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# REGISTRATION DOCUMENT

as filed with the Netherlands Authority for the Financial Markets on September 2, 2008.

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**AEGON N.V.**

(Registered at The Hague, The Netherlands)

and

**AEGON FUNDING COMPANY LLC.**

(registered at Wilmington, Delaware)

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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: 'believe', 'estimate', 'target', 'intend', 'may', 'expect', 'anticipate', 'predict', 'project', 'counting on', 'plan', 'continue', 'want', 'forecast', 'should', 'would', 'is confident', 'will' and similar expressions as they relate to AEGON N.V. and AEGON Funding Company LLC. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. We undertake no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which 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. Such risks and uncertainties include, but are not limited to the following:

- Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom;
- Changes in the performance of financial markets, including emerging markets, such as with regard to:
  - The frequency and severity of defaults by issuers in our fixed income investment portfolios; and
  - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities we hold;
- The frequency and severity of insured loss events;
- Changes affecting mortality, morbidity and other factors that may impact the profitability of our insurance products;
- Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
- Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- Changes in laws and regulations, particularly those affecting our operations, the products we sell, and the attractiveness of certain products to our consumers;
- Regulatory changes relating to the insurance industry in the jurisdictions in which we operate;
- Acts of God, acts of terrorism, acts of war and pandemics;
- Changes in the policies of central banks and/or governments;
- Litigation or regulatory action that could require us to pay significant damages or change the way we do business;
- Customer responsiveness to both new products and distribution channels;
- Competitive, legal, regulatory, or tax changes that affect the distribution cost of or demand for our products;
- Our failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving initiatives; and
- The impact our adoption of the International Financial Reporting Standards may have on our reported financial results and financial condition.

## 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".

In this Registration Document, references to "EUR" and "Euro" are to the lawful currency of the member states of the European Monetary Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union. References to "\$," "USD," "US\$" and "US dollars" are to the lawful currency of the United States of America, references to "GBP," "pound sterling" and the "UK pound" are to the lawful currency of the United Kingdom, references to "CAD" and "Canadian dollars" are to the lawful currency of Canada and references to "CNY" are to the lawful currency of the People's Republic of China.

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### 1. Risk factors AEGON N.V. and 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. apply to AEGON Funding Company LLC.

#### 1.1 Risks relating to our business

##### *Interest rate risk*

*Interest rate volatility or sustained low interest rate levels may adversely affect our profitability and shareholders' equity.*

In periods of rapidly increasing interest rates, policy loans, surrenders and withdrawals may increase 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 adversely affected by the increase in market interest rates, potentially resulting in realized investment losses. These cash payments to policyholders result in a decrease in total invested assets and a decrease in net income. Among other things, early withdrawals may also prompt AEGON to accelerate amortization of policy acquisition costs, which reduces net income.

During periods of sustained low interest rates, life insurance and annuity products may be relatively more attractive to consumers, resulting in increased premium payments on products with flexible premium features, and a higher percentage of insurance policies remaining in force from year to year. During such a period, investment earnings may be lower because the interest earnings on new fixed income investments are likely to have declined with the market interest rates. In addition, mortgages and redeemable bonds in the investment portfolio are more likely to be repaid as borrowers seek to borrow at lower interest rates and we may be required to reinvest the proceeds in securities bearing lower interest rates. Also, in a period of low interest rates, AEGON may not be able to reduce crediting rates on policies and still preserve margins as a result of minimum guaranteed crediting rates provided on policies. Accordingly, during periods of sustained low interest rates, net income may decline as a result of a decrease in the spread between returns on the investment portfolio and the interest rates either credited to policyholders or assumed in reserves.

If interest rates rise, there may be unrealized losses on some of our assets that will be recorded as negative income under IFRS. This is inconsistent with the IFRS accounting on much of the company's liabilities, where corresponding unrealized gains when interest rates rise do not affect income in the shorter term. Over time, the short-term reduction in income due to rising interest rates would be offset by higher income in later years, all else being equal. Therefore, rising interest rates are not considered a long-term risk to the company.

The profitability of spread-based business depends in large part upon the ability to manage interest rate spreads, credit risk and other risks inherent in the investment portfolio. AEGON may not be able to successfully manage interest rate spreads or the potential negative impact of those risks. Investment income from general account fixed income investments for the years 2005, 2006 and 2007 was EUR 6.6 billion, EUR 7.0 billion and EUR 7.1 billion, respectively. The value of the related general account fixed income investment portfolio at the end of the years 2005, 2006 and 2007 was EUR 136 billion, EUR 126 billion and EUR 126 billion, respectively.

### **Credit risk**

*Defaults in our bonds, private placements and mortgage loan portfolios may adversely affect profitability and shareholders' equity.*

As premiums and deposits are received, these funds are invested to pay for future policyholder obligations. For general account products, AEGON typically bears the risk for investment performance (return of principal and interest). AEGON is exposed to credit risk on our general account fixed income portfolio (bonds, mortgages and private placements), derivatives and reinsurance contracts. Some issuers have defaulted on their financial obligations for various reasons, including bankruptcy, lack of liquidity, downturns in the economy, downturns in real estate values, operational failure and fraud. In the past, poor economic and investment climates in our major markets resulted in significant investment impairments on our investment assets due to defaults and overall declines in the securities markets. Impairments on bonds held by AEGON were low in 2005, 2006 and 2007. However, a return to excessive defaults or other reductions in the value of these securities and loans could have a materially adverse effect on our business, results of operations and financial condition.

### **Equity market risk**

*A decline in equity markets may adversely affect our profitability and shareholders' equity, sales of savings and investment products and the amount of assets under management.*

Fluctuations in equity markets have adversely affected our profitability, capital position and sales of equity related products in the past and may do so again in the future. Exposure to equity markets exists in both assets and liabilities. Asset exposure stems from direct equity investment where AEGON bears all or most of the volatility in returns and investment performance risk. General economic conditions, as well as significant events – like terrorist actions, have led to and may again result in significant decreases in the value of our equity investments. In 2005, 2006 and 2007, declines in the value of equity securities held in the general account resulted in the recognition of impairment losses of EUR 20 million, EUR 36 million and EUR 45 million, respectively.

Some products sold by AEGON contain minimum return or accumulation guarantees. AEGON is at risk if equity market returns do not meet or exceed these guarantee levels and may need to set up additional reserves to fund these future guaranteed benefits. If equity markets decline, fee income will fall on these products as a result of reduced fund balances. AEGON is also at risk if returns are not sufficient to allow amortization of deferred policyholder acquisition costs. It is possible under certain circumstances that AEGON would need to accelerate amortization of DPAC and to establish additional provisions for minimum guaranteed benefits, which would reduce net income and shareholders' equity. Volatility or poor market conditions may also significantly reduce the popularity of some of our savings and investment products, which could lead to lower sales and net income.

### **Underwriting risk**

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

Our earnings depend upon the extent to which actual claims experience is consistent with the assumptions used in setting the prices for products and establishing the technical provisions and liabilities for claims. To the extent that actual claims experience is less favorable than the underlying assumptions used in establishing such liabilities, income would be reduced. Furthermore, if these higher claims were part of a trend, AEGON may be required to increase our liabilities, which may also reduce 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 unrecoverability. This may have a materially adverse effect on our business, results of operations and financial condition.

### **Currency exchange rate risk**

*Fluctuations in currency exchange rates may affect our reported results of operations.*

As an international group, AEGON is subject to currency risk. Currency risk also exists for any policy denominated in currencies other than the policy's local currency. In the Netherlands, AEGON invests the majority of its equity holdings in an internationally diversified portfolio, rather than solely in Dutch equities. Capital held in subsidiaries is kept in local currencies to the extent shareholders' equity is required to satisfy regulatory and self-imposed capital requirements. Therefore, currency exchange rate fluctuations may affect the level of shareholders' equity as a result of translation into euros. 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 its country units. This balancing mitigates currency translation impacts to equity and leverage ratios.

Currency risk in the investment portfolios is managed using asset liability matching principles. AEGON does not hedge the income streams from the main non-euro units and, as a result, earnings may fluctuate due to currency translation. 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 US dollar and euro and between UK pound and euro. AEGON may experience significant changes in net income and shareholders' equity because of these fluctuations.

For the Americas segment, which primarily conducts its business in US dollars, total revenues and net income in 2007 amounted to EUR 16.3 billion and EUR 1,596 million, respectively. For the United Kingdom segment, which primarily conducts its business in UK pounds, total revenues and net income in 2007 amounted to EUR 13.7 billion and EUR 267 million, respectively. On a consolidated basis, these two segments represented 76% of the total revenues and 73% of the net income for the year 2007. Additionally, AEGON borrows in various currencies to hedge the currency exposure arising from its operations. On December 31, 2007 AEGON has borrowed or swapped amounts in proportion to the currency mix of capital in units, which was denominated approximately 59% in US dollars, 22% in Euro, 14% in UK pounds and 5% in Canadian dollars.

### **Liquidity risk**

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

Liquidity risk is inherent to much of our business. Each asset purchased and liability sold has liquidity characteristics that are unique. Some liabilities are surrenderable while some assets, such as privately placed loans, mortgage loans, real estate and limited partnership interests, have low liquidity. The latter half of 2007 was characterized by adverse market conditions generally affecting the value and liquidity of assets and in particular asset-backed securities. Due to the current reduced liquidity in capital markets, AEGON may be unable to sell or buy significant volumes of assets at quoted prices. In addition, any securities AEGON issued of significant volume may be issued at higher financing costs due to these current impaired liquidity conditions. 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 to meet its insurance obligations while still in this impaired liquidity market.

Approximately 30% of AEGON's general account investments are less liquid.

### **Risk related to general economic conditions**

*General economic conditions may affect our results of operations and financial conditions.*

Our result 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.

### **Other risks**

*US Regulations XXX and AXXX may have an adverse effect on our financial condition and results of operations by requiring AEGON to increase our statutory reserves for term and universal life insurance or incur higher operating costs.*

The Model Regulation (since 2000) 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, "Valuation of Life Insurance Policies Regulation", commonly known as "Regulation AXXX" requires insurers since 2003 to establish additional statutory reserves for certain universal life insurance policies with secondary guarantees. The statutory reserves are considered more conservative compared with realistic economic "reserving" methodologies. For that purpose these (A)XXX statutory reserves are also named "redundant reserves". Virtually all of our newly issued term and universal life insurance products in the United States are now affected by Regulations XXX and AXXX, respectively.

In response to this regulation, AEGON USA has implemented reinsurance and capital management actions to mitigate the impact of Regulations XXX and AXXX, mainly by the usage of either on-shore or off-shore reinsurance or other capital management actions both for the benefit of receiving regulatory reserve credit. These actions requires AEGON to maintain LOC's or collateral in trust against the amount of redundant reserves.

However, AEGON may not be able to further implement actions to mitigate the impact of Regulation XXX and AXXX on future sales of term or universal life insurance products. This could result that AEGON has to maintain higher capital and reserves

against these policies that potentially could lead in an adverse impact on our market position in the US life insurance market. Additionally, any change to or repeal of Regulation XXX or AXXX could also reduce the effectiveness of our reinsurance and capital management actions, adversely affecting our life insurance operations.

*A downgrade in our ratings may increase policy surrenders and withdrawals, adversely affect relationships with distributors and negatively affect our 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. The outcome of this may be cash payments requiring 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 policy acquisition costs, reducing net income.

In addition, a downgrade may adversely affect relationships with broker-dealers, banks, agents, wholesalers and other distributors of our products and services, which may negatively impact new sales and adversely affect our ability to compete. This would have a materially adverse effect on our business, results of operations and financial condition.

The current S&P, Moody's and Fitch insurance financial strength ratings and ratings outlook of our primary life insurance companies in our major country units are as follows:

	AEGON USA	AEGON NL	AEGON Scottish Equitable
S&P rating	AA	AA	AA
S&P outlook	Stable	Stable	Stable
Moody's rating	Aa3	Not rated	Not rated
Moody's outlook	Stable	Not rated	Not rated
Fitch rating	AA+	Not rated	Not rated
Fitch outlook	Stable	Not rated	Not rated

Negative changes in credit ratings may also increase our cost of funding. During 2007, Standard and Poor's maintained the credit ratings of AEGON N.V. at A+ with a stable outlook. Moody's Investor Service maintained the senior debt rating of AEGON N.V. at A2, with a stable outlook. Fitch Ratings assigned 'AA-' (double A minus) ratings to AEGON NV's senior debt. On June 22, 2007, Moody's Investors Service withdrew the A1 insurance financial strength rating (stable outlook) of AEGON Scottish Equitable for business reasons.

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

Our insurance business is subject to comprehensive regulation and supervision in all countries in which AEGON operates. The primary purpose of such regulation is to protect policyholders, not holders of securities. Changes in existing insurance laws and regulations may affect the way in which AEGON conduct business and the products offered. 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 our ability to sell new policies or claims exposure on existing policies. Additionally, the insurance laws or regulations adopted or amended from time to time may be more restrictive or may result in higher costs than current requirements.

*Litigation and regulatory investigations may adversely affect our business, results of operations and financial condition.*

AEGON faces significant risks of litigation and regulatory investigations and actions in connection with activities as an insurer, securities issuer, employer, investment advisor, investor and taxpayer. In recent years, the insurance industry has increasingly been the subject of litigation, investigation and regulatory activity by various governmental and enforcement authorities concerning common industry practices such as the disclosure of contingent commissions and the accounting treatment of finite reinsurance or other non-traditional insurance products. AEGON cannot predict at this time the effect this current trend towards litigation and investigation will have on the insurance industry or our business. Lawsuits, including class actions and regulatory actions, may be difficult to assess or quantify, may seek recovery of very large and/or indeterminate amounts, including punitive and treble damages, and their existence and magnitude may remain unknown for substantial periods of time. A substantial legal liability or a significant regulatory action could have a materially adverse effect on our business, results of operations and financial condition.

*AEGON may be unable to manage our risks successfully through derivatives.*



AEGON is exposed to currency fluctuations, changes in the fair value of its 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. 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. Our inability to manage risks successfully through derivatives or a counterparty's failure to honor its obligations could have a materially adverse effect on our business, results of operations and financial condition.

*State statutes and foreign country regulators may limit the aggregate amount of dividends payable by subsidiaries of AEGON NV, thereby limiting the company's ability to make payments on debt obligations.*

Our ability to make payments on debt obligations and pay certain operating expenses is dependent upon the receipt of dividends from subsidiaries. Certain of these subsidiaries have regulatory restrictions that can limit the payment of dividends.

*Changes in accounting policies may affect our reported results and shareholders' equity.*

Since 2005, our financial statements have been prepared and presented in accordance with IFRS as adopted by the European Union and with International Financial Reporting Standards as issued by the International Accounting Standards Board. Any future change in these accounting principles may have a significant impact on our reported results, financial condition and shareholders' equity. This includes the level and volatility of reported results and shareholders' equity.

*Tax law changes may adversely affect our profitability, as well as the sale and ownership of AEGON's products.*

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 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 could make our 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. In addition, the United States Congress passed legislation in 2001 that provided for reductions in the estate tax and the possibility of permanent repeal of the estate tax continues to be discussed; this could have an impact on insurance products and sales in the United States.

The US Congress, as well as state and local governments, also considers from time to time legislation that could increase the amount of taxes that AEGON pays, including the new regulations from the US Treasury Department and the Internal Revenue Service addressing the methodology to determine the dividends received deduction (DRD) related to variable life insurance and annuity contracts. The DRD reduces the amount of dividend income subject to tax and is a significant component of the difference between our effective tax rate and the federal statutory tax rate of 35%. A change in the DRD, including the possible elimination of this deduction, could reduce our consolidated net income.

Changes to tax laws in the Netherlands at the end of 2005 have reduced the attractiveness of early retirement plans, but tax advantages have been granted from January 1, 2006 for savings products known as Levensloop. Any changes in United States or Dutch tax law affecting similar products could have a materially adverse effect on AEGON's business, results of operations and financial condition.

*Competitive factors may adversely affect our market share.*

Competition in our 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 and agents and other distributors of insurance and investment products. Consolidation in the global financial services industry can enhance the competitive position of some of our 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. These competitive pressures could result in increased pricing pressures on a number of products and services, particularly as competitors seek to win market share; this may harm our ability to maintain or increase profitability.

AEGON USA ranked ninth in individual term life sales, fourth in individual universal life sales (source: Internal Research for the nine months ended September 30, 2007) and tenth in variable life sales (source: Tillinghast survey for nine months ended September 30, 2007). AEGON USA ranked fifth in sales of fixed annuities sold through banks, fifteenth in variable annuities sold through banks and tenth overall in annuity sales through banks (source: internal research for the nine months ended September 30, 2007) and first in Synthetic Guaranteed Investment Contracts (source: internal research for the nine months

ended September 30, 2007). Our major insurance competitors in the United States include American International Group (AIG), Hartford, ING, Manulife, Metropolitan Life, Nationwide, New York Life and Prudential.

In Canada, AEGON ranks fifth in overall individual life insurance sales (new business premiums), fourth in the universal life market, (source: LIMRA study - Fourth Quarter 2007, issued February 2008) and fifth in the segregated funding insurance market based on net assets (source: Investor Economics Insight - December 2007). AEGON's primary competitors in Canada are: Manulife, Sun Life, Industrial-Alliance, RBC Life, Canada Life, AIG Life, Empire Life and Equitable.

In the Netherlands, AEGON is the fifth largest life insurer. AEGON is the largest pension insurer and sixth largest individual life insurer based on gross life premium income (source: Regulatory Returns 2006). AEGON also owns the largest insurance broker in the Netherlands (source: Yearly Report Assurantie Magazine 2007). AEGON's major competitors in the Netherlands include Delta Lloyd, Eureko, Fortis, ING and SNS Reaal (which includes Zwitserleven and AXA NL). In the United Kingdom, AEGON faces strong competition in all its markets from three key sources: life and pension companies, investment management houses and independent financial adviser firms. AEGON's key competitors in the United Kingdom life and pension market include Aviva, AXA, Friends Provident, Legal and General, Prudential UK and Standard Life. AEGON's main competitors in the UK retail investment market are typically the investment management houses (e.g., Fidelity, Henderson, Merrill Lynch etc). The independent financial advisor market is fragmented, with a large number of relatively small firms. In Hungary, AEGON's major competitors include Allianz, Generali-Providencia, ING and OTP-Garancia. AEGON Spain's main competitors are Santander Seguros, Mapfre, Ibercaja, Vidacaixa, Adeslas, Sanitas and Asisa. In Taiwan, AEGON agency channel's major competitors are AIG, ING and Prudential UK. In the bank and broker channels, the major competitors are Allianz, Cardiff, Hon Tai Life and Fubon Life.

*The default of a major market participant could disrupt the markets.*

The failure of a major market participant could disrupt securities markets or clearance and settlement systems in our markets, which could cause market declines or volatility. Such a failure could lead to a chain of defaults that could adversely affect AEGON. In addition, such a failure could impact future product sales as a potential result of reduced confidence in the insurance 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, and in particular senior officers, experienced portfolio managers, mutual fund managers and sales executives, is dependent on a number of factors, including prevailing market conditions and compensation packages offered by companies competing for the same talent; this competition may offer compensation packages that include considerable equity-based incentives through stock option or similar programs.

*Judgments of US courts are not enforceable against AEGON in Dutch courts.*

The United States and the Netherlands do not currently have a treaty 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 federal securities laws of the United States, may not be enforceable in Dutch courts. Therefore, AEGON's shareholders 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, its affiliates, directors, officers or any expert named therein who reside outside the United States, based upon the US federal securities laws.

*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. These reinsurance agreements spread the risk and minimize the effect of losses. The amount of each risk retained depends on evaluation of the specific risk, 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 the claim is paid. However, AEGON's insurance subsidiaries remain liable to their policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations assumed by it.

In accordance with industry practices, AEGON reinsures a portion of its life insurance exposure with unaffiliated insurance companies under traditional indemnity reinsurance arrangements. Approximately 31% of AEGON's total direct and assumed (for which AEGON acts as a reinsurer for others) life insurance in force is ceded to other insurers. In the United States,



Transamerica Reinsurance retrocedes a significant portion of the risk it assumes. The major reinsurers of AEGON USA are Munich American Reassurance Company, American Long Term Care Reinsurance Group, RGA Reinsurance Company, Swiss Re and US Branch Sunlife Assurance Company of Canada. AEGON Canada's major reinsurers are Munich Re, RGA and Swiss Re. The major reinsurers of AEGON UK include GE Frankona, Munich Re, RGA, Swiss Re and XL Re. The major reinsurers for life insurance for AEGON The Netherlands is Swiss Re and for non-life insurance are Munich Re, Partners Re and Swiss Re. The major reinsurers of AEGON Hungary for non-life are Swiss Re, Munich Re and Hannover Re and for life insurance are Munich Re and RGA. AEGON Spain's major reinsurers are General Re, Nacional de Reaseguros, Scor Life, RGA and Swiss Re. AEGON Taiwan's major reinsurers are Swiss Re, Hannover Re, General Re and the local Central Reinsurance Corporation. AEGON China's major reinsurers are General Re, Munich Re and Swiss Re.

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

As part of our overall risk and capacity management strategy, AEGON purchases reinsurance for certain risks underwritten by its various business segments. Market conditions beyond our 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 could adversely affect our 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 may make further acquisitions and divestitures in the future. Growth by acquisition involves risks that could adversely affect our 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.

Our acquisitions could 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 could result in AEGON assuming or retaining certain contingent liabilities. All of the foregoing could adversely affect our 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 often unpredictable by nature, could result in material losses and abruptly and significantly interrupt AEGON's business activities.*

Our operating results and financial position can be adversely affected by volatile natural and man-made disasters such as hurricanes, windstorms, earthquakes, terrorism, riots, fires and explosions. 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 our exposure to these events through individual risk selection, monitoring risk accumulation and purchasing reinsurance. However, such events could lead to considerable financial loss to our business. Furthermore, natural disasters, terrorism and fires could disrupt our operations and result in significant loss of property, key personnel and information about AEGON's clients and AEGON. If our business continuity plans have not included effective contingencies for such events they could adversely affect our business, results of operations, corporate reputation and financial condition for a substantial period of time.

*AEGON regularly develop new financial products to remain competitive in our markets and to meet the expectations of our clients. If clients do not achieve expected returns on those products, AEGON may be confronted with legal claims, pressure groups and negative publicity.*

AEGON may face claims from customers and adverse negative publicity if our 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 our 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 could have a materially adverse effect on our results of operation, corporate reputation and financial condition.

*Our 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 our results of operations and corporate reputation.*

While systems and processes are designed to support complex transactions and to avoid systems failure, fraud, information security failures, processing errors and breaches of regulation, any failure could lead to a materially adverse effect on our

results of operation and corporate reputation. In addition, AEGON must commit significant resources to maintain and enhance our 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 accurate information for product pricing, risk management and underwriting decisions.

*Inadequate or failed processes or systems, human factors or external events could adversely affect our profitability, reputation or operational effectiveness.*

Operational risk is inherent in our business and can manifest itself in many ways including business interruption, poor vendor performance, information systems malfunctions or failures, regulatory breaches, human errors, employee misconduct, and/or internal and external fraud. These events can potentially result in financial loss, harm to our reputation and hinder our operational effectiveness. Management attempts to control these risks and keep operational risk at appropriate levels by maintaining a well-controlled environment and sound policies and practices. Notwithstanding these control measures, however, operational risk is part of the business environment in which AEGON operates and a function of our size as well as our geographic diversity and the scope of the businesses AEGON operates. AEGON's risk management activities cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. AEGON may incur losses from time to time due to these types of risks.

## **1.2 Risks relating to AEGON's common shares**

Our share price could be volatile and could drop unexpectedly making it difficult for investors to resell our common shares at or above the price paid.

The price at which our common shares trade will be influenced by a large number of factors, some of which will be specific to AEGON and its operations and some of which will be 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;
- Announcement of intended acquisitions, disposals or financings, speculation about such acquisitions, disposals or financings;
- Changes in AEGON's dividend policy, which could 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 Netherlands, the United States, Canada, the United Kingdom and Other Countries;
- 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 15.56 and EUR 12.17 respectively in 2006 and EUR 16.06 and EUR 11.46 respectively in 2007. The high and low sales prices of our common shares on the NYSE were USD 18.97 and USD 15.24 respectively in 2006 and USD 21.90 and USD 16.75 respectively in 2007. 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.*

It is possible that AEGON may decide to offer additional common shares in the future, for example, to effect an acquisition. In connection with Vereniging AEGON's refinancing in September 2002, it entered into an equity repurchase facility ("Repo Facility") and a back-up credit facility ("Back-up Facility") (both facilities were updated in April 2005). As is customary in these repurchase agreements, if sufficient collateral is not maintained by Vereniging AEGON (which in this case is based on the number of common shares and the prevailing share price) and amounts are not available under the Back-up Facility, the lenders under the Repo Facility may dispose of our common shares held by them under the Repo Facility in order to satisfy amounts outstanding. An additional offering of common shares by AEGON, 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, could have an adverse effect on the market price of our common shares. As of December 31, 2007, the total authorized share capital of AEGON

consisted of 3,000,000,000 common shares, par value euro 0.12 per share, and 1,000,000,000 preferred shares A and B, par value euro 0.25 per share. All our outstanding common shares are freely tradable, and all shareholders, including large shareholders such as Vereniging AEGON, are free to resell their 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). Pursuant to the 1983 Merger Agreement between AEGON and Vereniging AEGON, as amended, in case of an issuance of shares by AEGON, Vereniging AEGON may purchase as many class B preferred shares as would enable it to prevent or correct a dilution to below its actual percentage of the voting shares, unless Vereniging AEGON as a result of exercising these option rights would increase its voting power to more than 33%. The option granted to Vereniging AEGON permits it to purchase class B preferred shares up to a maximum of the non-issued part of the class B preferred shares included from time to time in AEGON's authorized capital if necessary to prevent or correct such dilution. The class B preferred shares would then be issued at par value (euro 0.25), unless a higher price is agreed. In the years 2003 through 2006 29,290,000 class B preferred shares were issued under these option rights. In 2007, Vereniging AEGON exercised its option rights to purchase in aggregate 5,880,000 class B preferred shares at par value to correct dilution caused by AEGON's stock dividend issuances during the year.

In addition, we have implemented certain changes to our corporate governance structure and the relationship with Vereniging AEGON pursuant to which Vereniging AEGON has voluntarily waived its right to cast 25/12 vote per class A or class B preferred share. Consequently, under normal circumstances Vereniging AEGON's voting power, based on the current numbers of outstanding and voting shares, is reduced to approximately 23.94% of the votes exercisable in the General Meeting of Shareholders. However, this reduction in voting percentage is not applicable in all circumstances. In certain limited circumstances at the sole discretion of Vereniging AEGON (such as the acquisition of 15% of the voting shares, a tender offer for shares or a proposed business combination, each by any person or group of persons whether individually or acting as a group, other than in a transaction approved by the Executive Board and Supervisory Board), Vereniging AEGON's voting rights for a limited period of 6 months, will increase to a percentage that currently amounts to 34.02%. Consequently, Vereniging AEGON may have substantial influence on the outcome of corporate actions requiring shareholder approval, including:

- Adopting amendments to the Articles of Incorporation;
- 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;
- 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:
  - (1) Rejecting binding Supervisory Board nominations for membership on the Supervisory Board and Executive Board;
  - (2) Appointing an Executive Board or Supervisory Board member other than pursuant to Supervisory Board nomination; and
  - (3) 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.*

Because our common shares listed on Euronext Amsterdam are quoted in euros and our common shares listed on the New York Stock Exchange (NYSE) are quoted in US dollars, fluctuations in exchange rates between the euro and the US dollar may affect the value of AEGON shares. In addition, we declare cash dividends in euros, but pay cash dividends, if any, on our New York Shares 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 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.*

Any market that develops for convertible securities or other securities that permit or require AEGON to satisfy obligations by issuing common shares that we have issued or may issue in the future would be likely to influence, and be influenced by, the market for AEGON's common shares. For example, the price of AEGON's common shares could become more volatile and could be depressed by investors' anticipation of the potential resale in the market of substantial amounts of AEGON's common shares received at the maturity. Our common shares could 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 could 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 could negatively affect the value of AEGON's common shares.

## 2. Responsibility

AEGON and AEGON Funding Company ("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, 2005, 2006 and 2007 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, 2005, 2006 and 2007 form part of these annual reports;

(b) AEGON's first quarter 2008 results as published on May 7, 2008, which are unaudited;

(c) AEGON's second quarter 2008 results as published on August 7, 2008, which are unaudited;

(d) the Articles of Incorporation (statuten) of AEGON as in force and effect on the date of this Registration Document; and

(e) the limited liability company agreement (articles of association) of AFC as in force and effect on the date of this Registration Document; and

(e) the charters of AEGON's audit committee and the compensation committee.

As long as this Registration Document is valid as described in Article 9 of the Prospectus Directive, copies of documents (a), (b), (c), (d) and (f) as well as any annual and interim accounts to be published in the future are accessible via AEGON's corporate website [www.aegon.com](http://www.aegon.com) (the 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:

AEGON Investor Relations  
e-mail: [gca-ir@aegon.com](mailto:gca-ir@aegon.com)  
P.O. Box 85  
2501 CB The Hague  
The Netherlands  
Telephone number: +31 70 344 8305  
Fax number: +31 70 344 8445

## 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.

## 5. Statutory Auditors

The auditors of AEGON N.V. are Ernst & Young Accountants, registered accountants, Wassenaarseweg 80, The Hague, the Netherlands, for the period covered by the audited historical financial information which is incorporated by reference in this Registration Document. Ernst & Young Accountants (of which the "Registeraccountants" are members of the "Koninklijke Nederlands Instituut voor Register Accountants" (NIVRA)), is a member of the International Federation of Accountants (IFAC). The auditors have no material interest in AEGON N.V.

## 6. Information about AEGON N.V.

AEGON N.V., domiciled in the Netherlands, is a public limited liability company organized and operating under Dutch law. AEGON N.V. was formed in 1983 pursuant to a merger agreement dated October 18, 1983 between Vereniging AGO, AGO Holding N.V. and Ennia N.V. AGO Holding N.V. and ENNIA N.V. both were successors to insurance companies founded in the 1800's.

AEGON N.V., through its member companies that are collectively referred to as AEGON or the AEGON Group, is one of the world's largest listed life insurance and pension companies as ranked by market capitalization and assets on December 31, 2007 (source: Bloomberg). AEGON is headquartered in the Netherlands and employs, through its subsidiaries, about 30,000 people worldwide. AEGON's common shares are listed on stock exchanges in Amsterdam (Euronext), New York (NYSE), London and Tokyo.

AEGON's businesses focus on life insurance, pensions, savings, and investment products. The AEGON Group is also active in accident, supplemental health, general insurance, and some limited banking activities. AEGON N.V. is a holding company. The operations described above are conducted through operating subsidiaries. AEGON's established markets are the United States, the Netherlands and the United Kingdom. In addition, AEGON is present in over 20 other markets in the Americas, Europe and Asia.

AEGON 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 cost control. AEGON uses a multi-brand, multi-channel distribution approach to meet its customers' needs.

The AEGON Group has the following reportable geographic segments: the Americas (which include the United States, Canada and Mexico), the Netherlands, the United Kingdom and Other Countries, which include Hungary, Spain, Taiwan, China, Poland and a number of other countries with smaller operations.

## 7. Memorandum and articles of incorporation AEGON N.V.

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 Incorporation are discussed below.

### 7.1 Objects and purposes

Article 3 of the articles of incorporation dated May 3, 2007, 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 Incorporation relating to members of the Supervisory Board and Executive Board, see the 2007 annual report of AEGON N.V..

### 7.3 Description of AEGON's capital stock

AEGON has two types of shares: Common shares (par value EUR 0.12) and (class A and class B) Preferred shares (par value EUR 0.25).

Common Characteristics of the Common and Preferred Shares

(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, Vereniging AEGON, the sole holder of preferred shares may cast 25/12 votes per preferred share in line with their higher par value. Vereniging AEGON and AEGON have entered into a preferred shares voting rights agreement, pursuant to which Vereniging AEGON has voluntarily waived its right to cast 25/12 votes per class A or class B preferred share. Instead, Vereniging AEGON has agreed to exercise one vote only per preferred share, except in the event of a 'special cause', such as 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 of persons, whether individually or as a group, other than in a transaction approved by the Executive Board and Supervisory Board). If, at its sole discretion, Vereniging AEGON determines that a 'special cause' has occurred, Vereniging AEGON shall notify the General Meeting of Shareholders and retain its right to exercise the full voting power of 25/12 votes per preferred share for a limited period of six months.

(4) All shares have the right to participate in AEGON's net profits. Net profits is 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 preferred shares*

(1) The common shares are listed; the preferred shares are not listed.

(2) Preferred shares under certain circumstances are entitled to cast 25/12 votes per share in line with their higher nominal value.

(3) Preferred shares are entitled to a preferred dividend on the paid-in amount, restricted to the fixed rate set by the European Central Bank for basic refinancing transactions plus 1.75%. No additional dividend is paid on the preferred shares and the remaining profit is available for distribution to the holders of common shares.

(4) Any remaining balance after settlement of all debts in the event of liquidation, will first be allocated (to the extent possible) to repaying the paid-in capital on the preferred shares.

(5) Holders of common shares have pre-emptive rights in relation to any issuance of common shares, while holders of preferred shares have no such pre-emptive rights.

#### **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 Incorporation. The General Meeting of Shareholders (annual General Meeting or extraordinary General Meeting) may only pass a resolution to amend the Articles of Incorporation 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 Incorporation will be executed by a civil law notary upon certification that the Minister of Justice does not object.

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

#### **7.5 Conditions under which meetings are held**

Annual General Meetings and extraordinary General Meetings of Shareholders shall be convened by an announcement in one or more Dutch daily newspapers and in the official price list of Euronext Amsterdam. Notice must be given no later than the fifteenth day prior to the date of the meeting. The notice in the newspaper 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 and New York Registry shareholders at their addresses or to their brokers.

For admittance to and voting at the meeting, shareholders must produce evidence of their shareholding as of the record date set by the Executive Board. 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 Incorporation, 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 25/12 votes per preferred share for up to six months per "special cause", thus increasing its current voting rights to 34.02%.

#### **7.8 Threshold above which shareholder ownership must be disclosed**

There are no such provisions in the Articles of Incorporation. Dutch law requires public disclosure to a supervising government agency with respect to the ownership of listed shares when the following thresholds are met: 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**

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. In particular, certain current and former customers, and groups representing customers, have initiated litigation and certain groups are encouraging others to bring lawsuits in respect of certain products in the Netherlands. The products involved include securities leasing products ("aandelenlease") and unit linked products (so called 'beleggingsverzekeringen' including the KoersPlan product). AEGON has established adequate litigation policies to deal with the claims defending when the claim is without merit and seeking to settle in certain circumstances. This and any other litigation AEGON has been involved in over the last twelve months have not had any significant effects on the financial position or profitability of AEGON N.V. or the Group. However, 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. Consequently, any such proceedings may have significant effects on AEGON and /or AEGON group's financial position or profitability. Moreover, AEGON is aware that other companies in the insurance sector are involved or might become involved in similar proceedings. The outcome of such litigation may also have an effect on the litigation initiated or threatened against AEGON and/or result in new lawsuits to be initiated against AEGON and may have significant effects on AEGON and /or AEGON group's financial position or profitability.

In addition, in recent years, the insurance industry has increasingly been the subject of litigation, investigations and regulatory activity by various governmental and enforcement authorities concerning certain practices. AEGON subsidiaries have received inquiries from local authorities in various jurisdictions including the United States, the United Kingdom and the Netherlands. In certain instances, AEGON subsidiaries modified business practices in response to such inquiries or the findings thereof. Certain AEGON subsidiaries have been informed that the regulators may seek fines or other monetary penalties or changes in the way AEGON conducts its business.

## 9. Information about AEGON Funding Company LLC.

AEGON Funding Company LLC (AFC) operates under the laws of the State of Delaware and was incorporated on May 21, 1999 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 AEGON USA, Inc. 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 Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA, Delaware file number 3033879 and the telephone number of this office is 1 (302)-658-7581.

### 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](http://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 formed pursuant to the General Corporation Law of the State of Delaware, USA.

#### *Directors*

C. Michiel van Katwijk (President), having his business address at AEGONplein 50, 2591 TV, The Hague, The Netherlands, is also Executive Vice President and Group Treasurer of AEGON N.V. In that capacity, Mr. van Katwijk acts as head of the Treasury Group Staff department.

Craig D. Vermie (Vice President, Secretary and General Counsel), having his business address at 4333 Edgewood Road NE, Cedar Rapids, IA 52499, USA, is also Senior Vice President, Secretary and General Counsel of AEGON USA, Inc. In that capacity, Mr. Vermie 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.

M. Craig Fowler (Treasurer), having his business address at 400 West Market Street, Louisville, KY 40202, USA, is also Treasurer and Vice President of AEGON USA, Inc. In that capacity, Mr. Fowler acts as the Treasurer of AEGON USA, Inc., who has custody of the funds and securities of AFC and keeps complete and accurate accounts of receipts and disbursements on the books of AFC.

### 9.4 Material adverse change

There have been no significant changes in the financial or solvency position and the prospects of AFC since December 31, 2007.

### 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

No principal investments have been made since December 31, 2007 and no future principal investments are currently considered.

### 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 consist of 1,470 shares which have been issued to AEGON USA Inc with an issue price of USD 15 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 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, refer to paragraph 1 Risk Factors.

## 10. Executive Board 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 employment 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 nationality) began his career with ABN AMRO in 1984 and had several assignments in asset management (Amsterdam) and corporate finance (London). In 1997, he joined AEGON's Group Business Development department and was promoted to Executive Vice-President and head of Group Business Development in May 1998. In 2003 he was appointed a member of the Executive Board of AEGON N.V. Mr. Wynaendts has been reappointed as member of the Executive Board in the Annual General Meeting of Shareholders of AEGON N.V. in 2007. His current term of office will end in 2011.

**Joseph B.M. Streppel** – CFO (1949, Dutch nationality) began his career in 1973 at one of AEGON's predecessors occupying several treasury and investment positions. In 1986, he became CFO of FGH BANK, and in 1987 he joined the Executive Board of FGH BANK. In 1991, he became Chairman and CEO of Labouchère and, in 1995, also Chairman of FGH BANK. In 1998 he became CFO of AEGON N.V. In May 2000 he was appointed a member of the Executive Board of AEGON N.V. Mr. Streppel has been reappointed as member of the Executive Board in the Annual General Meeting of Shareholders of AEGON N.V. in 2005. His current term of office will end in 2009. Subject to reappointment in 2009, his last term of office automatically ends in 2011, when he reaches the age of 62. Mr. Streppel has the option of retirement at the age of 60.. Mr. Streppel is also a member of the Supervisory Boards of Royal KPN N.V. and Van Lanschot Bankiers N.V.

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 Executive Board has been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies).

## 11. Supervisory Board 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 following nomination by the Supervisory Board.

**Dudley G. Eustace** - chairman (1936, dual citizenship British and Canadian) is a retired chairman of Smith & Nephew PLC (London, UK) and a retired vice-chairman of Royal Philips Electronics N.V. He was appointed to AEGON's Supervisory Board in 1997 and his current term will end in 2009. He is also a former member of the Supervisory Board of Royal KPN N.V. and Hagemeyer N.V. and a member of the Supervisory Board of Charterhouse Vermogensbeheer B.V. and Stork N.V., a member of the European Advisory Council for Rothschilds, the Council of the University of Surrey and member of the Supervisory Board of The Nielsen Company. He is a former member of the Supervisory Boards of KLM Royal Dutch Airlines N.V. and Origin B.V. and former Director of Sonae Com SGPS S.A. (Portugal). He is currently chairman of the Supervisory Board Nominating Committee.

In the last 5 years, Mr Eustace has not 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 Mr. Eustace has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) nor has Mr Eustace, 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, save for the following:

Mr. Eustace was a non-executive board member of the company Sendo Holding Plc. when it went in administration in 2005.

**Irving W. Bailey, II** - vice chairman (1941, American nationality) is a senior advisor to and former Managing Director of Chrysalis Ventures LLC. He is a retired chairman and CEO of Providian Corp., and a former chairman of the Board of Directors of AEGON USA Inc. He was appointed to AEGON's Supervisory Board in 2004 and his current term will end in 2012. He is also a member of the Board of Directors of Computer Sciences Corp., Hospira, Inc. and president and member of the Board of Directors of IWB Investments Inc. He is currently a member of the Supervisory Board Audit and Risk Committees.

In the last 5 years, Mr Bailey has not 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 Mr. Bailey has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) nor has Mr. Bailey, 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, save for the following:

Mr. Bailey II was a non-executive board member of the following companies at the time these companies were wound up: QCI Inc. (wound up in 2002), Zoom Culture (wound up in 2002), High Speed Access Corporation (wound up in 2003), Bailey Capital Corp. (wound up in 2004) and Confluent Technologies, Inc. (wound up in 2004).

**Antony Burgmans** - (1947, Dutch nationality) is a former chairman of the Executive Board of Unilever Plc. and Unilever N.V. He was appointed to AEGON's Supervisory Board in 2007 and his current term will end in 2011. He is also a non-executive director of BP Plc., member of the Supervisory Board of Akzo Nobel and SHV Holding N.V. and a former member of the Supervisory Board of ABN AMRO Bank N.V. He is currently a member of the Audit Committee.

In the last 5 years, Mr Burgmans has not 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 Mr. Burgmans has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies). Nor has Mr Burgmans, 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.

**Cecelia (Sue) Kempler** – (1940, American nationality) is an independent consultant on insurance industry matters and director of the Kaye School of Finance and Economics of the Florida Atlantic University. She is a former partner of law firm Le Boeuf, Lamb, Greene & MacRae. Mrs. Kempler was appointed to AEGON N.V.'s Supervisory Board in 2008. Her current term will end in 2012. She is a member of the American Bar Association, the Association of Life Insurance Counsel, the AIDA reinsurance and Insurance Arbitration Society and the International Association of Insurance Receivers. She is currently a member of the Supervisory Board Nominating and Risk Committees.

In the last 5 years, Ms Kempler has not 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 Ms.

Kempler has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) nor has Ms Kempler, 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.

**Shemaya Levy** - (1947, French nationality) was Executive Vice President and CFO of the Renault Group until he retired in 2004. He was appointed to AEGON's Supervisory Board in 2005 and his current term will end in 2009. He is also a non-executive director of Nissan Motor Cy, Renault Spain and the Safran Group, and a member of the Supervisory Boards of the Segula Technologies Group and TNT N.V. He is a former non executive member of the Board of Directors of Renault Finance and of the Snecma group. He is currently chairman of the Supervisory Board Audit Committee and a member of the Risk Committee.

In the last 5 years, Mr Levy has not 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 Mr. Levy has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) Nor has Mr Levy, 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.

**Karla M.H. Peijs** - (1944, Dutch nationality) is Queen's Commissioner for the Province of Zeeland in the Netherlands. She was appointed to AEGON's Supervisory Board in 2007 and her current term will end in 2011. She was formerly a member of the Provinciale Staten of the Province of Utrecht from 1982 until 1989, a member of the European Parliament from 1989 to 2003 and Minister of Transport, Public Works and Water Management in the Dutch government from 2003 to 2007. She has been a member of AEGON's Supervisory Board from 1992 from which she resigned upon her becoming Minister of Transport, Public Works and Watermanagement in the Dutch government in May 2003. She is also a member of the Supervisory Board of ANWB and the Board of Trustees of Delft Technical University and a former member of the Supervisory Boards of Daimler Chrysler Nederland, Solvay Nederland, Vendex KBB and Schouten & Nelissen. She is currently a member of the Supervisory Board Compensation Committee.

In the last 5 years, Mrs Peijs has not 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 Mrs. Peijs has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) nor has Mrs Peijs, 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.

**Rob J. Routs** - (1946, Dutch nationality) is an Executive Director Oil Products and Chemicals at Royal Dutch Shell. Mr. Routs was appointed to AEGON N.V.'s Supervisory Board in 2008. His current term will end in 2012. He is also chairman of the Shell Canada Board, a member of the Boards of Directors of INSEAD and Canadian Utilities Ltd, member of the Chief Executive's Council of International Advisors Hong Kong, of the Economic Development Board of Singapore International Advisory Council and of the Cercle des Présidents de l'Industrie Chimique. He is currently member of the Supervisory Board Nominating and Risk Committees.

In the last 5 years, Mr Routs has not 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 Mr. Routs has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) Nor has Mr Routs, 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.

**Willem F.C. Stevens** - (1938, Dutch nationality) is a retired partner of Baker & McKenzie and was a senator in the Dutch Parliament until June 2003. He was appointed to AEGON's Supervisory Board in 1997 and his current term will end in 2009. He is a member of the Supervisory Boards of N.V. Luchthaven Schiphol, TBI Holdings B.V., AZL N.V., Goedland N.V., and Ermenegildo Zegna International N.V. He is also Managing director of Michelin Finance (Pays-Bas) B.V., Soparin B.V. (Michelin Group), Equitas B.V. and Equitas Holding B.V. He is a former chairman of the Supervisory Board of NIB Capital N.V. and NIB Capital Bank N.V. and a former member of the Supervisory Boards of Avilix N.V., BAT Europe B.V., BAT International Holdings N.V., Borstlap Masters in Fasteners Group B.V., Greenfield Capital Partners B.V., Meyer Monitor B.V. and Quaker Chemical Europe B.V. He is also a former member of the Board of European Estate Publishers B.V. He is currently a member of Supervisory Board Audit and Compensation Committees.

In the last 5 years, Mr Stevens has not 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 Mr. Stevens has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) nor has Mr Stevens, 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, save for the following:



Mr. Stevens was a supervisory board member of the company Aino N.V. when it was declared bankrupt in 2002.

**Kees J. Storm** - (1942, Dutch nationality) is a former chairman of the Executive Board of AEGON N.V. He was appointed to AEGON's Supervisory Board in 2002 and his current term will end in 2010. He is chairman of the Supervisory Board of KLM Royal Dutch Airlines N.V., vice-president of the Supervisory Board of Pon Holdings B.V. and a non-executive director of Unilever N.V. of Rotterdam and Unilever PLC of London. He is also a member of the Board of Directors of InBev S.A. (Leuven, Belgium) and Baxter International Inc. (USA). He is a former chairman of the Supervisory Boards of N.V. Royal Wessanen and Laurus N.V. He is currently a member of the Supervisory Board Risk Committee.

In the last 5 years, Mr Storm has not 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 Mr. Storm has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) nor has Mr Storm, 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.

**Dirk P.M. Verbeek** - (1950, Dutch nationality) is Vice President Emeritus of Aon Group Inc. and a retired Chairman and CEO of Aon International Executive Committee. Mr. Verbeek was appointed to AEGON N.V.'s Supervisory Board in 2008. His current term will end in 2012. He is currently member of the Supervisory Board Compensation Committee.

Mr. Verbeek is Chairman of the Supervisory Board of Robeco Group N.V. and member of the following Supervisory Boards: Robeco N.V., Rolinco N.V., Rorento N.V., Aon Groep Nederland B.V., Aon Jauch & Hübener Holdings GmbH

As CEO of Aon's international operations Mr. Verbeek has been a member of the Management Board of many Aon operating and holding companies in Europe. He is still a member of the Management Board of Aon Holdings B.V.

Mr. Verbeek has the following additional functions: Chairman of the INSEAD Dutch Council, Chairman of the Board of Stichting Trompenburg, Board member of Stichting Administratiefonds Rotterdam, Advisor at OVG Projectontwikkeling, Supervisory Board member Diergaarde Blijdorp, Board member Stichting Kunstbezit Koninklijke Nedlloyd.

In the last 5 years, Mr. Verbeek has not 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 five years Mr. Verbeek has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) Nor has Mr. Verbeek, 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.

**Leo M. van Wijk** - (1946, Dutch nationality) is vice-chairman of Air France-KLM S.A. and former president and CEO of KLM Royal Dutch Airlines N.V. He was appointed to AEGON's Supervisory Board in 2003 and his current term will end in 2011. He is also a member of the Supervisory Boards of Randstad Holding N.V. He is also a former member of the Supervisory Board of Martinair and TUI Nederland N.V. and of the Board of Northwest Airlines. He is currently chairman of the Supervisory Board Compensation Committee.

In the last 5 years, Mr Van Wijk has not 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 five years Mr. Van Wijk has not been officially incriminated or sanctioned by statutory or regulatory authorities (including designated professional bodies) Nor has Mr Van Wijk, 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, save for the following:

Mr. Van Wijk was a non-executive board member of the company Northwest Airlines when it filed for Chapter XI (suspension of payment) in November 2005.

The members of the Executive 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 and the Supervisory Board pursuant to section 14.1 of Annex 1 to the EU Prospectus Regulation.



## 12. 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 Rules. 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. Streppel and Wynaendts on the Executive Committee of Vereniging AEGON may give rise to deemed conflicts of interest. Mr. Wynaendts joined the Executive Committee of Vereniging AEGON in May 2008. The Articles of association of Vereniging AEGON provide that Messrs Streppel 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.

## 13. Subsequent Events

On June 30, 2008 AEGON completed the 100% purchase of the registered capital of UNIQA Asset Management Company and Heller-Saldo 2000 Pension Fund Management Company, both Hungarian entities, from UNIQA Insurance Company. The agreement was signed on February 21, 2008 and it was subject to regulatory approval, which was subsequently received. Following the acquisition, assets under management increased by approximately EUR 300 million (Source: Hungarian Financial Supervisory Authority (HFSA) 3Q 2007 figures).

On June 30, 2008 AEGON Hungary Pension Fund merged with 'Uniq and Public Service Pension Fund'. As a result of the merger, AEGON is the second largest pension fund provider in Hungary.

On February 26, 2008 AEGON has entered into an agreement to acquire 100% of Ankara Emeklilik Anonim Sirketi (Ankara Emeklilik), a Turkish life insurance and pension provider, from Polis Bakim ve Yardim Sandigi. The transaction was subject to regulatory approval in Turkey, and was closed in early July. Ankara Emeklilik has a well-established presence in the Turkish life insurance and private pension market, with over 54,000 pension fund members and approximately EUR 35 million in assets under management (Source: Pension Monitoring Center - February 18, 2008). Ankara Emeklilik sells its products and services through a variety of different channels and has an agreement in place to distribute through a nationwide network of 236 branches belonging to Sekerbank. On July 10, 2008 AEGON finalized the acquisition of the Turkish life insurance and pension provider Ankara Emeklilik.

On April 21, 2008 AEGON and China's Industrial Securities have completed the establishment of their asset management joint venture following the recent final approval by the regulatory authorities. Under the agreement, AEGON has acquired a 49% interest in Industrial Fund Management Company (IFMC), a Chinese mutual fund manager with approximately EUR 3 billion assets under management as of March 31, 2008. Industrial Securities, one of China's leading securities companies, will retain the remaining 51% of IFMC. The initial agreement was announced on May 28, 2007. The joint venture will be renamed AEGON Industrial Fund Management Company. Both shareholders will be equally represented in the Board of Directors. The current management team led by CEO Yang Dong will continue to lead AEGON Industrial FMC with the objective of becoming one of the top players in the Chinese fund management market. Over the past two years, assets under management have increased from EUR 600 million to EUR 3 billion.

On June 30, 2008 AEGON completed the planned merger of its pension fund management company PTE AEGON with BRE Bank's PTE Skarbiec-Emerytura. As part of the merger agreement, AEGON acquired BRE Bank's shareholding in the newly combined pension fund management company. The merger, agreed in June last year, will strengthen AEGON's position both in the Polish pension market and in the Central and Eastern European region as a whole. With the merger, AEGON has become Poland's fifth largest pension fund manager, with a market share of approximately 6%. The combined fund has some 800,000 members and more than EUR 1.8 billion in assets under management.

On July 21, 2008 AEGON announced that it completed an innovative securitization transaction to improve capital efficiency and optimize the capital structure as part of the Group's new strategy. This transaction adds around EUR 315 million (GBP 250 million) of core capital, thus enhancing the financial flexibility of the Group. Also, the transaction improves the return on capital deployed in the United Kingdom.

## 14. Significant changes

At the end of June, shareholders' equity totaled EUR 11.6 billion, a decrease of EUR 3.6 billion compared with December 31, 2007. AEGON's revaluation reserve declined by EUR 2.4 billion, primarily reflecting higher interest rates and credit spreads. Foreign currency translation effects had a negative impact of EUR 948 million, primarily reflecting a 7% weaker US dollar and a 8% weaker UK pound since year-end 2007. The positive impact of net income (EUR 429 million) was more than offset by paid coupons on perpetuals (EUR 91 million) and dividends on common and preferred shares of EUR 290 million and EUR 112 million respectively.

AEGON applies leverage tolerances to its capital base, which reflects the capital employed in its core activities. This capital base consists of three elements: shareholders' equity, perpetual capital securities and subordinated and senior debt. AEGON aims to ensure that shareholders' equity excluding revaluation reserve accounts for at least 70% of its overall capital base, perpetual capital securities 25% and subordinated and senior debt a maximum of 5%. AEGON manages its economic exposure to currency revaluations in its capital base. AEGON has raised the majority of its perpetual capital securities denominated in US dollars. These securities are part of Group equity and, as a result, are carried in the balance sheet at the original EUR/USD exchange rate. At the end of June 2008, shareholders' equity excluding the revaluation reserve represented 74% of AEGON's total capital base (year-end 2007 73%). Group equity, which includes other equity instruments (such as perpetual capital securities) and minority interests, represented 95% of total capital (year-end 2007 93%)<sup>1 2</sup>.

## 15. Financial information

The audited financial statements of AEGON N.V. in respect to the years ended December 31, 2006 and 2007 are incorporated by reference in this Registration Document. All financial information has been derived from internal analyses and has been subject to our internal control procedures.

<sup>1</sup> Capital securities that are denominated in foreign currencies are, for purposes of calculating the capital base ratio, revalued to the period-end exchange rate.

<sup>2</sup> All ratios exclude AEGON's revaluation reserve.