from time to time by general economic conditions, such as levels of employment, consumer lending or inflation in the countries in which Aegon operates. Global financial markets have experienced extreme and unprecedented volatility and disruption over the last decade. Bank lending has been recovering over the last couple years.

In addition to the risks described in this section, these conditions may result in reduced demand for Aegon´s products as well as impairments and reductions in the value of the assets in Aegon´s general account, separate account, and company pension schemes, among other assets. Aegon may also experience a higher incidence of claims and unexpected policyholder behavior such as unfavourable changes in lapse rates. Aegon´s policyholders may choose to defer or stop paying insurance premiums, which may impact Aegon´s businesses, results of operations, cash flows and financial condition, and Aegon cannot predict definitively whether or when such actions may occur.

Governmental action in the United States, the Netherlands, the United Kingdom, the European Union and elsewhere to address any of the above may impact Aegon's businesses. Aegon cannot predict with certainty the effect that these or other government actions as well as actions by the ECB or the Federal Reserve may have on the financial markets or on Aegon´s businesses, results of operations, cash flows and financial condition.

Refer to note 4 of Aegon's Annual Report 2015 "Financial risks" for a summary of Aegon's sovereign exposure.

Credit risk

Defaults in Aegon´s debt securities, private placements and mortgage loan portfolios held in Aegon´s general account, or the failure of certain counterparties, may adversely affect Aegon's profitability and shareholders´ equity.

Credit risk is the risk of loss resulting from the default by, or failure to meet contractual obligations of issuers and counterparties. For general account products, Aegon typically bears the risk for investment performance equaling the return of principal and interest.

Aegon is exposed to credit risk on its general account fixed-income portfolio (debt securities, mortgages and private placements), over-the-counter (OTC) derivatives and reinsurance contracts. In addition, financial institutions acting as a counterparty on derivatives may not fulfil their obligations. Default by issuers and counterparties on their financial obligations may be due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security they provide may prove inadequate to cover their obligations at the time of the default.

Additionally, Aegon is indirectly exposed to credit risk on the investment portfolios underlying separate account liabilities. Separate account liabilities mainly relate to products sold in the United States. Changes to credit risk can result in separate account losses, which increase the probability of future loss events. Among others, reduced separate account values would decrease fee income, may increase guarantee related liabilities and may accelerate DPAC amortization. As described in note 2.13 – Deferred expenses of the accounting policies in the Annual Report 2015 (refer to page 147 in the Annual Report 2015), the amortization period and pattern are reviewed at each reporting date and any change in estimates is recognized in the income statement. Furthermore in note 3 - Critical accounting estimates and judgement in applying accounting policies, sub 'actuarial and economic assumptions' (refer to page 161 of the Annual Report 2015) it is mentioned that reconsideration of assumptions might affect the original DPAC amortization schedule.

Aegon´s investment portfolio contains, among other investments, Dutch government bonds, US Treasury, agency and state bonds, as well as other government issued securities. Due to the weak economic environment, especially in Europe, Aegon may incur significant investment impairments due to defaults and overall declines in the capital markets. Further excessive defaults or other reductions in the value of these securities and loans may have a materially adverse effect on Aegon´s businesses, results of operations, cash flows and financial condition. The fixed income market conditions experienced through 2015 led to recognized impairment gains on debt securities held in general account of EUR 77 million (2014: EUR 20 million gain, 2013: EUR 71 million loss).

Refer to note 4 of Aegon's Annual Report 2015 "Financial risks" for a quantification of Aegon's credit risk.

Equity market risk

A decline in equity markets may adversely affect Aegon´s profitability and shareholders´ equity, sales of savings and investment products, and the amount of assets under management.

Exposure to equity markets exists in both assets and liabilities. Asset exposure exists through direct equity investment where Aegon bears all or most of the volatility in returns and investment performance risk. Equity market exposure is also present in policyholders' accounts for insurance and investment contracts (such as variable annuities, unit-linked products and mutual funds) where funds are invested in equities. Although most of the risk remains with the policyholder, lower investment returns can reduce the asset management fee that Aegon earns on the asset balance in these products and prolonged investment under-performance may cause existing customers to withdraw funds and potential customers not to grant investment mandates. Hedging of exposures may change those effects significantly. In relation to equity market risk, hedging programs are in place that are designed to manage (and limit) the risks within the limits as defined as part of the financial risk management policies within Aegon group's risk strategy. The actual impact of the hedging programs is dependent on the real time market movements of equity markets. The accounting policies as set out in Aegon's Annual Report 2015 in note 2, in combination with note 4 on Financial Risks and note 24 on Derivatives provide the details on our hedging activities and the related balance sheet positions as well as the sensitivities related to these activities.

Some of Aegon´s insurance and investment contract businesses have minimum return or accumulation guarantees, which requires Aegon to establish reserves to fund these future guaranteed benefits when equity market returns do not meet or exceed these guarantee levels. Aegon´s reported results under International Financial Reporting Standards (IFRS), as adopted by the European Union, are also at risk if returns are not sufficient to allow amortization of DPAC, which may impact the reported net income as well as shareholders´ equity. Volatile or poor market conditions may also significantly reduce the demand for some of Aegon's savings and investment products, which may lead to lower sales and net income. Deteriorating general economic conditions may again result in significant decreases in the value of Aegon´s equity investments. The equity market conditions experienced through 2015 led to a recognized impairment loss on equity securities held in general account of EUR 4 million (2014: EUR 5 million loss, 2013: EUR 3 million loss).

Interest rate risk

Interest rate volatility or sustained low interest rate levels may adversely affect Aegon´s profitability and shareholders´ equity.

In periods of rapidly increasing interest rates, policy loans, surrenders and withdrawals may and usually do increase. Premiums in flexible premium policies may decrease as policyholders seek investments with higher perceived returns. This activity may result in cash payments by Aegon requiring the sale of invested assets at a time when the prices of those assets are affected adversely by the increase in market interest rates. This may result in realized investment losses. These cash payments to policyholders also result in a decrease in total invested assets and net income. Early withdrawals may also require accelerated amortization of DPAC, which in turn reduces net income. Hedging against interest rate movements may change these effects significantly. In relation to interest rate risk, hedging programs are in place that are designed to manage (and limit) the risks within the limits as defined as part of the financial risk management policies within Aegon group's risk strategy. The actual impact of the hedging programs is dependent on the real time market movements of financial markets. The accounting policies as set out in Aegon's Annual Report 2015 in note 2, in combination with note 4 on Financial Risks and note 24 on Derivatives provide the details on our hedging activities and the related balance sheet positions as well as the sensitivities related to these activities.

During periods of sustained low interest rates, as experienced in recent years, Aegon may not be able to preserve margins as a result of minimum interest rate guarantees and minimum guaranteed crediting rates provided in policies. Also, investment earnings may be lower because the interest earnings on new fixed-income investments are likely to have declined with the market interest rates. A prolonged low interest rate environment may also result in a lengthening of maturities of the policyholder liabilities from initial estimates, primarily due to lower policy lapses.

In-force life insurance and annuity policies may be relatively more attractive to consumers due to built-in minimum interest rate guarantees, resulting in increased premium payments on products with flexible premium features and a higher percentage of insurance policies remaining in force year-to-year. The majority of assets backing the insurance liabilities are invested in fixed-income securities.

Aegon manages its investments and derivative portfolio, considering a variety of factors, including the relationship between the expected duration of its assets and liabilities. However, if interest rates remain at current levels or decline further, the yield earned upon reinvesting interest payments from current investments, or from their sale or maturation, may decline. Reinvestment at lower yields may reduce the spread between interest earned on investments and interest credited to some of Aegon's products and accordingly net income may decline. In addition, borrowers may prepay or redeem fixed maturity investments or mortgage loans in Aegon's investment portfolio in order to borrow at lower rates. Aegon can lower crediting rates on certain products to offset the decrease in spread. However, its ability to lower these rates may be limited by contractually guaranteed minimum rates or competition.

In general, if interest rates rise, there will be unrealized losses on assets carried at fair value that will be recorded in other comprehensive income (available-for-sale investments) or as negative income (investments at fair value through profit or loss) under IFRS. This is inconsistent with the IFRS accounting on much of Aegon´s liabilities, where corresponding economic gains from higher interest rates do not affect shareholders' equity or income in the shorter term. Over time, the short-term reduction in shareholder equity and income due to rising interest rates would be offset in later years, all else being equal.

Base interest rates set by central banks and government treasuries remain at or near the historically low or even negative levels as a response to the worldwide recession and attempts to stimulate growth. Depending on economic developments going forward, interest rates at the shorter end of the curve may remain at low or even negative levels for a prolonged period. In such an environment, an anchored expectation of low inflation or deflation could also further push down the longer end of the interest rate curve which could have significant implications for Aegon's operations and financial results.

The profitability of Aegon´s spread-based businesses depends in large part upon the ability to manage interest rate risk, credit spread risk and other risks inherent in the investment portfolio. Aegon may not be able to successfully manage interest rate risk, credit spread risk and other risks in the investment portfolio or the potential negative impact of those risks. Investment income from general account fixed-income investments for the years 2015, 2014 and 2013 was EUR 6.1 billion, EUR 5.6 billion and EUR 5.6 billion respectively. The value of the related general account fixed-income investment portfolio at the end of the years 2015, 2014 and 2013 was EUR 157 billion, EUR 151 billion and EUR 132 billion, respectively.

The sensitivity of Aegon's net income and shareholders' equity to a change in interest rates is provided in note 4 of Aegon's Annual Report 2015 "Financial risks".

Currency exchange rate risk

Fluctuations in currency exchange rates may affect Aegon´s reported results of operations.

As an international group, Aegon is subject to foreign currency translation risk. Foreign currency exposure also exists when policies are denominated in currencies other than Aegon´s functional currency. Currency risk in the investment portfolios backing insurance and investment liabilities are managed using asset liability matching principles. Assets allocated to equity are kept in local currencies to the extent shareholders´ equity is required to satisfy regulatory and Aegon´s self-imposed capital requirements. Therefore, currency exchange rate fluctuations may affect the level of Aegon´s consolidated shareholders´ equity as a result of translation of the equity of Aegon´s subsidiaries into euro, Aegon´s reporting currency. Aegon holds the remainder of its capital base (capital securities, subordinated and senior debt) in various currencies in amounts that are targeted to correspond to the book value of Aegon´s business units. This balancing is intended to mitigate currency translation impacts on equity and leverage ratios. Aegon may also hedge the expected dividends from its principal business units that maintain their equity in currencies other than the euro.

To the extent these expected dividends are not hedged or actual dividends vary from expected, Aegon´s net income and shareholders´ equity may fluctuate. As Aegon has significant business segments in the Americas and in the United Kingdom, the principal sources of exposure from currency fluctuations are from the differences between the US dollar and the euro and between the UK pound and the euro. Aegon may experience significant changes in net income and shareholders´ equity because of these fluctuations.

The exchange rates between Aegon´s primary operating currencies (US dollar, euro and UK pound) continued to fluctuate during 2015. In 2015, the US dollar ranged by 15% against the euro, finishing around 10% up from 2014. The UK pound fluctuated by around 7% against the euro ending the year with a 5% increase from 2014.

For Aegon Americas, which primarily conducts its business in US dollars, total revenues and net loss in 2015 amounted to EUR 14.6 billion and EUR 235 million, respectively. For Aegon UK, which primarily conducts its business in UK pounds, total revenues and net loss in 2015 amounted to EUR 10.7 billion and EUR 935 million, respectively. On a consolidated basis, these revenues represented 74% of the total revenues for the year 2015. The net loss on consolidated basis for Aegon Americas and Aegon UK amounted to EUR 1.171 million. Additionally, Aegon borrows in various currencies to hedge the currency exposure arising from its operations. As of December 31, 2015, Aegon has borrowed or swapped amounts in proportion to the currency mix of capital in units, which was denominated approximately 59% in US dollars, 28% in euro and 13% in UK pounds.

Liquidity risk

Illiquidity of certain investment assets may prevent Aegon from selling investments at fair prices in a timely manner.

Liquidity risk is inherent in much of Aegon´s businesses. Each asset purchased and liability sold has unique liquidity characteristics. Some liabilities can be surrendered, while some assets, such as privately placed loans, mortgage loans, real estate and limited partnership interests, are to some degree illiquid. Aegon continued to maintain its reserves of cash and liquid assets in 2015. In depressed markets, Aegon may be unable to sell or buy significant volumes of assets at quoted prices.

Any security Aegon issues in significant volume may be issued at higher financing costs if funding conditions are impaired, as they have been from time to time in recent years. The requirement to issue securities can be driven by a variety of factors, for instance Aegon may need liquidity for operating expenses, debt servicing and the maintenance of capital levels of insurance subsidiaries. Although Aegon manages its liquidity position for extreme events, including greatly reduced liquidity in capital markets, if these conditions were to persist for an extended period of time, Aegon may need to sell assets substantially below prices at which they are currently recorded to meet its insurance obligations.

In 2015, approximately 39% of Aegon´s general account investments were not highly liquid.

Aegon makes use of (syndicated) credit facilities to support repayment of amounts outstanding under Aegon's commercial paper programs and to serve as additional sources of liquidity. An inability to access these credit facilities, for example due to non-compliance with conditions for borrowing or the default of a facility provider under stressed market circumstances, could have an adverse effect on Aegon's ability to meet liquidity needs and to comply with contractual and other requirements.

Many of Aegon's derivatives transactions require Aegon to pledge collateral against declines in the fair value of these contracts. Volatile financial markets may significantly increase requirements to pledge collateral and adversely affect our liquidity position. Further, a downgrade of Aegon’s credit ratings may also result in additional collateral requirements and affect our liquidity, or even enable counterparties to terminate such derivative transactions.

Underwriting risk

Differences between actual claims experience and underwriting and reserve assumptions may require liabilities to be increased.

There is a risk that the pricing of our products is not set right if the assumptions used for pricing do not materialize. Aegon´s earnings depend significantly upon the extent to which actual claims experience is consistent with the assumptions used in setting the prices for Aegon´s products and establishing the technical liabilities for expected claims. If actual claims experience is less favorable than the underlying assumptions used in establishing such liabilities, Aegon´s income would be reduced. Furthermore, if less favorable claims experience became sustained, Aegon may be required to increase liabilities for other related products, which may reduce Aegon´s income. In addition, certain acquisition costs related to the sale of new policies and the purchase of policies already in force have been recorded as assets on the balance sheet and are being amortized into income over time. If the assumptions relating to the future profitability of these policies (such as future claims, investment income and expenses) are not realized, the amortization of these costs may be accelerated and may require write-offs due to an expectation of unrecoverability. This may have a materially adverse effect on Aegon's results of operations and financial condition.

Sources of underwriting risk include the exercise of policyholder options such as lapses, policy claims (such as mortality and morbidity) and expenses. In general, Aegon is at risk if policy lapses increase, as sometimes Aegon is unable to fully recover up-front sales expenses despite the presence of commission recoveries or surrender charges and fees. In addition, some policies have embedded options which at times are more valuable to the client if they stay (lower lapses) or leave (higher lapses), which may result in losses to Aegon's businesses. Aegon sells certain types of policies that are at risk if mortality or morbidity increases, such as term life insurance and accident insurance. Aegon also sells certain other types of policies, such as annuity products, that are at risk if mortality decreases (longevity risk). For example, certain current annuity products, as well as products sold in previous years, have seen their profitability deteriorate as longevity assumptions have been revised upward. If the trend toward increased longevity persists, Aegon´s annuity products may continue to experience adverse effects due to longer expected benefit payment periods. Aegon is also at risk if expenses are higher than assumed.

Aegon may be unable to manage Aegon´s risks successfully through derivatives.

Aegon is exposed to currency fluctuations, changes in the fair value of Aegon´s investments, the impact of interest rate, equity markets and credit spread changes, and changes in mortality and longevity. Aegon uses common financial derivative instruments, such as swaps, options, futures and forward contracts to hedge some of the exposures related to both investments backing insurance products and company borrowings. This is a more pronounced risk to Aegon in view of the stresses suffered by financial institutions and the volatility of interest rate, credit and equity markets. Aegon may not be able to manage the risks associated with these activities successfully through the use of derivatives. In addition, a counterparty may fail to honor the terms of its derivatives contracts with Aegon. Aegon´s inability to manage risks successfully through derivatives, a counterparty´s failure to honor Aegon´s obligations or the systemic risk that failure is transmitted from counterparty to counterparty may each have a material adverse effect on Aegon´s businesses, results of operations and financial condition.

Aegon´s ability to manage risks through derivatives may be negatively affected by the Dodd-Frank Act and legislative initiatives of the European Commission (EMIR and MIFIR), which provide for regulation of OTC derivatives markets. These regulations include mandatory trading of certain types of OTC derivative transactions on regulated trading venues and mandatory clearing of certain types of transactions through a central clearing organization. These regulations may limit Aegon´s ability to customize derivative transactions for its needs. As a result, Aegon may experience additional collateral requirements and costs associated with derivative transactions.

Modeling risk

Inaccuracies in econometric, financial or actuarial models, or differing interpretations of underlying methodologies, assumptions and estimates, could have a significant adverse effect on Aegon's business, results of operations and financial condition.

Aegon uses econometric, financial and actuarial models to measure and manage multiple types of risk, to price products and to establish and assess key valuations and report financial results. All these functions are critical to Aegon's operations. If these models, their underlying methodologies, assumptions and estimates, or their implementation and monitoring prove to be inaccurate, this could have a significant adverse effect on Aegon's business, financial condition and results. Moreover, these models rely on assumptions, estimates and projections that are inherently uncertain, and actual experience may deviate significantly from modelled results.

Other risks

Valuation of Aegon´s investments, allowances and impairments is subjective, and discrepant valuations may adversely affect Aegon´s results of operations and financial condition.

The valuation of many of Aegon´s financial instruments is based on methodologies, estimations and assumptions that are subject to different interpretations and may result in changes to investment valuations that may have a materially adverse effect on Aegon´s results of operations and financial condition. In addition, the determination of the amount of allowances and impairments taken on certain investments and other assets is subjective and based on assumptions, estimations and judgments that may not reflect or correspond to our actual experience any of which may materially impact Aegon´s results of operations or financial position.

Among other things, changes in assumptions, estimation or judgments or in actual experience may require Aegon to accelerate the amortization of DPAC and value of business acquired, establish a valuation allowance against deferred income tax assets, or to recognize impairment of other assets, any of which may materially adversely affect Aegon's results and financial condition.

Certain of our products have guarantees that may adversely affect our results, financial condition or liquidity.

Certain products, particularly our variable annuity products, include guarantees of minimum surrender values or income streams for stated periods or for life, which may be in excess of account values. These guarantees are designed, among other things, to protect policyholders against downturns in equity markets and interest rates. As a result, a drop in equity markets, an increase in equity volatility, or lower interest rates could result in an increase in the valuation of Aegon’s liabilities associated with these products. An increase in these liabilities may decrease our net income. Aegon uses a variety of hedging and risk management strategies to mitigate these risks. However, these strategies may not be fully effective and hedging instruments may not fully offset the costs of guarantees or may otherwise be insufficient in relation to our obligations. Estimates and assumptions Aegon makes in connection with hedging activities may fail to fully reflect or correspond to the actual (longer term) exposure in respect of guarantees. Further, unexpected policyholder behavior may cause our hedging to be less effective. The above factors could have a material adverse effect on our results of operations, financial condition or liquidity.

Aegon may be required to increase its statutory reserves and/or hold higher amounts of statutory capital for some of its products, which will decrease Aegon´s returns on these products unless Aegon increases its prices.

There may be increased regulatory requirements, resulting in more stringent supervision of insurers by regulatory authorities in the jurisdictions in which Aegon's subsidiaries are domiciled and operate. Aegon cannot predict specific proposals that might be adopted, or what impact, if any, such proposals or, if enacted, such laws, may have on its businesses, results of operations, or financial condition.
The European Union (which has already adopted Solvency II), the National Association of Insurance Commissioners' (NAIC) in the US or US state regulators may adopt revisions to applicable risk based capital formulas, local regulators in other jurisdictions in which Aegon's subsidiaries operate may increase their capital requirements, or rating agencies may incorporate higher capital thresholds into their quantitative analyses, thus requiring additional capital for Aegon's insurance subsidiaries.

An important example of increased regulatory requirements for insurers originates from the European Commission´s Solvency II Directive, which became effective on January 1, 2016, and which imposes, among other things, substantially greater quantitative and qualitative capital requirements on some of Aegon´s businesses and at the Group level, as well as supervisory and disclosure requirements, and may impact the structure, business strategies, and profitability of Aegon´s insurance subsidiaries and of the Group. Some of Aegon´s competitors, who are headquartered outside the European economic area may not be subject to Solvency II requirements and may thereby be better able to compete against Aegon, particularly in Aegon´s businesses in the United States and Asia. In particular, the manner in which Aegon’s United States and Asia insurance businesses are taken into account in the Solvency II group solvency calculation, may have a significant impact on the group’s capital position. In that context, the opinion published by EIOPA on January 27, 2016 regarding the application of a combination of accounting methods for the group solvency calculation has offered important additional guidance to Aegon that has helped to determine its group solvency position under Solvency II. Although Aegon currently does not have any indications to that effect, it cannot be excluded that, as is generally the case with respect to the interpretation of regulatory requirements, in future this guidance may change, which may have, depending on the nature of the change, a significant effect on the outcome of the group solvency calculation.

Furthermore, the NAIC Model Regulation entitled 'Valuation of Life Insurance Policies,' commonly known as Regulation XXX, requires insurers in the United States to establish additional statutory reserves for term life insurance policies with long-term premium guarantees. In addition, Actuarial Guideline XXXVIII, commonly known as AG38, intended to clarify the regulation on valuation of life insurance policies, requires insurers to establish additional statutory reserves for certain universal life insurance policies with secondary guarantees. Virtually all of Aegon´s newly issued term and universal life insurance products in the United States are now affected by Regulation XXX and AG38, respectively.

The NAIC has adopted regulations to monitor and provide transparency for insurer-affiliated captive reinsurers. Captive reinsurance structures have been used to manage “economically redundant” reserves for term and secondary guarantee universal life policies. It is anticipated that after the enactment of US principle-based reserves, effective January 1, 2017 for new business, new captive reinsurance structures will not be required for these term and secondary guarantee universal life products. The new reserves requirements for US life insurance products represent a more economically supported view of the resources required to support the promises to policyholders. For its older business held in a captive Aegon may continue to be subject to the risks of adverse publicity and changes in regulations related to captive reinsurance.

In addition, the NAIC is reviewing the use of captives for variable annuity business and is considering actuarial and accounting changes for variable annuities. Aegon utilizes variable annuity captives to align its hedging strategy with capital requirements for a closed block of variable annuities. The NAIC also continues to consider changes to corporate governance and insurers' use of captives.

Aegon utilizes affiliated captive insurance companies to manage risks of various insurance policies, including universal life with secondary guarantees, level term life insurance and variable annuity policies. To the extent that state insurance departments restrict Aegon's use of captives and regulatory reserve requirements remain unchanged, this could increase costs or lead to increased prices to consumers on those products. Due to continuing regulatory discussions it is not possible to provide an estimate of the final result at this time.

As a further example, Aegon and the Aegon Group may be impacted by further changes to the capital adequacy requirements it is subject to as a result of the development of the Common Framework for the Supervision of Internationally Active Insurance Groups (ComFrame), which is a set of international regulatory standards focusing on the effective group-wide supervision of internationally active insurance groups, and particular requirements or standards that may be imposed on global systemically important insurers (G-SIIs) in the future. As of November 3, 2015 Aegon is classified as a G-SII. This qualification is reviewed by the Financial Stability Board yearly. If Aegon remains a G-SII, it may be required as per January 2019, to maintain additional capital in the form of Higher Loss Absorbing Capacity (HLA), in addition to a Basic Capital Requirement (BCR), which is currently under development at international level by the International Association of Insurance Supervisors (IAIS). Only after the calibration of the BCR and HLA has been completed, it will be certain whether or not these requirements will result in more binding capital constraints than existing requirements, including Solvency II. In this respect, the development of ComFrame as well as the requirements or standards applicable to G-SIIs could lead to enhanced capital requirements applicable to internationally active insurance groups and/or G-SIIs that may require us to constrain our ability to pay dividends, repurchase our own shares or engage in other transactions that affect our capital and/or could adversely affect our ability to compete with other insurers that are not subject to those capital requirements. Furthermore, such requirements may constrain Aegon's ability to provide guarantees, may increase the cost to Aegon of offering certain products, which could require Aegon to raise prices on those products, reduce the amount of risk Aegon takes on or stop offering certain products. Furthermore, Aegon may consider structural and other business alternatives in light of our G-SII designation, the impact of which on shareholders cannot be predicted.

For some of Aegon´s products, market performance impacts the level of statutory reserves and statutory capital Aegon is required to hold, which may have an adverse effect on returns on capital associated with these products. Capacity for reserve funding available in the marketplace is currently limited as a result of market conditions generally. Aegon´s ability to efficiently manage capital and economic reserve levels may be impacted, thereby affecting profitability and return on capital.

Aegon may not be able to comply fully with, or obtain appropriate exemptions from, the wide variety of laws and regulations applicable to insurance companies, holding companies, groups of insurance companies and/or other financial undertakings and/or financial conglomerates. Failure to comply with or to obtain appropriate exemptions under any applicable laws may result in restrictions on Aegon´s ability to do business in one or more of the jurisdictions in which Aegon operates and may result in fines and other sanctions, which may have a materially adverse effect on Aegon´s businesses, financial position or results of operations.

Some countries impose restrictions on particular underwriting criteria, such as gender, or use of genetic test results, for determination of premiums and benefits of insurance products. To date, Aegon has not observed negative financial or business impact due to these restrictions. However, future restrictions could adversely impact Aegon’s operations or financial results. Further developments in underwriting, such as automation and use of additional data, may also be affected by future regulatory developments regarding privacy and use of personal data.

A downgrade in Aegon´s ratings may increase policy surrenders and withdrawals, adversely affect relationships with distributors, and negatively affect Aegon´s results.

Claims-paying ability and financial strength ratings are factors in establishing the competitive position of insurers. A rating downgrade (or the potential for such a downgrade) of Aegon or any of its rated insurance subsidiaries may, among other things, materially increase the number of policy surrenders and withdrawals by policyholders of cash values from their policies. These withdrawals may require the sale of invested assets, including illiquid assets, at a price that may result in realized investment losses. These cash payments to policyholders would result in a decrease in total invested assets and a decrease in net income. Among other things, early withdrawals may also cause Aegon to accelerate amortization of deferred policy acquisition costs (DPAC), reducing net income.

Aegon has experienced downgrades and negative changes to its outlook in the past, and may experience downgrades and negative changes in the future. For example, in August 2016, Fitch downgraded Aegon N.V.’s long term issuer default rating to ‘A-’ from ‘A’ and Aegon’s primary U.S. life insurance subsidiaries and Scottish Equitable insurer financial strength ratings to ‘A+’ from ‘AA-’. Since 2015, Standard and Poor´s put a negative outlook on its insurer financial strength rating for Scottish Equitable (Aegon UK). A downgrade or potential downgrade, including changes in outlook, may result in higher funding costs and/or affect the availability of funding in the capital markets. In addition, a downgrade may adversely affect relationships with broker-dealers, banks, agents, wholesalers and other distributors of Aegon´s products and services, which may negatively impact new sales and adversely affect Aegon´s ability to compete. A downgrade of Aegon’s credit ratings may also further affect our liquidity position through increased collateral requirements for our hedging and derivative transactions, and may affect our ability to obtain reinsurance contracts at reasonable prices or at all. This would have a materially adverse effect on Aegon´s businesses, results of operations and financial condition.

Aegon cannot predict what actions rating agencies may take, or what actions Aegon may take in response to the actions of rating agencies. As with other companies in the financial services industry, Aegon´s ratings may be downgraded at any time and without notice by any rating agency.

Changes in government regulations in the countries in which Aegon operates may affect profitability.

Aegon's regulated businesses, such as insurance, banking and asset management, are subject to comprehensive regulation and supervision. The primary purpose of such regulation is to protect clients (i.e. policyholders), not holders of Aegon securities. Changes in existing laws and regulations may affect the way in which Aegon conducts its businesses, profitability of its businesses and the products offered. Additionally, the laws or regulations adopted or amended from time to time may be more restrictive or may result in higher costs than currently the case, such as with regard to the calculation of capital needs, treatment of own funds, rules or guidance with respect to the modelling of insurance, investment and other risks. The financial crisis of 2008 has resulted in, and may continue to result in further changes to existing laws, regulations and regulatory frameworks applicable to Aegon's businesses in the countries in which it operates.

For example, in July 2010, the US Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), which provides for comprehensive changes to the regulation of financial services in the United States by granting existing and newly-created government agencies and bodies (for example the Federal Reserve Board, Commodity Futures Trading Commission, Securities and Exchange Commission and the newly-created Financial Stability Oversight Council) authority to promulgate new financial regulations applicable to bank and non-bank financial institutions. The regulatory changes include or may include capital standards and prudential standards for non-bank companies deemed to be systemically important financial institutions (SIFIs) that are more stringent than the standards applicable to non-SIFIs. Aegon has not been designated a SIFI in the United States. In addition, US State financial services regulators may develop capital, accounting and solvency regulatory standards for internationally active insurance groups (IAIGs).

In November 2010, the G20 endorsed a policy framework to address the systemic and moral hazard risks associated with SIFIs, and initially in particular global SIFIs (G-SIFIs). On July 18, 2013, the International Association of Insurance Supervisors (IAIS) published a methodology for identifying global systemically important insurers (G-SIIs), and a set of policy measures that will apply to them. The Financial Stability Board (FSB) has endorsed the methodology and these policy measures. The policy measures include recovery and resolution planning requirements, liquidity and systemic risk management planning and enhanced group-wide supervision, including direct powers over holding companies and higher loss absorbency requirements (HLA). The HLA builds on the IAIS Basic Capital Requirements (BCR) and addresses additional capital requirements for G-SIIs reflecting their systemic importance in the international financial system. Additionally, certain aspects of the HLA relate to requirements applicable to other regulated financial sectors for which capital rules already exist. HLA requirements will need to be met by the highest quality capital. In November 2013, the FSB has identified an initial list of 9 G-SIIs to which the policy measures above should apply. The group of G-SIIs is updated annually and published by the FSB each November based on new data, most recently on November 3, 2015. At that time Aegon was added to this list and as a consequence will also become subject to the policy measures described above. The HLA requirements will apply to Aegon, assuming it will continue to be a G-SII when HLA requirements enter into force as per January 2019. The development of the BCR is the first step and the development of the HLA is the second step in the IAIS project to develop group-wide global capital standards. The third step is the development of a risk based group-wide global Insurance Capital Standard (ICS), due to be completed by the end of 2016 and to be applied to IAIGs, including G-SIIs from 2019 after refinement and final calibration in 2017 and 2018. The development of the ICS will be informed by the work on the BCR. When finalized, the ICS will replace the BCR as foundation of the HLA. The IAIS indicates that, because of the interlinkage between the BCR and HLA, the calibration may be modified depending on the HLA requirements. The IAIS currently expects that the HLA will initially be based on the BCR, but will be later based on the ICS. The exact timing of the transition from BCR to ICS will depend on the adoption of the ICS by the IAIS (currently scheduled October 2018) and the time needed to develop and implement the framework in the relevant jurisdictions. The internationally developed BCR and HLA currently are calculated using different (criteria and) methodologies than EU Solvency II capital requirements. Only after the calibration of the BCR and HLA has been completed will Aegon be able to determine whether or not these requirements will result in more binding capital constraints than existing requirements, including Solvency II.

An important effect of the Dodd-Frank Act on Aegon USA will be the derivatives reform aspect of the Dodd-Frank Act, which aims to increase transparency of derivatives use and reduce systemic risk. Aegon USA entities are considered to fall into Category 2 under the regulations and are therefore required to clear derivative transactions in accordance with the phase-in regulations. In addition, Aegon USA has new reporting, initial margin and variation margin obligations under the Dodd-Frank Act and its regulations. However, Aegon cannot predict how the regulations will affect the financial markets generally or how the regulations will affect Aegon's business, financial condition or results of operations.

In the United States, the Patient Protection and Affordable Care Act (PPACA) was enacted in 2011 and upheld, with the exception of the Medicaid expansion mandate, by the US Supreme Court in 2012. PPACA significantly changes the regulation of health insurance in the United States, including in certain respects the regulation of supplemental health insurance products. The extent to which employers or individuals may discontinue their purchase of supplemental health insurance products as a result of these changes may significantly impact Aegon USA's supplemental health insurance products business. Given ongoing litigation in the United States with regards to PPACA, the impact to Aegon remains uncertain.

Solvency II has become effective in EU member states as per January 1, 2016. Due to the fact that the Solvency II framework is new, the interpretation of various elements of the Solvency II framework is not yet fully clear or may change as a result of the way insurers as well as supervisory authorities interpret the new rules. This may also affect the way Aegon implements the Solvency II framework, including Aegon's financial position under Solvency II. Pursuant to Solvency II, Aegon is required to calculate a solvency ratio (own funds divided by the required solvency, the latter referred to as the Group SCR), for the Aegon Group at the level of Aegon which should be at least equal to 100%. Under Solvency I, EU supervisors usually required insurance and reinsurance undertakings to maintain a substantial percentage of own funds above the statutory minimum requirements. Under Solvency II, Aegon expects that DNB will leave the decision as to whether to hold a buffer of own funds in excess of the Group SCR or the SCR as the case may be to the Aegon Group, and to the insurance and reinsurance undertakings in the Aegon Group. As the prudential supervisor, DNB will nonetheless monitor Aegon's capital management policies. Aegon applies its own capital management policies that determine the Company's risk tolerances on the basis of self-imposed criteria. These policies may result in Aegon, at its own election, but supervised by DNB, maintaining a buffer of own funds in addition to those required in according to Solvency II requirements. Pursuant to these self-imposed criteria, Aegon currently aims to hold a buffer in excess of the 100% minimum Group Solvency Ratio of 40 to 70%, in accordance with Aegon's Group Capital Management Policy. The calculation of the Group Solvency Ratio in accordance with Solvency II is further described in section "Regulation and Supervision" of Aegon's Annual Report 2015.

In April 2016 the United States Department of Labor (DOL) issued Final Rules on "Definition of the Term ''Fiduciary''; Conflict of Interest — Retirement Investment Advice" that substantially broadens the definition of "fiduciary" with respect to retirement benefit programs. The rules will, with limited exemptions and carve-outs, subject agents and brokers to a best interest/fiduciary standard.

The rule could have a material adverse impact from a prospective sales perspective both as to Aegon Americas' retirement plan and annuity businesses, and could create other challenges to the operating model of these businesses. Delayed effective or applicability dates, as well as any legal challenges, may further delay final implementation. It is not possible to quantify the impact of the proposal on Aegon Americas' business or the challenges that it may present.

Changes in pension and employee benefit regulation, social security regulation, financial services regulation, taxation and the regulation of securities products and transactions may adversely affect Aegon's ability to sell new policies or claims exposure on existing policies. For example, in Hungary, the mandatory pension business has been nationalized and therefore Aegon in Hungary has liquidated its mandatory pension business. Similarly, in December 2013, the Polish parliament approved legislation to overhaul the existing state pension system, which was a reason for Aegon to write down its intangible assets.

Other initiatives, such as by the International Association of Insurance Supervisors, may create regulations that would increase capital needs and other requirements that would not be applicable to all carriers and create an uneven competitive playing field.

In general, changes in laws and regulations may materially increase Aegon's direct and indirect compliance costs and other ongoing business expenses and have a materially adverse effect on Aegon's businesses, results of operations or financial condition.

The possible abandonment of the euro currency by one or more members of the European Monetary Union may affect Aegon´s results of operations in the future.

It is possible that the euro may be abandoned as a currency in the future by countries that have already adopted its use. This may lead to the re-introduction of individual currencies in one or more European Monetary Union member states, or in more extreme circumstances, the dissolution of the European Monetary Union. It is not possible to predict with certainty the effect on the European and global economies of a potential dissolution of the European Monetary Union or the exit of one or more European Union member states from the European Monetary Union. Any such event may have a materially adverse effect on Aegon's future financial condition and results of operations.

The United Kingdom (UK) leaving the European Union (‘Brexit’) may affect Aegon’s results and financial condition.

On June 23, 2016 the United Kingdom voted in a national referendum to withdraw from the European Union. It is unclear if or when the United Kingdom will formally serve notice to the European Council of its desire to withdraw. The implications of such a ‘Brexit’ are uncertain, with respect to the European integration process, the relationship between the UK and the European Union, and the impact on economies and businesses. Aegon could be adversely impacted by related market developments such as increased exchange rate movements of the GBP versus the Euro and higher financial market volatility in general due to increased uncertainty any of which could reduce the value or results of Aegon's operations in the United Kingdom. Aegon could also be adversely impacted should a ‘Brexit’ result in the UK moving away from agreed and implemented EU legislation like, but not limited to, Solvency II regulations.

Risks related to the Dutch Intervention Act

In June 2012, the Dutch Intervention Act (Wet bijzondere maatregelen financiële ondernemingen) came into force in the Netherlands, with retroactive effect from January 20, 2012. The Dutch Intervention Act grants far-reaching new powers to the Dutch Central Bank (De Nederlandsche Bank N.V., DNB) and the Dutch Minister of Finance to intervene in situations where an institution, including a financial group such as Aegon, faces financial difficulties or where there is a serious and immediate risk to the stability of the Dutch financial system caused by an institution in difficulty. The Dutch Intervention Act has been amended in respect of, inter alia, banks as a result of the entry into force of the EU Directive on the recovery and resolution of credit institutions and investments firms, which was approved by the European Parliament on April 15, 2014 and of which the final text was published in the Official Journal of the European Union on June 12, 2014 (the Bank Recovery and Resolution Directive or BRRD). The Bank Recovery and Resolution Directive also contains provisions that apply to mixed financial holding companies such as Aegon N.V., including the right of bail-in of creditors. Under the Dutch Intervention Act, substantial powers have been granted to DNB and the Dutch Minister of Finance enabling them to deal with ailing Dutch insurance companies as well as holding companies of insurance companies and financial conglomerates prior to insolvency. The measures allow them to commence proceedings which may lead to (a) the transfer of all or part of the business of an ailing insurance company to a private sector purchaser, (b) the transfer of all or part of the business of an ailing insurance company to a "bridge entity", (c) the transfer of the shares in an ailing insurance company to a private sector purchaser or a "bridge entity", (d) immediate interventions by the Dutch Minister of Finance concerning an ailing insurance company, and (e) public ownership (nationalisation) of (i) all or part of the business of an ailing insurance company or (ii) all or part of the shares or other securities issued by an ailing insurance company or its holding company. The Dutch Intervention Act also contains measures that limit the ability of counterparties to invoke contractual rights (such as contractual rights to terminate or to invoke a right of set-off or to require security to be posted) if the right to exercise such rights is triggered by intervention of DNB or the Dutch Minister of Finance based on the Dutch Intervention Act or by a circumstance which is the consequence of such intervention. There is a risk that the exercise of powers by DNB or the Dutch Minister of Finance under the Dutch Intervention Act could have a material adverse effect on the performance by the failing institution, including Aegon, of its obligations (of payment or otherwise) under contracts of any form, including the expropriation, write-off, write-down or conversion of securities such as shares and debt obligations issued by the failing institution. Furthermore, the terms of contracts, including debt obligations may be varied (e.g. the variation of maturity of a debt instrument). The Dutch Intervention Act and the Bank Recovery and Resolution Directive aim to ensure that financial public support will only be used as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool.

On July 13, 2016, the Dutch Ministry of Finance has published a consultation document for a proposal of law on the recovery and resolution of insurance companies in the Netherlands. The consultation period ended on August 28, 2016 and a legislative proposal is expected later this year. If and when adopted, the provisions of this law will replace the provisions of the Dutch Intervention Act with respect to Dutch insurance companies. The new provisions include a more explicit legal basis for DNB to require a recovery plan, for DNB to prepare a resolution plan, and powers to require insurers to take away impediments to resolution. Furthermore, the possibility of bail-in of creditors and policyholders will be introduced, which can be used when an insurer is failing or is threatening to fail. The bail-in tool should not lead to a creditor or policyholder being worse off than he would be in insolvency. The proposed resolution tools can be applied to Dutch insurers but potentially also to other Dutch group companies. As the principles underlying the BRRD, the Dutch Intervention Act and the proposed law are substantially the same, in particular the legal protection offered to investors by the 'no creditor worse-off principle', the risks to investors related to the proposal are also similar to the risks related to the BRRD and Dutch Intervention Act, as described above. In addition, due to fact that the proposals do not have a European basis, there is a risk that some provisions may not be enforceable in full or may not be effective in a cross-border context.

Legal and arbitration proceedings and regulatory investigations and actions may adversely affect Aegon´s business, results of operations and financial position.

Aegon faces significant risks of litigation and regulatory investigations and actions in connection with Aegon's activities as an insurer, securities issuer, employer, investment adviser, investor and taxpayer, among others.

Aegon subsidiaries have received inquiries from local authorities and policyholder advocate groups in various jurisdictions including the United States, the United Kingdom and the Netherlands. In the normal course of business, reviews of processes and procedures are undertaken to ensure that customers have been treated fairly, and to respond to matters raised by policyholders and their representatives. There is a risk that Aegon may not be able to resolve some or all such matters in the manner that it expects. In certain instances, Aegon subsidiaries modified business practices in response to such inquiries or the findings thereof. Regulators may seek fines or other monetary penalties or changes in the way Aegon conducts its business. For example, in 2014 the UK Financial Conduct Authority fined Aegon GBP 8.3 million for past sales practices related to accident insurance products sold by an affinity marketing unit that was active in several European countries and as to which Aegon elected to cease writing new business.

Insurance companies are routinely the subject of litigation, investigation and regulatory activity by various governmental and enforcement authorities, individual claimants and policyholder advocate groups, involving wide-ranging subjects such as transparency of disclosure issues and the charges included in products, employment or third party relationships, adequacy of internal operational controls and processes, environmental matters, anti-competition, privacy, information security and intellectual property infringement. For example, over the past 5 years, unclaimed property administrators and state insurance regulators performed examinations of the life insurance industry in the United States, including certain of Aegon's subsidiaries. This included multi-state examinations. Additionally, during the same time frame, some states conducted separate examinations, instituted separate enforcement actions and/or initiated litigation against companies under their unclaimed property laws and related claims practices. One such action remains unresolved in the state of West Virginia. As other insurers in the United States have done, Aegon Americas initially established reserves for this matter in 2011, which have been partially released on a quarterly basis as policy level reconciliation efforts are completed, with a reserve of approximately EUR 16 million remaining at year end 2015. Like various other major insurers in the United States, Aegon subsidiaries in the United States entered into resolutions with state treasurers and insurance regulators regarding unclaimed property and claims settlement practices. While Aegon believes the reserves it has established for these unclaimed property matters are adequate to cover expected obligations, there can be no assurances that actual exposures will not exceed reserve amounts or that additional sources of liability related to these examinations or other unclaimed property-related matters will not arise in the future. For more than a decade there has been an increase in litigation across the industry, together with new legislation, regulations, and regulatory initiatives, all aimed at curbing alleged improper annuity sales to seniors. As many of the estimated 78 million baby boomers in the United States (those born between 1946 and 1964) are reaching the age of 60, the industry will likely see an increase in senior issues presented in various legal arenas.

In addition, insurance companies are generally the subject of litigation, inquiries, investigations and regulatory activity concerning common industry practices such as the disclosure of costs, both costs incurred upon inception of the policy as well as over the duration thereof, commissions, premiums and other issues relating to the transparency of disclosure concerning certain products and services including the risks thereof, in particular when costs and charges apply for or take effect over a longer duration, as is the case for many of Aegon´s products. The costs assessed to a particular product class may be changed over time within specified limits, and these changes may lead to policy owner or regulatory review. Some inquiries lead to investigations, which remain open, or could result in fines, corrective actions or restitution. In certain instances, Aegon subsidiaries modified business practices in response to those inquiries, investigations or findings. In addition, many of Aegon´s products offer returns that are determined or that are affected by, among other things, fluctuations in equity markets as well as interest rate movements. These returns may prove to be volatile and occasionally disappointing. Disputes may also arise about the adequacy of internal controls, the level of appropriateness, disclosure, use and operation of modelling (quantitative or otherwise), investment allocations or other product features. From time to time, this results in complaints to Aegon or to regulatory bodies, in regulatory inquiries and investigations as well as in disputes that lead to litigation. Inquiries and investigations, regardless of their merit, may result in orders and settlements involving monetary payments and changes to the way Aegon does business.

Legal proceedings may take years to conclude. Parties are generally allowed to appeal from a decision in first instance. An appellate court decision may qualify for appeal to a supreme court. Also, Dutch law, for example, at present does not provide for a statutory basis for a plaintiff to claim damages on behalf of a class. Only when a plaintiff, in its capacity as member of a class, has obtained a ruling on the merits of a case, can it claim damages on an individual basis. Alternatively, negotiations between the defendant and customer interest groups may lead to a form of collective monetary settlement. This settlement can then be declared binding by the court and applied to the entire class.

Aegon cannot predict at this time the effect that litigation, investigations, and actions will have on the insurance industry or Aegon's business in the future. Lawsuits, including class actions and regulatory actions, may be difficult to assess or quantify, and may seek recovery of very large and/or indeterminable amounts, including bad faith, punitive and treble damages, and their existence and magnitude may remain unknown for substantial periods of time. Claimants may allege damages that are not quantifiable or supportable and which bear little relationship to their actual economic losses, or amounts they ultimately receive, if any. Besides potential monetary obligations, private litigation, regulatory action, legislative changes and developments in public opinion may require Aegon to alter the way it does business, which could have a material adverse effect on Aegon's results of operations and prospects.

Aegon and other US industry participants have been named in lawsuits alleging, among other things, that asset based fees charged for investment products offered on 401(k) platforms were higher than those generally available in the market. In addition, the insurance industry in the US, including Aegon’s US subsidiaries, are increasingly facing litigation relating to monthly deduction rate increases on universal life products in the US market. Putative class actions have been instituted against Aegon, as well as competitors, for increases on in-force policies. Plaintiffs generally allege that the reason for the increase, to cover future cost of providing insurance coverage, is a pretext.

In the Netherlands, certain current and former customers, and groups representing customers have initiated litigation, and certain groups are encouraging others to bring lawsuits against Aegon and other insurers regarding the appropriateness of premiums and policy costs of certain products, including unit-linked products (so called 'beleggingsverzekeringen', including the KoersPlan product). Since 2005, unit-linked products in particular started to become the subject of public debate. Allegations began to emerge that products and services had not been transparent, were too costly or delivered a result different from what was agreed to. Customer interest groups were formed specifically in this context. Also, regulators as well as the Dutch Parliament have been involved in this matter ever since, with the principal goal of achieving an equitable resolution for customers. Lawsuits have also been brought against providers of securities leasing products. On September 2, 2016 the Dutch Supreme Court ruled on a case involving a securities leasing product sold by one of Aegon's competitors. It decided that a financial institution was liable where the broker ('remisier') who advised on the sales of this financial institution's securities leasing products was not properly licenced to provide advice with regard to such products. Although the last securities leasing products were sold more than a decade ago, and the ruling is related to a specific case, it cannot be excluded that this ruling might have a material adverse effect on other providers of securities leasing products, such as Aegon.

Aegon has defended and Aegon intends to continue defending itself vigorously when Aegon believes claims are without merit. Aegon has also sought and intends to continue to seek to settle certain claims, including via policy modifications, in appropriate circumstances. Aegon refers to the settlement Aegon reached in 2009 with Stichting Verliespolis and Stichting Woekerpolis in The Netherlands, two major customer interest groups. In 2012, Aegon accelerated certain product improvements that reduce future costs and that increase policy value for its customers with unit-linked insurance policies. With these measures, Aegon committed to the 'best of class' principles identified by the Dutch Ministry of Finance for certain existing unit-linked products. These principles were the result of an industry-wide review by the Ministry of the various agreements reached between individual insurance companies and customer interest groups in relation to unit-linked insurance policies. The Ministry made a strong appeal to all industry participants to apply these principles. As a result of this acceleration, Aegon took a one-off charge of EUR 265 million before tax in 2012. In addition, Aegon reduced future policy costs for the large majority of its unit-linked portfolio. At the time of that acceleration, that decision was expected to decrease income before tax over the remaining duration of the policies by approximately EUR 125 million in aggregate, based on the present value at that time. While parties such as the Ombudsman Financiële Dienstverlening (the Netherlands financial services industry ombudsman) supported the arrangements reached with customer interest groups, the public debate over the adequacy of these and other arrangements, as well as discussions in the Dutch Parliament, continue and may lead to re-examination and adjustment of the settlements made. It is not yet possible to determine the direction or outcome of these matters, including what actions, if any, Aegon may take in response thereto, due to commercial necessity or future rulings or, for example, at the instigation of regulatory authorities, or the impact that any such actions may have on Aegon´s business, results of operations and financial position. For example, the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten or 'AFM') issued a request to the insurance industry to contact certain customers to determine whether unit-linked products sold in the past, actually perform as originally contemplated. Aegon has actively responded to that request by contacting customers to assess the performance of these products in the context of the then current objectives of that customer and to solicit an informed decision by those customers whether or not to continue with, make changes to or terminate these products ('activeren van klanten'). This process is actively monitored by the AFM, including the percentage of customers contacted. Sanctions may be imposed if the AFM determines that an insurer did not adequately or timely conduct this process. The Dutch Parliament introduced specific legislation in this respect and closely monitors the process. Any changes in legislation, regulatory requirements or perceptions of commercial necessity may have a materially adverse effect on Aegon's businesses, results of operations and financial condition.

In general, individual customers as well as policyholder advocate groups and their representatives, continue to focus on the level of fees and other charges included in products sold by the insurance industry (including Aegon), as well as the transparency of disclosure regarding such fees and charges and other product features and risks. In 2013, the Dutch Supreme Court denied Aegon´s appeal from a ruling of the Court of Appeal with respect to a specific Aegon unit-linked product, the "KoersPlan" product. Between 1989 and 1998, Aegon has issued, sold or advised on approximately 600,000 KoersPlan policies. In 2011, the Court of Appeal ruled that Aegon should have more clearly informed its customers about the amount of premium which the company charged in relation to the death benefit embedded in those products. Prior to that ruling, Aegon had already taken steps to improve its communications with customers as well as adjusting the amounts charged to KoersPlan customers. As a result of the Dutch Supreme Court's denial of appeal, Aegon compensated the approximately 35,000 holders of KoersPlan products who were plaintiffs in the litigation and took a charge of EUR 25 million in 2013 in connection therewith. In 2014, Aegon announced that it would voluntarily compensate holders of KoersPlan products that were not plaintiffs in the litigation. The compensation amounts to the difference, if any, between the amount of premium charged by Aegon for a comparable risk in stand-alone death benefit coverage over the same period, and the premium (if higher) actually charged by Aegon in connection with the KoersPlan product. This voluntary product improvement was supported by the consumer interest group that initiated the court action over the KoersPlan product, Stichting Koersplandewegkwijt. This improvement was extended to all tontine saving plan products (Spaarkassen). It is not yet possible to determine what actions, if any, Aegon may take in connection with any such expectations, or demands or claims, due to commercial necessity or future rulings or, for example, at the instigation of regulatory authorities, or the impact that any such actions may have on Aegon´s business, results of operations and financial position.

Aegon expects the claims and the litigation relating to unit-linked products to remain an industry issue for the foreseeable future. In March 2016, the Klachteninstituut Financiële Dienstverlening (KIFID) rendered a decision against another insurance company in The Netherlands. KIFID is an independent body that offers an alternative forum for customers to file complaints or claims over financial services. In its decision, KIFID found that the consumer had not been adequately informed of the so-called initial costs embedded within its unit-linked policy, nor of the leverage component thereof, and challenged the contractual basis for the charges. The insurance company appealed KIFID's decision to the court. There are claims pending with KIFID filed by customers over Aegon products and that arguably include similar allegations. If KIFID's decision were to be upheld by a court, the impact could have a materially adverse effect on Aegon's results of operations or financial position to the extent the principles underlying the court decision were applied to Aegon products as well.

In March 2014, consumer interest group Vereniging Woekerpolis.nl filed a claim against Aegon in court. The claim related to a range of unit-linked products that Aegon sold in the past, including products over which Aegon was involved in litigation in the past, like the KoersPlan product. While the number of products to which the claim may relate was reduced by the court in its interlocutory ruling of October 28, 2015, it still concerns the majority of Aegon's unit-linked portfolio. The claim challenges a variety of elements of these products, on multiple legal grounds, including allegations made in earlier court cases. There can be no assurance that the claim from Vereniging Woekerpolis.nl may not ultimately have a material adverse effect on Aegon´s results of operations or financial position.

In April 2015, the European Court of Justice ruled on preliminary questions raised in a court case pending before the District Court in Rotterdam against another insurance company in The Netherlands. The main preliminary question considered by the European Court of Justice was whether European law permits the application of information requirements based on general principles of Dutch law that potentially extend beyond information requirements as explicitly prescribed by local laws and regulations in force at the time the policy was written. The European Court ruled that member states may impose on insurers obligations of transparency of disclosure in addition to those existing under European law, provided that those additional obligations are sufficiently clear and concrete as well as known to an insurer in advance. The European Court has left it to the national court to decide in specific cases whether the obligations under Dutch law meet those principles. It is possible that a judgment based on the principles underlying the ruling of the European Court, although it would address a legal question only and would potentially be rendered in a case against another insurer, may ultimately be used by plaintiffs against Aegon or to support potential claims against Aegon. Future claims based on emerging legal theories could have a material adverse effect on Aegon's businesses, results of operations and financial condition.

Holders of unit-linked policies filed claims in civil court against Aegon in Poland over the fees payable by a customer at the time of the initial purchase for certain products or retrospectively due on surrender for other products. While fees were explicitly disclosed to policyholders in policy documentation at the time of investment, the plaintiffs allege they are too high or that there is no contractual basis to charge fees altogether. In October 2014, the Polish Office of Competition and Consumer Protection fined Aegon for an amount of EUR 5.6 million in relation to its communication around early surrender fees. While this fine was not directly related to the civil claims, for reasons of commercial necessity as well as at the instigation of the regulatory authorities, Aegon decided to modify the early surrender fee structure. Aegon recorded a charge of EUR 23 million in the fourth quarter of 2014 in connection therewith. In December 2015, Aegon reached a settlement with the Polish Office of Competition and Consumer Protection to reduce the fees payable by a customer at the time of the initial purchase, and took a related charge of EUR 10.5 million. It is possible that Aegon may enter into further settlements. Currently, Aegon Poland faces a significant number of individual legal claims. There can be no assurances that ultimately the exposure to Aegon in connection with allegations such as those underlying the claims in Poland, would not have a material adverse effect on Aegon's results of operations or financial position.

Certain of the products Aegon sells are complex and involve significant investment risks that may be assumed by Aegon's customers. From time to time, Aegon receives claims from certain current and former customers, and groups representing customers, in respect of certain products. Certain claims remain under review and may lead to disputes in the future. Aegon has, in the past, agreed to make payments (in some cases substantial) or adjustments to policy terms to settle those claims or disputes if Aegon believed it was appropriate to do so. While Aegon intends to defend itself vigorously against any claims that Aegon does not believe have merit, there can be no assurance that claims brought against Aegon by its customers will not have a materially adverse effect on Aegon's businesses, results of operations and financial position.

Aegon's risk management policies and processes may leave the company exposed to unidentified or unanticipated risk events, adversely affecting our businesses, results and financial condition.

Aegon has devoted significant resources to the implementation and maintenance of a comprehensive enterprise risk management framework in all aspects of the business. Notwithstanding, our risk measurements do make use of historic and public data that may be inaccurate or may not predict future exposures. Further, operational and legal risks involve high volumes of transactions and are affected by frequent changes in our businesses and their environments, and the risk management framework may not evolve at the same pace. As a result, there is a chance that risks present in our business strategies and initiatives may not be fully identified, monitored and managed.

State statutes and regulators may limit the aggregate amount of dividends payable by Aegon´s subsidiaries and Aegon N.V., thereby limiting Aegon´s ability to make payments on debt obligations.

Aegon´s ability to make payments on debt obligations and pay some operating expenses is dependent upon the receipt of dividends from subsidiaries. Some of these subsidiaries have regulatory restrictions that can limit the payment of dividends. In addition, local regulators, acting to represent the interests of local policyholders, are taking an increasingly restrictive stance with respect to permitting dividend payments, which may affect Aegon´s ability to satisfy its debt obligations or pay its operating expenses.

Changes in accounting standards may affect Aegon´s reported results, shareholders´ equity and dividend.

Since 2005, Aegon´s financial statements have been prepared and presented in accordance with IFRS. Any future changes in these accounting standards may have a significant impact on Aegon´s reported results, financial condition and shareholders´ equity. This includes the level and volatility of reported results and shareholders´ equity. New accounting standards that are likely to have a significant impact on Aegon's reported results, financial condition and shareholders' equity include but are not limited to IFRS 9 - Financial Instruments and IFRS 4 - Insurance contracts. On July 24, 2014, the IASB issued the fourth and final version of its new standard on financial instruments accounting - IFRS 9 Financial Instruments. The new IFRS 9 standard has a mandatory effective date of January 1, 2018 but subsequent discussions at the IASB have resulted in two approaches for insurers to implement IFRS 9. On September 12, 2016, the IASB published an amendment: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts. The amendment provides an overview of the main proposals by the IASB of which the main objective is to address the temporary accounting consequences of the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard. Implementation of IFRS 9 may have a significant impact on Aegon's reported results, financial condition and shareholder's equity. Further details on IFRS 9 are provided in note 2.1.3 Future adoption of new IFRS accounting standards of the 2015 Annual Report (Page 137).

During 2016, the IASB continued deliberations on its Exposure Draft Insurance Contracts that was published by the IASB in June 2013. The IASB's project to replace IFRS 4 Insurance Contracts is at an advanced stage and a final standard may be published by the IASB before the end of 2016 or beginning of 2017. However, the mandatory date will not become effective before 2021. The proposed changes in the accounting for insurance contracts will have a significant impact on Aegon.

Tax law changes may adversely affect Aegon´s profitability, as well as the sale and ownership of Aegon´s products.

Aegon is subject to the substance and interpretation of tax laws in all countries in which Aegon operates or invests. Tax risk is the risk associated with changes in tax laws, or the interpretation of tax laws, later jurisprudence or case law, or the introduction of new taxes or tax laws. This tax risk also includes the risk of changes in tax rates and the risk of consequences arising from failure to comply with procedures required by tax authorities. Failure to manage tax risks may lead to increased tax charges, including financial or operating penalties. This tax risk may have a direct materially adverse effect on Aegon´s profits and financial condition.

Further, most insurance products enjoy certain tax advantages, particularly in the United States and the Netherlands, which permit the tax deferred accumulation of earnings on the premiums paid by the holders of annuities and life insurance products under certain conditions and within certain limits. Taxes on this inside build-up of earnings may not be payable at all and, if payable, generally are due only when the earnings are actually paid.

The US Congress has, from time to time, considered possible legislation that may make Aegon´s products less attractive to consumers, including legislation that would reduce or eliminate the deferral of taxation on the accretion of value within certain annuities and life insurance products. This may have an impact on insurance products and sales in the United

States.

The US Government, as well as state and local governments, also considers from time to time tax law changes that may increase the amount of taxes that Aegon pays. For example, over the past several years members of the tax-writing committees in Congress have discussed and informally proposed significant changes to the computation of tax reserves, capitalized policy acquisition costs and the dividends received deduction available to life insurance companies. Congress has not, however acted on these proposals.

Changes in tax laws also include proposals that would limit the ability of companies to deduct third party and/or intragroup interest expense. Policymakers both at international level (OECD and EU) and national level (such as the US, UK and The Netherlands) are considering tax law changes that may impact the deductibility of interest expenses for companies.

Any changes in tax laws, interpretation of tax laws, later jurisprudence or case law, or the introduction of new taxes or tax laws in all countries in which Aegon operates or invests, which affects Aegon´s products, may have a materially adverse effect on Aegon´s businesses, results of operations and financial condition.

Competitive factors may adversely affect Aegon´s market share.

Competition in Aegon´s business segments is based on service, product features, price, commission structure, financial strength, claims paying ability, ratings and name recognition. Aegon faces intense competition from a large number of other insurers, as well as non-insurance financial services companies such as banks, broker-dealers and asset managers, for individual customers, employers, other group customers, agents and other distributors of insurance and investment products. Consolidation in the global financial services industry can enhance the competitive position of some of Aegon´s competitors by broadening the range of their products and services, and increasing their distribution channels and their access to capital. In addition, development of alternative distribution channels for certain types of insurance and securities products, including through the internet, may result in increasing competition as well as pressure on margins for certain types of products. Traditional distribution channels are also challenged by the ban on sales- based commissions in some countries. These competitive pressures may result in increased pricing pressures on a number of products and services, particularly as competitors seek to win market share. This may harm Aegon´s ability to maintain or increase profitability.

The adverse market and economic conditions that began in the second half of 2007 and significantly worsened in 2008 and into 2009, with recovery beginning in late 2009 and in 2010, followed in 2011-2015 by further periods of volatility and weakness, particularly in the eurozone, can be expected to result in changes in the competitive landscape. While many markets have started to recover, interest rates remain at or near all time lows, and have even gone negative in some countries. The financial distress experienced by some financial services industry participants as a result of weak economic conditions and newly imposed regulation may lead to acquisition opportunities. Aegon´s ability or that of Aegon´s competitors to pursue such opportunities may be limited due to lower earnings, reserve increases, capital requirements or a lack of access to debt capital markets and other sources of financing. Such conditions may also lead to changes by Aegon or Aegon´s competitors in product offerings and product pricing that may affect Aegon and Aegon´s relative sales volumes, market shares and profitability. Additionally, the competitive landscape in which Aegon operates may be further affected by government-sponsored programs or actions taken in response to the severe dislocations in financial markets which occurred in 2008 and 2009, as well as the European sovereign debt crisis.

Aegon may experience difficulties in distributing and marketing products through Aegon’s current and future distribution channels.

Although Aegon distributes its products through a wide variety of distribution channels, Aegon's ability to market its products could be affected if key relationships would be interrupted. Distributors may elect to reduce or terminate their distribution relationship with Aegon due to adverse developments in our business. Further, key distribution partners may also merge, change their business models in ways that affect how our products are sold, or new distribution channels could emerge and adversely impact the effectiveness of our current distribution efforts.

When Aegon's products are distributed through unaffiliated firms, Aegon may not always be able to monitor or control the manner of their distribution despite our significant training and compliance programs. If our products would be distributed by such firms in an inappropriate manner, or to customers for whom they are unsuitable, Aegon may suffer reputational and other harm to our business.

The default of a major market participant may disrupt the markets and may affect Aegon's business, financial condition, liquidity, operations and prospects.

The failure of a sufficiently large and influential financial institution, or other market participant including a sovereign issuer, may disrupt securities markets or clearance and settlement systems in Aegon´s markets. This may cause market declines or volatility. Such a failure may lead to a chain of defaults that may adversely affect Aegon and Aegon´s contract counterparties. In addition, such a failure may impact future product sales as a potential result of reduced confidence in the insurance industry. The default of on or more large international financial institutions, which may result in disruption or termination of their cash, custodial or and administrative services, may also have a material adverse impact on Aegon's ability to run effective treasury and asset management operations.

Even the perceived lack of creditworthiness of a sovereign or financial institution (or a default by any such entity) may lead to market- wide liquidity problems and losses or defaults by Aegon or by other institutions. This risk is sometimes referred to as 'systemic risk' and may adversely affect financial intermediaries, such as clearing members or futures commissions merchants, clearing houses, banks, securities firms and exchanges with whom Aegon interacts on a daily basis and financial instruments of sovereigns in which Aegon invests. Systemic risk could have a material adverse effect on our ability to raise new funding and on our business, financial condition, results of operations, liquidity and/or prospects. In addition, such distress or failure could impact future product sales as a potential result of reduced confidence in the financial services industry.

Aegon may be unable to retain personnel who are key to the business.

As a global financial services enterprise with a decentralized management structure, Aegon relies, to a considerable extent, on the quality of local management in the various countries in which Aegon operates. The success of Aegon´s operations is dependent, among other things, on Aegon's ability to attract and retain highly qualified professional personnel. Competition for key personnel in most countries in which Aegon operates is intense. Aegon´s ability to attract and retain key personnel, in particular senior officers, experienced portfolio managers, mutual fund managers and sales executives, is very much dependent on the competitiveness of the compensation package for employees in the market in which it competes. As a part of the governmental response in Europe and, to a certain extent, the United States to the financial crisis in 2008, there have been various legislative initiatives that have sought to give guidance or regulate the structure of remuneration for personnel, in particular senior management, with a focus on performance- related remuneration and limiting severance payments. With differences in interpretation of these regulations by local regulators on how the guidelines need to be applied, as well as to the question of whether they apply to insurance industries at all, these restrictions create an uncertain playing field and may adversely affect Aegon´s ability to compete for qualified employees, as well as Aegon's ability to exchange employees between regions.

Reinsurers to whom Aegon has ceded risk may fail to meet their obligations.

Aegon´s insurance subsidiaries cede premiums to other insurers under various agreements that cover individual risks, group risks or defined blocks of business, on a co-insurance, yearly renewable term, excess or catastrophe excess basis. The purpose of these reinsurance agreements is to spread the risk and minimize the effect of losses. The amount of each risk retained depends on an evaluation of the specific risk, which is subject, in certain circumstances, to maximum limits based on the characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse for the ceded amount in the event a covered claim is paid. However, Aegon´s insurance subsidiaries remain liable to their policyholders for ceded insurance if any reinsurer fails to meet the obligations assumed by it. A bankruptcy or insolvency or inability of any of Aegon´s reinsurance counterparties to satisfy its obligations may have a materially adverse effect on Aegon´s financial position and results of operations. Refer to Schedule IV of this Annual Report for a table showing life insurance in force amounts on a direct, assumed and ceded basis for 2012, 2013 and 2014.

In accordance with industry practices, Aegon reinsures a portion of its life insurance exposure with unaffiliated insurance companies under traditional indemnity reinsurance arrangements. In 2015, approximately 58% of Aegon's total direct and assumed (for which Aegon acts as a reinsurer for others) life insurance in force was ceded to other insurers. The major reinsurance counterparties for Aegon USA are affiliates of SCOR SE (SCOR), Munich Re, RGA and Swiss Re. The major reinsurers of Aegon UK are Swiss Re, Munich Re, Pacific Re and XL Re. The non-life reinsurance for Aegon the Netherlands is diversified across several providers including Lloyds market syndicates. The major reinsurers of Aegon Hungary for non-life are Swiss Re, Munich Re and Hannover Re and for life insurance Munich Re and RGA. Aegon Spain´s major reinsurers are General Re, RGA, National Re and SCOR. Aegon China´s major reinsurers are Hannover Re, Munich Re and China Re, and Aegon India's major reinsurer is RGA.

Reinsurance may not be available, affordable or adequate to protect Aegon against losses.

As part of Aegon´s overall risk and capacity management strategy, Aegon purchases reinsurance for certain risks underwritten by Aegon´s various business segments. Market conditions beyond Aegon´s control determine the availability and cost of the reinsurance protection Aegon purchases. Accordingly, Aegon may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which may adversely affect Aegon´s ability to write future business.

Aegon may have difficulty managing its expanding operations, and Aegon may not be successful in acquiring new businesses or divesting existing operations.

In recent years, Aegon has made a number of acquisitions and divestitures around the world and it is possible that Aegon may make further acquisitions and divestitures in the future. Growth by acquisition involves risks that may adversely affect Aegon´s operating results and financial condition. These include: the potential diversion of financial and management resources from existing operations; difficulties in assimilating the operations, technologies, products and personnel of the acquired company; significant delays in completing the integration of acquired companies; the potential loss of key employees or customers of the acquired company; potential losses from unanticipated litigation, and tax and accounting issues. In addition, expansion into new and emerging markets may involve heightened political, legal and regulatory risks, such as discriminatory regulation, nationalization or expropriation of assets, price controls and exchange controls.

Aegon´s acquisitions may result in additional indebtedness, costs, contingent liabilities and impairment expenses related to goodwill and other intangible assets. In addition, they may divert management´s attention and other resources. Divestitures of existing operations may result in Aegon assuming or retaining certain contingent liabilities. All of these may adversely affect Aegon´s businesses, results of operations and financial condition. Future acquisitions may also have a dilutive effect on the ownership and voting percentages of existing shareholders. There can be no assurance that Aegon will successfully identify suitable acquisition candidates or that Aegon will properly value acquisitions made. Aegon is unable to predict whether or when any prospective acquisition candidate will become available, or the likelihood that any acquisition will be completed once negotiations have commenced.

Catastrophic events, which are unpredictable by nature, may result in material losses and abruptly and significantly interrupt Aegon´s business activities.

Aegon´s operating results and financial position may be adversely affected by volatile natural and man-made disasters such as hurricanes, windstorms, earthquakes, terrorism, riots, fires and explosions, pandemic disease and other catastrophes. Over the past several years, changing weather patterns and climatic conditions have added to the unpredictability and frequency of natural disasters in certain parts of the world and created additional uncertainty as to future trends and exposure. Generally, Aegon seeks to reduce its exposure to these events through individual risk selection, monitoring risk accumulation, and purchasing reinsurance. However, such events may lead to considerable financial losses to Aegon´s businesses. Furthermore, natural disasters, terrorism and fires may disrupt Aegon´s operations and result in significant loss of property, key personnel and information about Aegon and its clients. If its business continuity plans have not included effective contingencies for such events, Aegon may experience business disruption and damage to corporate reputation and financial condition for a substantial period of time.

Aegon regularly develops new financial products to remain competitive in its markets and to meet the expectations of its clients. If clients do not achieve expected returns on those products, Aegon may be confronted with legal claims, advocate groups and negative publicity.

Aegon may face claims from customers, both individual claimants as well as policyholder advocate groups, and negative publicity if Aegon´s products result in losses or fail to result in expected gains, regardless of the suitability of products for customers or the adequacy of the disclosure provided to customers by Aegon and by the intermediaries who distribute Aegon´s products. New products that are less well understood and that have less of a historical performance track record may be more likely to be the subject of such claims. Any such claims may have a materially adverse effect on Aegon´s results of operations, corporate reputation and financial condition.

Aegon may not be able to protect its intellectual property and may be subject to infringement claims.

Aegon relies on a combination of contractual rights with third parties and copyright, trademark, patent and trade secret laws to establish and protect Aegon´s intellectual property. Third parties may infringe on or misappropriate Aegon´s intellectual property, and it is possible that third parties may claim that Aegon has infringed on or misappropriated their intellectual property rights. Any resulting proceedings in which Aegon would have to enforce and protect its intellectual property, or defend itself against a claim of infringement of a third-party´s intellectual property, may require significant effort and resources and may not prove successful. As a result of any proceeding in which Aegon would have to enforce and protect its intellectual property, Aegon may lose intellectual property protection, which may have a materially adverse effect on Aegon´s businesses, results of operation, financial condition and Aegon´s ability to compete. As a result of any proceeding in which Aegon would have to defend itself against a claim of infringement of a third-party´s intellectual property, Aegon may be required to pay damages and provide injunctive relief, which may have a materially adverse effect on Aegon´s businesses, results of operations and financial condition.

Inadequate or failed processes or systems, human factors or external events may adversely affect Aegon´s profitability, reputation or operational effectiveness.

Operational risk is inherent in Aegon´s businesses and may manifest itself in many ways, including business interruption, poor vendor performance, information systems malfunctions or failures, regulatory breaches, processing errors, modelling errors, and/or internal and external fraud. These events may result in financial loss, harm Aegon´s reputation, or hinder Aegon´s operational effectiveness. Further, employee error and misconduct may be difficult to prevent under all circumstances and may result in significant losses.

Aegon's management maintains a well-controlled environment and sound policies and practices to control these risks and keep operational risk at appropriate levels. Notwithstanding these control measures, however, operational risk is part of the business environment in which Aegon operates, and is inherent in Aegon´s size and complexity, as well as Aegon´s geographic diversity, and the scope of the businesses Aegon operates. Aegon´s risk management activities cannot anticipate every circumstance, and economic and financial outcome, or the specifics and timing of such outcomes. Furthermore, if the contractual arrangements put in place with any third-party service providers are terminated, including contractual arrangements with providers of information technology, administrative or investment management services, Aegon may not be able to find an alternative provider on a timely basis or on equivalent terms. Aegon may incur significant losses due to these types of risks.

Aegon´s operations support complex transactions and are highly dependent on the proper functioning of information technology and communication systems. Any failure of Aegon´s information technology or communications systems may result in a material adverse effect on Aegon´s results of operations and corporate reputation.

While systems and processes are designed to support complex transactions and avoid systems failure, fraud, information security failures, processing errors and breaches of regulation, any failure may lead to a materially adverse effect on Aegon´s results of operations and corporate reputation. In addition, Aegon must commit significant resources to maintain and enhance its existing systems in order to keep pace with industry standards and customer preferences. If Aegon fails to keep up-to-date information systems, Aegon may not be able to rely on information for product pricing, risk management and underwriting decisions. In addition, even though back-up and recovery systems and contingency plans are in place, Aegon cannot assure investors that interruptions, failures or breaches in security of these processes and systems will not occur, or if they do occur, that they can be adequately addressed. The occurrence of any of these events may have a materially adverse effect on Aegon´s businesses, results of operations and financial condition.

A computer system failure or security breach may disrupt Aegon´s business, damage Aegon´s reputation and adversely affect Aegon´s results of operations, financial condition and cash flows.

Changes towards more sophisticated internet technologies, the introduction of new products and services, changing customer needs and evolving applicable standards increase the dependency on internet, secure systems and related technology. Introducing new technologies, computer system failures, cyber-crime attacks or security breaches may disrupt Aegon's business, damage Aegon's reputation and adversely affect Aegon's results of operations, financial condition and cash flows.

Aegon retains confidential information on its computer systems, including customer information and proprietary business information. Any compromise to the security of Aegon´s computer systems that results in the disclosure of personally identifiable customer information may damage Aegon's reputation, expose Aegon to litigation, increase regulatory scrutiny, and require Aegon to incur significant technical, legal and other expenses.

Judgments of US courts are not enforceable against Aegon in Dutch courts.

There is no treaty between the United States and the Netherlands providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Judgments of US courts, including those predicated on the civil liability provisions of the US federal securities laws, may not be enforceable in Dutch courts. Therefore, Aegon´s investors that obtain a judgment against Aegon in the United States may not be able to require Aegon to pay the amount of the judgment unless a competent court in the Netherlands gives binding effect to the judgment. It may, however, be possible for a US investor to bring an original action in a Dutch court to enforce liabilities against Aegon, Aegon´s affiliates, directors, officers or any expert named therein who resides outside the United States, based upon the US federal securities laws.

1.2 Risks relating to Aegon´s common shares

Aegon´s share price could be volatile and could drop unexpectedly, and investors may not be able to resell Aegon´s common shares at or above the price paid.

The price at which Aegon´s common shares trade is influenced by many factors, some of which are specific to Aegon and Aegon´s operations, and some of which are related to the insurance industry and equity markets in general. As a result of these factors, investors may not be able to resell their common shares at or above the price paid for them. In particular, the following factors, in addition to other risk factors described in this section, may have a material impact on the market price of Aegon´s common shares:

- Investor perception of Aegon as a company;
- Actual or anticipated fluctuations in Aegon´s revenues or operating results;
- Announcements of intended acquisitions, disposals or financings, or speculation about such acquisitions, disposals or financings;
- Changes in Aegon´s dividend policy, which may result from changes in Aegon´s cash flow and capital position;
- Sales of blocks of Aegon´s shares by significant shareholders, including Vereniging Aegon;
- A downgrade or rumored downgrade of Aegon´s credit or financial strength ratings, including placement on credit watch;
- Potential litigation involving Aegon or the insurance industry in general;
- Changes in financial estimates and recommendations by securities research analysts;
- Fluctuations in capital markets, including foreign exchange rates, interest rates and equity markets;
- The performance of other companies in the insurance sector;
- Regulatory developments in the United States, the Netherlands, the United Kingdom, and other countries in which Aegon operates;
- International political and economic conditions, including the effects of terrorist attacks, military operations and other developments stemming from such events, and the uncertainty related to these developments;
- News or analyst reports related to markets or industries in which Aegon operates; and
- General insurance market conditions.

The high and low prices of Aegon´s common shares on Euronext Amsterdam were EUR 7.70 and EUR 4.87 respectively in 2015, and EUR 6.96 and EUR 5.75 respectively in 2014. The high and low sales prices of Aegon's common shares on NYSE New York were USD 8.35 and USD 5.41 respectively in 2015, and USD 9.46 and USD 7.27 respectively in 2014. All share prices are closing prices.

Aegon and its significant shareholders may offer additional common shares in the future, and these and other sales may adversely affect the market price of the outstanding common shares.

Aegon may decide to offer additional common shares in the future, for example, to strengthen Aegon´s capital position in response to regulatory changes or to support an acquisition.

In connection with its refinancing in September 2002, Vereniging Aegon entered into an equity repurchase facility and a back-up credit facility. On February 9, 2010, both facilities were replaced by a three year term and revolving facilities agreement with a consortium of banks. In 2013, Vereniging Aegon entered into a new three year term and revolving facilities agreement with the same consortium of banks, replacing the three year term and revolving facilities agreement entered into in 2010. Under this agreement, Aegon's common shares in the possession of Vereniging Aegon are pledged to the consortium of banks. If Vereniging Aegon were to default under the facilities agreement in force at that time, the lenders may dispose of Aegon's common shares held by them as collateral in order to satisfy amounts outstanding.

An additional offering of common shares by Aegon, the restructuring of Aegon´s share capital, the sales of common shares by significant shareholders or by lenders to Vereniging Aegon, or the public perception that an offering or such sales may occur, may have an adverse effect on the market price of Aegon's common shares.

As of December 31, 2015, there were 2,147,036,826 common shares and 585,022,160 common shares B issued. Of these, Vereniging Aegon held 292,687,444 common shares and all issued common shares B. All of Aegon's outstanding common shares are freely tradable, and all shareholders, including large shareholders such as Vereniging Aegon, are free to resell their common shares at any time.

Vereniging Aegon, Aegon´s major shareholder, holds a large percentage of the voting shares and therefore has significant influence over Aegon´s corporate actions.

Prior to September 2002, Vereniging Aegon beneficially owned approximately 52% of the voting shares and thus held voting control over Aegon. In September 2002, Vereniging Aegon reduced its beneficial ownership to approximately 33% of the voting shares (excluding issued common shares held in treasury by Aegon). In 2003, Aegon and Vereniging Aegon amended the 1983 Merger Agreement, resulting in a right for Vereniging Aegon, upon issuance of shares by Aegon, to purchase as many class B preferred shares existing at that time as would enable it to prevent or offset a dilution to below its actual voting power percentage of 33%. In 2013, Aegon N.V. and Vereniging Aegon entered into an agreement to simplify the capital structure of Aegon and to cancel all of Aegon's preferred shares, of which Vereniging Aegon was the sole owner. The execution of this agreement was approved by the General Meeting of Shareholders of Aegon N.V. on May 15, 2013. For details on the simplification of the corporate structure, please see the section Major shareholders in Aegon's 2015 Annual Report 2015 at pages 319 – 321.

The simplified capital structure included an amendment to the 1983 Amended Merger Agreement between Aegon N.V. and Vereniging Aegon. Following this 2013 amendment, Vereniging Aegon's call option relates to common shares B. Vereniging Aegon may exercise its call option to keep or restore its total stake at 32.6%, irrespective of the circumstances which cause the total shareholding to be or become lower than 32.6%.

The simplification of the capital structure also entailed the amendment of the Voting Rights Agreement between Aegon N.V. and Vereniging Aegon. As a matter of Dutch corporate law, the shares of both classes offer equal full voting rights, as they have equal nominal values (EUR 0.12). The financial rights attached to a common share B is 1/40th of the financial rights attached to a common share. The amended Voting Rights Agreement ensures that under normal circumstances, i.e. except in the event of a Special Cause, Vereniging Aegon will no longer be able to exercise more votes than is proportionate to the financial rights represented by its shares. This means that in the absence of a Special Cause Vereniging Aegon may cast one vote for every common share it holds and one vote only for every 40 common shares B. A Special Cause includes the acquisition of a 15% interest in Aegon N.V., a tender offer for Aegon N.V. shares or a proposed business combination by any person or group or persons, whether individually or as a group, other than in a transaction approved by the Executive Board and the Supervisory Board. Accordingly, at December 31, 2015, the voting power of Vereniging Aegon under normal circumstances amounted to approximately 14.5%, based on the number of outstanding and voting shares (excluding issued common shares held in treasury by Aegon N.V.). In the event of a Special Cause, Vereniging Aegon's voting rights will increase to 32.6% for up to six months.

Consequently, Vereniging Aegon may have substantial influence on the outcome of corporate actions requiring shareholder approval, including:

- Adopting amendments to the Articles of Association;
- Adopting the Annual Accounts;
- Approving a consolidation or liquidation;
- Approving a tender offer, merger, sale of all or substantially all of the assets, or other business combination; and
- In particular, during the periods when Vereniging Aegon is entitled to exercise its increased voting rights, it will generally have sufficient voting power to veto certain decisions presented to the General Meeting of Shareholders, including any proposal relating to the following matters:
  - Rejecting binding Supervisory Board nominations for membership to the Supervisory Board and Executive Board;
  - Appointing an Executive Board or Supervisory Board member other than pursuant to Supervisory Board nomination; and
  - Suspending or removing an Executive Board or Supervisory Board member other than pursuant to a Supervisory Board proposal.

Currency fluctuations may adversely affect the trading prices of Aegon´s common shares and the value of any cash distributions made.

Since Aegon´s common shares listed on Euronext Amsterdam are quoted in euros and Aegon´s common shares listed on NYSE New York are quoted in US dollars, fluctuations in exchange rates between the euro and the US dollar may affect the value of Aegon´s common shares. In addition, Aegon declares cash dividends in euros, but pays cash dividends, if any, on Aegon's shares of New York registry in US dollars based on an exchange rate set the business day following the shareholder meeting approving the dividend. As a result, fluctuations in exchange rates may affect the US dollar value of any cash dividends paid.

Convertible securities (or other securities that permit or require Aegon to satisfy its obligations by issuing common shares) that Aegon may issue could influence the market price for Aegon´s common shares.

In the future, Aegon may issue convertible securities or other securities that permit or require Aegon to satisfy obligations by issuing common shares. Those securities would likely influence, and be influenced by, the market for Aegon´s common shares.

For example, the price of Aegon´s common shares may become more volatile and may be depressed by investors´ anticipation of the potential resale in the market of substantial amounts of Aegon´s common shares received at maturity. Aegon´s common shares may also be depressed by the acceleration of any convertible securities (or other such securities) that Aegon has issued by investors who view such convertible securities (or other such securities) as a more attractive means of participation in Aegon´s equity. Negative results may also be produced by hedging or arbitrage trading activity that may develop involving such convertible securities (or other such securities) and Aegon´s common shares. Any such developments may negatively affect the value of Aegon´s common shares.

2. Responsibility

Aegon and AFC accept responsibility for the information contained in this Registration Document. To the best of the knowledge and belief of Aegon and AFC, having taken all reasonable care to ensure that such is the case, the information contained in the Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

3. Incorporation by reference

The following documents shall be deemed to be incorporated in, and to form part of, this Registration Document:

(a) The annual reports for the years ended December 31, 2013, 2014 and 2015 of Aegon N.V. as filed with the Chamber of Commerce and Industries for Haaglanden, The Hague, The Netherlands. The audited financial statements of Aegon N.V. for the years ended December 31, 2013, 2014 and 2015 form part of these annual reports;

http://www.aegon.com/Documents/aegon-com/Investors/Financial-Reporting/2013/Aegon-Annual-Report-2013.pdf
http://www.aegon.com/Documents/aegon-com/Sitewide/Reports-and-Other-Publications/Annual-reviews/2014/2014-aegon-annual-report.pdf
http://www.aegon.com/Documents/aegon-com/Sitewide/Reports-and-Other-Publications/Annual-reports/2015/Aegon-Annual-Report-2015.pdf

(b) Aegon´s second quarter 2016 condensed consolidated interim financial statements, which are unaudited;
http://www.aegon.com/Documents/aegon-com/Sitewide/Quarterly-results/2016-Q2/2016-Q2-Interim-financial-statement.pdf

(c) Aegon´s first and second quarter 2016 results as published on May 12, 2016 and August 11, 2016 respectively which are unaudited;
http://www.aegon.com/Documents/aegon-com/Sitewide/Quarterly-results/2016-Q1/Press-release-Aegon-Q1-2016-results.pdf
http://www.aegon.com/Documents/aegon-com/Sitewide/Quarterly-results/2016-Q2/Press-release-Aegon-Q2-2016-results.pdf

(d)The Articles of Association ("statuten") of Aegon as in force and effect on the date of this Registration Document;
http://www.aegon.com/Documents/aegon-com/Governance/Governance-documents/Articles-of-Association-English.pdf

(e) The limited liability company agreement (certificate of incorporation) of AFC as in force and effect on the date of this Registration Document;
http://www.aegon.com/Documents/aegon-com/Governance/Governance-documents/AFC-Certificate-of-Incorporation.pdf

(f) The charters of Aegon´s audit committee and the remuneration committee;
http://www.aegon.com/Documents/aegon-com/Governance/Governance-documents/SB/Aegon-Audit-Committee-charter.pdf http://www.aegon.com/Documents/aegon-com/Governance/Governance-documents/SB/Aegon-Remuneration-Committee-Charter.pdf

(g) Relevant press releases subsequent to June 30, 2016;
- Aegon announces repurchase of shares to neutralize final stock dividend
http://www.aegon.com/en/Home/Investors/News-releases/2016/Aegon-announces-repurchase-of-shares-to-neutralize-final-stock-dividend-/

- Aegon provides update on UK annuity book divestments
http://www.aegon.com/en/Home/Investors/News-releases/2016/Aegon-provides-update-on-UK-annuity-book-divestments/

- Aegon acquires Cofunds and becomes the leading UK platform business
http://www.aegon.com/en/Home/Investors/News-releases/2016/Cofunds/

- Aegon completes share buyback program
http://www.aegon.com/en/Home/Investors/News-releases/2016/Aegon-completes-share-buyback-program/

- CFO Darryl Button to leave Aegon
http://www.aegon.com/en/Home/Investors/News-releases/2016/CFO-Darryl-Button-to-leave-Aegon/

- Aegon announces stock fraction interim dividend 2016
http://www.aegon.com/en/Home/Investors/News-releases/2016/Interim-stock-fraction-2016/

Aegon announces repurchase of shares to neutralize 2016 interim stock dividend
- http://www.aegon.com/PageFiles/249045/Aegon-stock-fraction-neutralization-interim-dividend-2016.pdf

As long as this Registration Document is valid as described in Article 9 of the Prospectus Directive, copies of documents (a), (b), (c), (d), (e), (f) and (g) as well as any annual and interim accounts to be published in the future are accessible via Aegon´s corporate website www.aegon.com, in the Investors & Media section (with the exception of the information mentioned above, the other information found at this website is not incorporated by reference into this document). A copy of all documents is available for inspection during the life of this Registration Document at request, free of charge, by writing or telephoning us at:

Investor Relations
Aegon N.V.
P.O. Box 85
2501 CB The Hague
The Netherlands
E-mail: ir@aegon.com
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4. Third party information

Where information has been sourced from a third party, this information has been accurately reproduced and, as far as Aegon is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Aegon´s position in its markets as disclosed in the annual reports in the section 'Business overview' is based on various external sources and company estimates. These external sources include: Associations of Insurance Companies in the UK, Hungary, the Ukraine, Spain and France, the financial supervisory authorities in Poland and Romania, and the regulators in China (CIRC) and India (IRDA). The Dutch Central Bank, the Centrum voor verzekeringsstatistiek and Motivaction+ are external sources used in The Netherlands and in the Americas external sources used include LIMRA, the Stable Value Investment Association and Brand Power Analysis.

5. Statutory Auditors

For the period covered by the audited historical financial information up to and including financial year 2013, which is incorporated by reference in this Registration Document, the auditors of Aegon N.V. were Ernst & Young Accountants LLP, Wassenaarseweg 80, The Hague, The Netherlands. Ernst & Young Accountants LLP (of which the "Registeraccountants" are members of the "Nederlandse Beroepsorganisatie van Accountants" (NBA)), is a member of the International Federation of Accountants (IFAC). The auditors have no material interest in Aegon N.V.

The consolidated financial statements Aegon N.V. as of and for each of the years ended December 31, 2015 and 2014, incorporated by reference in this Registration Document, have been audited by PricewaterhouseCoopers Accountants N.V., an independent registered public accounting firm located at Thomas R. Malthusstraat 5, 1066 JR, Amsterdam, the Netherlands, as stated in their auditor's reports incorporated by reference herein. The auditor signing the auditor's reports on behalf of PricewaterhouseCoopers is a member of the Netherlands Institute of Chartered Accountants (Nederlandse Beroepsorganisatie van Accountants).

The unaudited condensed consolidated interim financial statements of Aegon N.V. as of and for the six-month period ended June 30, 2016, incorporated by reference in this Registration Document, have been reviewed by PricewaterhouseCoopers Accountants N.V., as stated in their review report incorporated by reference herein. PricewaterhouseCoopers Accountants N.V. reported that they have applied limited procedures in accordance with professional standards for a review and therefore their review report dated August 10, 2016 states that they did not audit and they do not express an opinion on these unaudited condensed consolidated interim financial statements. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied.

6. Information about Aegon N.V.

Aegon N.V., domiciled in the Netherlands, is a public limited liability company (*naamloze vennootschap*) incoprorated under Dutch law. Aegon was formed in 1983 through the merger between two Dutch insurance companies, AGO and Ennia, both of which were successors to insurance companies founded in the 1800s. Aegon has its registered office at Aegonplein 50, 2591 TV The Hague, The Netherlands and the telephone number of this office is +31 (70) 344 8305.

Aegon, through its member companies that are collectively referred to as Aegon or the Aegon Group, is an international life insurance, pension and asset management company. Aegon is headquartered in the Netherlands and employs, through its subsidiaries, close to 30,000 people worldwide. Aegon´s common shares are listed on stock exchanges in Amsterdam (NYSE Euronext) on which they trade under the symbol "AGN" and New York (NYSE) under the symbol "AEG".

Aegon N.V. is a holding company. Aegon Group´s businesses focus on life insurance, pensions and asset management. Aegon Group is also active in accident, supplemental health, and general insurance, and has some limited banking activities. The Company's operations are conducted through its operating subsidiaries.

The main operating units of Aegon Group are separate legal entities organized under the laws of their respective countries. The shares of those legal entities are directly or indirectly held by three intermediate holding companies incorporated under Dutch law: Aegon Europe Holding B.V., the holding company for all European activities; Aegon

International B.V., which serves as a holding company for the Aegon Group companies of all non-European countries; and Aegon Asset Management Holding B.V., the holding company for some of its asset management entities.

Aegon operates in over 25 countries in the Americas, Europe and Asia, and serves millions of customers. Its main markets are the United States, the Netherlands and the United Kingdom.

The Company encourages product innovation and fosters an entrepreneurial spirit within its businesses. New products and services are developed by local business units with a continuous focus on helping people take responsibility for their financial future. Aegon uses a multi-brand, multichannel distribution approach to meet its customers' needs.

Aegon conducts its operations through five primary segments:
1. Americas: one operating segment which covers business units in the United States, Brazil and Mexico, including any of the units' activities located outside these countries;
2. Europe: which covers the following operating segments: the Netherlands, United Kingdom (including VA Europe), Central & Eastern Europe and Spain & Portugal;
3. Asia: one operating segment which covers businesses operating in Hong Kong, China, Japan, India and Indonesia including any of the units' activities located outside these countries;
4. Asset Management: one operating segment which covers business activities from Aegon Asset Management;
5. Holding and other activities: one operating segment which includes financing, employee and other administrative expenses of holding companies.

For Europe, the underlying businesses (the Netherlands, United Kingdom including VA Europe, Central & Eastern Europe and Spain & Portugal) are separate operating segments which under IFRS 8 cannot be aggregated.

7. Articles of Association Aegon N.V.

Aegon N.V. has its statutory seat in The Hague, the Netherlands. Aegon is registered under number 27076669 in the Commercial Register of the Chamber of Commerce and Industries for Haaglanden, The Hague, The Netherlands.

Certain provisions of Aegon´s current Articles of Association are discussed below.

7.1 Objects and purposes

Article 3 of the Articles of Association dated May 29, 2013, reads as follows:

(1) The objects of Aegon are to incorporate, acquire and alienate shares and interests in, to finance and grant security for commitments of, to enter into general business relationships with, and to manage and grant services to legal entities and other entities, in particular those involved in the insurance business, and to do all that is connected therewith or which may be conducive thereto, all to be interpreted in the broadest sense.

(2) In achieving the aforesaid objects due regard shall be taken, within the scope of sound business operations, to provide fair safeguards for the interests of all the parties directly or indirectly involved in Aegon.

7.2 Provisions related to directors

For information with respect to provisions in the Articles of Association relating to members of the Supervisory Board and Executive Board, see the Articles of Association dated May 29, 2013, available on Aegon´s company website and refer to Governance section included in Aegon´s Annual Report 2014 from page 92 to 111.

7.3 Description of Aegon´s capital stock

Aegon has two classes of shares: common shares and common shares B, each with a nominal value of EUR 0.12 and a full voting right of one vote per share.

Common characteristics of the common shares and common shares B:

(1) All shares are in registered form.

(2) All shares have dividend rights except for those shares (if any) held by Aegon as treasury stock. Dividends which have not been claimed within five years lapse to Aegon.

(3) Each currently outstanding share is entitled to one vote except for shares held by Aegon as treasury stock. There are no upward restrictions.

However, Aegon N.V. and Vereniging Aegon entered into a Voting Rights Agreement whereby Vereniging Aegon has agreed voluntarily to waive the full voting right on the common share B except in certain circumstances, which qualify as Special Cause. These circumstances may include a hostile takeover bid for all or part of the company. In the ordinary course of business Vereniging Aegon may cast one vote for 40 common shares B it holds. In case of a special cause, Vereniging Aegon may cast one vote for every common share B it holds, resulting in a Special Cause voting right of 32.6%.

(4) All shares have the right to participate in Aegon´s net profits. Net profits is defined as the amount of profits after contributions, if any, to a reserve account.

(5) In the event of liquidation, all shares have the right to participate in any remaining balance after settlement of all debts.

(6) The General Meeting of Shareholders may, at the proposal of the Executive Board, as approved by the Supervisory Board, resolve to reduce the outstanding capital either by (i) repurchasing shares and subsequently canceling them, or (ii) by reducing their nominal share value.

(7) There are no sinking fund provisions.

(8) All issued shares are fully paid-up; so there is no liability for further capital calls.

(9) There are no provisions discriminating against any existing or prospective holder of shares as a result of such shareholder owning a substantial number of shares.

Differences between common and common shares B

(1) The common shares are listed; the common shares B are not listed;
(2) The financial rights attaching to a common share B are one-fortieth (1/40th) of the financial rights attaching to a common share;
(3) In absence of a Special Cause (as defined in the Voting Righs Agreement between Aegon N.V. and Vereniging Aegon), holders of common shares B may only vote one vote for 40 common Shares B; and
(4) A repayment on common shares B needs approval of the holders of common shares B.

7.4 Actions necessary to change the rights of shareholders

A change to the rights of shareholders would require an amendment to the Articles of Association. The General Meeting of Shareholders (annual General Meeting or extraordinary General Meeting) may only pass a resolution to amend the Articles of Association pursuant to a proposal of the Executive Board with the approval of the Supervisory Board. The resolution requires a majority of the votes cast at the meeting in order to pass. The actual changes to the text of the Articles of Association will be executed by a civil law notary.

Furthermore, a resolution of the General Meeting of Shareholders to amend the Articles of Association which has the effect of reducing the rights attributable to holders of a specific class shall be subject to the approval of the meeting of holders of such class.

7.5 Conditions under which meetings are held

Annual General Meetings and extraordinary General Meetings of Shareholders shall be convened by public notice. Notice must be given no later than 42 days prior to the date of the meeting. The notice must contain a summary agenda and indicate the place where the complete agenda together with the documents pertaining to the agenda may be obtained. The agenda is also sent to shareholders registered with the Company Register. New York Registry shareholders or their brokers receive a proxy solicitation notice.

For admittance to and voting at the meeting, shareholders must produce evidence of their shareholding as of the record date. The Dutch law determines that the record date is 28 days prior to the General Meeting of Shareholders. Shareholders must notify Aegon of their intention to attend the meeting.

7.6 Limitation on the right to own securities

There are no limitations, either under the laws of the Netherlands or in Aegon´s Articles of Association, on the rights of non-residents of the Netherlands to hold or vote Aegon common shares.

7.7 Provisions that would have the effect of delaying a change of control

A resolution of the General Meeting of Shareholders to suspend or dismiss a member of the Executive Board or a member of the Supervisory Board, other than pursuant to a proposal by the Supervisory Board, shall require at least two-thirds of the votes cast representing more than one-half of the issued capital.

In the event a Special Cause occurs (such as the acquisition of 15% of Aegon's voting shares, a tender offer for Aegon's shares or a proposed business combination by any person or group of persons, whether individually or as a group, other than in a transaction approved by the Executive Board and Supervisory Board), Vereniging Aegon will be entitled to exercise its full voting rights of one vote per each common share B for up to six months per Special Cause, thus increasing its current voting rights to 32.64%.

7.8 Threshold above which shareholder ownership must be disclosed

There are no such provisions in the Articles of Association. Dutch law requires public disclosure to an Authority for Financial Markets with respect to the ownership of listed shares when the following thresholds are met: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%.

7.9 Special Conditions Governing Changes in the Capital

There are no conditions more stringent than what is required by law.

8. Legal and arbitration proceedings, regulatory investigations and actions;

8.1 Legal and arbitration proceedings, regulatory investigations and actions

Aegon is involved in litigation in the ordinary course of business, including litigation where compensatory or punitive damages and mass or class relief are sought. Current and former customers, both institutional as well as individual, and groups representing customers, initiate litigation. Also, certain groups encourage others to bring lawsuits in respect of products. Aegon has established litigation policies to deal with claims, defending when the claim is without merit and seeking to settle in certain circumstances. There can be no assurances that Aegon will be able to resolve existing litigation in the manner it expects or that existing or future litigation will not result in unexpected liability.

Certain of the products we sell are complex and involve significant investment risks that may be passed on to Aegon´s customers. Aegon has, from time to time, received claims from certain current and former customers, and groups representing customers, in respect of certain products. Aegon has in the past agreed to make payments, in some cases substantial, or adjustments to policy terms to settle those claims or disputes as we believed appropriate.

Reference is made to Section 1 "*Risk factors Aegon N.V. and Aegon Funding Company LLC – Legal and arbitration proceedings and regulatory investigations and actions may adversely affect Aegon's business, results of operations and financial position*" for a description of the risks of litigation and regulatory investigations and actions Aegon faces in connection with its activities as an insurer, securities issuer, employer, investment adviser, investor and taxpayer, among others.

Proceedings in which Aegon is involved

In March 2014, consumer interest group Vereniging Woekerpolis.nl filed a claim against Aegon in court. The claim related to a range of unit-linked products that Aegon sold in the past, including products over which Aegon was involved in litigation in the past, like the KoersPlan product. While the number of products to which the claim may relate was reduced by the court in its interlocutory ruling of October 28, 2015, it still concerns the majority of Aegon's unit-linked portfolio. The claim challenges a variety of elements of these products, on multiple legal grounds, including allegations made in earlier court cases. There can be no assurance that the claim from Vereniging Woekerpolis.nl may not ultimately have a material adverse effect on Aegon´s results of operations or financial position.

Holders of unit-linked policies filed claims in civil court against Aegon in Poland over the fees payable by a customer at the time of the initial purchase for certain products or retrospectively due on surrender for other products. While fees were explicitly disclosed to policyholders in policy documentation at the time of investment, the plaintiffs allege they are too high or that there is no contractual basis to charge fees altogether. In October 2014, the Polish Office of Competition and Consumer Protection fined Aegon for an amount of EUR 6 million in relation to its communication around early surrender fees. While this fine was not directly related to the civil claims, for reasons of commercial necessity as well as at the instigation of the regulatory authorities, Aegon decided to modify the early surrender fee structure. Aegon recorded a charge of EUR 23 million in the fourth quarter of 2014 in connection therewith. In December 2015, Aegon reached a settlement with the Polish Office of Competition and Consumer Protection on reducing the fees payable by a customer at the time of the initial purchase, and took a related charge of EUR 11 million. It is possible that Aegon may enter into further settlements. There can be no assurances that ultimately the exposure to Aegon in connection with allegations such as those underlying the claims in Poland, would not have a material adverse effect on Aegon's results of operations or financial position.

Aegon subsidiaries and other US industry participants have been named in representative and purported class action lawsuits alleging, among other things, that asset-based fees charged for investment products offered on 401(k) platforms were higher than those generally available in the market. In addition, the insurance industry in the US, including Aegon's US subsidiaries, are increasingly facing litigation relating to monthly deduction rate increases on universal life products in the US market. Putative class actions have been instituted against Aegon, as well as competitors, for increases on in-force policies. Plaintiffs generally allege that the reason for the increases, to cover the future cost of providing insurance coverage, is a pretext. Matters like these are being defended vigorously; however, at this time, due to the nature and the type of claims, it is not practicable for Aegon to quantify a range or maximum liability or the timing of the financial impact, if any. There can be no assurance that such claims may not have a material adverse effect on Aegon´s results of operations or financial position.

Aegon's US operations also face employment-related lawsuits from time to time. Aegon is defending a suit filed by self-employed independent insurance agents associated with one of Aegon's financial marketing units who have claimed that they are, in fact, employees of the organization. While Aegon believes these independent contractors are not employees, if Aegon does not prevail on that point, there could be a material effect on Aegon's results of operations and financial condition. At this time, it is not practicable for Aegon to quantify a range or maximum liability or the timing of the financial impact, if any.

A former subsidiary of Transamerica Corporation was involved in a contractual dispute with a Nigerian travel broker over an alleged contract dispute that arose in 1976. That dispute was resolved in Delaware court for USD 235,000 plus interest. The plaintiff took the Delaware judgment relating to the 1976 dispute to a Nigerian court and alleged that it was entitled to approximately the same damages for 1977 through 1984 despite the absence of any contract relating to those years. The Nigerian court subsequently issued a judgment in favor of the plaintiff of the alleged actual damages as well as pre-judgment interest of approximately USD 120 million. Aegon believes the Nigerian court decided the matter incorrectly and is appealing the decision in Nigeria. It will also contest any effort the plaintiff might make to collect on the judgment. Aegon has no material assets located in Nigeria.

8.2 Effect of litigation or other proceedings

While it is not feasible to predict or determine the ultimate outcome of all pending or threatened litigation, investigations and regulatory action, Aegon is of the opinion it has not been involved in any litigation or other proceedings (including any such proceedings which are pending or threatened of which it is aware) in the last twelve months preceding the date hereof which may have or had in such period any significant negative effects on the financial position or profitability of Aegon N.V. or the Group, other than the litigation described above under 8.1, "*Proceedings in which Aegon is involved*".

9. Information about Aegon Funding Company LLC

AEGON Funding Company LLC (AFC) was incorporated on May 21, 1999, and operates under the laws of the State of Delaware. AFC is an indirect wholly owned subsidiary of Aegon N.V. AFC is a direct wholly owned subsidiary of Transamerica Corporation and has no subsidiaries of its own. AFC was established as a financing vehicle to be used to raise funds for the U.S. subsidiaries of Aegon N.V. AFC's registered office is at The Corporation Trust Center, 1209

Orange Street, Wilmington, Delaware, 19801, USA, and the telephone number of this office is 1 (302)-658-7581. AFC's Delaware Department of State, Division of Corporations File Number is 3033879.

9.1 Guarantees

If AFC issues any debt securities, Aegon N.V. will fully and unconditionally guarantee the due and punctual payment of the principal of, any premium and any interest on those debt securities, when and as these payments become due and payable, whether at maturity, upon redemption or declaration of acceleration, or otherwise.

The guarantees of the guaranteed senior debt securities will constitute an unsecured, unsubordinated obligation of Aegon N.V. and will rank equally with all other unsecured and unsubordinated obligations of Aegon N.V. The guarantees of the guaranteed subordinated debt securities will constitute an unsecured obligation of Aegon N.V. and will be subordinated in right of payment to all senior indebtedness of Aegon N.V.

Aegon N.V. has (1) agreed that its obligations under the guarantees of the guaranteed debt securities will be as principal obligor and not merely as surety, and will be enforceable irrespective of any invalidity, irregularity or unenforceability of the guaranteed debt securities or the indenture and (2) waived any right to require a proceeding against AFC, before its obligations under the guarantees shall become effective.

Copies of any guarantees to be issued by Aegon for specific transactions may be inspected at the registered office of Aegon at Aegonplein 50, 2591 TV The Hague, The Netherlands and on www.aegon.com.

9.2 Objects and purposes

As stated in Item 1.3 of AFC's Limited Liability Company Agreement, the nature the business or purposes of AFC are: (a) to issue debt securities, the net proceeds of which will be used to make loans to Aegon N.V. and its affiliates and to engage in any other activities which are necessary or desirable to effectuate, or are incidental to, the foregoing; and (b) to carry out its obligations and duties in connection with and to conduct such other activities and enter into such other agreements as it deems necessary or appropriate to carry out the foregoing.

9.3 Directors and senior management

All directors and officers are also directors and/or officers of one or more Aegon affiliated companies. There are no potential conflicts of interests between any duties to AFC of any of the directors or officers and their private interests and/or other duties. AFC does not have an Audit Committee. AFC was originally formed pursuant to the General Corporation Law of the State of Delaware, USA and was subsequently converted to a limited liability company under the Delaware Limited Liability Company Act.

Directors
C. Michiel van Katwijk (Chairman of the Board and President), having his business address at 100 Light Street, Baltimore, MD, USA, is also Executive Vice President, Chief Financial Officer and Treasurer of Transamerica Corporation. In his capacity as Chairman of the Board and President of AFC, Mr. Van Katwijk provides oversight in regard to the activities of AFC.

Jason Orlandi (Senior Vice President, Secretary and General Counsel), having his business address at 100 Light Street, Baltimore, MD, USA, is also Executive Vice President, Secretary and General Counsel of Transamerica Corporation. In his capacity as Senior Vice President, Secretary and General Counsel of AFC, Mr. Orlandi acts as the chief legal officer of AFC and maintains the records of all meetings of the stockholders and the Board of Directors. He is the custodian of all contracts, deeds, documents and all other indicia of title to properties owned by AFC and of its other corporate records.

Eric Martin (Treasurer), having his business address at 4333 Edgewood Road NE, Cedar Rapids, IA 52499, USA, is also the Controller and Senior Vice President for Transamerica Corporation. In his capacity as Treasurer of AFC, Mr. Martin keeps complete and accurate accounts of receipts and disbursements on the books of AFC.

9.4 Material adverse change

There has been no material adverse change in the prospects of AFC since the last published audited financial statements of Aegon of December 31, 2015. Furthermore there has been no significant change in the financial or trading position of AFC since the last published audited financial statements of Aegon of December 31, 2015.

9.5 Legal and arbitration proceedings

As far as AFC is aware, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have or have had in the previous twelve months, significant effects on the financial position or profitability of AFC.

9.6 Investments

AFC did have principal investments as recently as December 2014 however those investments were liquidated and the cash was moved to Aegon NV as part of our end of the distribution payment. No future principal investments are currently considered by AFC.

9.7 Material contracts

There are no material contracts, other than the guarantee as described above, that are not entered into in the ordinary course of AFC's business which could result in a group member being under an obligation or entitlement that is material to AFC's ability to meet its obligations to security holders in respect to the securities being issued.

9.8 Capitalisation

AFC's authorized share capital consists of 2,000 common shares at USD 0.01 par value per share. The issued share capital consists of 1,470 shares which have been issued toTransamerica Corporation with an issue price of USD 0.01 per share.

9.9 Financial data

AFC does not have independently audited financial data. It is not required to publish audited financial data. AFC's financial data are included in Aegon NV's consolidated financial data, which are audited. There is no published financial data available for AFC.

9.10 Risk factors

For the risk factors regarding Aegon Funding Company LLC, refer to paragraph 1 *Risk Factors*.

10. Executive Board of Aegon N.V.

The Executive Board is charged with the management of the company. Each member of the Board has duties related to his or her specific areas of expertise. The number of Executive Board members and the terms of their Engagement Agreement are determined by Aegon´s Supervisory Board. Executive Board members are appointed by the General Meeting of Shareholders following nomination by the Supervisory Board.

Alexander R. Wynaendts, CEO (1960, Dutch), began his career in 1984 with ABN AMRO Bank, working in Amsterdam and London in the Dutch bank's capital markets, asset management, corporate finance and private banking operations. In 1997, Mr. Wynaendts joined Aegon as Senior Vice President for Group Business Development. He was appointed member of Aegon´s Executive Board in 2003, overseeing the company's international growth strategy. In April 2007, Mr. Wynaendts was named Aegon´s Chief Operating Officer. A year later, he became CEO and Chairman of Aegon´s Executive Board and Management Board. Mr. Wynaendts has been reappointed as member of the Executive Board in the Annual General Meeting of Shareholders of Aegon N.V. in 2015. His current term of office will end in 2019. Since May 2016, Mr. Wynaendts is an Independent Director of the Board of Air France-KLM S.A.. Mr. Wynaendts did not hold other external board memberships in the past five years.

Darryl D. Button, CFO (1969, Canadian), began his career at Mutual Life Insurance Co. of Canada, joining Aegon in 1999 as Director of Product Development and Risk Management at Aegon USA's Institutional Markets business unit. He was appointed Corporate Actuary of Aegon USA in 2002 and became CFO of Aegon Americas in 2005. From 2008 to 2011, Mr. Button also took on the responsibilities of Chairman and executive management of Aegon's Canadian operations, before joining Aegon's Corporate Center in 2012 as Executive Vice President and Head of the Corporate Financial Center. In 2013, Mr. Button was appointed as CFO and member of the Executive Board of Aegon. In addition, Mr. Button holds a Board Member position at the American Chamber of Commerce in The Netherlands. Mr. Button did not hold other external board memberships in the past five years. Mr. Button will step down from the Executive Board on December 1, 2016.

In the last 5 years, none of the members of the Executive Board has been declared, by a judicial authority, to have acted fraudulently or to be incapable to act as a member of a supervisory body or management body of an issuing institution. In the last 5 years, none of the members of the Executive Board has been involved, in the capacity of a member of a supervisory body or management body of a company, in any bankruptcy, suspension of payment or winding-up of such company. Furthermore, in the last five years, none of the members of the Executive Board has been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies).

There are no potential conflicts of interest with respect to the members of the Executive Board between their duties to Aegon and their private interests and/or other duties, except for their position as member of the Executive Committee of Vereniging Aegon, as described on page 119 of Aegon´s Annual Report 2015.

11. Management Board of Aegon N.V.

Aegon´s Executive Board is assisted in its work by the Management Board. Besides the members of the Executive Board, the Management Board consists of the following members:

Mark Bloom, (1965, Nationality: American), has over 30 years' experience in information technology. He joined Aegon from Citi, where he served as Global Head of Consumer Digital and Operations Technology, responsible for Digital, Data and Operations technology solutions and innovations, including Citi's online and mobile banking applications, ATMs, and Call Center technologies. Prior to that, he held a number of technology leadership positions in financial services and the aerospace industry. At Aegon, as Global Chief Technology Officer, Mr. Bloom is responsible for leading the company's technology and innovation activities across the globe, including leadership of Aegon's digital initiatives, leveraging technology to drive efficiency and focus on improving the customer experience. Since August 2016, Mr. Bloom is a member of the Management Board, Aegon N.V.. Mr. Bloom did not hold other external board memberships in the past five years.

Adrian Grace, (1963, British), began his career with Leeds Permanent Building Society in 1979, before joining Mercantile Credit in 1984. In 2001, Mr. Grace joined Sage Group PLC as Managing Director of the Small Business Division. In 2004, he moved to Barclays Insurance as Chief Executive, before joining HBOS in 2007 as Managing Director of Commercial Business within the Corporate Division. In 2009, he joined Aegon UK as Group Business Development Director and in April 2011 became the Chief Executive Officer. Mr. Grace has been a member of Aegon's Management Board since February 2012. Mr. Grace was member of the Board of Scottish Financial Enterprise up until June 2013 and serves as a Non-Executive Director of National Australia Group Europe Limited since December 2014. Mr. Grace did not have other external board memberships in the past five years.

Allegra C.C. van Hövell-Patrizi, (1974, Italian), began her career in 1996 at McKinsey & Co in management consulting, specializing in financial institutions. After several years as a partner there, in 2007, she joined F&C Asset Management as a member of the Management Committee. In 2009, she joined Prudential plc where she was first Business Representative US, and in that capacity she was a standing invitee at the Prudential North American Audit and Risk Committee, as well as the Prudential US Board, and later she became Group Risk Director, and a member of the Group Executive Risk Committee, as well as the PUSL Board (within the Prudential plc group). She was appointed Chief Risk Officer of Aegon N.V. and a member of Aegon's Management Board in January 2016. Her current responsibilities include managing Aegon's Risk, Actuarial, Compliance and Risk Structuring and Transfer functions. Ms. Van Hövell-Patrizi joined Aegon at the end of 2015. Ms. Van Hövell-Patrizi did not hold other external board memberships in the past five years.

Marco B.A. Keim, (1962, Dutch), began his career with accountants' firm Coopers & Lybrand / Van Dien. He has also worked at aircraft maker Fokker Aircraft and NS Reizigers, part of the Dutch railway company, NS Group. In 1999, he joined Swiss Life in the Netherlands as a member of the Board. Three years later, Mr. Keim was appointed CEO. In June 2008, he became CEO of Aegon The Netherlands and member of Aegon´s Management Board. Mr. Keim was a member of the Supervisory Board of AMVEST Vastgoed B.V. up until June 2013 and is a Supervisory Board Member of Eneco Holding N.V.. Mr. Keim did not hold other external board memberships in the past five years.

Gábor Kepecs, (1954, Hungarian), began his career with the Hungarian government before joining former state-owned insurance company Állami Biztosító. He was appointed CEO in 1990, two years before Állami Biztosító was privatized and acquired by Aegon. Mr. Kepecs was the CEO of Aegon Hungary from 1992 to 2009, during which time he headed the expansion of Aegon´s businesses, not only in Hungary but also across the Central & Eastern European region. Mr. Kepecs has been a member of Aegon´s Management Board since 2008. Mr. Kepecs did not hold external board memberships in the past five years.

Onno van Klinken, (1969, Nationality: Dutch), has over 20 years' experience providing legal advice to a range of companies and leading Executive Board offices. Mr. Van Klinken started his career at Allen & Overy, and previously worked for Aegon between 2002 and 2006. He served as Corporate Secretary for Royal Numico, the Dutch baby food company, before it was acquired by Groupe Danone. His next position was as General Counsel for the Dutch global mail and express group TNT, where he served from 2008 until the legal demerger of the group in 2011. This was followed by General Counsel positions at D.E. Master Blenders 1753 and Corio N.V.. Mr. Van Klinken holds the position of General Counsel and is since August 2016 a Member of the Management Board of Aegon N.V. responsible for Legal, Regulatory Compliance, the Executive Board Office and Supervisor Relations. Mr. Van Klinken did not hold other external board memberships in the past five years.

Carla Mahieu, (1959, Nationality: Dutch), started her career in 1984 at Royal Dutch Shell, where she held various management positions within Human Resources, Communications and Corporate Strategy. Following several years as a consultant – during which time she worked for Spencer Stuart, among other companies – Ms. Mahieu was appointed Senior Vice President Corporate Human Resource Management at Royal Philips Electronics in 2003. Ms. Mahieu joined Aegon in 2010 to set up the global human resources function. She is responsible for developing the global human resources strategy, and aligning it with the strategic direction of the company. Ms. Mahieu is Global Head of Human Resources and since August 2016 member of the Management Board Aegon N.V.. Ms. Mahieu was a Board Member of Duisenberg School of Finance and is a Member of the non-executive Board of the Royal BAM Group since 2011. Ms. Mahieu did not hold other external board memberships in the past five years.

Mark Mullin, (1963, US citizen), has spent more than 20 years with Aegon in various management positions in both the United States and Europe. Mr. Mullin has served as President and CEO of one of Aegon´s US subsidiaries, Diversified Investment Advisors, and as head of the company's annuity and mutual fund businesses. He was named President of Aegon Americas in 2009 and became President and CEO of Aegon Americas and a member of the Management Board in 2010. Mr. Mullin did not have external board memberships in the past five years.

Sarah Russell, (1962, Nationality: Australian), has 25 years' experience in international finance and asset management. Ms. Russell began her career at Toronto Dominion in Melbourne before joining ABN AMRO in 1994 and moving to the Netherlands in 2000 holding various roles. Ms. Russell then became CEO of ABN AMRO's asset management operations before she joined Aegon Asset Management as CEO in 2010. In addition, Ms. Russell was appointed non-executive director of Nordea Bank AB since 2010 and also holds a Supervisory Board member position at Nederlands Investeringsinstelling and is vice chairman of the Supervisory Board of La Banque Postale Asset Management. Since August 2016 Ms. Russell is a member of the Aegon Management Board. Ms. Russell did not hold other external board memberships in the past five years.

In the last 5 years, none of the members of the Management Board has been declared, by a judicial authority, to have acted fraudulently or to be incapable to act as a member of a supervisory body or management body of an issuing institution. In the last 5 years, none of the members of the Management Board has been involved, in the capacity of a member of a supervisory body or management body of a company, in any bankruptcy, suspension of payment or winding-up of such company. Furthermore, in the last five years, none of the members of the Management Board has been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies).

There are no potential conflicts of interest with respect to the members of the Management Board between their duties to Aegon and their private interests and/or other duties.

12. Supervisory Board of Aegon N.V

Aegon´s Supervisory Board oversees the management of the Executive Board as well as the overall course of the company's business and corporate strategy and shall take into account the relevant interests of Aegon´s stakeholders. The Supervisory Board operates according to the principles of collective responsibility and accountability. The Supervisory Board may also assist the Executive Board by offering advice. Members are appointed by the General Meeting of Shareholders upon nomination by the Supervisory Board.

Robert J. Routs, chairman (1946, Dutch nationality), is a former Executive Director for Downstream at the energy company Royal Dutch Shell. He was appointed to Aegon´s Supervisory Board in April 2008 and became Chairman in April 2010. Mr. Routs has been re-appointed as a member of the Supervisory Board during the Aegon NV AGM in 2016. His current term as a member of the Aegon Supervisory Board ends in 2020. Mr. Routs is chairman of the Supervisory Board Nomination and Governance Committee and a member of the Supervisory Board Remuneration Committee.

Mr. Routs is also chairman of the Supervisory Board of Royal DSM N.V. and sits on the Board of Directors of ATCO Ltd., A.P. Møller-Mærsk A/S and AECOM Technology Corporation. He is a former non-executive director at UPM and former vice-chairman of the Supervisory Board of Royal KPN N.V. He did not have other board memberships in the past five years.

Robert W. Dineen, (1949, American nationality), was Vice Chairman of Lincoln Financial Network (LFN) and a member of the Senior Management Committee of Lincoln Financial Group (LFG), before retiring in 2013. Before joining Lincoln Financial Group, Mr. Dineen was Senior Vice President and head of Merrill Lynch's Managed Asset Group. He was appointed to Aegon´s Supervisory Board in May 2014 and his current term will end in 2018. He is a member of the Supervisory Board Audit Committee and the Supervisory Board Risk Committee.

Mr. Dineen is also a member of the Board of Aretec Inc (not listed), located in the US and was a member of Lincoln New York Life Company Board. Mr. Dineen did not have other board memberships in the past five years.

Shemaya Levy, Vice-Chairman (1947, French nationality), is retired Executive Vice President and Chief Financial Officer of the Renault Group. He was appointed to Aegon´s Supervisory Board in 2005 and his current and last term will end in 2017. He is chairman of the Supervisory Board Risk Committee and a member of the Supervisory Board Nomination and Governance Committee.

Mr. Levy is also vice-chairman of the Supervisory Board of TNT Express N.V. and member of the Board of Directors of PKC Group Oyj. He is a former non-executive director of the Safran Group, member of the Board of Directors of Renault Spain, Nissan Motor Company and former member of the Supervisory Board of Segula Technologies Group S.A. (not listed). He did not have other board memberships in the past five years.

Ben J. Noteboom, (1958, Dutch nationality), worked for Randstad Holding N.V. from 1993 until 2013, where he was appointed member of the Executive Committee in 2001 and became CEO in 2003. Before joining Randstad, Mr. Noteboom worked for Dow Chemical in several international management functions from 1984 until 1993. He started his career in 1982 at Zurel as management assistant. He was appointed to Aegon´s Supervisory Board in May 2015 and his current term will end in 2019. He is chairman of the Supervisory Board Remuneration Committee and a member of the Supervisory Board Audit Committee.

Mr. Noteboom is also a member of the Supervisory Board of Ahold N.V., Wolters Kluwer N.V. and Vopak NV. In addition, Mr. Noteboom is a member of the Board of Directors of VUmc Cancer Center Amsterdam. He did not have other board memberships in the past five years.

Ben van der Veer, (1951, Dutch nationality), is former Chairman of the Board of Management of KPMG N.V. Mr. Van der Veer retired from KPMG per September 30, 2008. He was appointed to Aegon´s Supervisory Board as per October 2008. Mr. van der Veer has been re-appointed as a member of the Supervisory Board during the Aegon NV AGM of 2016 and his current term will end in 2020. He is chairman of the Supervisory Board Audit Committee and a member of the Supervisory Board Nomination and Governance Committee.

Mr. Van der Veer is also a member of the Supervisory Board of TomTom N.V. and a non-executive member of the Board of Directors of RELX N.V., RELX PLC and RELX Group PLC. He is also a member of the Supervisory Board of Royal FrieslandCampina N.V. (not listed). Mr. Van der Veer is a former member of the Supervisory Board of Royal Imtech N.V. and Siemens Nederland N.V. (not listed). He did not have other board memberships in the past five years.

Dirk P.M. Verbeek, (1950, Dutch nationality), a former Executive Board member and Vice-President Emeritus of Aon Group was appointed to Aegon's Supervisory Board in 2008, and his current term ends in 2020 as Mr. Verbeek was re-appointed during the Aegon NV AGM in 2016. He is a member of the Supervisory Board Audit Committee, the Supervisory Board Risk Committee and the Supervisory Board Nomination and Governance Committee.

Mr. Verbeek is also a member of the Supervisory Board of Aon Groep Nederland B.V. (not listed). Furthermore, he is Chairman of the Benelux Advisory Board of Leonardo & Co. B.V. (not listed), member of the Advisory Boards of CVC Europe (not listed) and OVG Real Estate (not listed) and member of the INSEAD Dutch Council. Mr. Verbeek was Chairman of the Supervisory Board of Robeco Groep N.V. (not listed) until December 2015. He was also advisor to the

President and Chief Executive Officer of Aon Corporation. He did not have other board memberships in the past five years.

Corien M. Wortmann-Kool, (1959, Dutch nationality), is Chairman of the Board of Stichting Pensioenfonds ABP (ABP), the Dutch public sector collective pension fund. Ms. Wortmann-Kool was a Member of the European Parliament and Vice-President on Financial, Economic and Environmental affairs for the EPP Group (European People's Party). She was appointed to Aegon's Supervisory Board in May 2014, and her current term will end in 2018. She is a member of the Supervisory Board Risk Committee and a member of the Supervisory Board Remuneration Committee. She is also a member of the Supervisory Board of Het Kadaster, member of the Central Statistics Committee, Chairman of the Board of Trustees of Save the Children Netherlands and Vice-President of EPP. She was member of the Supervisory Board of Mercedes-Benz Netherlands (not listed) until 2014. She did not have other board memberships in the past five years.

Dona D. Young, (1954, American nationality), is an executive/board consultant and retired Chairman, President and Chief Executive Officer of The Phoenix Companies, which was an insurance and asset management company at the time of her tenure. She was appointed to Aegon´s Supervisory Board in 2013 and her current term will end in 2017. She is a member of the Supervisory Board Audit Committee and a member of the Supervisory Board Risk Committee.

Ms. Young is also member and Lead Director of the Board of Directors of Foot Locker, Inc.. Furthermore, Ms. Young is a member of the Board of Trustees of Save the Children US (not listed). She did not have other board memberships in the past five years.

In the last 5 years, none of the members of the Supervisory Board has been declared, by a judicial authority, to have acted fraudulently or to be incapable to act as a member of a supervisory body or management body of an issuing institution. Furthermore, in the last 5 years none of the members of the Supervisory Board has been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies). With the exception of Mr. Van der Veer, in his capacity of supervisory board member of Royal Imtech N.V, none of the members has in the last five years been involved, in the capacity of a member of a supervisory body or management body of a company, in any bankruptcy, suspension of payment or winding-up of such company.

There are no potential conflicts of interest with respect to the members of the Supervisory Board between their duties to Aegon and their private interests and/or other duties.

There is no family relationship between any member of the Executive Board, Management Board or Supervisory Board.

The members of the Executive Board, Management Board and Supervisory Board have their business address at Aegon N.V., Aegonplein 50, 2591 TV, The Hague, The Netherlands.

As far as Aegon is aware, no further information is to be disclosed in respect of the members of the Executive Board, Management Board and the Supervisory Board pursuant to section 14.1 of Annex 1 to the EU Prospectus Regulation.

13. Conflicts of interest

The Code of Conduct addresses conflicts of interest that may occur between Aegon and its employees, including the members of the Executive Board. More detailed regulations regarding conflicts of interest between members of the Executive Board and Aegon are included in the Executive Board Charter. Both documents are available on Aegon´s website. Any transactions in which there are conflicts of interest shall be agreed on terms customary in the industry and are published in the annual report.

Under the provisions of the Dutch Corporate Governance Code, the membership of Messrs. Button and Wynaendts on the Executive Committee of Vereniging Aegon may give rise to deemed conflicts of interest. However, the Articles of association of Vereniging Aegon provide that Messrs Button and Wynaendts are excluded from voting on certain issues relating directly to Aegon (including the adoption of annual accounts, discharge of members of the Executive Board and appointments to the Executive Board and Supervisory Board of Aegon).

The Supervisory and Executive Boards have drawn up a protocol that provides that the members of the Executive Board who also serve on the Executive committee of Vereniging Aegon shall continue to participate in discussions and decision-making relating to possible transactions with Vereniging Aegon. The Supervisory Board is confident that by adhering to this protocol the deemed conflict of interests with Vereniging Aegon are adequately dealt with and that the best practice provisions of the Code have been complied with in all material respects. The protocol is posted on Aegon´s website.

There are no conflicting interests between any of the duties of the members of the Executive Board and their respective private interests or other duties.

14. Subsequent events after June 30, 2016

Aegon executed a share buyback program to repurchase 29,258,662 common shares. Between July 4, 2016 and August 12, 2016, these common shares were repurchased at an average price of EUR 3.5054 per share. This program neutralized the dilutive effect of the 2015 final dividend paid in shares. The repurchased shares will be held as treasury shares and will be used to cover future stock dividends.

On September 6, 2016 Aegon announced that CFO Darryl Button is to leave Aegon on December 1, 2016.

On October 3, 2016 Aegon announced to repurchase 30,765,224 common shares to neutralize the dilutive effect of the 2016 interim stock dividend.

15. Significant changes

There has been no material adverse change in the prospects of Aegon Group since the last published audited financial statements of December 31, 2015 and the unaudited interim financial statements of June 30, 2016. Furthermore there has been no significant change in the financial or trading position of Aegon Group since the last published audited financial statements of December 31, 2015 and the unaudited interim financial statements of June 30, 2016.

16. Financial information

16.1 General

The audited financial statements of Aegon N.V. in respect of the years ended December 31, 2013, 2014 and 2015 are incorporated by reference in this Registration Document, as well as the unaudited condensed consolidated interim financial statements for the first and second quarter of 2016 and the first and second quarter 2016 results releases. All financial information has been derived from internal analyses and has been subject to Aegon´s internal control procedures.

16.2 Sales and deposits

2015

New life sales decreased 5% compared with 2014 to EUR 1.9 billion, mostly driven by lower universal life production in the United States, fewer pension buy-out sales in the Netherlands, and a lower demand for traditional pension products in the United Kingdom.

In 2015, compared with 2014, gross deposits increased 39% to EUR 77.2 billion, driven by higher pensions and mutual fund deposits in the United States, production from online bank Knab in the Netherlands, and sales in Aegon Asset Management.

2014

New life sales increased 7% compared with 2013 to EUR 2.0 billion, mostly driven by higher universal life production in the United States and Asia, and higher pension production in the Netherlands.

In 2014, compared with 2013, gross deposits increased 25% to EUR 55.4 billion, driven by pensions, variable annuities and mutual funds in the United States, production from online bank Knab in the Netherlands, and Aegon Asset Management.

2013

Aegon´s new life sales decreased 2% compared to 2012 to EUR 1.9 billion. Higher pension production in the United Kingdom was offset primarily by lower universal life sales in the Americas due to product withdrawals and product redesign, resulting from focus on value creation, as well as adverse currency movements.

Gross deposits increased 12% to EUR 44.3 billion, driven by variable annuities and mutual funds in the United States and Aegon Asset Management.

Appendix 1 – Alternative Performance Measure

Aegon N.V. considers the following metrics to constitute Alternative Performance Measures as defined in the European Securities and Markets Authority Guidelines ("ESMA Guidelines") on Alternative Performance Measures.

Aegon believes that its performance measures provides meaningful information about the underlying results of Aegon's business, including insight into the financial measures that Aegon's senior management uses in managing the business. Among other things, Aegon's senior management is compensated based in part on Aegon's results against targets using these performance measures. While many other insurers in Aegon's peer group present substantially similar performance measures, the performance measures presented in the table below may nevertheless differ from the performance measures presented by other insurers. There is no standardized meaning to these measures under IFRS or any other recognized set of accounting standards.

Metric	Definition	Reconciliation	Rationale for inclusion
Underlying earnings before tax / net underlying earnings	Underlying earnings before tax reflects Aegon's profit from underlying business operations and excludes components that relate to accounting mismatches that are dependent on market volatility or relate to events that are considered outside the normal course of business. Net underlying earnings is the after tax equivalent of underlying earnings before tax.	The reconciliation from underlying earnings before tax to income before tax, being the most comparable IFRS measure, is calculated by excluding the following items from underlying earnings before tax: fair value items, realized gain or losses on investments, impairment charges/reversals, other income or charges, run-off businesses and share in earnings of joint ventures and associates.	Aegon believes that underlying earnings before tax provides meaningful information about the underlying results of Aegon's business.
Return on Equity	Return on equity is a ratio calculated by dividing the net underlying earnings after cost of leverage, by the average shareholders' equity excluding the revaluation reserve, cash flow hedge reserve and the net deficit or surplus related to defined benefit plans.	There is no IFRS financial measure that is directly comparable to return on equity.	Aegon believes that return on equity provides meaningful information about the performance of Aegon's business.
Sales composite (gross deposits, new life sales, accident & health)	Sales composite is defined as new recurring premiums plus 1/10 of single premiums plus 1/10 of gross deposits plus new premium production accident and health plus new premium production general insurance. New life sales, gross deposits and net deposits data include results from Aegon's joint ventures and Aegon's associates consolidated on a proportionate basis.	There is no IFRS financial measure that is directly comparable to the sales composite.	Aegon believes that measuring total sales composite (including gross deposits, new life sales, accident & health) gives meaningful insight about the new production and sales of Aegon.
MCVNB/PVNBP	The present value, at point of sale, of all cash flows for new business written during the reporting period, calculated using approximate point of sale economics assumptions. Market	There is no IFRS financial measure that is directly comparable to MCVNB/PVNBP.	MCVNB and PVNBP gives meaningful insight to the market consistent value of new business and the present value of new business premium.

Metric	Definition	Reconciliation	Rationale for inclusion
	consistent value of new business (MCVNB) is calculated using a risk neutral approach, ignoring the investment returns expected to be earned in the future in excess of risk free rates (swap curves), with the exception of an allowance for liquidity premium. The Swap curve is extrapolated beyond the last liquid point to an ultimate forward rate. The market consistent value of new business is calculated on a post-tax basis, after allowing for the time value financial options and guarantees, a market value margin for non-hedgeable financial and non-financial risks and the costs of non-hedgeable stranded capital. Present value of new business premiums (PVNBP) is the premiums for the new business sold during the reporting period, projected using assumptions and projection periods that are consistent with those used to calculate the market consistent value of new business, discounted back to point of sale using the swap curve (plus liquidity premium where applicable). The Swap curve is extrapolated beyond the last liquid point to an ultimate forward rate.		
Capital generation	Capital Generation reflects the sum of the return on free surplus, earnings on in-force business, release of required surplus on in-force business reduced by new business first year strain and required surplus on new business. Capital Generation is defined as the capital generated in a local operating unit measured as the change in the local binding capital metric (according to Aegon's Capital Policy) for that period and after investments in new business.	Capital Generation is a non-IFRS financial measure that should not be confused with cash flow from operations or any other cash flow measure calculated in accordance with IFRS. Because elements of Capital Generation are calculated in accordance with local solvency requirements rather than in accordance with any recognized body of accounting principles, there is no IFRS financial measure that is directly comparable to Capital Generation.	Management believes that Capital Generation provides meaningful information to investors regarding capital generated on a net basis by Aegon's operating subsidiaries that may be available at the holding company.
Excess Capital in the Holding	Excess Capital in the Holding, which is rather a measure of Holdings liquidity, can be characterised by below:	There is no IFRS financial measure that is directly comparable to Holding excess capital.	Aegon believes that Excess Capital in the Holding gives insights into the liquidity of the Holding company.

Metric	Definition	Reconciliation	Rationale for inclusion
	Holding company assets -/- Capital investments -/- Matched short term assets -/- Other adjustments Aegon's internal policy for the management of Excess Capital in the Holding is based on a similar approach as the management of the Group and Local Unit capitalization, using a range approach and a ladder of intervention to trigger timely conversations and escalating management actions.		
Gross financial leverage ratio	Aegon's gross financial leverage ratio is calculated by dividing total financial leverage by total capitalization. Aegon defines total financial leverage as debt or debt-like funding issued for general corporate purposes and for capitalizing Aegon's business units. Total financial leverage includes hybrid instruments, and subordinated and senior debt. Aegon's total capitalization consists of the following components: - Shareholders' equity, excluding revaluation reserves, cash flow hedge reserves and the remeasurement of defined benefit plans, based on IFRS as adopted by the EU; - Non-controlling interests and share options not yet exercised; and - Total financial leverage.	There is no IFRS financial measure that is directly comparable to gross financial leverage ratio.	Aegon aims to keep total gross financial leverage below 30% of total capitalization as measured by the gross financial leverage ratio.
Revenue generating investments	Total amount of the investments general account, investment for account of policyholders and off balance sheet investments third parties.	The investment general account and investment for account of policyholders are included on the IFRS balance sheet and therefore are IFRS measures. The off balance sheet investments third parties are the other investments under management of Aegon for third parties which are not recognized on the balance sheet based on IFRS.	Management believes that revenue generating investments provides meaningful information to management and to investors regarding the total amount of investments under management within Aegon and which Aegon manages for its general account, for policyholders and for other third parties.

Appendix 2 – References

In the table below references to the documents incorporated by reference are made.

	Annual report 2015	Annual report 2014	Annual report 2013	Condensed consolidated interim financial statements Q2 2016 (IFS, unaudited) and Press release Q2 2016 (PR, unaudited)
General				
Key figures	Business overview – selected financial data – p13/15 Business overview – results 2015 worldwide – p18/20	Business overview – selected financial data – p13/15 Business overview – results 2014 worldwide – p17/20	Business overview – selected financial data – p13/15 Business overview – results 2013 worldwide – p17/20	Key performance indicators – PR p1 Financial overview – PR p5
Investments	Consolidated statement of financial position – p132 Notes to the statement of financial position Note 22 Investments – p214/216	Consolidated statement of financial position – p124 Notes to the statement of financial position Note 22 Investments – p205/207	Consolidated statement of financial position – p124 Notes to the statement of financial position Note 22 Investments – p224/226	Condensed consolidated statement of financial position – IFS p4 3.2 Investments – IFS p21
Principal activities	Business Overview – p12/84	Business Overview – p12/84	Business Overview – p12/84	-
List of significant subsidiaries	Note 52 Group companies – p284/285	Note 52 Group companies – p275/276	Note 55 Group companies – p280/281	-
Financial condition	Business overview – p12/15	Business overview – p12/15	Business overview – p12/15	IFS p2-p35
Operating results	Business overview - Results of operations – p18/22	Business overview - Results of operations – p17/31	Business overview - Results of operations – p17/24	PR p5-28
Capital resources	Capital and Liquidity management – p89/92 Note 31 Cash and cash equivalent – p229/231 Consolidated cash flow statement – p136 Note 46 Capital and solvency – p260/261	Capital and Liquidity management – p87/90 Note 31 Cash and cash equivalent – p220/222 Consolidated cash flow statement – p128 Note 46 Capital and solvency – p251/253	Capital and Liquidity management – p88/91 Note 31 Cash and cash equivalent – p239/241 Consolidated cash flow statement – p128 Note 49 Capital and solvency – p268/269	-
Remuneration	Remuneration report – p108/115 Note 53 Related party transactions – p285/291	Remuneration report – p100/107 Note 53 Related party transactions – p276/282	Remuneration report – p101/107 Note 56 Related party transactions – p282/287	-
Defined benefit plans	Note 41 Defined benefit plans – p250/257	Note 41 Defined benefit plans – p242/248	Note 43 Defined benefit plans – p254/260	-

	Annual report 2015	**Annual report 2014**	**Annual report 2013**	**Condensed consolidated interim financial statements Q2 2016 (IFS, unaudited) and Press release Q2 2016 (PR, unaudited)**
Benefit upon termination	§ Severance payments– p113	§ Severance payments– p108	§ Severance payments– p109	-
Audit committee / Remuneration committee	§ Audit committee – p101 §Compensation committee – p104	§ Audit committee – p95 §Compensation committee – p96	§ Audit committee – p96 §Compensation committee – p97	-
Governance	§ Dutch Corporate Governance Code – p119	§ Dutch Corporate Governance Code – p110	§ Dutch Corporate Governance Code – p111	-
Number of employees	Note 5 Table number of employees – p197	Note 5 Table number of employees – p189	Note 5 Table number of employees – p207	Table employee numbers – PR p9
Shareholdings and stock options	§ Related party transactions – SOR's and SAR's and interest in Aegon N.V – p290 § Related party transactions – Conditionally granted shares and options – p289 § Related party transactions – Common shares held by SB members – p291	§ Related party transactions – SOR's and SAR's and interest in Aegon N.V – p281 § Related party transactions – Conditionally granted shares and options – p280 § Related party transactions – Common shares held by SB members – p281	§ Related party transactions – SOR's and SAR's and interest in Aegon N.V – p286 § Related party transactions – Conditionally granted shares and options – p285 § Related party transactions – Common shares held by SB members – p286	-
Arrangements for involving employees in capital	Note 14 Commissions and expenses – p203/206	Note 14 Commissions and expenses – p195/198	Note 14 Commissions and expenses – p214/217	-
Major shareholder	§ Major Shareholders – p319/321	§ Major Shareholders – p311/313	§ Major Shareholders – p307/309	-
Different voting rights	Note 32 Shareholders' equity – p231/236	Note 32 Shareholders' equity – p222/224	Note 32 Shareholders' equity – p241/243	-
Related party transactions	Note 53 Related party transactions – p285/291	Note 53 Related party transactions – p276/282	Note 56 Related party transactions – p282/287	-
Historical financial information / Financial statements	Financial information – p130/136	Financial information – p122/300	Financial information – p122/305	-
Auditor's report	Independent auditor's report on consolidated financial statements – p309 Independent auditor's report on financial statements of Aegon N.V.	Independent auditor's report on consolidated financial statements – p301 Independent auditor's report on financial statements of Aegon N.V.	Independent auditor's report on consolidated financial statements – p289 Independent auditor's report on financial statements of Aegon N.V.	-

	Annual report 2015	**Annual report 2014**	**Annual report 2013**	**Condensed consolidated interim financial statements Q2 2016 (IFS, unaudited) and Press release Q2 2016 (PR, unaudited)**
	– p309	– p301	– p306	
Interim financial information	-	-	-	IFS p2-p38
Dividend policy	§ Dividend policy – p352	§ Dividend policy – p342/343	§ Dividend policy – p335	-
Dividend per share	Note 20 Dividend per common share – p210	Note 20 Dividend per common share – p202	Note 20 Dividend per common share – p221	-
Issued capital	Note 32.1 Share capital – par value – p232/233	Note 32.1 Share capital – par value – p223/224	Note 32.1 Share capital – par value – p242/243	-
Treasury shares	Note 32.3 Treasury shares – p234	Note 32.3 Treasury shares – p225	Note 32.3 Treasury shares – p244	-
Acquisition right	Note 32.1 Share capital – Preferred shares – p232	Note 32.1 Share capital – Preferred shares – p223	Note 32.1 Share capital – Preferred shares – p243	-
Information on holdings	Note 52 Group companies – p284/285	Note 52 Group companies – p275/276	Note 55 Group companies – p280/281	-