AEGON NV
Form 424B5
February 28, 2011

CALCULATION OF REGISTRATION FEE

Class of Securities Offered	Aggregate Offering Price	Amount of Registration Fee
Common shares of AEGON N.V.	$1,245,788,849	$18,068.03(1)

(1)

The Registrants previously paid aggregate registration fees of $404,500 with regard to various types of securities with a maximum aggregate offering price of $5,000,000,000 that were previously registered by the Registrants pursuant to a Registration Statement on Form F-3 (Registration No. 333-106497) filed on June 25, 2003 (the "**Earlier Registration Statement**"). Contemporaneous with the filing of the registration statement of which this prospectus supplement forms a part (Registration No. 333-150786) on May 9, 2008 (this "**Registration Statement**"), the Registrants filed a post-effective amendment to the Earlier Registration Statement to deregister securities with an aggregate offering price of $2,895,219,000 that were not sold under the Earlier Registration Statement (the "**Unsold Securities**"). In accordance with Rules 456(b) and 457(r), the Registrants deferred payment of all of the registration fees for securities sold under this Registration Statement except, pursuant to Rule 457(p), for $234,223 that had already been paid with regard to the Unsold Securities.

On August 13, 2009, AEGON N.V. sold 190,476,191 common shares under this Registration Statement for an aggregate offering price of approximately $1,429,300,004 (€1,000,000,002.75 translated at a rate of $1.4293 per €1.00) and offset the registration fee of $79,754.94 due in connection with such offering against the $234,223 in unused registration fees that were previously paid in connection with the Earlier Registration Statement as described above, reducing the remaining registration fee for sales of securities under this registration statement to $154,468.06.

On November 23, 2009, AEGON N.V. sold $500,000,000 of 4.625% Senior Notes due 2015 under this Registration Statement and offset the registration fee of $27,900 against the remaining registration fee of $154,468.06 described above, further reducing the remaining registration fee for sales of securities under this registration statement to $126,568.06.

The total registration fee in connection with the sale of common shares with an aggregate offering price of approximately $1,245,788,849 (€902,745,542.41) translated at a rate of $1.38 per €1.00) to which this prospectus supplement relates, as calculated in accordance with Rule 457(r), is $144,636.09. AEGON N.V. partially offsets this registration fee against the remaining registration fee of $126,568.06 described above, so that the remaining registration fee payable for the offering to which this prospectus supplement relates is $18,068.03.

Table of Contents

Filed pursuant to Rule 424(b)(5)
Registration Number 333-150786

Prospectus Supplement
(To Prospectus dated May 9, 2008)

AEGON N.V.

(a Netherlands public company with limited liability)

173,604,912 Common Shares

We are offering 173,604,912 of our common shares of Netherlands registry.

Our common shares of Netherlands registry are listed on the Official Segment of the stock market of Euronext Amsterdam, the principal market for our common shares, on which they trade under the symbol "AGN". Our common shares of New York registry are listed on the New York Stock Exchange ("**NYSE**") under the symbol "AEG". On February 22, 2011, the reported last sale price of our common shares on Euronext Amsterdam was €5.48 and the reported last sale price of our common shares on the NYSE was $7.44.

Investing in our common shares involves risks. See "Risk Factors" on page S-3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Netherlands Registered Share	Total
Public offering price	€ 5.200	€ 902,745,542.41
Underwriting discount	€ 0.097	€ 16,798,047.00
Proceeds, before expenses, to us	€ 5.103	€ 885,947,495.41

We expect that the common shares of New York registry will be delivered through the book-entry facilities of The Depository Trust Company and the common shares of Netherlands registry will be delivered through the book-entry facilities of *Nederlands Centraal Instituut voor giraal Effectenverkeer B.V.* ("**Euroclear Netherlands**"), Euroclear Bank S.A./N.A., as operator of the Euroclear System, and Clearstream Banking, S.A., in each case against payment on or about March 1, 2011.

Global Co-ordinator and Joint Bookrunner | *Joint Bookrunner* | *Joint Bookrunner*

Morgan Stanley **Deutsche Bank** **J.P. Morgan**

Senior Co-managers

Barclays Capital	**BNP PARIBAS**	**BofA Merrill Lynch**	**Citi**	**Goldman Sachs**
HSBC	**ING**	**Rabobank International**	**RBS**	**UBS Investment Bank**

Co-managers

ABN AMRO **Keefe, Bruyette & Woods**

The date of this Prospectus Supplement is February 24, 2011.

TABLE OF CONTENTS

	Page
Prospectus Supplement	
About this Prospectus Supplement	S-1
The Offering	S-2
Risk Factors	S-3
Use of Proceeds	S-21
Where You Can Find More Information About Us	S-21
Incorporation of Certain Information We File with the SEC	S-21
Capitalization	S-23
Selected Historical Financial Data	S-24
Share Capital	S-26
Taxation in the Netherlands	S-30
Taxation in the United States	S-37
Underwriting	S-38
Legal Matters	S-43
Experts	S-43
Prospectus	
Forward-Looking Statements	3
About this Prospectus	4
AEGON N.V.	4
AEGON Funding Company LLC.	4
Where Can You Find More Information about Us	5
Incorporation of Certain Information We File with the SEC	5
Financial Information	6
Enforcement of Civil Liabilities	6
Use of Proceeds	7
Ratios of Earnings to Fixed Charges	7
Description of Share Capital and Articles of Incorporation of AEGON N.V.	8
Description of Debt Securities	13
Description of Warrants	23
Description of Guarantees	25
Description of Purchase Contracts	26
Description of Units	26
Taxation in the Netherlands	28
Taxation in the United States	35
ERISA Considerations	46
Plan of Distribution	47
Legal Matters	48
Experts	48

Table of Contents

We have not, and the underwriters have not, taken any action to permit a public offering of the common shares outside the United States or to permit the possession or distribution of this prospectus supplement and the accompanying prospectus outside the United States in any jurisdiction where action for that purpose is required. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the common shares and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. We reserve the right to withdraw the offering of common shares at any time.

This prospectus supplement and the accompanying prospectus are not a prospectus for the purpose of the Financial Supervision Act and have not been approved by the Netherlands Authority for the Financial Markets ("**AFM**").

For information relating to transactions that stabilize the market price of the common shares in connection with the offering, see "Underwriting Price Stabilization and Short Positions."

ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely only on information contained in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information different from that contained in this prospectus supplement and the accompanying prospectus. We are offering to sell common shares, and seeking offers to buy common shares, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or the time of any sale of the common shares. Our business, financial condition, results of operations and prospects may have changed since that date. In this prospectus supplement and the accompanying prospectus, except as otherwise noted, "we," "us," "our" and "AEGON" refer to AEGON N.V. and any or all of our subsidiaries and joint ventures as the context requires.

This prospectus supplement contains the terms of the offering of the common shares. Certain additional information about us is contained in the accompanying prospectus. This prospectus supplement, or the information incorporated by reference in this prospectus supplement or in the accompanying prospectus, may add, update or change information in the accompanying prospectus. If the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement or in the accompanying prospectus is inconsistent with the accompanying prospectus, this prospectus supplement or the information incorporated by reference in this prospectus supplement or in the accompanying prospectus, as applicable, will apply and will supersede the information in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents we have referred you to under "Where You Can Find More Information about Us" on page S-21 of this prospectus supplement and page 5 of the accompanying prospectus.

Table of Contents

THE OFFERING

This summary may not contain all of the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the financial data and related notes and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, before making a decision to invest in the common shares.

Common shares offered	173,604,912 common shares of Netherlands registry. The common shares we are offering will consist of newly issued common shares.	
Offering price	€5.20 per share.	
Proceeds from the offering	We will receive the net proceeds from the offering. See "Use of Proceeds".	
Issued common shares	As of December 31, 2010, we had 1,708,529,068 common shares issued and outstanding. As a result of the offering there will be 1,882,133,980 common shares issued and outstanding. See "Share Capital".	
Lock-up	Subject to certain exceptions, we have agreed not to issue, offer, pledge, sell or contract to sell any common shares, options to purchase common shares or securities convertible into or exchangeable for common shares for a period of 90 days following the pricing of the offering. See "Plan of Distribution Lock-up".	
Dividends	Common shares delivered in the offering will be entitled to any future dividends declared on common shares. See "Share Capital Dividend Policy".	
Listing	Our common shares are listed on Euronext Amsterdam and the NYSE, and on the London stock exchange. Our common shares trade in the form of shares of New York registry on the NYSE.	
Euronext Amsterdam symbol	AGN	
NYSE symbol	AEG	
Security numbers for the common shares	Shares of Netherlands registry:	
	Euronext Amsterdam security code	30176
	ISIN code	NL0000301760
	Common code	11165524
	Shares of New York registry:	
	CUSIP code	007924103
	ISIN code	US 0079241032

Table of Contents

RISK FACTORS

*Your investment in the common shares entails risks. You should carefully consider the risk factors below, as well as the other information contained in this prospectus supplement and the accompanying prospectus, and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including our annual report on Form 20-F for the year ended December 31, 2009 (the "**Annual Report**"), before investing in the common shares. The following discusses some of the key risk factors that could affect our business and operations, as well as other risk factors that are particularly relevant to us in the current period of ongoing economic uncertainty. Other factors besides those discussed below could adversely affect our business and operations, and the following risk factors should not be considered a complete list of potential risks that may affect us and our subsidiaries.*

RISKS RELATING TO OUR BUSINESS

Risks related to the global financial markets and general economic conditions

Disruptions in the global financial markets and general economic conditions have affected and continue to affect, and could have material adverse effects on, our business, results of operations and financial condition.

Our results of operations and financial condition may be materially affected from time to time by general economic conditions, such as levels of employment, consumer lending or inflation in the countries in which we operate. Global financial markets experienced extreme and unprecedented volatility and disruption in 2008 and 2009. World economies experienced a significant slowdown in 2008 and 2009 and only slowly began to recover late in 2009 and throughout 2010 although the strength of recovery has varied by region and by country. Bank lending has been reduced from the levels seen before the financial crisis began and the housing markets in Europe and North America remain depressed. In addition to the other risks described in this section, these conditions have resulted and may continue to result in a reduction in demand for our products as well as impairments and reductions in the value of the assets in our general account, separate account, and company pension schemes, among other assets. We may also experience a higher incidence of claims and lapses or surrenders of policies. Our policyholders may choose to defer or stop paying insurance premiums. We cannot predict definitively whether or when such actions, which could impact our business, results of operations, cash flows and financial condition, may occur.

In view of ongoing uncertainty with respect to the financial and economic environment, on December 1, 2008, our core capital was increased through a special transaction with Vereniging AEGON and the Dutch State (see Item 10C, "Material Contracts", in the Annual Report for additional information). As part of our arrangement for the state aid, the Dutch State nominated two representatives to our Supervisory Board. To date, we have repaid half of the initial EUR 3 billion of core capital provided by the Dutch State. We have received approval from the Dutch Central Bank to repay one-half of the remaining core capital provided by the Dutch State, but we are required to seek approval from the Dutch Central Bank before being permitted to repay the other half. Governmental action in the Netherlands, the United States, the European Union and elsewhere to address the financial crisis could further impact our business particularly if we are unable to meet our interest payments or to repay the Dutch State without converting core capital securities into ordinary shares. We cannot predict with any certainty the effect that actions by the European Central Bank, the Federal Reserve or other governmental actions may have on the financial markets or on our business, results of operations, cash flows and financial condition.

In Europe, countries such as Portugal, Ireland, Greece and Spain have been particularly affected by the recent financial and economic conditions, raising concerns about the ongoing viability of the euro currency and the European Monetary Union. The European Union, the European Central Bank and the International Monetary Fund have prepared rescue packages for some of the affected countries. We cannot predict with any certainty whether these packages or other rescue plans will be

Table of Contents

successful, the effect that they may have on the future viability of the euro currency or the European Monetary Union, or the effect that they may have on our business, results of operations, cash flows and financial condition.

Credit risk

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

Credit risk is the risk of loss resulting from the default by, or failure to meet contractual obligations of, issuers and counterparties. As premiums and deposits are received, these funds are invested to pay for future policyholder obligations. For general account products, we typically bear the risk for investment performance equaling the return of principal and interest. We are exposed to credit risk on our general account fixed-income portfolio (debt securities, mortgages and private placements), OTC derivatives and reinsurance contracts. In addition, financial institutions acting as a counterparty on derivatives may not perform their obligations. Default by issuers and counterparties on their financial obligations may be due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security they provide may prove inadequate to cover their obligations at the time of the default.

Our investment portfolio contains investments in Dutch government bonds, US Treasury, agency and state bonds, as well as other government issued securities. Recently, there has been uncertainty regarding the ability of certain European nations and US states and municipalities to satisfy their financial obligations. In the recent weak economic environment we incurred significant investment impairments on our investment assets due to defaults and overall declines in the capital markets. Further excessive defaults or other reductions in the value of these securities and loans could have a material 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 the equity markets have affected our profitability, capital position and sales of equity related products in the past and continue to do so. Exposure to equity markets exists in both assets and liabilities. Asset exposure exists through direct equity investment where we bear all or most of the volatility in returns and investment performance risk. Equity market exposure is also present in insurance and investment contracts for account of policyholders where funds are invested in equities (such as variable annuities, unit-linked products and mutual funds). Although most of the risk remains with the policyholder, lower investment returns can reduce the asset management fee that we earn on the asset balance in these products and prolonged investment under-performance may cause existing customers to withdraw funds and potential customers not to grant investment mandates. In addition, some of our insurance and investment contract business has minimum return or accumulation guarantees, which requires us to establish reserves to fund these future guaranteed benefits when equity market returns do not meet or exceed these guarantee levels. Our reported results under IFRS are also at risk if returns are not sufficient to allow amortization of deferred policyholder acquisition costs, which could impact our reported net income as well as shareholders' equity. Volatile or poor market conditions may also significantly reduce the demand for some of our savings and investment products, which could lead to lower sales and net income. Deteriorating general economic conditions may again result in significant decreases in the value of our equity investments. The equity market conditions experienced in 2010 led to a recognized impairment loss on equity securities held in general account of EUR 7 million (2009: EUR 96 million; 2008: EUR 203 million).

Table of Contents

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 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 us requiring the sale of invested assets at a time when the prices of those assets are affected adversely by the increase in market interest rates. This may result in realized investment losses. These cash payments to policyholders also result in a decrease in total invested assets and net income. Early withdrawals may also require accelerated amortization of deferred policy acquisition costs, which in turn reduces net income.

During periods of sustained low interest rates, as we have been facing in recent years, we may not be able to preserve margins as a result of minimum interest rate guarantees and minimum guaranteed crediting rates provided in policies. Also, investment earnings may be lower because the interest earnings on new fixed-income investments are likely to have declined with the market interest rates. 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 year to year. Mortgages and redeemable bonds in the investment portfolio are more likely to be repaid as borrowers seek to re-finance at lower interest rates and we may be required to reinvest the proceeds in securities bearing lower interest rates. Risk is heightened in the current market and economic environment in which certain securities may be unavailable. Accordingly, 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 our 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.

Base interest rates set by central banks and government treasuries remained at historically low levels in response to the worldwide recession. Credit spreads remained at historically high levels in 2010.

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. We may not be able to successfully manage interest rate spreads, credit risk and other risks in the investment portfolio or the potential negative impact of those risks. Investment income from general account fixed income investments for the years 2008, 2009 and 2010 was EUR 6.7 billion, EUR 5.8 billion and EUR 6.0 billion, respectively. The value of the related general account fixed income investment portfolio at the end of the years 2008, 2009 and 2010 was EUR 125 billion, EUR 130 billion and EUR 138 billion, respectively.

See Item 11, "Quantitative and Qualitative Disclosure about Market Risk", in the Annual Report for detailed sensitivity analyses.

Currency exchange rate risk

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

As an international group, we are subject to foreign currency translation risk. Foreign currency exposure also exists when policies are denominated in currencies other than the issuer's functional

currency. Currency risk in the investment portfolios backing insurance and investment liabilities are managed using asset liability matching principles. Assets allocated to equity are kept in local currencies to the extent shareholders' equity is required to satisfy regulatory and our self-imposed capital requirements. Therefore, currency exchange rate fluctuations may affect the level of our consolidated shareholders' equity as a result of translation of the equity of our subsidiaries into euro, our reporting currency. We hold the remainder of our capital base (capital securities, subordinated and senior debt) in various currencies in amounts that are targeted to correspond to the book value of our operating units. This balancing is intended to mitigate currency translation impacts on equity and leverage ratios. We may also hedge the expected dividends from our principal operating units that maintain their equity in currencies other than the euro. To the extent these expected dividends are not hedged or actual dividends vary from expected dividends, our net income and shareholders' equity may fluctuate. As we have significant business segments in the Americas and in the United Kingdom, the principal sources of exposure from currency fluctuations are from the differences between the US dollar and the euro and between the UK pound and the euro. We may experience significant changes in net income and shareholders' equity because of these fluctuations.

The exchange rates between our primary operating currencies (US dollar, euro and UK pound) continued to fluctuate widely during 2010. The US dollar ranged by as much as 17% against the euro over the year, finishing around 7% up on the year. The UK pound fluctuated by around 9% against the euro ending the year with a 3% gain.

For the Americas segment, which primarily conducts its business in US dollars, total revenues and net income in 2010 amounted to EUR 14 billion and EUR 1,131 million, respectively. For the United Kingdom segment, which primarily conducts its business in UK pounds, total revenues and net income in 2010 amounted to EUR 10 billion and EUR 84 million, respectively. On a consolidated basis, these two segments represented 75% of the total revenues and 69% of the net income for the year 2010. Additionally, we borrow in various currencies to hedge the currency exposure arising from our operations. On December 31, 2010 we have borrowed or swapped amounts in proportion to the currency mix of capital in units, which was denominated approximately 60% in US dollars, 23% in euro, 12% in UK pounds and 5% in Canadian dollars.

Liquidity risk

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

Liquidity risk is inherent in 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. We continued to build our reserves of cash and liquid assets in 2010. In depressed markets we may be unable to sell or buy significant volumes of assets at quoted prices. For example, over the past few years, the market for residential mortgage-backed securities has experienced a significant decease in liquidity. In addition, any securities we issue of significant volume may be issued at higher financing costs if liquidity conditions are impaired as they have been in recent years. Although we manage our liquidity position for extreme events, including greatly reduced liquidity in capital markets, if these conditions were to persist for an extended period of time, we may need to sell assets below quoted prices to meet our insurance obligations during periods of impaired liquidity.

In 2010, approximately 40% of our general account investments were not highly liquid.

Table of Contents

Underwriting risk

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

Our earnings depend significantly upon the extent to which actual claims experience is consistent with the assumptions used in setting the prices for our products and establishing the technical liabilities for expected claims. To the extent that actual claims experience is less favorable than the underlying assumptions used in establishing such liabilities, our income would be reduced. Furthermore, if the less favorable claims experience were expected to be a sustained trend we may be required to increase liabilities for other related products, which could reduce our 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 could be accelerated and may even require write-offs due to an expectation of unrecoverability. This could have a material adverse effect on our reported results of operations and financial condition.

Sources of underwriting risk include policy lapses, policy claims (such as mortality and morbidity) and expenses. In general, we are at risk if policy lapses increase as sometimes we are unable to fully recover up front expenses in selling a product despite the presence of commission recoveries or surrender charges and fees. We sell certain types of policies that are at risk if mortality or morbidity increases, such as term life insurance and accident insurance. We also sell certain other types of policies that are at risk if mortality decreases (longevity risk) such as annuity products. For example, certain current products as well as products sold in previous years based on standard longevity assumptions have become less profitable or unprofitable as longevity assumptions increase which may result in us incurring losses. If the trend towards increased longevity persists, our annuity products may continue to experience adverse effects because the period of time over which benefit payments are made becomes longer as life expectancies increase. We are also at risk if expenses are higher than assumed by our management.

Other risks

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

The valuation of many of our financial instruments is based on methodologies, estimations and assumptions that are subject to different interpretations and could result in changes to investment valuations that may have a material adverse effect on our results of operations and financial condition. In addition, the determination of the amount of allowances and impairments taken on our investments is subjective and could materially impact our results of operations or financial position.

We may be required to increase our statutory reserves and/or hold higher amounts of statutory capital for certain of our products which will decrease our returns on these products unless we increase our prices.

New financial services regulation, such as the European Commission's Solvency II directive, which is expected to become effective as early as January 1, 2013, is expected to impose, among other things, substantially greater quantitative and qualitative capital requirements on some of our businesses and at the group level as well as supervisory and disclosure requirements and may impact the structure, business strategies, and profitability of our insurance subsidiaries and of the group. Some of our competitors who are headquartered outside the European Economic Area may not be subject to Solvency II requirements and may thereby be better able to compete against us, particularly in our businesses in the United States and Asia.

Table of Contents

The National Association of Insurance Commissioners' ("**NAIC**") Model Regulation entitled "Valuation of Life Insurance Policies," commonly known as "Regulation XXX," requires insurers in the United States to establish additional statutory reserves for term life insurance policies with long-term premium guarantees. In addition, "The Application of the Valuation of Life Insurance Policies Regulation", commonly known as "Regulation AXXX" requires insurers to establish additional statutory reserves for certain universal life insurance policies with secondary guarantees. 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 the NAIC regulations, we have implemented reinsurance and capital management actions to mitigate their impact. However, we may not be able to implement actions to mitigate the impact of Regulation XXX and AXXX on future sales of term or universal life insurance products, potentially resulting in an adverse impact on these products and our market position in the 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.

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

In addition, we may not be able to comply fully with, or obtain appropriate exemptions from, the wide variety of laws and regulations applicable to insurance companies and insurance holding companies. Failure to comply with or to obtain appropriate exemptions under any applicable laws could result in restrictions on our ability to do business in one or more of the jurisdictions in which we operate and could result in fines and other sanctions, which may have a material adverse effect on our business, financial position or results of operations.

There may be heightened oversight of insurers by regulatory authorities in the jurisdictions in which our subsidiaries are domiciled and operate. We cannot predict specific proposals that might be adopted, or what impact, if any, such proposals or, if enacted, such laws, could have on our business, results of operations, or financial condition. The European Union is adopting Solvency II as discussed above, the NAIC or state regulators may adopt revisions to applicable risk based capital formulas, local regulators in other jurisdictions in which our subsidiaries operate may increase their capital requirements, or rating agencies may incorporate higher capital thresholds into their quantitative analyses, thus requiring additional capital for our insurance subsidiaries.

In addition, certain jurisdictions, such as the European Union, are questioning the use of gender-based distinctions in the insurance industry. This may limit or impede our ability to continue to make certain gender-based distinctions in the pricing of financial products such as life insurance, annuities and certain other types of products we sell. For example, the European Court of Justice is expected to deliver a judgment on March 1, 2011 in the Test Achats case which relates to the ability of an insurance company to use gender as a rating factor when pricing risk. There can be no assurances that these and similar efforts will not be successful or that such developments will not have a material adverse effect on our business, financial position and results of 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 us or any of our rated insurance subsidiaries may, among other things, materially increase the number of policy

Table of Contents

surrenders and withdrawals by policyholders of cash values from their policies. These withdrawals may require the sale of invested assets, including illiquid assets, at a price that may result in realized investment losses. These cash payments to policyholders would result in a decrease in total invested assets and a decrease in net income. Among other things, early withdrawals may also cause us to accelerate amortization of deferred policy acquisition costs, reducing net income.

We have experienced downgrades and negative changes to our outlook in the past and may experience downgrades and negative changes in the future. For example, during 2010, Fitch lowered the senior debt rating for AEGON N.V. to A- with a stable outlook. Fitch also lowered the insurance financial strength rating for AEGON USA to AA- with a stable outlook. Standard and Poor's lowered the insurance financial strength rating for AEGON Scottish Equitable to A+ with a negative outlook. A downgrade or potential downgrade, including changes in outlook, could result in higher funding and financing costs in the capital markets and affect the availability of funding to us in the capital markets. 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 material adverse effect on our business, results of operations and financial condition.

We cannot predict what actions rating agencies may take, or what actions we may take in response to the actions of rating agencies, which could adversely affect our business. As with other companies in the financial services industry, our ratings could be downgraded at any time and without notice by any rating agency.

Changes in government regulations in the countries in which we operate may affect profitability.

Our insurance business is subject to comprehensive regulation and supervision in all countries in which we operate. 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 we conduct business and the products offered. 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. The recent financial markets dislocation has resulted in, and may continue to result in further, extensive changes to existing laws, regulations and regulatory frameworks applicable to our businesses in the countries in which we operate.

For example, in July 2010, the US Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**"), which provides for comprehensive changes to the regulation of financial services in the United States by granting existing government agencies and newly created government agencies and bodies (e.g., the Financial Stability Oversight Council and the Federal Insurance Office) authority to promulgate new financial regulations applicable to systemically important non-bank financial institutions. These new regulations may subject us to a number of requirements, including, among others, stress tests and stricter prudential standards, such as stricter requirements and limitations relating to liquidity, credit exposure and risk management. In addition, Dodd-Frank authorizes the Federal Insurance Office, which does not have general authority over the business of insurance, to make recommendations to the Financial Stability Oversight Council that certain insurers be subject to more stringent regulation. Further, Dodd-Frank requires the Federal Insurance Office to conduct a study on how to modernize and improve the system of insurance regulation in the United States. We cannot predict the requirements of the Dodd-Frank regulations that will ultimately be adopted, how the regulations will affect the financial markets generally or how the regulations will affect our operations or financial condition.

For information relating to the European Commission's Solvency II directive, see above at: "Risk Factors Risks Relating to our Business We may be required to increase our statutory reserves and/or

hold higher amounts of statutory capital for certain of our products which will decrease our returns on these products unless we increase our prices."

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. For example, in Hungary, the Parliament passed laws in 2010 that suspend money transfers to pension fund clients' accounts and redirect the contributions to the state budget, with the aim to reduce the budget deficit. The new laws also allow pension fund customers to step back to the public non-funded pay-as-you-go pension system. It is possible that similar policy measures may be taken in Poland or other countries in which we operate in Central and Eastern Europe or elsewhere.

In general, changes in laws and regulations may materially increase our direct and indirect compliance and other expenses of doing business and have a material adverse effect on our business, results of operations or financial condition.

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

We face 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. We 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. AEGON UK, for example, set up reserves to compensate certain policyholders after self-reporting failures in its administrative procedures to the UK Financial Services Authority that occurred over the past two decades. In the Netherlands, certain current and former customers, and groups representing customers, have initiated litigation and certain groups are encouraging others to bring lawsuits against us and other insurers in respect of certain products including securities leasing products and unit-linked products (so called '*beleggingsverzekeringen*' including the KoersPlan product). In the past we defended and we intend to continue defending ourselves vigorously when we believe claims are without merit. We have sought and intend to seek to settle certain claims including via policy modifications in appropriate circumstances such as the settlement we announced in 2009 with Stichting Verliespolis and Stichting Woekerpolis that, among other things, provided for up to EUR 250 million in potential policy modifications. See Item 5.2, "Operating and Financial Review and Prospects" "Application of Critical Accounting Policies IFRS Accounting Policies", in the Annual Report for additional information regarding this settlement. In addition, we and other US industry participants have been named in lawsuits alleging, among other things, that asset-based fees charged for investment products offered on 401(k) platforms were higher than those generally available in the market. A substantial legal liability or a significant regulatory action could have a material adverse effect on our business, results of operations and financial condition.

Certain of the products we sell are complex and involve significant investment risks that may be elected by our customers. We have from time to time received claims from certain current and former customers, and groups representing customers, in respect of certain products, including in relation to certain employer owned life insurance products sold to banks and other corporations, and have in the past agreed to make payments, in some cases substantial, or adjustments to policy terms to settle those claims if we believed it was appropriate to do so. While we intend to defend ourselves vigorously

Table of Contents

against any claims that we do not believe have merit, there can be no assurance that any claims brought against us by our customers will not have a material adverse effect on our results of operations, cash flow, financial position and reputation.

As a result of the European Commission's approval of the core capital support we received from the Dutch State in 2008, we are subject to certain requirements which may have a material adverse effect on our business, results of operations and financial condition.

As required under European Union state aid rules, the Dutch State notified the European Commission of the issuance by us in December 2008 of EUR 3 billion of non-voting convertible core capital securities to Vereniging AEGON, which was funded by the Dutch State. The European Commission determined that the aid provided by the Dutch State was compatible with the common market, raised no objection to the aid and authorized the aid as emergency intervention in response to the financial crisis. In July 2010, the Dutch State submitted a final viability plan regarding our status as a fundamentally sound institution to the European Commission. The European Commission approved the plan on August 17, 2010. As part of the process to conclude the European Commission's final review of the plan, we agreed with the Dutch Ministry of Finance to amend the terms and conditions of full repayment of the then-remaining EUR 2 billion of convertible core capital securities. The conditions, which assume a full repayment no later than June 30, 2011, impose certain requirements on us and our future actions. For example, we may not pay dividends on common shares, and may not pursue acquisitions, except for certain investments in bancassurance partnerships in Spain, provided that we do not increase our overall market share in the Spanish market. In addition, we may not pursue a top-three price leadership position in our residential mortgage and internet savings businesses in the Netherlands. We also agreed to request Standard & Poor's to no longer publish its insurance financial strength rating on AEGON Levensverzekering N.V. in the Netherlands and to explore the sale or exit of certain businesses. These requirements may have a material adverse effect on our business, results of operations and financial condition.

Under the terms and conditions agreed with the Ministry of Finance, we are required to seek approval from the Dutch Central Bank before being permitted to repay the remaining core capital provided by the Dutch State. Currently, we have received approval from the Dutch Central Bank to repay one-half of the remaining core capital, but we are required to seek approval from the Dutch Central Bank before being permitted to repay the other half. In determining whether to approve a request for repayment, the Dutch Central Bank considers certain criteria including the adequacy of our excess capital. There is no limit on the duration of such consultations or certainty as to the outcome of such consultations. If we are unable to meet our interest obligations or are unsuccessful in repaying the capital, we may be required to convert the capital securities into our ordinary shares, which may result in both the ability of the Dutch State to exert influence in its capacity as a large holder of our ordinary shares and a significant dilution to existing shareholders. If full repayment of the core capital is not achieved before June 30, 2011, we may face revised and/or additional conditions to repayment and/or other operational restrictions, which could have a material adverse effect on our business, results of operations and financial condition.

We may be unable to manage our risks successfully through derivatives.

We are exposed to currency fluctuations, changes in the fair value of our investments, the impact of interest rate, equity markets and credit spread changes and changes in mortality and longevity. We use common financial derivative instruments such as swaps, options, futures and forward contracts to hedge some of the exposures related to both investments backing insurance products and company borrowings. This is a more pronounced risk to us in view of the stresses suffered by financial institutions and the volatility of credit and equity markets. We 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 us. Our inability to manage risks successfully through derivatives, a counterparty's failure to honor its obligations or the systemic risk that failure is transmitted from counterparty to counterparty could each have a material adverse effect on our business, results of operations and financial condition.

Table of Contents

Our ability to manage risks through derivatives may be negatively affected by Dodd-Frank and legislation initiatives of the European Commission, which provide for a new framework of regulation of over-the-counter ("**OTC**") derivatives markets. These new regulations may require us to clear certain types of transactions currently traded in the OTC derivative markets through a central clearing organization and may limit our ability to customize derivative transactions for our needs. As a result, we may experience additional collateral requirements and costs associated with derivative transactions.

State statutes and regulators may limit the aggregate amount of dividends payable by our subsidiaries, thereby limiting our 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. In addition, local regulators, acting to represent the interests of local policyholders, are taking an increasingly restrictive stance with respect to permitting dividend payments, which may affect our ability to satisfy our debt obligations or pay our operating expenses.

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 International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and adopted by the European Union. 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 our 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 US 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 Government, as well as state and local governments, also considers from time to time tax law changes that could increase the amount of taxes that we pay. For example, the US Treasury Department and the Internal Revenue Service may propose new regulations regarding the methodology to determine the dividends received deduction ("**DRD**") related to variable life insurance and variable 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.

Any changes in United States or Dutch tax law affecting our products could have a material adverse effect on our business, results of operations and financial condition.

Table of Contents

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. We face intense competition from a large number of other insurers, as well as non-insurance financial services companies such as banks, broker-dealers and asset managers, for individual customers, employers, other group customers, agents and other distributors of insurance and investment products. Consolidation in the global financial services industry can enhance the competitive position of some of our competitors by broadening the range of their products and services, 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.

The adverse market and economic conditions that began in the second half of 2007 and significantly worsened in 2008 and into 2009, with modest recovery beginning in late 2009 and in 2010, can be expected to result in changes in the competitive landscape. For example, the financial distress experienced by certain financial services industry participants as a result of weak economic conditions and newly imposed regulation may lead to acquisition opportunities. Our ability or that of our competitors to pursue such opportunities may be limited due to lower earnings, reserve increases or a lack of access to debt capital markets and other sources of financing and limitations placed on companies that received state aid by the European Commission. Such conditions may also lead to changes by us or our competitors in product offerings and product pricing that could affect our and their relative sales volumes, market shares and profitability. Additionally, the competitive landscape in which we operate may be further affected by government-sponsored programs or actions taken in response to the severe dislocations in financial markets which occurred in 2008.

In Spain, we currently have partnerships with a number of Spanish savings banks to distribute a combination of life insurance and pension products. Savings banks in Spain are currently undergoing a period of consolidation as a result of ongoing economic uncertainty. If banks with which we have partnerships consolidate with other banks or otherwise alter their operations, we may experience significant adverse effects on our partnerships with those banks as well as our competitive position in the Spanish life insurance and pensions market.

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

The failure of a sufficiently large and influential financial institution could disrupt securities markets or clearance and settlement systems in our markets. This could cause market declines or volatility. Such a failure could lead to a chain of defaults that could adversely affect us and our contract counterparties. In addition, such a failure could impact future product sales as a potential result of reduced confidence in the insurance industry.

The experience suffered by AIG in the aftermath of the bankruptcy of Lehman Brothers in September 2008 is an example of this type of risk. Management believes that despite the attention paid by regulators in the United States, the European Union and other countries where we operate, systemic risk to the markets continues to exist, and dislocations caused by the interdependency of financial market participants continues to be a potential source of material adverse changes to our business, results of operations and financial condition.

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

As a global financial services enterprise with a decentralized management structure, we rely to a considerable extent on the quality of local management in the various countries in which we operate.

Table of Contents

The success of our operations is dependent, among other things, on our ability to attract and retain highly qualified professional personnel. Competition for key personnel in most countries in which we operate is intense. Our ability to attract and retain key personnel, 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. As a part of the governmental response in Europe and the United States to the financial crisis in 2008, there have been various legislative initiatives that have sought to restrict the remuneration of personnel, in particular senior management, with a focus on performance-related remuneration and limiting severance payments. We are also subject to similar restrictions as a consequence of the terms of the special transaction in December 2008 among AEGON, Vereniging AEGON and the Dutch State securing the provision of core capital to us from the Dutch State. These restrictions, alone or in combination with the other factors described above, could adversely affect our ability to hire and retain qualified employees.

Reinsurers to whom we have ceded risk may fail to meet their obligations.

Our 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 an evaluation of the specific risk, which is subject, in certain circumstances, to maximum limits based on the characteristics of coverage. Under the terms of the reinsurance agreements the reinsurer agrees to reimburse for the ceded amount in the event the claim is paid. However, our insurance subsidiaries remain liable to their policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations assumed by it. See Item 18, "Financial Statements" "Schedule to Financial Statements" "Reinsurance" in the Annual Report for a table showing life insurance in force amounts on a direct, assumed and ceded basis for 2007, 2008 and 2009. See also Item 18, "Financial Statements", Note 18.11 in the Annual Report for the amount of reinsurance assets at each balance sheet date for reinsurance ceded.

In accordance with industry practices, we reinsure a portion of our life insurance exposure with unaffiliated insurance companies under traditional indemnity reinsurance arrangements. In 2009, approximately 33% of our total direct and assumed (for which we act as a reinsurer for others) life insurance in force was ceded to other insurers. The major reinsurers of AEGON USA and AEGON Canada are Munich Re, RGA and Swiss Re. The major reinsurers of AEGON UK are Swiss Re, Munich Re and XL Re. The major reinsurer for life insurance for AEGON The Netherlands is Swiss Re while the non-life reinsurance is diversified across several providers including Lloyds market syndicates. The major reinsurers of AEGON Hungary for non-life are Swiss Re, Munich Re and Hannover Re and for life insurance are Munich Re and RGA. AEGON Spain's major reinsurers are General Re, Munich Re and RGA. AEGON China's major reinsurers are General Re, Munich Re and Swiss Re.

Our exploration of strategic options, including divestment or other strategic transactions, involving Transamerica Reinsurance may expose us to additional risks.

We announced in June 2010 that we are in the process of exploring strategic options for Transamerica Reinsurance, our international life reinsurance business. We may not be successful in divesting Transamerica Reinsurance on terms acceptable to us. If we determine not to divest Transamerica Reinsurance, and instead run off the business as part of the requirements for the European Commission's approval of the Dutch State aid we received in 2008, we may face difficulty retaining key personnel and maintaining relationships with employees and customers of Transamerica Reinsurance. If we do agree to divest Transamerica Reinsurance, such transaction may expose us to certain risks including: enhanced counterparty exposure risk to the purchaser to which we retrocede

Table of Contents

Transamerica Reinsurance liabilities, collateral funding obligations and/or the risk of closing conditions not being satisfied. Because any divestiture of Transamerica Reinsurance is likely to be structured principally as a series of reinsurance transactions, any purchaser could become one of our largest reinsurers and we would then be at risk if the purchaser defaulted on their obligations under the policies we retrocede to them. A bankruptcy or insolvency or inability of the purchaser to satisfy its obligations could have a material adverse effect on our financial position and results of operation. In addition, we may agree to become required under certain circumstances to satisfy significant collateral funding obligations of the purchaser in connection with the policies we retrocede to any purchaser. Satisfying such funding obligations could limit our ability to upstream cash to the group level, pay dividends or make acquisitions. Any divestment would be subject to certain closing conditions, including a variety of regulatory approvals, and there can be no assurance that any agreement we enter into would result in a completed transaction.

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

As part of our overall risk and capacity management strategy we purchase reinsurance for certain risks underwritten by our various business segments. Market conditions beyond our control determine the availability and cost of the reinsurance protection we purchase. Accordingly, we 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.

We may have difficulty managing our expanding operations and we may not be successful in acquiring new businesses or divesting existing operations.

In recent years we have made a number of acquisitions and divestitures around the world and it is possible that we 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. In addition, expansion into new and emerging markets may involve heightened political, legal and regulatory risks, such as discriminatory regulation, nationalization or expropriation of assets, price controls and exchange controls.

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, including a divestiture of Transamerica Reinsurance as described above, could result in us 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 we will successfully identify suitable acquisition candidates or that we will properly value acquisitions made. We are 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 our 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, pandemic disease and other catastrophes. Over the past several years changing weather patterns and climatic conditions have added to the unpredictability and frequency of natural disasters in certain parts

of the world and created additional uncertainty as to future trends and exposure. Generally, we seek 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 informati