

**THIRD SUPPLEMENT DATED 21 AUGUST 2017 TO THE REGISTRATION  
DOCUMENT DATED 12 OCTOBER 2016**



**AEGON N.V.**

(incorporated with limited liability in The Netherlands  
and having its corporate seat in The Hague)

and

**AEGON FUNDING COMPANY LLC**

(incorporated under the laws of the State of Delaware, USA,  
and having its corporate seat in Wilmington, Delaware)

This Supplement (the "Supplement") is prepared as a supplement to, and must be read in conjunction with, the Registration Document dated 12 October 2016 and any supplements thereto prior to the date hereof (the "Registration Document"). Terms used but not defined in this Supplement have the meanings ascribed to them in the Registration Document.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Registration Document by this Supplement and (b) any other statement in or incorporated by reference in the Registration Document, the statements in (a) above will prevail.

This Supplement does not constitute an offer or an invitation to subscribe for or purchase the Instruments. This Supplement may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

This Supplement has been filed with and approved by the Netherlands Authority for the Financial Markets (the *Stichting Autoriteit Financiële Markten*, the "AFM") as a registration document supplement, in accordance with Directive 2003/71/EC, as amended, and relevant implementation measures in the Netherlands.

The Issuers accept responsibility for the information contained in this Supplement and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. No person has been authorized to give any information or to make any representation not contained in or not consistent with the Registration Document and this Supplement and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuers.

Neither the delivery of this Supplement nor the Registration Document shall in any circumstances imply that the information contained in the Registration Document and herein concerning the Issuers is correct at any time subsequent to 12 October 2016 (in case of the Registration Document) or the date hereof (in case of this Supplement) or that any other information supplied in connection therewith is correct as of any time subsequent to the date indicated in the document containing the same.

## ADDITIONS TO THE REGISTRATION DOCUMENT

1. With effect from the date of this Supplement the following documents shall be incorporated in, and form part of, the Registration Document:

(a) Aegon's second quarter 2017 consolidated interim financial statements, which are unaudited;

<https://www.aegon.com/contentassets/82d594a580c041e28ee86d9b94ba6656/2017-q2-interim-financial-statements.pdf>

(b) Aegon's Group Solvency and Financial Condition Report, which has been prepared by and is the responsibility of Aegon's management. PricewaterhouseCoopers Accountants N.V. has not audited, reviewed, complied or applied agreed-upon procedures with respect to the SFCR. Accordingly, PricewaterhouseCoopers Account N.V. does not express an opinion or any other form of assurance with respect thereto.

<https://www.aegon.com/contentassets/8d62f2b2a6c14a9b81f3577fa61301f4/aegon-group-2016-solvency-and-financial-condition-report.pdf>

(c) Relevant press releases:

- 10 August 2017: Aegon strengthens Dutch capital position and reports strong 2Q 2017 results

<https://www.aegon.com/contentassets/c781434312be4cd9aad6fd0ff3ae832a/aegon-2q2017-results.pdf>

- 10 August 2017: Aegon to divest its business in Ireland

<https://www.aegon.com/en/Home/Investors/News-releases/2017/ireland/>

- 8 August 2017: Aegon to sell Unirobe Meeùs Groep

<https://www.aegon.com/en/Home/Investors/News-releases/2017/unirobe-meeus-groep/>

- 30 June 2017: Aegon publishes Group Solvency and Financial Condition Report

<https://www.aegon.com/en/Home/Investors/News-releases/2017/aegon-publishes-group-solvency-and-financial-condition-report/>

- 29 June 2017: Aegon completes sale of majority of US run-off businesses

<https://www.aegon.com/en/Home/Investors/News-releases/2017/bolicoli/>

- 20 June 2017: Aegon announces stock fraction final dividend 2016

<https://www.aegon.com/en/Home/Investors/News-releases/2017/aegon-announces-stock-fraction-final-dividend-2016/>

- 22 May 2017: Aegon to divest majority of US run-off businesses

<https://www.aegon.com/en/Home/Investors/News-releases/2017/aegon-to-divest-majority-of-us-run-off-businesses/>

- 19 May 2017: Annual Meeting of Shareholders adopts all resolutions

<https://www.aegon.com/en/Home/Investors/News-releases/2017/2017agm-resolutions/>

together the "Press Releases".

The Press Releases have been filed with the AFM.

Copies of the consolidated interim financial statements and the Press Releases can be obtained from the registered office of Aegon at Aegonplein 50, 2591 TV The Hague, the Netherlands and on [www.aegon.com](http://www.aegon.com).

## **OTHER MODIFICATIONS TO THE REGISTRATION DOCUMENT**

1. Section 1 titled "*Risk factors Aegon N.V. and Aegon Funding Company LLC.*" as subsequently deleted and replaced by a new Section 1 as per the Second Supplement to the Registration Document dated 17 May 2017, will be amended as follows:

The risk factor titled "*Changes in government regulations in the countries in which Aegon operates may affect profitability.*" shall be replaced by the following:

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

Aegon's regulated businesses, such as insurance, banking and asset management, are subject to comprehensive regulation and supervision, specific to these businesses. The primary purpose of such regulation is to protect clients of these operating companies, (e.g. policyholders), not holders of Aegon capital securities. Changes in existing laws and regulations may affect the way in which Aegon conducts its businesses, profitability of its businesses and the products offered. Additionally, the laws or regulations adopted or amended from time to time may be more restrictive or may result in higher costs than currently the case, such as with regard to the calculation of capital needs, treatment of own funds, rules or guidance with respect to the modelling of insurance, investment and other risks.

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

In November 2010, the G20 endorsed a policy framework to address the systemic and moral hazard risks associated with SIFIs, and initially in particular global SIFIs (G-SIFIs). On July 18, 2013, the International Association of Insurance Supervisors (IAIS) published a methodology for identifying global systemically important insurers (G-SIIs), and a set of policy measures that will apply to them. The IAIS has published a revised assessment methodology in June 2016. This revised methodology was employed by the IAIS in the 2016 designation update. The policy measures include recovery and resolution planning requirements, liquidity and systemic risk management planning and enhanced group-wide supervision, including direct powers over holding companies and higher loss absorbency requirements (HLA). The HLA builds on the IAIS Basic Capital Requirements (BCR) and addresses additional capital requirements for G-SIIs reflecting their systemic importance in the international financial system. Additionally, certain aspects of the HLA relate to

requirements applicable to other regulated financial sectors for which capital rules already exist. HLA requirements will need to be met by the highest quality capital. In November 2013, the FSB identified an initial list of 9 G-SIIs to which the policy measures above should apply. The group of G-SIIs is updated annually and published by the FSB each November based on new data. Aegon was added to this list in November 2015 and reconfirmed in November 2016 and as a consequence has also become subject to the policy measures described above. The HLA requirements will apply to Aegon, assuming it will continue to be a G-SII when HLA requirements are finalized, which is planned for January 2019. The development of the BCR is the first step and the development of the HLA is the second step in the IAIS project to develop group-wide global capital standards. The third step is the development of a risk based group-wide global Insurance Capital Standard (ICS), due to be completed by 2019 and to be applied to IAIGs. The development of the ICS will be informed by the work on the BCR. When finalized, the ICS will replace the BCR as foundation of the HLA. The IAIS indicates that, because of the interlinkage between the BCR and HLA, the calibration may be modified depending on the HLA requirements. The IAIS currently expects that the HLA will initially be based on the BCR, but will be later based on the ICS. The exact timing of the transition from BCR to ICS will depend on the adoption of the ICS by the IAIS and time needed to develop and implement the framework in the relevant jurisdictions. The internationally developed BCR and HLA currently are calculated using different (criteria and) methodologies than EU Solvency II capital requirements. Only after the calibration of the BCR and HLA has been completed will Aegon be able to determine whether or not these requirements will result in more binding capital constraints than existing requirements, including Solvency II.

An important effect of the Dodd-Frank Act on Aegon USA is the derivatives reform aspect, which aims to increase transparency of derivatives use and reduce systemic risk. Aegon USA entities are considered to fall into Category 2 under the regulations and are therefore required to clear derivative transactions. In addition, Aegon USA has reporting, initial margin and variation margin obligations under the Dodd-Frank Act and associated regulations. However, Aegon cannot predict how the regulations (and any potential amendments thereto) will further affect financial markets generally or Aegon's business, financial condition or results of operations. The new US administration recently announced a review of the Dodd-Frank Act that may result in changes to the regulations.

In the United States, the Patient Protection and Affordable Care Act (PPACA) was enacted in 2011 and upheld, with the exception of the Medicaid expansion mandate, by the US Supreme Court in 2012. PPACA significantly changed the regulation of health insurance in the United States, including in certain respects the regulation of supplemental health insurance products. The current US Presidential administration and US Congress are considering reform of the PPACA which will likely result in changes in laws or regulations that may impact US health insurance industry. The extent to which employers or individuals may discontinue their purchase of supplemental health insurance products as a result of these changes may significantly impact Aegon USA's supplemental health insurance products business. The extent of the expected changes or impact on Aegon USA's supplemental health insurance business cannot be determined at this time.

Solvency II has become effective in EU member states as per January 1, 2016. Due to the fact that the Solvency II framework is new, the interpretation of various elements of the Solvency II framework is not yet fully clear or may change as a result of the way insurers as well as supervisory authorities interpret the new rules. This may also affect the way Aegon implements the Solvency II framework, including Aegon's financial position under Solvency II. Pursuant to Solvency II, Aegon is required to calculate a solvency ratio (own funds divided by the required solvency, the latter referred to as the Group SCR), for the Aegon Group at the level of Aegon which should be at least equal to 100%. Under Solvency I, EU supervisors usually required insurance and reinsurance undertakings to

maintain a substantial percentage of own funds above the statutory minimum requirements. Under Solvency II, Aegon expects that DNB will leave the decision as to whether to hold a buffer of own funds in excess of the Group SCR or the SCR as the case may be to the Aegon Group, and to the insurance and reinsurance undertakings in the Aegon Group. As the prudential supervisor, DNB will nonetheless monitor Aegon's capital management policies. Aegon applies its own capital management policies that determine the Company's risk tolerances on the basis of self-imposed criteria. These policies may result in Aegon, at its own election, but supervised by DNB, maintaining a buffer of own funds in addition to those required in accordance with Solvency II requirements. Pursuant to these self-imposed criteria, Aegon currently aims to hold a buffer in excess of the 100% minimum Group Solvency Ratio of 50 to 100%, in accordance with Aegon's Group Capital Management Policy. The calculation of the Group Solvency Ratio in accordance with Solvency II is further described in the section "Regulation and Supervision" of Aegon's Annual Report 2016.

In the Netherlands the Dutch Central Bank provided new guidance with regard to assumptions underlying Aegon's factor for the loss absorbing capacity of deferred taxes (LAC-DT). Reduction of this factor would impact the Group Solvency II ratio. At June 30, 2017, the factor of LAC-DT taken into account in the Group Solvency II ratio is 75%. The Solvency II sensitivity for a 25-percentagepoints change in the factor is given on page 28.

The United States Department of Labor (DOL) issued a 'Conflict of Interest' or 'Fiduciary' rule in April 2016 (the 'DOL Rule') that substantially broadens the definition of 'fiduciary' with respect to retirement savings and investment plans and products ('qualified assets'). The final rule would, with limited exemptions and carve-outs, make agents and brokers who provide recommendations on qualified assets, subject to a best interest/fiduciary standard.

If fully implemented as promulgated in April 2016, the DOL Rule could have a material adverse impact from a prospective sales perspective both as to Aegon America's retirement plan and annuity businesses, and could create other challenges to the operating model of these businesses. On February 3, 2017, the US President called for a review of the DOL Rule that may result in changes to the regulations. On June 9, 2017, the DOL Rule became effective with additional requirements applicable as of January 1, 2018. The final results of the review and the impact to Aegon America's retirement plan and annuity business will not be known until late in 2017.

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

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

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

The risk factor titled “*Risks related to the Dutch Intervention Act*” shall be replaced by the following:

### **Risks related to the Dutch Intervention Act**

In June 2012, the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) came into force in the Netherlands, with retroactive effect from 20 January 2012. The Dutch Intervention Act grants far-reaching new powers to the Dutch Central Bank (*De Nederlandsche Bank N.V.*, “DNB”) and the Dutch Minister of Finance to intervene in situations where an institution, including a financial group such as Aegon, faces financial difficulties or where there is a serious and immediate risk to the stability of the Dutch financial system caused by an institution in difficulty. The Dutch Intervention Act has been amended in respect of, inter alia, banks as a result of the entry into force of the EU Directive on the recovery and resolution of credit institutions and investment firms, which was approved by the European Parliament on 15 April 2014 and of which the final text was published in the Official Journal of the European Union on 12 June 2014 (the “Bank Recovery and Resolution Directive”). The Bank Recovery and Resolution Directive also contains provisions that apply to mixed financial holding companies such as Aegon N.V., including the right of bail-in of creditors. Under the Dutch Intervention Act, substantial powers have been granted to DNB and the Dutch Minister of Finance enabling them to deal with ailing Dutch insurance companies as well as holding companies of insurance companies and financial conglomerates prior to insolvency. The measures allow them to commence proceedings which may lead to (a) the transfer of all or part of the business of an ailing insurance company to a private sector purchaser, (b) the transfer of all or part of the business of an ailing insurance company to a ‘bridge entity’, (c) the transfer of the shares in an ailing insurance company to a private sector purchaser or a ‘bridge entity’, (d) immediate interventions by the Dutch Minister of Finance concerning an ailing insurance company, and (e) public ownership (nationalisation) of (i) all or part of the business of an ailing insurance company or (ii) all or part of the shares or other securities issued by an ailing insurance company or its holding company. The Dutch Intervention Act also contains measures that limit the ability of counterparties to invoke contractual rights (such as contractual rights to terminate or to invoke a right of set-off or to require security to be posted) if the right to exercise such rights is triggered by intervention of DNB or the Dutch Minister of Finance based on the Dutch Intervention Act or by a circumstance which is the consequence of such intervention. There is a risk that the exercise of powers by DNB or the Dutch Minister of Finance under the Dutch Intervention Act could have a material adverse effect on the performance by the failing institution, including Aegon, of its obligations (of payment or otherwise) under contracts of any form, including the expropriation, write-off, write-down or conversion of securities such as shares and debt obligations issued by the failing institution. Furthermore, the terms of contracts, including debt obligations may be varied (e.g. the variation of maturity of a debt instrument). The Dutch Intervention Act and the Bank Recovery and Resolution Directive aim to ensure that financial public support will only be used as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool. The Dutch Ministry of Finance is expected to publish a proposal of law later in 2017 on recovery and resolution of insurers, and potentially other entities belonging to insurance groups, based in the Netherlands. If and when formally adopted, this act will replace and complement the provisions of the Dutch Intervention Act. The risks related to this new act are comparable to the risks related to the Dutch Intervention Act described immediately above.

The risk factor titled “*Legal and arbitration proceedings and regulatory investigations and actions may adversely affect Aegon’s business, results of operations and financial position.*” shall be replaced by the following:

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

Aegon faces significant risks of litigation as well as regulatory investigations and actions relating to its and its subsidiaries’ insurance, pensions, securities, investment management, investment advisory and annuities businesses as well as Aegon’s corporate compliance, including compliance with employment, sanctions, anti-corruption and tax regulations.

Aegon subsidiaries regularly receive inquiries from local regulators and policyholder advocates in various jurisdictions, including the United States, the Netherlands, and the United Kingdom. Regulators may seek fines or penalties, or changes to the way Aegon operates. In some cases, Aegon subsidiaries have modified business practices in response to inquiries. For example, in 2014 the UK Financial Conduct Authority fined Aegon GBP 8.3 million for past sales practices for accident insurance products sold through an affinity marketing unit, which was subsequently placed into runoff.

Insurance companies are routinely the subject of litigation, investigation and regulatory activity by various governmental and enforcement authorities, individual claimants and policyholder advocate groups, involving issues such as employment or distribution relationships; operational controls and processes; environmental matters; competition and antitrust matters; data privacy; information security; intellectual property; and anti-money laundering, anti-bribery and economic sanctions compliance. For example with respect to employment relationships, Aegon recently faced a suit in the state of Georgia filed by self-employed independent insurance agents associated with one of Aegon’s financial marketing units who claimed to be employees of the organization. The U.S. Securities and Exchange Commission is conducting a formal investigation related to certain investment strategies offered through mutual funds, variable products and separately managed accounts. These strategies used quantitative models developed by one of the former portfolio managers of our US investment management business unit. Among other things, the investigation relates to the operation of and/or the existence of errors in the quantitative models in question and related disclosures. The funds and strategies under review were sub-advised, advised or marketed by our US group companies. The models are no longer being used although some of the funds are still being offered. The money management strategies are no longer being offered. We are cooperating fully with the investigation.

Government investigations, including this one, may result in the institution of administrative, injunctive or other proceedings and/or the imposition of monetary fines, penalties and/or disgorgement as well as other remedies, sanctions, damages and restitutionary amounts. While we are unable to predict what action, if any, the SEC might take and are unable to predict the costs to or other impact on us of any such action, there can be no assurances that this matter or other government investigations will not have a material and adverse effect on our reputation, financial position, results of operations or liquidity.

In addition, insurance companies are routinely subject to litigation, investigation and governmental review concerning product fees and costs, including transparency and adequacy of disclosure of initial costs, ongoing costs, and costs due on policy surrender as well as changes to costs over time. Disputes and investigations initiated by governmental entities and private parties may lead to orders or settlements including



payments or changes to business practices even if Aegon believes the underlying claims are without merit. Aegon and other US insurers have been sued for charging fees on products offered in 401(k) platforms which allegedly were higher than fees charged on other products available in the market. US insurers, including Aegon's subsidiaries, have also been named in class action litigation relating to increases in monthly deductions made to universal life products. Plaintiffs generally allege that the increases were made to recoup past losses rather than to cover the future costs of providing insurance coverage. These cases are pending in the US federal district court for the Central District of California. In the Netherlands, unit linked products (*'beleggingsverzekeringen'*) have been controversial and the target of litigation since 2005. Allegations include excessive cost, unfair terms, inadequate disclosure, and failure to perform as illustrated. Consumer groups have formed to address these issues and initiate mass claims against insurers. Regulators as well as the Dutch Parliament have been involved ever since, with the principal goal of achieving an equitable resolution. Aegon has made improvements across its product lines, including after settlements reached in 2009 with Stichting Woekerpolis and Stichting Verliespolis. In 2013 Aegon took a charge of EUR 25 million after the Dutch Supreme Court ruled adversely in litigation concerning premium amounts charged in the KoersPlan product. Some of the unit linked products are still involved in ongoing litigation. In March 2014, consumer interest group Vereniging Woekerpolis.nl filed a claim against Aegon in court. The claim related to a range of unit linked products that Aegon sold in the past, including Aegon products involved in the earlier litigation. In June 2017, the court issued a verdict which upheld the principle that disclosures must be evaluated according to the standards at the time when the relevant products were placed in-force. Most of the claims of Vereniging Woekerpolis.nl were dismissed under this standard, although the court found that Aegon did not adequately disclose certain charges on a limited set of policies. This court decision may still be appealed by the parties. Aegon expects the claims and litigation on unit linked products to continue for the foreseeable future. Developments in similar cases against other Dutch insurers currently before regulators and courts may also affect Aegon. Lawsuits have also been brought against providers of securities leasing products (*'aandelenlease producten'*). Although sales of securities leasing products ended more than a decade ago, litigation relating to these products has resurfaced. In 2016, the Dutch Supreme Court ruled on a case involving a securities leasing product sold by one of Aegon's competitors. It decided that the financial institution was liable if a broker (*'remisier'*) that advised on the sale of the institution's products, was not properly licensed. In July 2016, consumer interest group Platform Aandelenlease filed a class action claim against Aegon Bank regarding securities leasing product Sprintplan. Allegations include, among other things, a lack of a proper license of the brokers involved. There can be no assurances that this matter will not ultimately result in a material adverse effect on Aegon's business, results of operations and financial position. In Poland, owners of unit-linked policies filed claims in civil court against Aegon over fees payable upon purchase or surrender of the product. For reasons of commercial necessity as well as at the instigation of regulatory authorities, Aegon decided to modify the fee structure. Aegon faces a significant number of cases in Poland in which plaintiffs claim that these fees are not contractually supported.

Many of Aegon's products are affected by fluctuations in equity markets as well as interest rate movements, which may prove to be volatile or disappointing to customers. Significant investment risks are often borne by the customer.

The existence of potential claims may remain unknown for long periods of time after the events giving rise to such claims. Determining the likelihood of exposure to Aegon and the extent of any such exposure may not be possible for long periods of time after Aegon becomes aware of such potential claims. Once litigation is initiated, it may be protracted and subject to multiple levels of appeal.

Aegon cannot predict the effect of litigation, investigations or other actions on its businesses or the insurance industry. In some jurisdictions, plaintiffs may seek recovery of very large or indeterminate amounts under claims of bad faith, resulting in punitive or treble damages. Damages alleged may not be quantifiable or supportable, or may have no relationship to economic losses or final awards. Separate from financial loss, litigation, regulatory action, legislative changes or changes in public opinion may require Aegon to change its business practices, which could have a material adverse impact on Aegon's businesses, results of operations, cash flows and financial position.

2. Section 8.1 titled "*Legal and arbitration proceedings, regulatory investigations and actions*" on pages 30 through 31 of the Registration Document, as subsequently deleted and replaced by a new section 8.1 as per the Second Supplement to the Registration Document dated 17 May 2017 will be amended as follows:

### **"8.1 Legal and arbitration proceedings, regulatory investigations and actions**

Aegon faces significant risks of litigation as well as regulatory investigations and actions relating to its and its subsidiaries' insurance, pensions, securities, investment management, investment advisory and annuities businesses as well as Aegon's corporate compliance, including compliance with employment, sanctions, anti-corruption and tax regulations.

Aegon subsidiaries regularly receive inquiries from local regulators and policyholder advocates in various jurisdictions, including the United States, the Netherlands, and the United Kingdom. In some cases, Aegon subsidiaries have modified business practices in response to inquiries or findings of inquiries. Regulators may seek fines or penalties, or changes to the way Aegon operates.

Insurance companies are routinely subject to litigation, investigation and governmental review concerning transparency and adequacy of disclosure, particularly regarding product fees and costs, including initial costs, ongoing costs, and costs due on policy surrender as well as changes to costs over time; employment or distribution relationships; operational controls and processes; environmental matters; competition and antitrust matters; data privacy; information security; intellectual property; and anti-money laundering, anti-bribery and economic sanctions compliance.

Many of Aegon's products are affected by fluctuations in equity markets as well as interest rate movements, which may prove to be volatile or disappointing to customers. Significant investment risks are often borne by the customer. Disputes and investigations initiated by governmental entities and private parties may lead to orders or settlements including payments or changes to business practices even if Aegon believes the underlying claims are without merit.

The existence of potential claims may remain unknown for long periods of time after the events giving rise to such claims. Determining the likelihood of exposure to Aegon and the extent of any such exposure may not be possible for long periods of time after Aegon becomes aware of such potential claims. Once litigation is initiated, it may be protracted and subject to multiple levels of appeal.

Aegon cannot predict the effect of litigation, investigations or other actions on its businesses or the insurance industry. In some jurisdictions, plaintiffs may seek recovery of very large or indeterminate amounts under claims of bad faith, resulting in punitive or treble damages. Damages alleged may not be quantifiable or supportable, or may have

no relationship to economic losses or final awards. Separate from financial loss, litigation, regulatory action, legislative changes or changes in public opinion may require Aegon to change its business practices, which could have a material adverse impact on Aegon's businesses, results of operations, cash flows and financial position.

Aegon has defended and will continue to defend itself vigorously when it believes claims are without merit. Aegon has also settled and will seek to settle certain claims, including through policy modifications, as it believes appropriate. While Aegon intends to resist claims, there can be no assurance that claims brought against Aegon will not have a material adverse impact on its businesses, results of operations, and financial position.

#### *Proceedings in which Aegon is involved*

Aegon and other US insurers have been sued for charging fees on products offered in 401(k) platforms which allegedly were higher than fees charged on other products available in the market. The principal case is currently on interlocutory appeal. US insurers, including Aegon's subsidiaries, have also been named in class action litigation relating to increases in monthly deductions made to universal life products. Plaintiffs generally allege that the rates were increased to recoup past losses rather than to cover the future costs of providing insurance coverage. At this time it is impracticable for Aegon to quantify a range or maximum liability or the timing of the financial impact, if any, of these matters, as the potential financial impacts are dependent both on the outcomes of court proceedings and future developments in financial markets and mortality. If decided adversely to Aegon, these claims could have a material adverse effect on Aegon's business, results of operations, and financial position.

The U.S. Securities and Exchange Commission is conducting a formal investigation related to certain investment strategies offered through mutual funds, variable products and separately managed accounts. These strategies used quantitative models developed by one of the former portfolio managers of our US investment management business unit. Among other things, the investigation relates to the operation of and/or the existence of errors in the quantitative models in question and related disclosures. The funds and strategies under review were sub-advised, advised or marketed by our US group companies. The models are no longer being used although some of the funds are still being offered. The money management strategies are no longer being offered. Aegon is cooperating fully with the investigation. Government investigations, including this one, may result in the institution of administrative, injunctive or other proceedings and/or the imposition of monetary fines, penalties and/or disgorgement as well as other remedies, sanctions, damages and restitutionary amounts. While Aegon is unable to predict what action, if any, the SEC might take and is unable to predict the costs to or other impact of any such action, there can be no assurances that this matter or other government investigations will not have a material and adverse effect on Aegon's reputation, financial position, results of operations or liquidity.

Unclaimed property administrators and state insurance regulators performed examinations of the life insurance industry in the United States, including certain of Aegon's subsidiaries, including multi-state examinations. One such action remains unresolved in the State of West Virginia. Aegon subsidiaries, like other major US insurers, entered into resolutions with state treasurers and insurance regulators regarding unclaimed property and claims settlement practices. As of 2016, EUR 1.5 million remained in provisions, which is management's best estimate of the still-outstanding exposure. The final amount may vary based on subsequent regulatory review.

A former subsidiary of Transamerica Corporation was involved in a contractual dispute with a Nigerian travel broker over an alleged contract dispute that arose in 1976. That

dispute was resolved in Delaware court for USD 235,000 plus interest in 2010. The plaintiff took the Delaware judgment relating to the 1976 dispute to a Nigerian court and alleged that it was entitled to approximately the same damages for 1977 through 1984 despite the absence of any contract relating to those years. The Nigerian trial court issued a judgment in favor of the plaintiff of the alleged actual damages as well as pre-judgment interest of approximately USD 120 million. On appeal this decision was reversed in 2016 but a new trial remains possible. Aegon has no material assets located in Nigeria.

In Poland, owners of unit-linked policies filed claims in civil court against Aegon over fees payable upon purchase or surrender of the product. For reasons of commercial necessity as well as at the instigation of the regulatory authorities, Aegon decided to modify the fee structure. Aegon faces a significant number of cases in which plaintiffs claim that these fees are not contractually supported. As of 2016, a provision of EUR 24 million exists, which represents management's best estimate of the exposure. The final amount may vary based on regulatory developments and the outcome of litigation.

In the Netherlands, unit linked products (*'beleggingsverzekeringen'*) have been controversial and the target of litigation since at least 2005. Allegations include excessive cost, inadequate disclosure, and failure to perform as illustrated. Consumer groups have formed to address these issues and initiate mass claims against insurers. Regulators as well as the Dutch Parliament have been involved ever since, with the principal goal of achieving an equitable resolution. Aegon expects the claims and litigation on unit linked products to continue for the foreseeable future. Developments in similar cases against other Dutch insurers currently before regulators and courts may also affect Aegon. In March 2014, consumer interest group Vereniging Woekerpolis.nl filed a claim against Aegon in court. The claim related to a range of unit-linked products that Aegon sold in the past, including Aegon products involved in earlier litigation. The claim challenges a variety of elements of these products, on multiple legal grounds, including allegations made previously. In June of 2017, the court issued a verdict which upheld the principle that disclosures must be evaluated according to the standards at the time when the relevant products were placed in-force. Most of the claims of Vereniging Woekerpolis.nl were dismissed under this standard, although the court found that Aegon did not adequately disclose certain charges on a limited set of policies. This court decision may still be appealed by parties. This claim is being vigorously defended. At this time, in the absence of a class action proceeding mechanism to establish collective damages and due to the highly individualized nature of the underlying policies, Aegon is unable to estimate the range or potential maximum liability. There can be no assurances that these matters, in the aggregate, will not ultimately result in a material adverse effect on Aegon's business, results of operations and financial position.

Securities leasing products (*'aandelenlease producten'*) have also been the subject of litigation in the Netherlands. Although sales of securities leasing products ended more than a decade ago, litigation relating to these products has resurfaced. In 2016, the Dutch Supreme Court ruled on a case involving a securities leasing product sold by one of Aegon's competitors. It decided that the financial institution was liable if a broker (*'remisier'*) that advised on the sale of the institution's products was not properly licensed. In July 2016, consumer interest group Platform Aandelenlease filed a class action claim against Aegon Bank regarding securities leasing product Sprintplan. Allegations include, among other things, a lack of a proper license of the brokers involved. Aegon defends itself vigorously against these claims. Due to the highly individualized nature, Aegon at this stage is unable to estimate the range or potential maximum liability. There can be no assurances that this matter will not ultimately result in a material adverse effect on Aegon's business, results of operations and financial position."

3. Section 10 titled “Executive Board of Aegon N.V.” of the Registration Document, as subsequently amended as per the Second Supplement to the Registration Document dated 17 May 2017 will be amended by deleting the entire last paragraph on page 33 and replacing the same by the following new paragraph:

“Upon nomination of the Supervisory Board of Aegon N.V. Mr. Matthew J. Rider was appointed by the shareholders as member of the Executive Board for a term of four years as of May 19, 2017. Mr. Rider is Chief Financial Officer of Aegon N.V.

Mr. Rider earned a degree in Applied Mathematics and Economics at Brown University in 1985. He started his professional career at Banner Life Insurance Company in 1985. He joined Transamerica in 1992 after which he held various management positions at Merrill Lynch and ING in the US and Europe. His most recent position was in the Management Board of ING Insurance as Chief Administration Officer, based in the Netherlands. He held this position until 2013 after which he took a sabbatical. He did not hold other external board memberships in the past five years.”

4. Section 14 titled “Subsequent events after June 30, 2016” on page 38 will be amended by inserting the following new paragraph at the end thereof:

“On August 10, 2017 Aegon published the below Solvency II sensitivities as at June 30, 2017. The below sensitivities need to be seen in the context of solvency levels and market circumstances as at June 30, 2017. Investors should be mindful of the possibility that sensitivities may have changed after this publication date. The scenarios for which sensitivities are provided are random shocks and do not reflect Aegon’s assumptions or expectations.

#### *Sensitivities*

Aegon calculates sensitivities of its Solvency II ratios as part of its risk management framework. The following table describes the shocks to parameters used to assess the sensitivities, and their estimated impact on the Solvency II ratio at June 30, 2017 and December 31, 2016:

Solvency II Sensitivities		Group		US		NL		UK	
		June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
	Scenario								
Equity markets	-20%	-5%	-6%	-10%	-7%	-6%	-4%	8%	0%
Equity markets	+20%	3%	-1%	2%	-2%	3%	2%	-7%	0%
Interest rates	-100 bps	-19%	-18%	-14%	-12%	-16%	-15%	-17%	-20%
Interest rates	+100 bps	13%	2%	3%	-6%	15%	11%	13%	16%
Credit spreads <sup>1)</sup>	+100 bps	3%	2%	0%	0%	8%	6%	15%	17%
US Credit defaults <sup>2)</sup>	+200 bps	-18%	-17%	-36%	-22%	-	-	-	-
Dutch mortgage spreads <sup>3)</sup>	+50 bps	0%	-3%	-	-	-2%	-11%	-	-
Ultimate forward rate	-50 bps	-3%	-4%	-	-	-12%	-	0%	-
Longevity	+5%	-	-7%	-	-2%	-	-13%	-	-4%

<sup>1)</sup> Credit spreads excluding government bonds.

<sup>2)</sup> US credit additional defaults for 1 year including rating migration for structured assets.

<sup>3)</sup> Dutch mortgage spreads now includes SCR/volatility adjuster impact which was excluded previously.

Aegon is mainly exposed to movements in interest rates, credit spreads and defaults/migrations, and longevity. The longevity sensitivity is only updated once a year along with Aegon’s annual assumption updates. Group sensitivities can be higher

compared to the impacts on the units due to the higher base ratio at Group, which increases the impact of SCR movements in terms of %-points on the ratio. The movements compared to December 31, 2016 are driven by changes in hedging and the change of the conversion methodology of the US insurance business.

Equity market sensitivities changed mainly due to a change in a hedging program in the US that moved from total return swaps to options, to increase the benefits in an upward scenario. The change in the UK is mainly due to additional equity swaps to provide further protection against equity falls. The impact of the UK on Group is limited due to diversification impacts.

Interest rates sensitivities changed mainly in the up scenario due to the US where the hedge program now utilizes instruments with a more preferable treatment on statutory basis, without impacting the aim of the hedging strategy. The Group impact increased further as a result of a higher base ratio.

The US credit defaults sensitivity increased for the US due to the higher base ratio and the impact at Group was partially offset by a lower sensitivity in Asia, where recent management actions reduced the credit risk sensitivities.

The Dutch mortgage spreads sensitivity decreased as a result of offsetting impacts from the volatility adjuster on the SCR.

5. Section 15 titled “*Significant changes*” on page 38 will be deleted entirely and be replaced by the following new section 15:

**“15. Significant changes**

There has been no material adverse change in the prospects of Aegon Group since the last published audited financial statements of December 31, 2016. Furthermore there has been no significant change in the financial or trading position of Aegon Group since the last published unaudited interim financial statements of June 30, 2017.”