



## Aegon Bank N.V.

*(incorporated under the laws of the Netherlands with limited liability  
and having its statutory seat in The Hague, the Netherlands)*

### €500,000,000 0.625 per cent. Senior Non-Preferred Notes due 2024

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**Issue Price: 99.491 per cent.**

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The €500,000,000 0.625 per cent. Senior Non-Preferred Notes due 2024 (the “Notes”) will be issued by Aegon Bank N.V. (the “Issuer” or “Aegon Bank”). Interest is payable subject to and in accordance with the Terms and Conditions of the Notes. From and including 21 June 2019 until but excluding 21 June 2024 the Notes will bear interest at the rate of 0.625 per cent. per annum, payable annually in arrear on 21 June of each year, commencing on 21 June 2020. Payments on the Notes will be made without deduction for or on account of taxes of the Relevant Jurisdiction to the extent described under “*Terms and Conditions of the Notes — Taxation*”.

The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at their principal amount together with interest accrued, in the event of certain tax changes and upon the occurrence of an MREL Disqualification Event as described under “*Terms and Conditions of the Notes - Redemption and Purchase*”. The Notes mature on 21 June 2024.

The Notes will constitute Statutory Senior Non-Preferred Obligations of the Issuer as described in “*Terms and Conditions of the Notes — Status and Ranking of the Notes*”.

Application has been made to the Netherlands Authority for the Financial Markets (the “AFM”) in its capacity as competent authority under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the “Wft”) relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Directive 2003/71/EC (as amended or superseded and including any relevant implementing measure in a relevant Member State of the European Economic Area (the “Prospectus Directive”). Application has also been made to Euronext Amsterdam N.V. for the Notes to be listed on Euronext in Amsterdam (“Euronext Amsterdam”). References in this Prospectus to the Notes being “listed” (and all related references) shall mean that the Notes have been listed and admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended.

The Notes will initially be represented by a Temporary Global Note, without interest coupons attached, which will be deposited with a common depository on behalf of the Clearstream Banking, S.A. (“Clearstream, Luxembourg”) and Euroclear Bank SA/NV (“Euroclear”) on or about 21 June 2019. The Temporary Global Note will be exchangeable for interests in a Permanent Global Note, without interest coupons attached, on or after a date which is expected to be 31 July 2019, upon certification as to non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable for definitive Notes in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof in the limited circumstances set out in it. No definitive Notes will be issued with a denomination above €199,000, see “*Summary of Provisions relating to the Notes while in Global Form*”.

The Notes have been rated A by S&P Global Ratings Europe Limited (“S&P”) and A- by Fitch Ratings Limited (“Fitch”). Each of S&P and Fitch is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus.

#### Structuring Adviser

ING

#### Joint Lead Managers

Crédit Agricole CIB

ING

Rabobank

Société Générale Corporate & Investment Banking

UniCredit

This Prospectus comprises a prospectus for the purposes of Article 3 of the Prospectus Directive.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”).

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Lead Managers (as defined in “*Subscription and Sale*” below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Notes and distribution of this Prospectus, see “*Subscription and Sale*” below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the financial position of the Issuer since the date hereof or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus or have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes. No Joint Lead Manager or any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Notes or their distribution.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. References to “euro”, “EUR” and “€” refer to the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union.

**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Joint Lead Managers do not regard any actual or prospective holders of Notes as their clients in relation to the offer.

**PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Words and expressions defined in Condition 16 (*Definitions*) of the Terms and Conditions of the Notes shall have the same meanings ascribed to them in Condition 16 (*Definitions*) when used in other parts of this Prospectus.

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

In connection with the issue of the Notes, ING Bank N.V. (the “**Stabilising Manager**”) (or any person acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

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## **Risk Factors**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risk associated with the Notes are also described below. The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons not known to the Issuer or not deemed to be material enough. The Issuer does not represent that the statements below regarding the risks of investing in the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*Prospective investors should carefully review the entire Prospectus, and should form their own views before making an investment decision with respect to the Notes. Before making an investment decision with respect to the Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances. The sequence in which the risk factors are presented below, and any quantitative historical impacts and sensitivities included, are not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences in the future.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the Notes.**

*The Issuer's revenues and earnings are affected by the volatility and strength of the economic, business and capital markets environments specific to the geographic regions in which it conducts its business. The turbulence and volatility of such factors have affected, and may continue to (adversely) affect, the profitability and solvency of the Issuer*

Factors such as interest rates, securities prices, credit spreads, liquidity spreads, exchange rates, consumer spending, changes in client behaviour, business investment, real estate and private equity valuations, government spending, inflation, the volatility and strength of the capital markets, political events and trends, and terrorism, all impact the business and economic environment and, ultimately, its solvency, liquidity and the amount and profitability of business the Issuer conducts in the Netherlands. In an economic downturn characterised by higher unemployment, lower family income, lower corporate earnings, higher corporate and private debt defaults, lower business investments, and lower consumer spending, the demand for banking products is usually adversely affected and the Issuer's reserves and provisions typically would increase, resulting in overall lower earnings. Securities prices and real estate values may also be adversely impacted, and any such losses would be realised through the profit and loss account or reduce shareholders' equity. The Issuer also offers a number of financial products that expose it to risks associated with fluctuations in interest rates, securities prices, corporate and private default rates, the value of real estate assets, exchange rates and credit spreads. See also below “*Interest rate volatility and other interest rate changes may adversely affect the Issuer's profitability*” and “*Turbulence and volatility in the financial markets and economy generally have affected the Issuer, and may continue to do so*”.

In case one or more of the factors mentioned above adversely affects the profitability of the Issuer's business it might also result, among other things, in the following:

- reserve inadequacies which could ultimately be realised through the profit and loss account;
- movements in risk weighted assets for the determination of regulatory required capital; and
- one or more of these events may reduce shareholders' equity and adversely affect the Issuer's financial condition.

Shareholders' equity, solvency and the Issuer's net result may be significantly impacted by turbulence and volatility in the worldwide financial markets and the economy generally. Negative developments in financial markets and/or economies may have a material adverse impact on shareholders' equity, regulatory capital requirements, solvency and net result in future periods, including as a result of the potential consequences listed above. See “*Turbulence and volatility in the financial markets and economy generally have affected the Issuer, and may continue to do so*” below.

***Adverse capital and credit market conditions may impact the Issuer's ability to access liquidity and capital, as well as the cost of credit and capital***

The capital and credit markets have from time to time been experiencing volatility and disruption in recent years. Adverse capital market conditions may affect the availability and cost of borrowed funds, thereby impacting the Issuer's ability to support or grow its businesses.

The Issuer needs liquidity in its day-to-day business activities to pay its operating expenses, interest on its debt and dividends on its capital stock, to maintain its repo activities and to replace certain maturing liabilities. Without sufficient liquidity, the Issuer may be forced to curtail its operations and its business may suffer. The principal sources of its funding are client deposits, mainly from retail clients, and medium- and long-term securitized debt. Other sources of funding may also include a variety of short- and long-term instruments, including repurchase agreements, commercial paper, medium- and long-term debt, subordinated debt securities, securitized debt, capital securities and shareholders' equity.

In the event that current resources do not satisfy its needs or need to be refinanced, the Issuer may need to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of maturing debt that needs to be refinanced, the overall availability of credit to the financial services industry, the Issuer's credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of its long- or short-term financial prospects. Similarly, the Issuer's access to funds may be limited if regulatory authorities or rating agencies take negative actions against it. If the Issuer's internal sources of liquidity prove to be insufficient, there is a risk that external funding sources might not be available, or available at unfavourable terms.

Disruptions, uncertainty or volatility in the capital and credit markets, such as experienced in the recent past, may also limit the Issuer's access to capital required to operate its business. Such market conditions may in the future limit the Issuer's ability to raise additional capital to support business growth, or to counter-balance the consequences of losses or increased regulatory capital requirements. This could force the Issuer to (1) delay raising capital, (2) reduce, cancel or postpone interest payments on its capital securities, (3) issue capital of different types or under different terms than the Issuer would otherwise, or (4) incur a higher cost of capital than in a more stable market environment. This would have the potential to decrease both the Issuer's profitability and its financial flexibility. The Issuer's results of operations, financial condition, cash flows and regulatory capital position could be materially adversely affected by disruptions in the financial markets.

Furthermore, regulatory liquidity requirements in which the Issuer operates are generally becoming more stringent, including those forming part of the Basel III requirements, discussed further below under “*The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business*”, undermines the Issuer's efforts to maintain this centralised management of its liquidity. These developments may cause trapped pools of liquidity, resulting in inefficiencies in the cost of managing the Issuer's liquidity.

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

Within the financial services industry the severe distress or default of any one institution (including sovereigns) could lead to defaults or severe distress by other institutions. Such distress or defaults could disrupt securities markets or clearing and settlement systems in the Issuer's markets. This could cause market declines or volatility. Such a failure could lead to a chain of defaults that could adversely affect the Issuer and its contract counterparties. Concerns about the creditworthiness of a sovereign or financial institution (or a default by any such entity) could lead to significant liquidity and/or solvency problems, losses or defaults by other institutions, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or questions about, a sovereign or a counterparty may lead to market-wide liquidity problems and losses or defaults by the Issuer or by other institutions. This risk is sometimes referred to as systemic risk and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the Issuer interacts on a daily basis and financial instruments of sovereigns in which the Issuer invests. Systemic risk could have a material adverse effect on the Issuer's ability to raise new funding and on its business, financial condition, results of operations, liquidity and/or prospects. In addition, such a failure could impact future product sales as a potential result of reduced confidence in the financial services industry.

The Issuer believes that despite increased attention recently, systemic risk to the markets in which it operates continues to exist, and dislocations caused by the interdependency of financial market participants continues to be a potential source of material adverse changes to the Issuer's business, financial condition, results of operations, liquidity and/or prospects.

***Because the Issuer's businesses are subject to losses from unforeseeable and/or catastrophic events, which are inherently unpredictable, the Issuer may experience an abrupt interruption of activities, which could have an adverse effect on its financial condition***

Because unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities, the Issuer's business operations may be subject to losses resulting from such disruptions (as discussed further below under "*Operational risks are inherent in the Issuer's business*"). Losses can relate to property, financial assets, trading positions, insurance and pension benefits to employees and also to key personnel. If the Issuer's business continuity plans are not able to be put into action or do not take such events into account, the Issuer's financial condition could be adversely affected.

***The Issuer operates in highly regulated industries. There could be an adverse change or increase in the financial services laws and/or regulations governing its business***

The Issuer is subject to detailed banking, asset management and other financial services laws and government regulation in the Netherlands. Regulatory agencies have broad administrative power over many aspects of the financial services business, which may include liquidity, capital adequacy and permitted investments, ethical issues, anti-money laundering, anti-terrorism measures, privacy, record keeping, product and sale suitability, and marketing and sales practices, and the Issuer's own internal governance practices. Banking, and other financial services laws, regulations and policies currently governing the Issuer may also change at any time and in ways which have an adverse effect on its business, and it is difficult to predict the timing or form of any future regulatory or enforcement initiatives in respect thereof. Also, bank regulators and other supervisory authorities continue to scrutinise the financial services industry and its activities under regulations governing such matters as anti-money laundering, prohibited transactions with countries subject to sanctions, and bribery or other anti-corruption measures. Regulation is becoming increasingly more extensive and complex and regulators are applying increased scrutiny on the industries in which the Issuer operates, often requiring additional resources from the Issuer. These regulations can serve to limit the Issuer's activities, including through its net capital, customer protection and market conduct requirements, and restrictions on businesses in which the Issuer can operate or invest. If the Issuer fails to address, or

appears to fail to address, appropriately any of these matters, its reputation could be harmed and it could be subject to additional legal risk, which could, in turn, increase the size and number of claims and damages asserted against the Issuer or subject it to enforcement actions, fines and penalties.

In light of current conditions in the global financial markets and the global economy, regulators have increased their focus on the regulation of the financial services industry. The Netherlands has adopted, or is currently considering, major legislative and/or regulatory initiatives in response to the financial crisis. Governmental and regulatory authorities in the EU, the Netherlands and elsewhere are implementing measures to increase regulatory control in their respective financial markets and financial services sectors, including in the areas of prudential rules, capital requirements, executive compensation, crisis and contingency management, bank and financial transaction taxes and financial reporting, among others. Additionally, governmental and regulatory authorities in the Netherlands as well as in a multitude of jurisdictions continue to consider new mechanisms to limit the occurrence and/or severity of future economic crises (including proposals to restrict the size of financial institutions operating in their jurisdictions and/or the scope of operations of such institutions).

Further, the International Accounting Standards Board has proposed certain amendments to several IFRS standards, which changes could also have a material impact on the Issuer's reported results and financial condition.

In addition to the adoption of the laws, regulations and other measures described above and below, regulators and lawmakers around the world are actively reviewing the causes of the financial crisis and exploring steps to avoid similar problems in the future. In many respects, this work is being led by the Financial Stability Board (“**FSB**”), consisting of representatives of national financial authorities of the G20 nations. The G20 and the FSB have issued a series of papers and recommendations intended to produce significant changes in how financial companies, particularly companies that are members of large and complex financial groups, should be regulated. These proposals address such issues as financial group supervision, capital and solvency standards, systemic economic risk, corporate governance including executive compensation, and a host of related issues associated with responses to the financial crisis. The lawmakers and regulatory authorities in a number of jurisdictions in which the Issuer conducts business have introduced legislative and regulatory changes consistent with G20 and FSB recommendations, including proposals governing executive compensation by the financial regulators in the Netherlands (DNB), Germany (The Federal Financial Supervisory Authority) and the United Kingdom (The Financial Conduct Authority).

The Issuer cannot predict whether or when future legislative or regulatory actions may be taken, or what impact, if any, actions taken to date or in the future could have on its business, financial condition, results of operations, capital, liquidity and/or prospects.

Despite the Issuer's efforts to maintain effective compliance procedures and to comply with applicable laws and regulations (see also the sub-section “*Know-your-customer optimization and enhancement program*” in section “*Description of Aegon Bank N.V.*” below), there is a risk that the Issuer fails to meet applicable standards, for example in areas where applicable regulations may be unclear, subject to multiple interpretation or under development or may conflict with one another or where regulators revise their previous guidance or courts overturn previous rulings. Regulators and other authorities have the power to bring administrative or judicial proceedings against the Issuer, which could result, among other things, in suspension or revocation of its licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action which could materially harm the Issuer's results of operations and financial condition.

#### ***Minimum regulatory capital and liquidity requirements***

The Issuer is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet the minimum regulatory capital requirements. Specifically, in December 2010, the Basel



Committee on Banking Supervision published its final standards on the revised capital adequacy framework known as 'Basel III'. These standards are significantly more stringent than the requirements until then. In order to facilitate the implementation of the Basel III capital and liquidity standards for banks and investment firms, CRD IV has been adopted. CRD IV consists of the CRD IV Directive and the CRR and aims to create a sounder and safer financial system. The CRD IV Directive governs among other things the permissibility of deposit-taking activities while the CRR establishes the majority of prudential requirements institutions need to respect.

The CRR entered into effect on 1 January 2014 and has direct effect in the Netherlands. The CRD IV Directive was implemented in Dutch law on 1 August 2014. A number of the requirements introduced under CRD IV will be phased in over a period of time or further supplemented through the Regulatory and Implementing Technical Standards produced by the European Banking Authority (the “**EBA**”).

CRD IV, in implementing Basel III, is intended to increase the quality and quantity of capital, requires increased capital against derivative positions and introduces a capital conservation buffer, a counter-cyclical buffer, a systemic risk buffer, a new liquidity framework (liquidity coverage ratio and net stable funding ratio) as well as a leverage ratio. The leverage ratio is defined as Tier-1 capital divided by a measure of non-risk weighted assets. The leverage ratio requirement will be phased in gradually and will become a binding harmonised requirement (as part of the EU Banking Reforms (as defined below)). Pursuant to the EU Banking Reforms a binding leverage ratio of 3% will become applicable to banks. According to the EU Banking Reforms, competent authorities remain responsible for monitoring leverage policies and processes of individual institutions and may impose additional measures to address risk of excessive leverage, if warranted. Also, international discussions are ongoing regarding a possible leverage ratio surcharge for global systematically important banks (“**G-SIBs**”). The Issuer currently does not qualify as such.

There can be no assurance that the Basel Committee will not amend the package of reforms described above. Further, the European Commission (“**EC**”), the ECB, the Netherlands and/or DNB may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks. If the regulatory capital requirements, liquidity restrictions or ratios applied to the Issuer are increased in the future, any failure of the Issuer to maintain such increased capital and liquidity ratios could result in administrative actions or sanctions, which may have an adverse effect on the Issuer's results of operations or financial condition.

In December 2014 the Basel Committee published consultative documentation on, among other things, revisions to capital floors and to the standardised approach for credit risk, which determines the minimum capital requirements for a bank. In December 2015, the Basel Committee published a second consultative document on the standardised approach for credit risk. This proposal relates, among other things, to the risk weight calculation of residential real estate loans. Residential real estate would no longer receive a fixed 35% risk weight. Instead, risk weights would be based on the amount of the loan relative to the value of the real estate securing the loan (i.e. the loan-to-value ratio). This is considered as a detrimental development for Dutch banks and may have a negative impact on their capital ratios, should these proposals become effective.

Following certain proposals of the Basel Committee and the FSB, the EC proposed on 23 November 2016 a comprehensive package of banking reforms to CRD IV, the BRRD and the SRM Regulation (the “**EU Banking Reforms**”), including measures to increase the resilience of EU institutions and enhance financial stability. On 7 June 2019, the final text was published in the Official Journal and the EU Banking Reforms will enter into force on 27 June 2019. Most of the new rules will start applying in mid 2021, subject in certain cases to transposition in the Member States. The EU Banking Reforms are wide-ranging and cover multiple areas, including: (a) a binding 3 per cent. leverage ratio, (b) a binding detailed net stable funding ratio, (c) a requirement to have more risk-sensitive own funds for banks trading in certain instruments (further to Basel Committee's fundamental review of the trading book), (d) a new category of senior 'non-preferred' debt, (e) the introduction of the new total loss-absorbing capacity (“**TLAC**”) standard for G-SIBs, (f) an amendment of the minimum requirement for own funds and eligible liabilities (“**MREL**”) framework

to integrate the TLAC standard and (g) a revised calculation method for derivatives exposures. The legislative proposal in the Netherlands amending the Dutch Bankruptcy Code (*Faillissementswet*) to introduce the senior 'non-preferred' debt entered into force on 14 December 2018. The Notes qualify as such senior 'non-preferred' debt instruments. The EU Banking Reforms do not yet incorporate certain amendments discussed on the level of the Basel Committee in the context of Basel IV, such as the regulatory treatment of credit and operational risk.

On 7 December 2017, the Basel Committee published the finalised Basel III reforms as improvements to the global regulatory framework (the “**Basel III Reforms**”) (informally referred to as Basel IV). The Basel III Reforms seek to restore credibility in the calculation of risk weighted assets (“**RWA**”) and to improve the comparability of banks' capital ratio. The most important changes involve stricter rules for internal models and a capital floor. The Basel III Reforms, however, also include revisions to the standardised approaches for credit risk, operational risk and the credit valuation adjustment specified at a counterparty level (“**CVA**”). Given that the Basel III Reforms will have to be transposed by the EU legislature, the precise impact of the Basel III Reforms on the Issuer remains uncertain at the date of this Prospectus.

The timing for the final implementation of these reforms as at the date of this Prospectus is unclear. Furthermore, certain of these reforms are still subject to EU legislation having to be adopted and transposition in the Member States. It is at this time not yet certain how the reforms will affect the Issuer or Noteholders.

Finally, DNB has performed an on-site inspection in the beginning of 2019 of the investments of the Issuer in loans originated via third party lending platforms. The outcome of this on-site inspection could result in higher capital requirements for investments of the Issuer in loans originated via certain third party lending platforms. See the sub-section “*Transactions with third party lending platforms*” in section “*Description of Aegon Bank N.V.*” below.

Any of the above factors may materially adversely affect the Issuer's financial position and results of operations and therefore its ability to make payments on the Notes. Potential investors should consult their own advisers as to the consequences to and effect on them of the application of Basel III, as implemented by their own regulator, and any changes thereto, to their holding of any Notes. Neither the Issuer nor the Joint Lead Managers are responsible for informing Noteholders of the effects on the changes to risk-weighting of regulatory capital which among others may result for investors from the adoption by their own regulator of Basel III (whether or not implemented by them in its current form or otherwise).

### ***The BRRD, SRM Regulation, Wft and Whav***

The BRRD and the SRM Regulation (each as defined below) provide for the European framework for recovery and resolution of (among others) ailing banks, certain investment firms and certain group entities.

The Directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms (2014/59/EU) (the “**BRRD**”) was adopted by the European Council on 6 May 2014 and the Regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms ((EU) No 806/2014) (the “**SRM Regulation**”) was adopted on 15 July 2014, in a framework of a single resolution mechanism and a single bank resolution fund (such mechanism, the “**SRM**”). The SRM Regulation is directly applicable in the Member States participating in the Single Supervisory Mechanism (the “**SSM**”). Those parts of the SRM Regulation dealing with recovery and resolution have entered into force as of 1 January 2016. On 26 November 2015, the law to implement the BRRD and to facilitate the application of the SRM Regulation in Netherlands (the “**BRRD Implementation Act**”) entered into force.

The Issuer, as a bank established in a Member State participating in the SSM, will primarily be subject to the SRM under the SRM Regulation. The BRRD, however, which has been implemented in Dutch law, in

addition provides for certain early intervention measures and for the powers of the competent resolution authority necessary to implement the decisions taken pursuant to the SRM Regulation. Although the SRM Regulation provides for the establishment of a European single resolution board (consisting of representatives of the ECB, the European Commission and the relevant national resolution authorities) to be responsible for the effective and consistent functioning of the SRM (including the implementation of any resolution decisions), the Issuer, because it is a bank subject to the indirect supervision of the ECB, will in principle fall under the competency of the national resolution authority (DNB). In other words, the national resolution authority will in principle be responsible for setting the level of the MREL, writing down or converting relevant capital instruments, adopting resolution decisions and applying resolution tools in accordance with the resolution principles and in order to meet the resolution objectives.

The SRM Regulation and BRRD apply not only to banks, but may also apply to certain investment firms, group entities (including financial institutions subject to consolidated supervision or entities consolidated with such bank) and (to a limited extent) branches of equivalent non-EEA banks and investment firms. In connection therewith, the SRM Regulation and BRRD recognise and enable the application of the recovery and resolution framework both on the level of an individual entity as well as on a group level. The below should be read in the understanding that the Issuer or any entity belonging to the group may become subject to requirements and measures under the SRM Regulation and BRRD not only with a view to or as a result of its individual financial situation, but also, in certain circumstances, with a view to or as a result of the financial situation of the group that it forms part of. For the avoidance of doubt, the below requirements and measures may also apply to any such group entity of the Issuer.

The early intervention measures that may be imposed by the competent regulator in respect of the Issuer in the event its financial condition is deteriorating could pertain, among others, to a change of its legal or operational structure, the removal of (individuals within) senior management or the management body and the appointment of a temporary administrator to work together or replace such (individual within) senior management or management body. The national resolution authority may also under certain circumstances decide to write down or convert relevant capital instruments, including Common Equity Tier 1, Additional Tier 1 capital instruments and Tier 2 capital instruments, in a certain order. If the Issuer would be failing or is likely to fail and the other resolution conditions would also be met, the national resolution authority may decide to place the Issuer under resolution. As part of the resolution scheme to be adopted by the national resolution authority it may decide to apply certain resolution tools and exercise its powers pursuant to the implemented BRRD in order to give effect to such resolution tools. The resolution tools under the SRM Regulation and the BRRD Implementation Act include the sale of business tool, the bridge institution tool and the asset separation tool, each of which, in short, provides for a transfer of certain assets and/or liabilities of the institution under resolution to a third party. In addition, the SRM Regulation and the BRRD Implementation Act introduce the bail-in tool which gives the national resolution authority the power to write down or convert into equity certain debt and other liabilities (including the Notes) of the institution. See further risk factor “*Banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt)*” below.

The SRM Regulation and the BRRD Implementation Act also require banks to meet at all times a certain MREL, expressed as a percentage of the total liabilities and own funds. The competent resolution authority shall set a level of minimum MREL on a bank-by-bank basis based on assessment criteria to be set out in technical regulatory standards. In addition hereto, the FSB has developed proposals to enhance the TLAC of global systemically important banks in resolution. The FSB proposes minimum TLAC requirements to be set as a percentage of the loss-absorbing capital and debt against the balance sheet, both weighted and unweighted (as further described below).

Some Member States have implemented legislation to provide for mandatory subordination of certain senior unsecured debt instruments, including bonds in bearer and registered form, among other reasons, in order for banks to be able to meet MREL and/or TLAC requirements. With a view to the new category of senior 'non-preferred' debt introduced as part of the EU Banking Reforms that banks could use, but which does not

provide for any mandatory subordination, it is unlikely that similar legislation will be introduced in the EU. If such legislation would be introduced in the Netherlands, it could cause certain debt instruments of the Issuer that are until then senior to become subordinated to other senior debt instruments of the Issuer that remain senior. As a result, in a resolution of the Issuer, such debt instruments would be bailed in prior to other senior unsecured liabilities and such a subordination may also have retroactive effect.

The resolution framework under the SRM Regulation and the BRRD purports, among others, to ensure the critical functionality of the relevant institution, to avoid significant adverse effects on the stability of the financial markets and to protect public funds. The SRM Regulation further introduces the single resolution fund (“**SRF**”), which for banks established in the member states participating in the SSM will replace the national resolution funds set up or to be set up further to the implementation of the BRRD. The SRF must be funded in order to ensure that the SRF has adequate financial resources to allow for an effective functioning of the resolution framework under the SRM Regulation. Similar to the national resolution funds under the BRRD, the SRF will be funded by ex-ante annual contributions from banks, such as the Issuer. For the SRF these will be calculated for each bank on the basis of their liabilities, excluding own funds and covered deposits, and adjusted for risk. The SRF will be built up over a period of eight years to reach a target level of at least 1% of the amount of covered deposits of all banks authorised in all the member states participating in the SSM.

It is possible that the relevant regulator or resolution authority may use its powers under the new regime in a way that could result in subordinated and/or senior debt instruments of the Issuer absorbing losses. The use of certain powers pursuant to the SRM Regulation and BRRD Implementation Act could negatively affect the position of the Noteholders and the credit rating attached to debt instruments then outstanding and could result in losses to Noteholders, in particular if and when any of the above proceedings would be commenced against the Issuer. These measures could increase the Issuer's cost of funding and thereby have an adverse impact on the Issuer's financial position and results of operation. In addition, there could be amendments to the SRM Regulation, BRRD and BRRD Implementation Act, which may add to these effects.

The EU Banking Reforms (as described above under “*Minimum regulatory capital and liquidity requirements*”) include various amendments to the BRRD and SRM framework. Among others, the EU Banking Reforms contain a proposal for the implementation of the TLAC standard as well as an amendment of the MREL framework to integrate the TLAC standard. The TLAC standard adopted by the FSB aims to ensure that G-SIBs have sufficient loss-absorbing and recapitalisation capacity available in resolution. To maintain coherence between the MREL rules (which apply to both G-SIBs and non-G-SIBs) and the TLAC standards, the EU Banking Reforms also provide for a number of changes to the MREL rules applicable to non-G-SIBs, such as the Issuer, including (without limitation) the criteria for eligibility of liabilities for MREL. The EU Banking Reforms further provide for the resolution authorities to give guidance to an institution to have own funds and eligible liabilities in excess of the requisite levels for certain purposes. Furthermore, the EU Banking Reforms also include a directive which entered into force on 28 December 2017 amending the BRRD (the “**BRRD Amendment Directive**”). The BRRD Amendment Directive provides for an EU-harmonised approach on bank creditors' insolvency ranking that would enable banks to issue debt in a new statutory category of unsecured debt, ranking just below the most senior debt and other senior liabilities for the purposes of resolution, while still being part of the senior unsecured debt category. The EU Banking Reforms also include a moratorium tool allowing for the suspension of certain contractual obligations for a short period of time in resolution as well as in the early intervention phase. As such, the EU Banking Reforms may affect the Issuer (including with regard to the MREL it must maintain) and the Notes. The implementation of the BRRD Amendment Directive entered into force in the Netherlands on 14 December 2018. The timing for the final implementation and applicability of the other reforms that form part of the EU Banking Reforms remains unclear as at the date of this Prospectus. Furthermore, certain of these reforms are still subject to EU legislation having to be adopted and transposition in the Member States. It is at this time not yet certain how the reforms will affect the Issuer or Noteholders.

In addition to the SRM Regulation and the BRRD Implementing Act, the Dutch Financial Supervision Act

(*Wet op het financieel toezicht* or “**Wft**”) contains far-reaching intervention powers for the Dutch Minister of Finance with regard to banks or their parent undertakings established in the Netherlands, such as the Issuer, if the Minister of Finance deems that the stability of the financial system is in serious and immediate danger due to the situation that bank is in. The Wft empowers the Dutch Minister of Finance to: (i) commence proceedings leading to ownership by the Dutch State (nationalisation) of the relevant financial institution and/or its parent company and expropriation of assets and liabilities, claims against it and/or securities, and (ii) take immediate measures which may deviate from statutory provisions or from the articles of association of the relevant financial institution.

Finally, on 28 November 2017, a legislative proposal for the recovery and resolution of insurers (*Wet herstellen afwikkeling van verzekeraars* or “**Whav**”) was published and submitted to the Dutch parliament. In short, the proposal includes a revised framework for the recovery and resolution of insurers and groups including an insurer, which is intended to replace the Special Measures Financial Institutions Act (other than the expropriation and immediate measures of the Minister of Finance discussed above). In the case of the Aegon group, the powers under the Whav may also extend to the Issuer. The legislative proposal has become law and entered into force on 1 January 2019.

The Issuer is unable to predict what effects, if any, the BRRD, the BRRD Implementation Act, the SRM Regulation and the special recovery and resolution powers under the Wft and the Whav may have on the financial system generally, the Issuer's counterparties, or on the Issuer, its group entities, entities consolidated with the Issuer, its operations and/or its financial position or the Notes.

## **EMIR**

EMIR establishes certain requirements for over-the-counter (OTC) derivative contracts, including a mandatory clearing obligation, risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty and reporting requirements.

Under EMIR, (i) financial counterparties (“**FC**”) and (ii) non-financial counterparties whose positions in OTC derivatives (including the positions of other non-financial entities in its group, but excluding any hedging positions) exceed a specified clearing threshold (“**NFC+**”) must clear OTC derivative contracts that are entered into on or after the effective date for the clearing obligation, provided that such class of OTC derivative contract has been declared subject to the clearing obligation. OTC derivative contracts that are not cleared by a central counterparty are subject to certain other risk-mitigation requirements. These include arrangements for timely confirmation of OTC derivative contracts, portfolio reconciliation, dispute resolution, arrangements for monitoring the value of outstanding OTC derivative contracts and the mandatory margining of non-cleared OTC derivatives contracts. In addition, under EMIR, any counterparty must timely report the conclusion, modification and termination of their OTC and exchange traded derivative contracts to a trade repository.

If any party fails to comply with the rules under EMIR it may be liable for an incremental penalty payment or fine. If such a penalty or fine is imposed on the Issuer, the Issuer may have insufficient funds to pay its liabilities in full.

On 14 May 2019, the European Council adopted a proposal for a regulation amending EMIR (the “**Amending Regulation**”). It includes, amongst others, changes to the reporting requirements and the application of the clearing thresholds for non-financial counterparties, and the introduction of a clearing threshold for FCs. The Amending Regulation will enter into force 20 days after its publication in the Official Journal of the European Union, the date of which is still unclear, but is expected to take place in Q2 or Q3 of 2019.

Prospective investors in the Notes should be aware that the regulatory changes arising from the Amending Regulation may in due course significantly increase the cost of entering into and/or maintaining derivative

contracts and may adversely affect the ability of the Issuer to engage in and/or maintain derivative contracts.

### ***MiFID reform***

On 3 January 2018, MiFID II entered into force. Furthermore, MiFID II was accompanied by Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“**MiFIR**”). MiFID II/MiFIR, *inter alia*, aim to strengthen investor protection and improve the functioning of the financial markets. New reporting requirements increased the amount of information available, and reduce the use of dark pools and OTC trading. The protection of investors is strengthened through the introduction of new requirements on product governance and independent investment advice, the extension of existing rules to structured deposits, and the improvement of requirements in several areas, including on the responsibility of management bodies, inducements, information and reporting to clients, cross-selling, remuneration of staff, and best execution. The new rules have been implemented in most jurisdictions, however for some Member States the local implementation rules are not finalised yet and will continue to require attention. Since the entry into force of MiFID II, investment firms are under enhanced scrutiny of the AFM. With respect to investor protection, the AFM's focus for 2018 was on compliance of investment firms with cost transparency and product governance rules. In addition, the AFM has indicated that it will permanently pay attention to subjects such as professional competence (*vakbekwaamheid*), the provision of information to investors, the quality of investment services and fees and commissions (*provisies*). In May 2018, the European Commission presented legislative proposals on sustainable finance, which proposals also include amendments to MiFID II and this requires the Issuer's attention.

### ***Benchmark Regulation***

On 1 January 2018, Regulation (EU) No. 2016/1011 (the “**Benchmark Regulation**”) became applicable, subject to certain transitional provisions. The Benchmark Regulation will contribute to the accuracy and integrity of benchmarks used in financial instruments and financial contracts or to measure the performance of investment funds by, among others, (i) ensuring that benchmark administrators are subject to prior authorisation and supervision depending on the type of benchmark, requiring greater transparency on how a benchmark is produced; (ii) ensuring the appropriate supervision of critical benchmarks, such as LIBOR/EURIBOR, the failure of which might create risks for market participants and for the functioning and integrity of markets and (iii) requiring EU supervised entities to only use benchmarks of administrators that are duly authorised/registered. As user of benchmarks for, amongst others, the debt securities it issues, the Issuer may only use benchmarks which are in compliance with the Benchmark Regulation.

### ***Turbulence and volatility in the financial markets and economy generally have affected the Issuer, and may continue to do so***

The Issuer's results of operations are impacted by conditions in the global capital markets and the economy generally. Concerns over the slow economic recovery, the European sovereign debt crisis, the ability of certain countries to remain in the Eurozone, unemployment, the availability and cost of credit, inflation levels, energy costs and geopolitical issues all have contributed to increased volatility and diminished expectations for the economy and the markets in recent years. Further, there is considerable uncertainty surrounding the United Kingdom's exit of the European Union following the 23 June 2016 referendum. Such an exit could further negatively impact the volatility and expectations for the economy and the markets.

These conditions have generally resulted in greater volatility, widening of credit spreads and overall shortage of liquidity and tightening of financial markets throughout the world. In addition, prices for many types of asset-backed securities and other structured products have significantly deteriorated. These concerns have since expanded to include a broad range of fixed income securities, including those rated investment grade and especially the sovereign debt of some EEA countries and the United States, the international credit and interbank money markets generally, and a wide range of financial institutions and markets, asset classes, such as public and private equity, and real estate sectors. Although certain of such conditions have improved

in recent years, as a result of these and other factors, sovereign governments across the globe, including the Netherlands, have also experienced budgetary and other financial difficulties, which have resulted in austerity measures, downgrades in credit ratings by credit agencies, planned or implemented bail-out measures and, on occasion, civil unrest. As a result, the market for fixed income instruments has experienced decreased liquidity, increased price volatility, credit downgrade events, and increased probability of default. These and other factors has resulted in volatile foreign exchange markets. Securities that are less liquid are more difficult to value and may be hard to dispose of. International equity markets have also been experiencing heightened volatility and turmoil, with issuers that have exposure to the real estate, mortgage, private equity and credit markets particularly affected. These events and market upheavals, including extreme levels of volatility, have had and may continue to have an adverse effect on the Issuer's revenues and results of operations.

Reduced consumer confidence could have an adverse effect on the Issuer's revenues and results of operations, including through an increase of lapses or surrenders of policies and withdrawal of client deposits that the Issuer has among other things originated via internet banking.

In many cases, the markets for investments and instruments have been and remain highly illiquid, and issues relating to counterparty credit ratings and other factors have exacerbated pricing and valuation uncertainties. Valuation of such investments and instruments is a complex process involving the consideration of market transactions, pricing models, management judgment and other factors, and is also impacted by external factors such as underlying mortgage default rates, interest rates, rating agency actions and property valuations. The Issuer continues to monitor its exposures, however there can be no assurances that it will not experience further negative impacts to its shareholders' equity or profit and loss accounts in future periods.

***Competitive factors may adversely affect the Issuer's market share, which may have an adverse effect on its results of operations***

There is substantial competition in the Netherlands for the types of consumer banking and other products and services the Issuer provides. Customer loyalty and retention can be influenced by a number of factors, including relative service levels, the prices and attributes of products and services, and actions taken by competitors. If the Issuer is not able to match or compete with the products and services offered by the Issuer's competitors, it could adversely impact its ability to maintain or further increase its market share, which would adversely affect its results of operations. Competition could also increase due to new entrants in the markets that may have new operating models that are not burdened by potentially costly legacy operations. Increasing competition in these or any of its other markets may significantly impact its results if the Issuer is unable to match the products and services offered by its competitors. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms or have declared bankruptcy. These developments could result in the Issuer's competitors gaining greater access to capital and liquidity, expanding their ranges of products and services, or gaining geographic diversity.

The Issuer may experience pricing pressures as a result of these factors in the event that some of its competitors seek to increase market share by reducing prices.

***The Issuer may be unable to adopt to and apply new technologies***

New technologies are transforming the banking industry and are changing the way banking services are provided. New technologies include, but are not limited to, communication channels, robotization, artificial intelligence, data analytics and blockchain. They are also changing the way banks manage their businesses and the skills they need in their workforces. Furthermore, the new technologies are influencing customer demands. Technology makes it easier to move into new markets. This increases competition, not just among peers, but also from new competitors and disruptors. Inability to - quickly enough - adapt to and apply these

new technologies may impact the Issuer's competitive position, its ability to maintain profitability and adversely affect the Issuer's future financial condition and results of operations.

***Operational risks are inherent in the Issuer's business***

The Issuer's businesses depend on the ability to process a large number of transactions efficiently and accurately. Losses can result from inadequately trained or skilled personnel, IT failures, inadequate supervision on outsourcing partners, inadequate or failed internal control processes, modelling and systems, regulatory breaches, human errors, employee misconduct, internal or external fraud, or from external events that interrupt normal business operations.

In addition, the Issuer depends on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The equipment and software used in the Issuer's computer systems and networks may be at or near the end of their useful lives or may not be capable of processing, storing or transmitting information as expected. Certain of the Issuer's computer systems and networks may also have insufficient recovery capabilities in the event of a malfunction or loss of data. In addition, such systems and networks may be vulnerable to unauthorised access, computer viruses or other malicious code and other external attacks or internal breaches that could have a security impact and jeopardise the Issuer's confidential information or that of its clients or its counterparts. These events can potentially result in financial loss, harm to the Issuer's reputation, hinder its operational effectiveness and adversely affect its financial condition.

Cyber risk is predominantly determined by the risk of malicious outside forces using public networks to attack the Issuer's systems, but also includes inside threats, both malicious and accidental. In recent years this risk has increased sharply due to a number of developments in how information systems are used by companies such as the Issuer, but also by society in general. Threats have increased as hackers get more organised and employ more sophisticated techniques. At the same time companies increasingly unlock information systems through the internet to customers and business partners expanding the attack surface hackers can exploit. Furthermore, the nature of the Issuer's business increasingly becomes more data driven.

The Issuer also faces the risk that the design and operating effectiveness of its controls and procedures to prevent such events prove to be inadequate or are circumvented. Furthermore, widespread outbreaks of communicable diseases may impact the health of the Issuer's employees, increasing absenteeism, or may cause a significant increase in the utilisation of health benefits offered to its employees, either or both of which could adversely impact its business. Unforeseeable and/or catastrophic events can lead to an abrupt interruption of activities, and the Issuer's operations may be subject to losses resulting from such disruptions. Losses can result from destruction or impairment of property, financial assets, trading positions, the payment of insurance and pension benefits to employees and the loss of key personnel. Strategically, the Issuer runs the risk of miss-selling of its products either directly or through financial intermediaries, the risk of miss-pricing of products or the risk that strategic changes in the business model or important change projects are not started or completed in time. If the Issuer's business continuity plans are not able to be implemented or do not take such events into account, losses may increase further.

The Issuer has suffered losses from operational risk in the past and there can be no assurance that it will not suffer material losses from operational risk in the future.

***Because the Issuer does business with many counterparties, the inability of these counterparties to meet their financial obligations could have a material adverse effect on its results of operations***

Third-parties that owe the Issuer money, securities or other assets may not pay or perform under their obligations. These parties include the issuers and guarantors (including sovereigns) of securities the Issuer holds, borrowers under loans originated, customers, trading counterparties, counterparties under swaps, credit default and other derivative contracts, clearing agents, exchanges, clearing houses, securities



depositories and other financial intermediaries. Severe distress or defaults by one or more of these parties on their obligations to the Issuer due to fraud, bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure, or even rumours about potential severe distress or defaults by one or more of these parties or regarding the financial services industry generally, could lead to losses for the Issuer, and defaults by other institutions. In light of experiences with significant constraints on liquidity and high cost of funds in the interbank lending market, and given the high level of interdependence between financial institutions, the Issuer is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of sovereigns and other financial services institutions.

The Issuer routinely executes a high volume of transactions with counterparties in the financial services industry, resulting in large daily settlement amounts and significant credit and counterparty exposure. As a result, the Issuer faces concentration risk with respect to specific counterparties and customers. The Issuer is exposed to increased counterparty risk as a result of recent financial institution failures and weakness and will continue to be exposed to the risk of loss if counterparty financial institutions fail or are otherwise unable to meet their obligations. A default by, or even concerns about the creditworthiness of, one or more financial services institutions could therefore lead to further significant systemic liquidity problems, or losses or defaults by other financial institutions.

With respect to collateralised transactions, the Issuer's credit risk may be exacerbated when the collateral held by the Issuer cannot be realised, or is liquidated at prices not sufficient to recover the full amount of the relevant secured loan or secured derivative. The Issuer has credit and counterparty exposure to a number of financial institutions.

In addition, the Issuer is subject to the risk that its rights against third parties may not be enforceable in all circumstances. The deterioration or perceived deterioration in the credit quality of third parties whose securities or obligations the Issuer holds could result in losses and/or adversely affect its ability to rehypothecate or otherwise use those securities or obligations for liquidity purposes. A significant downgrade in the credit ratings of the Issuer's counterparties could also have a negative impact on its income and risk weighting, leading to increased capital requirements.

While in many cases the Issuer is permitted to require additional collateral from counterparties that experience financial difficulty, disputes may arise as to the amount of collateral it is entitled to receive and the value of pledged assets. The Issuer's credit risk may also be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure that is due to the Issuer, which is most likely to occur during periods of illiquidity and depressed asset valuations, such as those experienced during the recent financial crisis. The termination of contracts and the foreclosure on collateral may subject the Issuer to claims for the improper exercise of its rights under such contracts. Bankruptcies, downgrades and disputes with counterparties as to the valuation of collateral tend to increase in times of market stress and illiquidity.

Any of these developments or losses could materially and adversely affect the Issuer's business, financial condition, results of operations, liquidity and/or prospects.

***Market conditions may increase the risk of loans being impaired and may have impact on the level and volatility of expected credit loss provisions. The Issuer is exposed to the risk of declining property values on the collateral supporting residential and commercial real estate lending***

The Issuer is exposed to the risk that its borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. The Issuer may continue to see adverse changes in the credit quality of its borrowers and counterparties, for example as a result of their inability to refinance their indebtedness, with increasing delinquencies, defaults and insolvencies across a range of sectors. This may lead to impairment charges on loans and other assets, higher

costs and additions to loan loss provisions. A significant increase in the size of the Issuer's provision for loan losses could have a material adverse effect on its financial position and results of operations.

Economic and other factors could lead to further contraction in the residential mortgage and commercial lending market (including, without limitation, small medium enterprise lending) and to further decreases in residential and commercial property prices which could generate substantial increases in impairment losses.

Unfavorable market conditions can furthermore have an impact on the level and volatility of the IFRS 9 expected credit loss provisions. Since provisioning based on IFRS 9 is forward looking, the level of the expected credit loss not only depends on the performance of the underlying loans but also on the underlying macro-economic variables. IFRS 9 provisioning is implemented at the Issuer per 1 January 2018.

***Interest rate volatility and other interest rate changes may adversely affect the Issuer's profitability***

Changes in prevailing interest rates may negatively affect the Issuer's business, including the level of net interest revenue the Issuer earns, and the levels of deposits and the demand for loans. In a period of changing interest rates, interest expense may increase and interest credited to accountholders may change at different rates than the interest earned on assets. Accordingly, changes in interest rates could decrease net interest revenue. Changes in interest rates may negatively affect the value of the Issuer's assets and its ability to realise gains or avoid losses from the sale of those assets, all of which also ultimately affect earnings and capital, as well as the Issuer's regulatory solvency position. A sustained increase in the inflation rate in the Issuer's principal markets may also negatively affect its business, financial condition and results of operations. For example, a sustained increase in the inflation rate may result in an increase in nominal market interest rates. A failure to accurately anticipate higher inflation and factor it into the Issuer's product pricing assumptions may result in mispricing of its products, which could materially and adversely impact its results of operations. On the other hand, recent concerns regarding negative interest rates and the low level of interest rates generally may negatively impact the Issuer's net interest income, which may have an adverse impact on its profitability.

***Changes in Dutch tax law may impact the Issuer's financial position***

The Dutch government aims to introduce a 'thin capitalization rule' for banks and insurers as of 2020. On 18 March 2019, the Dutch government published a consultation paper regarding this thin-capitalization rule, including draft legislation for consultation purposes. The draft legislation would limit the applicability of the thin-capitalization rule to qualifying banks and insurance companies, such as the Issuer. In short, the thin-capitalization rule would apply to qualifying banks and insurance companies with an equity of less than 8% of the balance sheet total (to be determined on the basis of a set of specific provisions which refer, amongst others, to the CRR). If the thin-capitalization rule is implemented in Dutch law in accordance with this draft legislation, the thin-capitalization rule may have an adverse impact on the amount of interest the Issuer can deduct for Dutch corporate income tax purposes and thus on its financial position.

As per 1 January 2019, the Dutch corporate income tax rates will be gradually reduced. The Dutch corporate income tax rate applicable to taxable profits in excess of €200,000 will be gradually reduced from currently 25% to 22.55% in 2020 and 20.5% in 2021 and the corporate income tax rate applicable to taxable profits up to €200,000 will be gradually reduced from currently 19% to 16.5% in 2020 and 15% in 2021.

At the date of this Prospectus, the impact of this proposed tax measures on the Issuer's financial position cannot be assessed. Prospective investors are advised to seek their own professional advice in relation to the proposed tax measures in the Netherlands.

### ***Risk associated with Compensation Schemes***

In the Netherlands and other jurisdictions Compensation Schemes have been implemented from which compensation may become payable to customers of financial services firms in the event the financial service firm is unable to pay, or unlikely to pay, claims against it. In many jurisdictions these Compensation Schemes are funded, directly or indirectly, by financial services firms which operate and/or are licensed in the relevant jurisdiction. As a result of the increased number of bank failures, in particular since the fall of 2008, the Issuer expects that levies in the industry will continue to rise as a result of the Compensation Schemes. In particular, the Issuer is a participant in the Dutch Deposit Guarantee Scheme, which guarantees an amount of €100,000 per person per bank (regardless of the number of accounts held). The costs involved with making compensation payments under the Deposit Guarantee Scheme are allocated among the participating banks by DNB, based on an allocation key related to their market shares with respect to the deposits protected by the Deposit Guarantee Schemes. The ultimate costs to the industry of payments which may become due under the Compensation Schemes remain uncertain, although they may be significant and these and the associated costs to the Issuer may have a material adverse effect on its results of operations and financial condition.

On 16 April 2014, the Recast Deposit Guarantee Directive was adopted. Pursuant to the Recast Deposit Guarantee Directive, the Deposit Guarantee Scheme changes from an ex-post scheme, where the Issuer contributes after the failure of a firm, to an ex-ante scheme where the Issuer and other financial institutions will pay risk-weighted contributions into a fund to cover future drawings under the Deposit Guarantee Scheme. The fund is expected to grow to a target size of 0.8% of all deposits guaranteed under the Deposit Guarantee Scheme. The target size should be reached by 2024. The costs associated with potential future ex-ante contributions are today unknown, and will depend on the methodology used to calculate risk-weighting, but may be significant. The Recast Deposit Guarantee Directive was implemented in the Netherlands on 26 November 2015.

### ***The Issuer may be unable to manage its risks successfully through derivatives***

The Issuer employs various economic hedging strategies with the objective of mitigating the market risks that are inherent in its business and operations. These risks include currency fluctuations, changes in the fair value of its investments, the impact of interest rates, equity markets, credit spread changes and the occurrence of credit defaults. The Issuer seeks to control these risks by, among other things, entering into a number of derivative instruments, such as swaps, options, futures and forward contracts including from time to time macro hedges for parts of its business, either directly as a counterparty or as a credit support provider to affiliate counterparties.

Developing an effective strategy for dealing with these risks is complex, and no strategy can completely insulate the Issuer from risks associated with those fluctuations. The Issuer's hedging strategies also rely on assumptions and projections regarding its assets, liabilities, general market factors and the creditworthiness of its counterparties that may prove to be incorrect or prove to be inadequate. Accordingly, the Issuer's hedging activities may not have the desired beneficial impact on its results of operations or financial condition. Poorly designed strategies or improperly executed transactions could actually increase its risks and losses. Hedging instruments used by the Issuer to manage product and other risks might not perform as intended or expected, which could result in higher (un)realised losses such as credit value adjustment risks or unexpected profit and loss effects, and unanticipated cash needs to collateralise or settle such transactions. Adverse market conditions can limit the availability and increase the costs of hedging instruments, and such costs may not be recovered in the pricing of the underlying products being hedged. In addition, hedging counterparties may fail to perform their obligations resulting in unhedged exposures and losses on positions that are not collateralised. As such, the Issuer's hedging strategies involve transaction costs and other costs, and if the Issuer terminates a hedging arrangement, it may also be required to pay additional costs, such as transaction fees or breakage costs. It is possible that there will be periods in the future, during which the Issuer has incurred or may incur losses on transactions, perhaps significant, after taking into account the

Issuer's hedging strategies. Further, the nature and timing of the Issuer's hedging transactions could actually increase its risk and losses. In addition, hedging strategies involve transaction costs and other costs. The Issuer's hedging strategies and the derivatives that the Issuer uses and may use may not adequately mitigate or offset the targeted risks, and its hedging transactions may result in losses.

The Issuer's hedging strategy additionally relies on the assumption that hedging counterparties remain able and willing to provide the hedges required by its strategy. Increased regulation, market shocks, worsening market conditions (whether due to the ongoing Euro crisis or otherwise) and/or other factors that affect or are perceived to affect the financial condition, liquidity and creditworthiness of the Issuer may reduce the ability and/or willingness of such counterparties to engage in hedging contracts with it and/or other parties, affecting the Issuer's overall ability to hedge its risks and adversely affecting its business, financial condition, results of operations, liquidity and/or prospects.

The Issuer uses London Clearing House (LCH) as central counterparty to clear a part of its derivatives transactions. In December 2018, the European Commission declared the system of supervision in the United Kingdom to be equivalent to that of the European Union for 12 months following Brexit. If following this period LCH has not been granted recognition as a third country central counterparty by the European Securities Market Authority (ESMA), new and existing derivatives cleared through LCH and executed by EU27 entities, may not comply with EMIR regulations. If this situation materializes then it is possible that existing trades will have to be terminated and replaced by new trades to be cleared by an authorized clearing house located in the EU27. This could lead to additional costs and may impair the effectiveness of the Issuer's hedging programs.

#### ***The Issuer may be unable to retain key personnel to the business***

As a financial services enterprise with a decentralised management structure, the Issuer relies to a considerable extent on the quality of local management in the various countries in which the Issuer operates. The success of the Issuer's operations is dependent, among other things, on the Issuer's ability to attract and retain highly qualified professional personnel. The Issuer's ability to attract and retain key personnel 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 responses of the European Commission and governments throughout Europe to the financial crisis in 2008, there have been and will be various laws and regulations, including those set out in CRD IV, the Guidelines on Remuneration Policies and Practices published by (the predecessor of) the EBA and the Regulation of DNB on Sound Remuneration Policies 2017 (*Regeling beheerst beloningsbeleid Wft 2017*, which supersedes the regulation of 2014), the Act prohibiting the payment of variable remuneration to board members and day-to-day policy makers of financial institutions that receive state aid (*Wet bonusverbod staatsgesteunde ondernemingen*) and the Dutch Act on remuneration policy for financial enterprises (*Wet Beloningsbeleid financiële ondernemingen*), including a 20% bonus cap, to ensure that financial institutions' remuneration policies and practices are consistent with and promote for the employees of such financial enterprises sound and effective risk management, and that impose restrictions on the remuneration of personnel, with a focus on risk alignment of performance-related remuneration. These restrictions have had and will have an impact on the Issuer's existing remuneration policies and individual remuneration packages of personnel.

These restrictions, alone or in combination with the other factors described above, could adversely affect the Issuer's ability to retain or attract qualified employees.

#### ***The Issuer's risk management policies and guidelines may prove inadequate for the risks it faces***

The Issuer has developed risk management policies and procedures and the Issuer expects to continue to do so in the future. Nonetheless, the Issuer's policies and procedures to identify, monitor and manage risks may

not be fully effective, particularly during extremely turbulent times. The methods the Issuer uses to manage, estimate and measure risk are partly based on historic market behaviour. The methods may, therefore, prove to be inadequate for predicting future risk exposure, which may be significantly greater than what is suggested by historic experience. For instance, these methods may not predict the losses seen in the stressed conditions in recent periods, and may also not adequately allow prediction of circumstances arising due to the government interventions, stimulus and/or austerity packages, which increase the difficulty of evaluating risks. In order to mitigate these risks, the Issuer engages in stress testing and scenario analysis. However, these procedures will never be able to cover all potential future outcomes. Other methods for risk management are based on evaluation of information regarding markets, customers or other information that is publicly known or otherwise available to the Issuer. Such information may not always be correct, updated or correctly evaluated.

***Because the Issuer is continuously developing new financial products and entering into financial transactions, it might be faced with legal claims, advocate groups and negative publicity that could have an adverse effect on its operations and net result if clients' expectations are not met***

The Issuer develops financial products whereby it takes into account the internal product approval requirements, compliance procedures and the applicable laws and regulations. When new financial products are brought to the market, communication and marketing aims to present a balanced view of the product (however there is a focus on potential advantages for the customers). If the Issuer enters into financial transactions and such products or transactions do not generate the expected profit for the Issuer's clients, or result in a loss, or otherwise do not meet expectations, customers may file mis-selling claims against the Issuer. Mis-selling claims are claims from customers who allege that they have received misleading advice or other information from either the Issuer internal or external advisors (even though the Issuer does not always have full control over the external advisors). Complaints may also arise if customers feel that they have not been treated reasonably or fairly, or that the duty of care has not been complied with (see risk factor “*The Issuer's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such business, other well-known companies or the financial services industry in general*”). While a considerable amount of time and money has been invested in reviewing and assessing historic sales “and know your customer” practices, and in the maintenance of risk management, legal and compliance procedures to monitor current sales practices, there can be no assurance that all of the issues associated with current and historic sales practices have been or will be identified, nor that any issues already identified will not be more widespread than presently estimated. The negative publicity associated with any sales practices, any compensation payable in respect of any such issues and/or regulatory changes resulting from such issues could have a material adverse effect on the Issuer's reputation, operations and net result.

Customer protection regulations as well as changes in interpretation and perception by both the public at large and governmental authorities of acceptable market practices might influence client expectations.

***Ratings are important to the Issuer's business for a number of reasons. Downgrades could have an adverse impact on its operations and net results***

Credit ratings represent the opinions of rating agencies regarding an entity's ability to repay its indebtedness. The Issuer's credit ratings are important to its ability to raise capital through the issuance of debt instruments and to the cost of such financing. In the event of a downgrade the cost of issuing debt instruments will increase, having an adverse effect on net results. Certain institutional investors may also be obliged to withdraw their deposits or investments in such debt instruments from the Issuer following a downgrade, which could have an adverse effect on its liquidity. The Issuer has credit ratings from S&P and Fitch. Each of the rating agencies reviews its ratings and rating methodologies on a recurring basis and may decide on a downgrade at any time. In addition, other rating agencies may seek to rate the Issuer or the Notes on an unsolicited basis and if such unsolicited ratings are lower than comparable ratings granted by S&P and Fitch, such unsolicited ratings could have a material adverse effect on the Issuer's results of operations, financial

condition and liquidity and may negatively affect the market value of the Notes. The decision to withdraw a rating or continue with an unsolicited rating remains with the relevant rating agency.

Furthermore, the Issuer's assets are risk weighted. Downgrades of these assets could result in a higher risk weighting which may result in higher capital requirements. This may impact net earnings and the return on capital, and may have an adverse impact on the Issuer's competitive position.

As rating agencies continue to evaluate the financial services industry, it is possible that rating agencies will heighten the level of scrutiny that they apply to financial institutions, increase the frequency and scope of their credit reviews, request additional information from the companies that they rate and potentially adjust upward the capital and other requirements employed in the rating agency models for maintenance of certain ratings levels. It is possible that the outcome of any such review of the Issuer would have additional adverse ratings consequences, which could have a material adverse effect on the Issuer's results of operations, financial condition and liquidity. The Issuer may need to take actions in response to changing standards set by any of the rating agencies which could cause its business and operations to suffer. The Issuer cannot predict what additional or unsolicited actions rating agencies may take, or what actions the Issuer may take in response to the actions of rating agencies. A downgrade of the Issuer could result in a downgrade of the Notes.

***The Issuer's business may be negatively affected by a sustained increase in inflation***

A sustained increase in the inflation rate in the Issuer's principal markets would have multiple impacts on the Issuer and may negatively affect its business, solvency position and results of operations. For example, a sustained increase in the inflation rate may result in an increase in market interest rates which may:

- 1) decrease the estimated fair value of certain fixed income securities the Issuer holds in its investment portfolios resulting in:
  - reduced levels of unrealised capital gains available to it which could negatively impact its solvency position and net income; and/or
  - a decrease of collateral values; and/or
- 2) require the Issuer, as an issuer of securities, to pay higher interest rates on debt securities it issues in the financial markets from time to time to finance its operations which would increase its interest expenses and reduce its results of operations.

A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. A sustained decline in equity markets may:

- 1) result in impairment charges to equity securities that the Issuer may hold in any investment portfolios and reduced levels of unrealised capital gains available to it which would reduce its net income and negatively impact its solvency position; and/or
- 2) negatively impact the ability of the Issuer's asset management activities to retain and attract assets under management, as well as the value of assets they do manage, which may negatively impact their results of operations.

***The Issuer's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such business, other well-known companies or the financial services industry in general***

The Issuer is involved in litigation on account of its normal business operations. The litigation involves (collective) claims for compensation and the cancellation or nullification of contracts. This concerns the *Sprintplan* product, a variation on securities leasing products with the loan principal guaranteed on maturity

by means of a built-in guarantee. The Issuer has sold approximately 100,000 *Sprintplan* products between 1997 and 2002 which have since expired. In a few cases, the courts have decided against the Issuer, ordering the Issuer to pay damages or refund interest payments to participants.

On 7 April 2015 the Amsterdam Court of Appeal dismissed the class action brought by the association *Vereniging Consument en Geldzaken* (“VCG”). It concerned a long running dispute regarding *Sprintplan* products. Allegations included claims that loans extended to customers were not fully invested and that the Issuer is liable for investment advice that was provided by intermediaries that did not have a proper license for providing investment advice. On 29 January 2016, the Dutch Supreme Court also denied the appeal brought by VCG. Accordingly, these proceedings have come to an end. VCG has started revision proceedings (*herzieningsprocedure*) before the Amsterdam Court of Appeal, whereby it has (among others) requested a revision of the decision of 7 April 2015 of such court. VCG argues that the Issuer has misled the courts by not disclosing sufficiently clear how it invested the clients' funds. The Amsterdam Court of Appeals has dismissed the claims of VCG in its decision of 16 October 2018.

There was a similar class action claim relating to the *Sprintplan* product from the foundation *Stichting GeSp* (*Centraal punt voor Gedupeerden van Sprintplan (Spaarbeleg)*), which was earlier dismissed by the Dutch Supreme Court on 5 June 2009. *Stichting GeSp* has sought revision of this earlier decision by the Dutch Supreme Court, based on grounds that are in line with the VCG claim. On 1 March 2016, the Amsterdam Court of Appeal has denied the requested revision of *Stichting GeSp*, leaving the Supreme Court ruling of 2009 intact. *Stichting GeSp* has not appealed against this decision with the Supreme Court and, consequently, the decision of the Amsterdam Court of Appeal has become final.

On 2 September 2016, the Supreme Court materially upheld the intermediary ruling of the Court of Appeals of Den Bosch in legal proceedings relating to the securities leasing products of one of the Issuer's competitors. The Court of Appeals of Den Bosch has previously held that an offeror of securities leasing products can be held liable if the client proves that his intermediary provided investment advice and that the offeror knew or should have known that the intermediary provided investment advice while such intermediary did not have a proper license for providing investment advice. Also, the Court of Appeals decided that a higher compensation might be payable in those circumstances, regardless of the financial position of the customer at the time of entering into the securities leasing contract. Although the last securities leasing products were sold more than a decade ago, and the ruling is related to a specific case, it cannot be excluded that this ruling might have a material adverse effect on other providers of securities leasing products, such as the Issuer.

On 7 July 2016, a new class action was initiated by the foundation *Platform Aandelenlease* (“PAL”) against the Issuer in relation to the *Sprintplan* product. The proceedings are instituted before the District Court of The Hague. PAL makes similar allegations regarding the investments of the clients' funds as previously made by VCG and GeSp. PAL also arguably includes allegations similar to the afore-mentioned case regarding investment advice by intermediaries. Finally, PAL argues that the Issuer has not sufficiently informed its clients about the structure of the *Sprintplan* product. In its judgment of 18 October 2017, the District Court in The Hague declared the claims of PAL inadmissible. In summary, PAL has not provided sufficient arguments that could lead to the conclusion that a collective action would be more efficient and effective legal protection than individual litigation. Also, PAL has insufficiently substantiated the fact that they actually represent a group of participants. PAL has appealed against this decision. The appeal proceedings are currently pending at the The Hague Court of Appeals.

In addition, the Issuer is involved in claims for compensation and the cancellation or nullification of contracts concerning the *Vliegwiél* product, a variation on securities leasing products (without a built-in guarantee) of which a total of 63,000 contracts have been offered by Aegon Financiële Diensten (a legal entity which has merged with the Issuer in 2016) in the period between 1997 and 2002. All of the *Vliegwiél* contracts have been expired. Currently, proceedings are pending before the Dutch courts and the Complaint Institute for Financial Services (*Klachteninstituut Financiële Dienstverlening*) regarding the *Vliegwiél*

product, with a few hundred cases having been initiated by Leaseproces B.V., a company that represents approximately 3,200 claimants.

The above factors may have an adverse effect on the Issuer's financial condition and/or results of operations. Although the Issuer is of the opinion that the current arrangements for claims are sufficient and that appropriate legal efforts have been made to deal with the claims filed, there can be no assurance that proceedings relating to the *Sprintplan* product and the *Vliegwiél* product will be dealt with in accordance with the Issuer's expectations or that pending or future proceedings will not lead to unforeseen obligations.

Adverse publicity, regulatory actions or litigation with respect to the business of the Issuer, other well-known companies or the financial services industry in general, such as the litigation and regulatory action described above, may negatively affect the business of the Issuer.

***The Issuer is subject to changes in financial reporting standards or policies which could materially adversely affect the Issuer's reported results of operations and financial condition***

The Issuer's consolidated financial statements are prepared in accordance with IFRS as adopted in the EU, which is periodically revised or expanded. Accordingly, from time to time the Issuer is required to adopt new or revised accounting standards issued by recognised bodies, including the International Accounting Standards Board (IASB). It is possible that future accounting standards which the Issuer is required to adopt, or as a result of choices made by the Issuer, could change the current accounting treatment that applies to its consolidated financial statements and that such changes could have a material adverse effect on the Issuer's reported results of operations and financial condition and may have a corresponding impact on capital ratios.

***The Issuer is exposed to the risk of ineffective systems and processes, and interruption, failure or breach thereof***

The Issuer relies heavily on its operational processes, and communication and information systems in particular to conduct its business. Even with the back-up recovery systems and contingency plans that are in place, the Issuer cannot ensure that interruptions, failures or breaches in security of these processes and systems will not occur or, if they do occur, that they will be adequately addressed. Any such interruptions, failures or breaches, even for a limited period of time, could result in, for example:

- interruptions in the services offered or information provided to customers, or inability to serve customers' needs in a timely fashion;
- interruptions or errors in the Issuer's management information and/or information reported to supervisory authorities;
- the Issuer being unable to report accurate information in a timely manner and thus being in violation of applicable regulations;
- inability to identify in time or at all, inadequate, fraudulent, negligent and/or unauthorised dealings by the Issuer's employees or third parties, or telecommunication connection failures or hacking of the Issuer's website portal; and
- considerable costs in terms of, for example, information retrieval and verification.

The Issuer's business operations are also vulnerable to interruption from fire, flood, bomb threats, explosions or other forms of terrorist activity and natural and man-made disasters. The same may apply for third parties on which the Issuer depends. Furthermore, the Issuer cannot assure that interruptions, failures or breaches of the Issuer's communication and information systems as a result of external fraud will not occur or, if they do occur, that they will be adequately addressed.

As the Issuer continues to focus on reducing expenses necessary to support its business, a key part of its operating strategy has been to outsource certain services that are important to its business. The Issuer outsources certain information technology and finance services, investment management services and



administration operations to third-party providers and may do so increasingly in the future. If the Issuer fails to maintain an effective outsourcing strategy or if third-party providers do not provide the outsourced services as required or anticipated by the Issuer or if the third-party providers do not comply with the relevant outsourcing contract or with applicable laws and regulations or suffer a cyber-attack or other security breach, the Issuer may not achieve the productivity improvements or cost efficiencies, nor find an alternate provider on the same terms and conditions. Instead, the Issuer may experience financial loss, reputational harm, operational difficulties, increased costs, a loss of business and other negative consequences, all of which could have a material adverse effect on the Issuer's results of operations. In addition, the Issuer's reliance on third-party providers does not relieve the Issuer of its responsibilities and requirements. Any failure or negligence by such third-party providers in carrying out their contractual duties may eventually result in the Issuer being subjected to liability and litigation. Any litigation relating to such matters could be costly, expensive and time-consuming, whilst the outcome of such litigation is uncertain. Moreover, any publicity arising from such litigation, could adversely affect the Issuer's reputation and distribution of its products. As a result, the Issuer's ability to conduct its business might be adversely affected.

***The Issuer's business is primarily concentrated in the Netherlands***

The Issuer generates most of its income in the Netherlands and therefore is particularly exposed to the economic, political and social conditions in the Netherlands. Any deterioration or a difficult economic environment in the Netherlands could negatively affect the demand for the Issuer's products and services. Any changes in the political environment or the tax regime in the Netherlands could also negatively affect the business of the Issuer, particularly those which affect the mortgage market.

***The Issuer's network of intermediaries is an important distribution channel and the Issuer may be unable to maintain a competitive distribution network***

The Issuer uses a variety of distribution channels in the Netherlands for the marketing and offering of its products and services, including the Internet, call centres, intermediaries and partnerships (special distribution).

Part of the distribution of the Issuer originates from distribution of its products and services by intermediaries who may also offer competitors' products and services. As a result, the success of the Issuer through this distribution channel depends on the preferences of these intermediaries for the products and services of the Issuer. Intermediaries' preferences are mainly determined by product quality, the services offered to customers and the support services. As of 1 January 2014, due to adopted legislative proposals, the level of compensation has ceased to be a feature for the preferences of intermediaries.

In seeking to attract and retain productive intermediaries, the Issuer competes with other financial institutions primarily on the basis of its support services, product features and financial position. The Issuer may not continue to succeed in attracting and retaining new (productive) intermediaries or maintaining the current quality and/or quantity of its distribution network.

Negative publicity about these intermediaries, whether or not founded, could also harm the Issuer's reputation.

***The Issuer forms part of a group***

The Issuer forms part of the Aegon group and its operations are interdependent on and may be affected by developments concerning Aegon N.V. and the Aegon group. See for a description of the Issuer and Aegon N.V. sections “*Description of Aegon Bank N.V.*” and “*Description of Aegon N.V.*”, respectively.

***The possible abandonment of the euro currency by one or more members of the European Monetary Union may affect the Issuer's financial condition and results of operations in the future***

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

***The United Kingdom leaving the European Union (Brexit), potentially followed by more countries, may affect the Issuer's results of operations, cash flows or financial condition***

On 23 June 2016, the United Kingdom voted in a national referendum to withdraw from the European Union. With continuing uncertainty on if and in what form a "Brexit-deal" will be reached and approved, the implications of 'Brexit' remain unclear with respect to the European integration process, the relationship between the UK and the European Union, and the impact on economies and businesses. For this purpose, the Issuer has assessed the risks and possible contingency measures specifically related to a hard Brexit (no-deal) scenario. Despite these efforts, the Issuer could be adversely impacted by unexpected developments and market developments such as increased exchange rate movements of the UK pound versus the euro and higher financial market volatility in general due to increased uncertainty, any of which could reduce the value or results of the Issuer's operations. The Issuer could also be adversely impacted should 'Brexit' result in the UK moving away from agreed and implemented EU legislation. Finally, the position of clearing houses located in the United Kingdom may change. See the risk factor "*The Issuer may be unable to manage its risks successfully through derivatives*".

***A breach of data privacy and security obligations may disrupt the Issuer's business, damage the Issuer's reputation and adversely affect financial conditions and results of operations***

The Issuer is subject to laws and regulations protecting the privacy and security of personal information. The Issuer is also subject to contractual restrictions with respect to the information of its clients and business partners. The Issuer, and numerous of its systems, employees and business partners have access to, and routinely process, the personal information of consumers. The Issuer relies on various processes and controls to protect the confidentiality of personal information and other confidential information that is accessible to, or in the possession of, the Issuer, its systems, employees and business partners. It is possible that an employee, business partner or system of the Issuer could, intentionally or unintentionally, inappropriately disclose or misuse personal or confidential information. The Issuer's data or data in its possession could also be the subject of a cybersecurity attack. If the Issuer fails to maintain adequate controls or if the Issuer or its business partners fail to comply with policies and procedures, misappropriation or intentional or unintentional inappropriate disclosure or misuse of personal information or other confidential information could occur. Such control inadequacies or non-compliance could materially damage the Issuer's reputation or lead to civil or criminal penalties, which in turn could have a material adverse effect on the Issuer's business, financial condition and results of operations. In addition, the Issuer analyses personal information and customer data to better manage its business, subject to applicable laws and regulations and other restrictions. It is possible that additional regulatory or other restrictions regarding the use of such techniques may be imposed. Additional privacy and security obligations may also be imposed. Such limitations could have material impacts on the Issuer's business, financial conditions and/or results of operations.

## Risks related to the structure of the Notes

### *The Notes are subject to optional redemption by the Issuer*

The Notes are subject to redemption at the option of the Issuer pursuant to the Issuer's option under Condition 5(b) (*Redemption for Taxation Reasons*) and Condition 5(c) (*Redemption, substitution and variation of the Notes due to MREL Disqualification Event*) of the Terms and Conditions of the Notes. See also the risk factors “*The Notes are a new class of securities, rank junior to most of the Issuer's liabilities (other than subordinated liabilities) in bankruptcy and in bail-in and have limited rights to accelerate*” below. The optional redemption features of the Notes are likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### *The Notes are a new class of securities, rank junior to most of the Issuer's liabilities (other than subordinated liabilities) in bankruptcy and in bail-in and have limited rights to accelerate*

As set out above under “*Minimum regulatory capital and liquidity requirements*”, the Dutch Bankruptcy Code (*Faillissementswet*) has been amended to introduce the senior 'non-preferred' debt, which qualify as obligations of the Issuer within the meaning of Article 108(2) BRRD, as amended pursuant to Directive (EU) 2017/2399 as regards the ranking of unsecured debt instruments in insolvency hierarchy (the “**Article 108 Amending Directive**”). As further set out in Condition 2 (*Status and Ranking of the Notes*) of the Terms and Conditions of the Notes, the Issuer intends that claims in respect of any present and future unsubordinated and unsecured obligations of the Issuer which do not qualify as Statutory Senior Non-Preferred Obligations (“**Senior Preferred Obligations**”) of the Issuer will constitute part of the class of 'ordinary unsecured claims' referred to in the Article 108 Amending Directive, whilst the Notes will constitute part of the new, lower-ranking senior 'non-preferred' unsecured class (but will rank ahead of any subordinated obligations of the Issuer, described as Junior Obligations in the Terms and Conditions of the Notes).

Whilst the Notes and any Senior Preferred Obligations both share the 'senior' designation, in a bankruptcy of the Issuer the Notes will rank junior to any Senior Preferred Obligations (which, in turn, rank junior to obligations of the Issuer which are by law given priority over any Senior Preferred Obligations). Accordingly, prospective investors in the Notes should note that, in the event of the Issuer's bankruptcy (*faillissement*), the Issuer would generally expect investors in the Notes to lose their entire investment before losses are imposed on holders of any Senior Preferred Obligations. Further, investors in the Notes will not be entitled to exercise any rights of set-off or netting against the Issuer in respect of the Notes at any time.

Noteholders will only have limited rights to accelerate repayment of the principal amount of the Notes. See Condition 7 (*Events of Default*) of the Terms and Conditions of the Notes, which limits the events of default to (i) the Issuer being declared bankrupt and (ii) an order being made or an effective resolution being passed for the winding-up or liquidation of the Issuer (unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Notes). Accordingly, if the Issuer fails to meet any interest payment or other obligation under the Notes, such failure will not give the Noteholders any right to accelerate repayment of the principal amount of the Notes.

Furthermore, the Terms and Conditions of the Notes do not restrict the amount of liabilities and securities which the Issuer may incur or issue and which rank in priority of payments with the Notes. Also the Issuer is not restricted in issuing further Senior Non-Preferred Obligations ranking *pari passu* with the Notes. The issue of any such securities may reduce the amount recoverable by Noteholders in a bankruptcy or liquidation of the Issuer. Accordingly, in the winding-up or liquidation of the Issuer and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy (all of) the amounts owing to the Noteholders.

In addition, the rights of Noteholders are limited in certain respects. In particular, (i) redemption of the Notes pursuant to Conditions 5(b) (*Redemption for Taxation Reasons*) and 5(c) (*Redemption, substitution and variation of the Notes due to MREL Disqualification Event*) of the Terms and Conditions of the Notes is subject to (x) the Issuer obtaining the prior written permission of the Resolution Authority provided that, at the relevant time, such permission is required to be given under the Applicable MREL Regulations and (y) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Resolution Authority or the Applicable MREL Regulations at such time and (ii) the Issuer may be required to obtain the prior written consent of the Resolution Authority before effecting any repayment of the Notes following an Event of Default. See Conditions 5 (*Redemption and Purchase*) and 7 (*Events of Default*) of the Terms and Conditions of the Notes for further details.

The Notes and any other Statutory Senior Non-Preferred Obligations (*niet-preferente niet-achtergestelde schuld*) of the Issuer are designed to contribute towards the Issuer's MREL Eligible Liabilities for the purposes of its MREL Requirement. See also the risk factors "*Minimum regulatory capital and liquidity requirements*" and "*The BRRD, SRM Regulation, Wft and Whav*" above. Any resolution action taken in respect of the Issuer would generally be expected to respect the relative ranking of its obligations as described above, with losses imposed on lower-ranking obligations before losses are imposed on higher ranking obligations. Accordingly, if the MREL calibration is accurate, it may be the case that, in a resolution, investors in the Notes may lose all or substantially all of their investment whilst investors in any Senior Preferred Obligations suffer lower (or no) losses (although there can be no assurance that investors in any Senior Preferred Obligations will not also suffer substantial losses). The market value of the Notes may therefore be more severely adversely affected and/or more volatile if the Issuer's financial condition deteriorates than the market value of any Senior Preferred Obligations of the Issuer. Accordingly, although Notes may pay a higher rate of interest than any Senior Preferred Obligations, holders of the Notes may bear significantly more risk than holders of any Senior Preferred Obligations of the Issuer (notwithstanding that both share the 'senior' designation). Investors should ensure they understand the relative ranking of the Notes – including as between any Senior Preferred Obligations, the Notes and any current or future subordinated obligations of the Issuer – and the risks consequent thereon, before investing in any Notes. See also the risk factors "*The BRRD, SRM Regulation, Wft and Whav*" above and "*Banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt)*" below.

***Banking legislation dealing with ailing banks give regulators resolution powers (including powers to write down debt)***

Pursuant to the Wft, far-reaching intervention powers were granted to the Dutch Minister of Finance enabling the Dutch Minister of Finance to deal with, *inter alia*, ailing Dutch banks prior to insolvency (as described under the risk factor "*The BRRD, SRM Regulation, Wft and Whav*" above). These powers (including the expropriation of liabilities of, or claims against, a bank), if exercised with respect to the Issuer, may impact the Notes and will, subject to certain exceptions, lead to counterparties of the Issuer (including Noteholders) not being entitled to invoke events of default or set off their claims and risking to lose all or a substantial part of their investment in the Notes.

In addition, the tools currently in the BRRD, SRM Regulation, Wft and Whav (see the risk factor "*The BRRD, SRM Regulation, Wft and Whav*" above) provide the Resolution Authority the power to ensure that capital instruments (such as Tier 2 capital instruments) and certain liabilities (such as Senior Preferred

Obligations and the Notes) absorb losses when the Issuer meets the conditions for resolution, through the write-down or conversion to equity of such instruments (the "**Bail-In Tool**").

These powers and tools are intended to be used prior to the point at which any insolvency proceedings with respect to the Issuer could have been initiated. Although the applicable legislation provides for conditions to the exercise of any resolution powers and European Banking Authority guidelines set out the objective elements for determining whether an institution is failing or likely to fail, it is uncertain how the Resolution Authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and in deciding whether to exercise a resolution power. The relevant resolution authority is also not required to provide any advance notice to the Noteholders of its decision to exercise any resolution power. Therefore, the Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer or the Noteholders' rights under the Notes.

Any financial public support is only to be considered as a final resort as the Resolution Authority is required to first assess and exploit, to the maximum extent practicable, the use of the resolution powers mentioned above, including the Bail-In Tool.

The Resolution Authority can only exercise resolution powers, such as the Bail-In Tool, when it has determined that the Issuer meets the conditions for resolution. The point at which the Resolution Authority determines that the Issuer meets the conditions for resolution is defined as:

- (a) the Issuer is failing or likely to fail, which means (i) the Issuer has incurred/is likely to incur in the near future losses depleting all or substantially all its own funds, and/or (ii) the assets are/will be in the near future less than its liabilities, and/or (iii) the Issuer is/will be in the near future unable to pay its debts as they fall due, and/or (iv) the Issuer requires public financial support (except in limited circumstances);
- (b) there is no reasonable prospect that a private action or supervisory action would prevent the failure; and
- (c) a resolution action is necessary in the public interest.

Once a resolution procedure is initiated, the Resolution Authority may apply the Bail-In Tool. When applying the Bail-In Tool, the Resolution Authority must apply the following order of priority:

1. CET1 capital instruments;
2. Additional Tier 1 capital instruments;
3. Tier 2 capital instruments;
4. eligible liabilities in the form of subordinated debt that is not an Additional Tier 1 capital instrument or a Tier 2 capital instrument in accordance with the hierarchy of claims in normal insolvency proceedings;
5. eligible liabilities qualifying as Statutory Senior Non-Preferred Obligations (such as the Notes);
6. the balance of eligible liabilities (such as the Senior Preferred Obligations) in accordance with the hierarchy of claims in normal insolvency proceedings.

Eligible liabilities in category 6 include senior unsecured debt instruments (such as Senior Preferred Obligations) and other liabilities that are not excluded from the scope of the Bail-In Tool pursuant to the BRRD, such as non-covered deposits or financial instruments that are not secured. Instruments of the same

ranking are generally written down or converted to equity on a *pro rata* basis subject to certain exceptional circumstances set out in the BRRD.

Furthermore, the Resolution Authority could take pre-resolution actions when the Issuer reaches the point of non-viability and write-down or convert capital instruments (including Tier 2 capital instruments) into equity before the conditions for resolution are met (the "**Write-Down and Conversion Power**").

Noteholders may have only very limited rights to challenge and/or seek a suspension of any decision of the Resolution Authority to exercise its (pre-)resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise. Application of any of the measures, as described above, shall not constitute an Event of Default under the Notes and Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of the application of such measures. Accordingly, if the Bail-In Tool is applied, this may result in claims of Noteholders being written down or converted into equity. Furthermore, it is possible that pursuant to the BRRD, SRM Regulation, Wft and Whav or other resolution or recovery rules which may in the future be applicable to the Issuer, new powers may be given to the Resolution Authority or another relevant authority which could be used in such a way as to result in the Notes absorbing losses or otherwise affecting the rights and effective remedies of Noteholders in the course of any resolution of the Issuer.

The determination that all or part of the nominal amount of the Notes will be subject to the Bail-In Tool may be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Accordingly, trading behaviour in respect of Notes which are subject to the Bail-In Tool is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that the Notes will become subject to the Bail-In Tool could have an adverse effect on the market price of the relevant Notes. Potential investors should consider the risk that a Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that the Bail-In Tool is applied. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

In addition to the Bail-In Tool and the Write-Down and Conversion Power, the SRM Regulation provides the Resolution Authority with broader powers to implement other resolution measures with respect to the Issuer when it meets the conditions for resolution, which may include (without limitation) the sale of the Issuer's business, the separation of assets, the replacement or substitution of the Issuer as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments. Any exercise of such tools or perceived exercise could impact the market value of the Notes.

With a view to the developments described above, the Terms and Conditions of the Notes stipulate that the Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that without the consent of the Noteholders all or part of the nominal amount of the Notes, including accrued but unpaid interest in respect thereof, must be written down, reduced, redeemed and cancelled or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework ("**Statutory Loss Absorption**"). Upon any such determination, (i) the relevant proportion of the outstanding nominal amount of the Notes subject to Statutory Loss Absorption shall be written down, reduced, redeemed and cancelled or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) the relevant Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption.

Any written-down amount as a result of Statutory Loss Absorption shall be irrevocably lost and Noteholders will cease to have any claims for any principal amount and accrued but unpaid interest which has been subject to write-down.

The determination that all or part of the nominal amount of the Notes will be subject to Statutory Loss Absorption may be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Accordingly, trading behaviour in respect of Notes which are subject to Statutory Loss Absorption is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that Notes will become subject to Statutory Loss Absorption could have an adverse effect on the market price of the Notes. Potential investors should consider the risk that a Noteholder may lose all of its investment in the Notes, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs.

There remains uncertainty regarding the ultimate nature and scope of these powers and measures and how they would affect the Issuer and the holders of Notes. See for example the EU Banking Reforms in the risk factor "*Minimum regulatory capital and liquidity requirements*" above. Accordingly, it is not yet possible to assess the full impact of the BRRD, SRM Regulation, Wft and Whav. The Notes may however be part of the claims and debts in respect of which the Resolution Authority could use the Bail-In Tool to write-down or convert the principal of the Notes into equity. There can be no assurances that, the taking of any actions currently contemplated would not adversely affect the price or value of an investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. The Issuer cannot predict the precise effects of the Bail-In Tool and the Write-Down and Conversion Power and its use in relation to the Notes. Prospective investors in the Notes should consult their own advisors as to the consequences of the BRRD, SRM Regulation, Wft and Whav.

The BRRD, SRM Regulation, Wft and Whav could materially and adversely affect the position of certain categories of the Noteholders and the credit rating attached thereto, in particular if and when any of the above proceedings would be commenced against the Issuer. The rights and effective remedies of the holders of the Notes, as well as the market value of the Notes, may be affected by any such proceedings.

***The qualification of the Notes as MREL Eligible Liabilities is subject to uncertainty and may cause the Issuer to redeem the Notes following an MREL Disqualification Event***

The Notes are intended to be MREL Eligible Liabilities available to meet any MREL Requirement of the Issuer. However, there is uncertainty regarding the final substance of the Applicable MREL Regulations, and how those regulations, once enacted, are to be interpreted and applied and the Issuer cannot provide any assurance that the Notes will be (or thereafter remain) MREL Eligible Liabilities. See also the risk factor "*Minimum regulatory capital and liquidity requirements*" and "*The BRRD, SRM Regulation, Wft and Whav*".

If, for any reason, the Notes are or will be excluded from MREL Eligible Liabilities, the Issuer may be able to redeem the Notes if an MREL Disqualification Event has occurred.

An MREL Disqualification Event shall be deemed to have occurred in respect of the Notes if as a result of any amendment to, or change in, any Applicable MREL Regulations or any change in the application or official interpretation of any Applicable MREL Regulations, in any such case becoming effective on or after the Issue Date of the Notes, the Notes are or (in the opinion of the Issuer or the Resolution Authority) are likely to become fully or partially excluded from the Issuer's MREL Eligible Liabilities determined in accordance with, and pursuant to, the Applicable MREL Regulations; provided that an MREL Disqualification Event shall not occur where the exclusion of the Notes from the relevant minimum requirement(s) is due to (i) the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the Applicable MREL Regulations effective with respect to the Issuer on the Issue Date of the Notes or (ii) any applicable limits on the amount of MREL Eligible Liabilities permitted or allowed to meet the MREL Requirement.

If any of the Notes are to be redeemed as a result of an MREL Disqualification Event or there is a perception that the Notes may be so redeemed, this may impact the market price of the Notes. In addition, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Notes. See also the risk factor “*The Notes are subject to optional redemption by the Issuer*” above.

### ***There is variation or substitution risk in respect of the Notes***

If as a result of an MREL Disqualification Event the whole of the outstanding nominal amount of the Notes can no longer be, or is likely to become no longer, included in full as MREL Eligible Liabilities, then the Issuer may, subject to (i) the Issuer obtaining the prior written permission of the Resolution Authority provided that, at the relevant time, such permission is required to be given under the Applicable MREL Regulations and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption, substitution or variation as may be required by the Resolution Authority or the Applicable MREL Regulations at such time (but without any requirement for the permission of the Noteholders), substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or become, MREL Eligible Liabilities. However, the Issuer cannot make changes to the terms of the Notes or substitute the Notes for securities that are materially less favourable to the Noteholders. Following such variation or substitution the resulting securities must have, *inter alia*, at least the same ranking and interest rate and the same maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same (solicited) ratings as the Notes. Nonetheless, no assurance can be given as to whether any of these changes will adversely affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied or substituted Notes could be different for some categories of Noteholders from the tax and stamp duty consequences of their holding the Notes prior to such variation or substitution. See Condition 5(c) (*Redemption, substitution and variation of the Notes due to MREL Disqualification Event*) of the Terms and Conditions of the Notes for further details.

The Resolution Authority may have discretion as to whether or not it will approve any substitution or variation of the Notes. Any such substitution or variation which is considered by the Resolution Authority to be material may be treated by it as the issuance of a new instrument. Therefore, the Notes, as so substituted or varied, may need to be made eligible as MREL Eligible Liabilities in accordance with the then Applicable MREL Regulations.

### **Risks related to the Notes generally**

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Issuer and the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement to this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and the financial markets in which they participate; and



- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments, which sophisticated institutional investors generally do not purchase as stand-alone investments. These investors purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***There is no active trading market for the Notes***

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Notes to be admitted to listing and trading on Euronext Amsterdam, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. Lack of liquidity may have an adverse effect on the market value of the Notes.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

***The Notes are subject to modification, waivers and substitution***

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind Noteholders including Noteholders that did not attend and vote at the relevant meeting and Noteholders that voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Fiscal Agent may, without the consent of Noteholders, agree to (i) any modification (not being a modification requiring the approval of a meeting of Noteholders) of the Notes, the Coupons or the Agency Agreement which is not materially prejudicial to the interests of the Noteholders, (ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law of the jurisdiction in which the Issuer is incorporated, (iii) the variation or substitution of the Notes in the circumstances described in Condition 5(c) (*Redemption, substitution and variation of the Notes due to MREL Disqualification Event*) or (iv) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 12 (*Substitution of the Issuer*) of the Terms and Conditions of the Notes.

***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

The Notes will be represented by a temporary global bearer security which is exchangeable for a permanent global bearer security except in certain limited circumstances described in such global bearer securities. These global bearer securities will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Definitive bearer securities in respect of holdings of the Notes (“**Definitive Notes**”) will only be available in certain limited circumstances. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the global bearer securities. While the Notes are represented by a global bearer security, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a global bearer security must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any global bearer security.

Holders of beneficial interests in a global bearer security will not have a direct right to vote in respect of the Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

***The Notes have a minimum denomination of €100,000***

As the Notes have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such case a Holder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the minimum denomination.

***Credit rating***

The Notes have been assigned a rating of A by S&P and A- by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

***Change of law***

The conditions of the Notes are based on Dutch law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of this Prospectus.

## Overview of Key Features of the Notes

The following overview is qualified in its entirety by the remainder of this Prospectus.

<b>Issuer:</b>	Aegon Bank N.V.
<b>The Notes:</b>	€500,000,000 0.625 per cent. Senior Non-Preferred Notes due 2024
<b>Fiscal Agent and Paying Agent:</b>	Citibank, N.A., London Branch
<b>Issue Price:</b>	99.491 per cent.
<b>Issue Date:</b>	21 June 2019
<b>Maturity Date:</b>	21 June 2024

**Status of the Notes:** The Notes qualify as, and comprise part of the class of, Statutory Senior Non-Preferred Obligations and constitute unsubordinated and unsecured obligations of the Issuer and, save for those preferred by mandatory and/or overriding provisions of law, rank (i) in the event of liquidation or bankruptcy (*faillissement*) of the Issuer, *pari passu* and without any preference among themselves and with all other present and future obligations of the Issuer qualifying as Statutory Senior Non-Preferred Obligations, (ii) in the event of liquidation or bankruptcy of the Issuer, senior to any Junior Obligations and (iii) in the event of the bankruptcy of the Issuer only, junior to any present and future unsubordinated and unsecured obligations of the Issuer which do not qualify as Statutory Senior Non-Preferred Obligations.

By virtue of such ranking, payments to Noteholders will, in the event of the bankruptcy of the Issuer, only be made after all claims in respect of unsubordinated and unsecured obligations of the Issuer which do not qualify as Statutory Senior Non-Preferred Obligations have been satisfied.

No Noteholder may exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Notes.

“**Junior Obligations**” means any present and future claims in respect of obligations of the Issuer which rank or are expressed to rank, junior to claims in respect of unsubordinated and unsecured obligations of the Issuer (including Statutory Senior Non-Preferred Obligations); and

**“Statutory Senior Non-Preferred Obligations”** (*niet-preferente niet-achtergestelde schuld*) means any present and future claims in respect of unsubordinated and unsecured obligations of the Issuer which have a lower ranking within the meaning of article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing article 108 of Directive 2014/59/EU, as amended by Directive (EU) 2017/2399, in the Netherlands) than the claims in respect of all other unsubordinated and unsecured obligations of the Issuer.

**Interest:**

The Notes bear interest from and including the Issue Date at the rate of 0.625 per cent. per annum, payable annually in arrear on 21 June.

**Optional Redemption:**

The Notes may be redeemed at the option of the Issuer for tax reasons and upon the occurrence of an MREL Disqualification Event.

See “*Terms and Conditions of the Notes — Redemption and Purchase*” for more detail on the terms applicable to such redemption.

**Variation or Substitution:**

If as a result of an MREL Disqualification Event the whole of the outstanding nominal amount of the Notes can no longer be, or is likely to become no longer, included in full as MREL Eligible Liabilities, then the Issuer may, subject to the below (but without any requirement for the permission of the Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Noteholders, either substitute all, but not some only, of the Notes or vary the terms of the Notes so that they remain or, as appropriate, become MREL Eligible Liabilities within the meaning of the Applicable MREL Regulations at the relevant time, provided that such substitution or variation shall not result in terms that are materially less favourable to the Noteholders and that the resulting securities must have, *inter alia*, at least the same ranking and interest rate and the same maturity date, redemption rights, existing rights to accrued interest which has not been paid and assigned the same (solicited) ratings as the Notes.

**Conditions for Redemption or, Variation or Substitution:**

Any redemption or variation or substitution of the Notes is subject to (i) the Issuer obtaining the prior written permission of the Resolution Authority provided that, at the relevant time, such permission is required to be given under the Applicable MREL Regulations and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption, substitution or variation as may be required by the Resolution Authority or the Applicable MREL Regulations at such time.

<b>Withholding Tax and Additional Amounts:</b>	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Netherlands subject to customary exceptions, all as described in <i>“Terms and Conditions of the Notes — Taxation”</i> .
<b>Events of Default:</b>	Events of Default of the Notes are restricted to bankruptcy and (subject to exceptions) winding-up or liquidation and repayment following an Event of Default may be subject to the prior permission of the Resolution Authority.
<b>Governing Law:</b>	Dutch law.
<b>Form of Notes, Initial Delivery of Notes and Clearing Systems:</b>	The Notes will initially be represented by a Temporary Global Note, without interest coupons, which will be deposited with a common depository on behalf of the Clearstream Banking S.A. ( <b>“Clearstream Luxembourg”</b> ) and Euroclear Bank SA/NV ( <b>“Euroclear”</b> ) systems on or about 21 June 2019. The Temporary Global Note will be exchangeable for interests in a Permanent Global Note, without interest coupons, on or after a date which is expected to be 31 July 2019, upon certification as to non-U.S. beneficial ownership. The Permanent Global Note will be exchangeable for definitive Notes in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof in the limited circumstances set out in it. No definitive Notes will be issued with a denomination above €199,000. Also see <i>“Summary of Provisions relating to the Notes while in Global Form”</i> .
<b>Denominations:</b>	€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. Also see <i>“Form of Notes, Initial Delivery of Notes and Clearing Systems”</i> above.
<b>Ratings:</b>	The Notes have been rated A by S&P and A- by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
<b>Listing and Admission to Trading:</b>	Application has been made to list the Notes on Euronext Amsterdam.
<b>Selling Restrictions:</b>	The United States, the United Kingdom and the EEA, see <i>“Subscription and Sale”</i> .
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. These include various risks relating to the Issuer's business. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes. These include the fact that the Notes may not be a suitable

investment for all investors and certain market risks, see “*Risk Factors*”.

**Use of Proceeds:**

The net proceeds of the issue of the Notes will be applied by the Issuer for its general corporate purposes.

**ISIN:**

XS2008921947.

**Common Code:**

200892194.

## Documents Incorporated by Reference

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been approved by the AFM or filed with it, shall be deemed to be incorporated in, and to form part of, this Prospectus:

1. an English translation of the Articles of Association (*statuten*) of the Issuer;
2. paragraph 2 (Financial information) on pages 12 and 13 of the annual report for the year ended 31 December 2018 of the Issuer as filed with the Chamber of Commerce and Industries for Haaglanden, The Hague, the Netherlands;
3. the English language publicly available audited consolidated financial statements as of and for the financial year ended 31 December 2017 and 31 December 2018 of the Issuer (including the respective auditors' reports); and
4. (i) the annual report for the year ended 31 December 2018 of Aegon N.V. as filed with the Chamber of Commerce and Industries for Haaglanden, The Hague, the Netherlands. The audited financial statements of Aegon N.V. for the year ended 31 December 2018 form part of this annual report;  
  
(ii) Relevant press and news releases subsequent to 31 December 2018:
  - Aegon to grow capital generation and dividends
  - Aegon prices EUR 500 million Restricted Tier 1 securities
  - Aegon calls USD 500 million in perpetual capital securities
  - Aegon to divest stake in partnership with Sony Life in Japan

All documents incorporated by reference in this Prospectus can be found on the website of the Issuer: <https://www.aegon.com>.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are deemed to be incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at its office set out at the end of this Prospectus.

## Terms and Conditions of the Notes

*The following is the text of the Terms and Conditions of the Notes which (subject to completion and amendment) will be endorsed on each Note in definitive form:*

The €500,000,000 0.625 per cent. Senior Non-Preferred Notes due 2024 (the “**Notes**”, which expression includes any further Notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series therewith) of Aegon Bank N.V. (the “**Issuer**”) are the subject of an issue and paying agency agreement dated 21 June 2019 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, Citibank, N.A., London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and any other paying agent named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional Paying Agents appointed from time to time in connection with the Notes). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the specified offices (as indicated in the Agency Agreement) of the Fiscal Agent and of the other Paying Agents, the initial specified office of the Fiscal Agent being Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB United Kingdom.

### 1. FORM, DENOMINATION AND TITLE

#### (a) *Form and Denomination*

The Notes are serially numbered and in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to (and including) €199,000, each with Coupons attached at the time of issue. No definitive Notes will be issued with a denomination above €199,000. Notes of one denomination may not be exchanged for Notes of any other denomination.

#### (b) *Transfer and Title*

Title to the Notes and Coupons will pass by delivery (*levering*). The holder of any Note or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon, or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

### 2. STATUS AND RANKING OF THE NOTES

#### (a) *Status and ranking*

The Notes qualify as, and comprise part of the class of, Statutory Senior Non-Preferred Obligations and constitute unsubordinated and unsecured obligations of the Issuer and, save for those preferred by mandatory and/or overriding provisions of law, rank (i) in the event of liquidation or bankruptcy (*faillissement*) of the Issuer, *pari passu* and without any preference among themselves and with all other present and future obligations of the Issuer qualifying as Statutory Senior Non-Preferred Obligations, (ii) in the event of liquidation or bankruptcy of the Issuer, senior to any Junior Obligations and (iii) in the event of the bankruptcy of the Issuer only, junior to any present and future unsubordinated and unsecured obligations of the Issuer which do not qualify as Statutory Senior Non-Preferred Obligations.



By virtue of such ranking, payments to Noteholders will, in the event of the bankruptcy of the Issuer, only be made after all claims in respect of unsubordinated and unsecured obligations of the Issuer which do not qualify as Statutory Senior Non-Preferred Obligations have been satisfied.

(b) *No set-off*

No Noteholder may exercise or claim any right of set-off or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Notes.

### 3. **INTEREST**

(a) *Interest Rate and Interest Payment Dates*

The Notes bear interest from and including the Issue Date at the rate of 0.625 per cent. per annum, payable annually in arrear on 21 June (each an “**Interest Payment Date**”). The first payment (representing a full year's interest) and amounting to €6.25 per €1,000 principal amount of Notes shall be made on 21 June 2020.

(b) *Interest Accrual*

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

(c) *Calculation of Broken Interest*

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated by applying the rate of 0.625 per cent. per annum to each €1,000 principal amount of Notes (the “**Calculation Amount**”) and on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the “**Accrual Date**”) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date. The resultant figure shall be rounded to the nearest cent, half a cent being rounded upwards. The interest payable in respect of a Note shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

### 4. **PAYMENTS**

(a) *Principal*

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the specified office of any Paying Agent outside the United States by Euro cheque drawn on, or by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the TARGET System.

(b) *Interest*

Payments of interest shall, subject to Condition 4(d) (*Deduction for unmatured Coupons*) below, be made only against presentation and, provided that payment is made in full, surrender of the appropriate Coupons at the specified office of any Paying Agent outside the United States in the manner described in Condition 4(a) (*Principal*) above.

(c) *Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 6 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) *Deduction for unmatured Coupons*

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of five years after the Relevant Date in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 8 (*Prescription*)) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

No payments will be made in respect of void Coupons.

(e) *Payments on Business Days*

If the due date for payment of any amount in respect of any Note or Coupon is not a Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

## **5. REDEMPTION AND PURCHASE**

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as provided below or written down, reduced or converted or otherwise applied in accordance with Condition 5(f) below, the Issuer will redeem the Notes at their principal amount on the Maturity Date.

(b) *Redemption for Taxation Reasons*

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 16 (*Definitions*)), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or

amendment becomes effective after 19 June 2019, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 6 (*Taxation*); and

(b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent to make available at its specified offices to the Noteholders (i) a certificate signed by two managing directors of the Issuer stating the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

Any redemption of the Notes in accordance with this Condition 5(b) is subject to (i) the Issuer obtaining the prior written permission of the Resolution Authority provided that, at the relevant time, such permission is required to be given under the Applicable MREL Regulations and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption as may be required by the Resolution Authority or the Applicable MREL Regulations at such time.

(c) *Redemption, substitution and variation of the Notes due to MREL Disqualification Event*

If an MREL Disqualification Event has occurred, the Issuer may at its option, and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Noteholders, redeem all (but not some only) of the Notes at any time, at their principal amount together with interest accrued to the date of redemption.

If as a result of an MREL Disqualification Event the whole of the outstanding nominal amount of the Notes can no longer be, or is likely to become no longer, included in full as MREL Eligible Liabilities, then the Issuer may, subject to the below (but without any requirement for the permission of the Noteholders) and having given not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) to the Noteholders, either substitute all, but not some only, of the Notes or vary the terms of the Notes so that they remain or, as appropriate, become MREL Eligible Liabilities within the meaning of the Applicable MREL Regulations at the relevant time. Upon the expiry of the notice referred to above, the Issuer shall either vary the terms of, or substitute, the Notes in accordance with this Condition 5(c), as the case may be, provided that such substitution or variation shall not result in terms that are materially less favourable to the Noteholders.

Following such variation or substitution the resulting securities shall (1) have a ranking at least equal to that of the Notes, (2) have at least the same interest rate and the same interest payment dates as those from time to time applying to the Notes, (3) have the same Maturity Date and redemption rights as the Notes, (4) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of variation or substitution, (5) have assigned (or maintain) the same (solicited) credit ratings as were assigned to the Notes immediately prior to such variation or substitution and (6) be listed on a recognised stock exchange if the Notes were listed immediately prior to such variation or substitution.

Any redemption or substitution and variation of Notes in accordance with this Condition 5(c) is subject to (i) the Issuer obtaining the prior written permission of the Resolution Authority provided that, at the relevant time, such permission is required to be given under the Applicable MREL

Regulations and (ii) compliance with any other pre-conditions to, or requirements applicable to, such redemption, substitution or variation as may be required by the Resolution Authority or the Applicable MREL Regulations at such time.

(d) *Purchases*

The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Notes purchased by the Issuer may be held, reissued, resold or, at the option of the Issuer, be surrendered to any Paying Agent for cancellation in accordance with Condition 5(e) (*Cancellation*) below. Any Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the Noteholder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 11 (*Meetings of Noteholders and Modification*).

Any purchase of Notes in accordance with this Condition 5(d) is subject to (i) the Issuer obtaining the prior written permission of the Resolution Authority provided that, at the relevant time, such permission is required to be given under the Applicable MREL Regulations and (ii) compliance with any other pre-conditions to, or requirements applicable to, such purchase as may be required by the Resolution Authority or the Applicable MREL Regulations at such time.

(e) *Cancellation*

Any Notes cancelled may not be reissued or resold. The obligations of the Issuer in respect of any such Notes shall be discharged.

(f) *Statutory Loss Absorption of the Notes*

The Notes may become subject to the determination by the Resolution Authority or the Issuer (following instructions from the Resolution Authority) that without the consent of the Noteholder all or part of the principal amount of the Notes, including accrued but unpaid interest in respect thereof, must be written down, reduced, redeemed and cancelled or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, all as prescribed by the Applicable Resolution Framework (“**Statutory Loss Absorption**”). Upon any such determination, (i) the relevant proportion of the outstanding principal amount of the Notes subject to Statutory Loss Absorption shall be written down, reduced, redeemed and cancelled or converted into common equity Tier 1 instruments or otherwise be applied to absorb losses, as prescribed by the Applicable Resolution Framework, (ii) such Statutory Loss Absorption shall not constitute an Event of Default and (iii) the Noteholders will have no further claims in respect of the amount so written down or subject to conversion or otherwise as a result of such Statutory Loss Absorption.

Upon any write-down or conversion of a proportion of the outstanding principal amount of the Notes, any reference in these Conditions to principal or principal amount of the Notes shall be deemed to be to the amount resulting after such write-down or conversion.

In addition, subject to the determination by the Resolution Authority and without the consent of the Noteholders, the Notes may be subject to other resolution measures as envisaged under the Applicable Resolution Framework, such as replacement or substitution of the Issuer, transfer of the Notes, expropriation of Noteholders, modification of the terms of the Notes and/or suspension or termination of the listings of the Notes. Such determination, the implementation thereof and the rights of Noteholders shall be as prescribed by the Applicable Resolution Framework, which may include the concept that, upon such determination, no Noteholder shall be entitled to claim any indemnification or payment in respect of any tax or other consequences arising from any such event and that any such event shall not constitute an Event of Default.

The Issuer shall as soon as practicable give notice to the Noteholders in accordance with Condition 13 (*Notices*) and to the Fiscal Agent that any such Statutory Loss Absorption has occurred and of the amount adjusted downwards upon the occurrence of such Statutory Loss Absorption. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such Statutory Loss Absorption or give Noteholders any rights as a result of such failure.

## 6. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon presented for payment:

- (a) outside the Relevant Jurisdiction;
- (b) by, or by a third party on behalf of, a holder of a Note who is liable to such taxes or duties in respect of such Note or Coupon by reason of having some connection with the Relevant Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) more than thirty (30) days after the Relevant Date, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of thirty (30) days.

Payments in respect of the Notes may be subject to any FATCA Withholding. Any FATCA Withholding will be treated as paid for all purposes under the Notes, and no additional amounts will be paid by the Issuer on the Notes with respect to any FATCA Withholding.

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

## 7. EVENTS OF DEFAULT

If any of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

- (i) the Issuer is declared bankrupt; or
- (ii) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Notes,

then any Noteholder may, by written notice to the Issuer at the specified office of any Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its principal amount, together with accrued interest to the date of repayment, without presentment, demand, protest or other notice of any kind provided that repayment of Notes under this Condition 7 (*Events of Default*) will only be effected after the Issuer has obtained the prior written permission of the Resolution Authority provided that at the relevant time such permission is required to be given.

## 8. **PRESCRIPTION**

Claims for principal, and interest on redemption shall become void unless Notes or Coupons are surrendered for payment within five years of the appropriate relevant due date.

## 9. **REPLACEMENT OF NOTES AND COUPONS**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes and Coupons must be surrendered before replacements will be issued.

## 10. **PAYING AGENTS**

In acting under the Agency Agreement and in connection with the Notes, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor, fiscal agent, paying agent and additional or successor paying agents; provided, however, that the Issuer shall (a) at all times maintain a fiscal agent and (b) for so long as the Notes are listed on Euronext Amsterdam, or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a paying agent having a specified office in such location as the rules of such exchange or securities market may require.

Notice of any change in any of the Paying Agents or in their specified offices shall promptly be given to the Noteholders.

## 11. **MEETINGS OF NOTEHOLDERS AND MODIFICATION**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or any of the provisions of the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution (as defined in the Agency Agreement). Such a meeting may be convened by the Issuer and shall be convened upon the request in writing of Noteholders holding not less than ten per cent. of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a clear majority of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of payments under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a “**Reserved Matter**”)) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more persons holding or representing not less than two thirds or, at any adjourned meeting, one third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Fiscal Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated; or
- (c) in accordance with Condition 5(c) (*Redemption, substitution and variation of the Notes due to MREL Disqualification Event*), substitution of the Notes or variation of the terms of the Notes in order to ensure that such substituted or varied Notes continue to qualify as MREL Eligible Liabilities under the Applicable MREL Regulations or such other regulatory capital rules applicable to the Issuer at the relevant time.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

Any amendment to Condition 5(f) (*Statutory Loss Absorption of the Notes*) or which otherwise impacts upon the eligibility of the Notes for eligibility as MREL Eligible Liabilities is subject to the prior written permission of the Resolution Authority (provided that, at the relevant time, such permission is required to be given).

## 12. SUBSTITUTION OF THE ISSUER

- (a) The Issuer may, and the Noteholders hereby irrevocably agree in advance that the Issuer may without any further consent of the Noteholders being required, when no payment of principal or interest on any of the Notes is in default, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the “**Substituted Debtor**”) as principal debtor in respect of the Notes provided that:
  - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder to be bound by the Conditions of the Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable (the “**Guarantee**”), in favour of each Noteholder the payment of all sums payable (including any additional amounts payable pursuant to Condition 6 (*Taxation*)) in respect of the Notes;
  - (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than The Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant in terms corresponding to the provisions of Condition 6 (*Taxation*) with the substitution for the references to The Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The

Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder against all liabilities, costs, charges and expenses (provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder by any political sub-division or taxing authority of any country in which such Noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;
  - (iv) each stock exchange which has Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor the Notes would continue to be listed on such stock exchange;
  - (v) the Substituted Debtor shall have received a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Fiscal Agent;
  - (vi) the Issuer shall have received a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Fiscal Agent; and
  - (vii) the Issuer shall have received a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Fiscal Agent.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Noteholder, except as provided in Condition 12(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes any indemnification or payment in respect of any tax or other consequences arising from such substitution,
- (c) In respect of any substitution pursuant to this Condition in respect of the Notes, the Documents referred to in Condition 12(a) above shall provide for such further amendment of the Conditions of the Notes as shall be necessary to ensure that the Notes constitute Statutory Senior Non-Preferred



Obligations of the Substituted Debtor and that the Guarantee constitutes a Statutory Senior Non-Preferred Obligation of the Issuer, in each case ranking not lower than the Issuer's obligations prior to its substitution to make payments of principal in respect of the Notes under Condition 2 (*Status and ranking of the Notes*).

- (d) With respect to the Notes, the Issuer shall be entitled, by notice to the Noteholders given in accordance with Condition 13 (*Notices*), at any time to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Noteholders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
- (e) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notice as referred to in paragraph (g) below having been given, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer and the Notes shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents followed by the giving of the notice shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes save that any claims under the Notes prior to release shall enure for the benefit of Noteholders.
- (f) The Documents shall be deposited with and held by the Fiscal Agent for so long as any Notes remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes or the Documents.
- (g) Not later than 15 days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 13 (*Notices*) and to the Paying Agents.

### **13. NOTICES**

Notices to Noteholders shall be given by publication in the English language in a daily newspaper having general circulation in the Netherlands (which is expected to be *Het Financieele Dagblad*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have been given notice of the contents of any notice given to Noteholders.

### **14. FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further Notes having the same terms and conditions in all respects (or in all respects except for the first payment of interest) and so as to form a single series with the Notes.

### **15. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

- (a) The Agency Agreement, these Conditions, the Notes and the Coupons and any non-contractual obligations arising out of or in connection therewith, are governed by, and shall be construed in accordance with, the laws of the Netherlands.
- (b) Any disputes arising out of or in connection with the Agency Agreement, these Conditions, the Notes and the Coupons, including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes shall be submitted to the exclusive jurisdiction of the competent courts of Amsterdam, the Netherlands.

## 16. DEFINITIONS

In Conditions:

“**Accrual Date**” has the meaning ascribed to it in Condition 3(c);

“**Agency Agreement**” has the meaning ascribed to it in the preamble;

“**Agents**” means the Fiscal Agent and the other Paying Agents;

“**Applicable MREL Regulations**” means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to the MREL Requirement then in effect and applicable to the Issuer (whether on a solo or (sub)consolidated basis) including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to the MREL Requirement adopted by the Resolution Authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies have force of law and whether or not they are applied generally or specifically to the Issuer);

“**Applicable Resolution Framework**” means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, or any other resolution or recovery rules which may from time to time be applicable to the Issuer, including Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 and the Dutch Intervention Act;

“**Business Day**” means

- (i) a day on which (a) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam and (b) the TARGET System is operating; and
- (ii) in relation to Condition 4(e) (*Payments on Business Days*) only, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt Notes and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account, any day on which the TARGET System is operating;

“**Calculation Amount**” has the meaning ascribed to it in Condition 3(c);

“**Condition**” means any of the numbered paragraphs of these Terms and Conditions of the Notes;

“**Couponholder**” has the meaning ascribed to it in the preamble;

“**Coupons**” has the meaning ascribed to it in the preamble;

“**Dutch Intervention Act**” means Dutch Act on special measures regarding financial institutions (*Wet bijzondere maatregelen financiële ondernemingen*) and any rules or regulations related thereto;

“**FATCA**” means sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986;

“**FATCA Withholding**” means any withholding under FATCA or otherwise imposed pursuant to any regulations or agreements thereunder, official interpretation thereof, or any law implementing an intergovernmental agreement thereto;

“**Fiscal Agent**” has the meaning ascribed to it in the preamble;

“**Interest Payment Date**” has the meaning ascribed to it in Condition 3(a) (*Interest Rate and Interest Payment Dates*);

“**Issue Date**” means 21 June 2019;

“**Issuer**” means Aegon Bank N.V.;

“**Junior Obligations**” means any present and future claims in respect of obligations of the Issuer which rank or are expressed to rank, junior to claims in respect of unsubordinated and unsecured obligations of the Issuer (including Statutory Senior Non-Preferred Obligations);

“**Maturity Date**” means 21 June 2024;

An “**MREL Disqualification Event**” shall occur if, as a result of any amendment to, or change in, any Applicable MREL Regulations, or any change in the application or official interpretation of any Applicable MREL Regulations, in any such case becoming effective on or after the Issue Date of the Notes, the Notes are or (in the opinion of the Issuer or the Resolution Authority) are likely to become fully or partially excluded from the Issuer's MREL Eligible Liabilities determined in accordance with, and pursuant to, the Applicable MREL Regulations; provided that an MREL Disqualification Event shall not occur where the exclusion of the Notes from the relevant minimum requirement(s) is due to (i) the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the Applicable MREL Regulations effective with respect to the Issuer on the Issue Date of Notes or (ii) any applicable limits on the amount of MREL Eligible Liabilities permitted or allowed to meet the MREL Requirement;

“**MREL Eligible Liabilities**” means “eligible liabilities” (or any equivalent or successor term) which are available to meet any MREL Requirement (however called or defined by then Applicable MREL Regulations) of the Issuer (whether on a solo or (sub)consolidated basis) under Applicable MREL Regulations;

“**MREL Requirement**” means the requirement for own funds and eligible liabilities, which is or, as the case may be, will be, applicable to the Issuer (whether on a solo or (sub)consolidated basis);

“**Noteholder**” has the meaning ascribed to it in the preamble;

“**Notes**” means the €500,000,000 0.625 per cent. Senior Non-Preferred Notes due 2024 and such expression shall include, unless the context otherwise requires, any further Notes issued pursuant to Condition 14 (*Further Issues*) and forming a single series with the Notes, and “**Note**” means any of the Notes;

“**Paying Agents**” has the meaning ascribed to it in the preamble;

“**Relevant Date**” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13 (*Notices*);

“**Relevant Jurisdiction**” means the Netherlands or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority

thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons;

“**Resolution Authority**” means the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or such other regulatory authority or governmental body having the power to impose Statutory Loss Absorption on the Notes pursuant to the Applicable Resolution Framework;

“**Statutory Loss Absorption**” has the meaning ascribed to it in Condition 5(f);

“**Statutory Senior Non-Preferred Obligations**” (*niet-preferente niet-achtergestelde schuld*) means any present and future claims in respect of unsubordinated and unsecured obligations of the Issuer which have a lower ranking within the meaning of article 212rb of the Dutch Bankruptcy Act (*Faillissementswet*) (or any other provision implementing article 108 of Directive 2014/59/EU, as amended by Directive (EU) 2017/2399, in the Netherlands) than the claims in respect of all other unsubordinated and unsecured obligations of the Issuer;

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

“**TARGET System**” means the TARGET2 system.

## Summary of Provisions relating to the Notes while in Global Form

The Permanent Global Note contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the Terms and Conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

### 1 Exchange

The Temporary Global Note is exchangeable in whole or in part for interests in the Permanent Global Note on or after a date which is expected to be 21 June 2019, upon certification as to non-U.S. beneficial ownership. The Permanent Global Note is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the holder) for the Definitive Notes described below (i) if the Permanent Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) if principal in respect of any Notes is not paid when due and payable. Thereupon, the holder may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for Definitive Notes on or after the Exchange Date specified in the notice.

If principal in respect of any Notes is not paid when due and payable the holder of the Permanent Global Note may, by notice to the Issuer and the Fiscal Agent (which may but need not be the default notice referred to in paragraph 6 (“*Default*”) below), require the exchange of a specified principal amount of the Permanent Global Note (which may be equal to or (provided that, if the Permanent Global Note is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Notes represented thereby but never less than the minimum denomination of the Notes) for Definitive Notes on or after the Exchange Date (as defined below) specified in such notice.

On or after any Exchange Date the holder of the Permanent Global Note may surrender the Permanent Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note, or on endorsement in respect of the part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 3 to the Agency Agreement. On exchange in full of the Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Notes.

“**Exchange Date**” means a day falling not less than 60 days or, in the case of exchange pursuant to (ii) above, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant clearing system is located.

### 2 Payments

No payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal, premium and interest in respect of Notes represented by the Permanent Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of the Permanent Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so

made will be endorsed in the appropriate schedule to the Permanent Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

### **3 Notices**

So long as the Notes are represented by the Temporary Global Note or Permanent Global Note and the Temporary Global Note the Permanent Global Note, as the case may be, is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions. Such notices shall be deemed to have been given to the Noteholders in accordance with the Condition 13 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

### **4 Meetings**

The holder of the Temporary Global Note or the Permanent Global Note shall (unless the Temporary Global Note or the Permanent Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €1,000 in principal amount of Notes.

### **5 Purchase and Cancellation**

Cancellation of any Note required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Temporary Global Note or the Permanent Global Note.

### **6 Default**

Each of the Temporary Global Note and the Permanent Global Note provides that the holder may cause the Temporary Global Note or the Permanent Global Note, as the case may be, or a portion of it to become due and payable in the circumstances described in Condition 7 (*Events of Default*) by stating in the notice to the Fiscal Agent the principal amount of Notes which is being declared due and payable. If principal in respect of any Note is not paid when due and payable, the holder of the Temporary Global Note or the Permanent Global Note may elect that the Temporary Global Note or the Permanent Global Note, as the case may be, becomes void as to a specified portion and that the persons entitled to such portion, as accountholders with a clearing system, acquire direct enforcement rights against the Issuer under further provisions set out in each of the Temporary Global Note and the Permanent Global Note.

## Description of Aegon Bank N.V.

### General

The Issuer is a public company with limited liability (*naamloze vennootschap*) which was incorporated under Dutch law on 24 December 1969. The statutory seat of the Issuer is Aegonplein 50, 2591 TV The Hague, the Netherlands and the Issuer is registered in the Business Register of the Chamber of Commerce under number 30100799. The telephone number of the Issuer is +31 (0)88 344 03 44. The Articles of Association of the Issuer were lastly amended by notarial deed on 3 December 2013 before Mr. C.M. Stokkermans, a civil law notary practising in Amsterdam. The Legal Entity Identifier (LEI) of Aegon Bank is 549300772D1G8JPIUR96.

### Ownership

The Issuer is a wholly-owned subsidiary of Aegon Nederland N.V. (“**Aegon Nederland**”), established in The Hague. Aegon Nederland is a subsidiary of Aegon Europe Holding B.V., the ultimate parent of Aegon Nederland is Aegon N.V. The Aegon group offers life insurances, pensions and asset management products in over 20 countries in the America's, Europe and Asia and serves millions of customers. The Aegon group employs over 26,000 people worldwide of which the Issuer employs around 355 FTE in the Netherlands. See section “*Description of Aegon N.V.*” below.

### Profile of the Issuer

The Issuer is a Dutch bank that offers banking solutions to Dutch consumers and small-scale enterprises. The Issuer has two business units: Aegon Bank and Knab. In this section, a reference to “**Aegon Bank**” refers to the business unit Aegon Bank of the Issuer.

#### *Aegon Bank*

Aegon Bank is an online retail bank that provides over 400,000 consumers with both savings products and investment products together representing an amount of over €5 billion per year-end 2018, with a focus on bank savings (third pillar). The value of the bank savings portfolio of Aegon Bank has increased from €2.6 billion per year-end 2017 to €2.8 billion per year-end 2018<sup>1</sup>. Aegon Bank focuses on customers whose income and wealth is in the middle-segment. Aegon Bank mostly distributes its products directly to its customers. For more complex products, that require advice, independent financial advisers continue to be a very important distribution channel for Aegon Bank. Aegon Bank's business model is mainly spread driven, however, Aegon Bank is increasing fee business by introducing new investment propositions.

#### *Knab*

Knab is an online bank which was introduced in 2012 by the Issuer. Knab is a tradename of Aegon Bank N.V.

The customers of Knab are retail and self-employed/small business clients. The number of Knab's clients grew over the last couple of years with approximately 50,000 per year. The self-employed/small business clients increased from 79,000 per year-end 2017 to 114,000 per year-end 2018, whilst the retail clients increased from 97,000 per year-end 2017 to 112,000 per year-end 2018. Knab offers its customers a full banking concept with payment services, investments, savings financial planning tools and alerts. Knab has frequent customer contact and is an accelerator for the (online) developments in client contact of Aegon as a whole. Knab's business model is based on a combination of both spread and fee income.

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<sup>1</sup> The value of the total bank savings market in the Netherlands is increased from €34.1 billion per year-end 2017 to €35.8 billion per year-end 2018. Source: DNB.

At Knab, parts of the operation and activities have been outsourced to Knab Advies en Bemiddeling N.V. (KAB) such as the customer service desk, marketing and distribution. KAB is an indirect subsidiary of Aegon Nederland N.V. and is a non-banking independent financial platform, operating under the Knab brand. It offers solutions such as mortgages and insurance products from various financial service providers in the market – not just Aegon – so customers can optimise their personal financial products portfolio.

In the past year Knab has shown significant growth, particularly in banking products. The amount standing to the credit of the accounts held with Knab was over €5.0 billion per year-end 2018. In order to achieve further sustainable growth, enhance governance and increase efficiency, a strategic evaluation of Knab's activities was started in 2018. The results of the strategic evaluation are expected to be implemented by Knab and Aegon Bank in 2019.

### Products offered

The table below provides an overview of the products offered by Aegon Bank and Knab as per the date of this Prospectus:

Type of product	Aegon Bank	Knab
Savings products	x	x
Credit cards		x
Life annuity products	x	
Investment products	x	x
Employer related products	x	
Financial planning products		x
Accounting software connection		x
Payment products		x
Crowdfunding loans		x

Aegon Bank and Knab keep enhancing their product portfolio in order to meet their clients' needs. For example, Knab introduced Knab Crowdfunding in July 2016, which enables its clients to invest in crowdfunding loans which are assessed and serviced by Collin Crowdfund N.V. As part of the Knab Crowdfunding proposition, Knab will invest 10% and in case of withdrawal of investors during the reflection period up to a maximum of 20% in crowdfunding loans that are fully subscribed. In addition, Aegon Bank and Knab have changed their investment proposition from an 'execution only' proposition into a portfolio management (*vermogensbeheer*) proposition in 2018. The Issuer believes that the new portfolio management proposition will enable it to better serve its customers and contribute to Aegon's mission to 'help people to take responsibility for their financial future'.

### Underlying earnings before tax

The Issuer manages its business based on underlying earnings before tax, which is a non-IFRS-EU financial measure. The Issuer believes that underlying earnings before tax provides meaningful information about the underlying results of the Issuer's business. The reconciliation of this measure to the most comparable IFRS-EU measure (net income) is presented in the table below:



Amount in € thousands	Financial year ended 31 December 2018	Financial year ended 31 December 2017
Operating income	162,362	131,649
Operating expenses	(136,861)	(117,653)
<b>Underlying earnings before tax</b>	<b>26,501</b>	<b>13,996</b>
Fair value items	(22,331)	(37,169)
Gains/(losses) on investments	10,104	81,810
Impairment (charges)/reversals	(8,504)	847
Other income/charges	(8,248)	0
<b>Non-underlying earnings before tax</b>	<b>(28,979)</b>	<b>45,488</b>
<b>Income before tax</b>	<b>(2,478)</b>	<b>59,484</b>
Income tax	8,173	(14,763)
<b>Net income</b>	<b>5,695</b>	<b>44,721</b>

From 1 January 2018, the Issuer started to record its management's best estimate investment return on consumer loans and SME loan investments (net of expected impairments) in underlying earnings before tax, where previously the gross returns were recorded in underlying earnings before tax and the impairments in the impairment line. For comparative reasons in this overview 2017 numbers have been restated for consumer loans and SME loans, showing the full IAS 39 impairment charge in underlying earnings.

### Medium term targets of the Issuer

The deployment of the Issuer's strategy is aimed at supporting the following targets in 2022:

Measure (amount in € thousands)	Target: 2022	Financial year ended 31 December 2018	Financial year ended 31 December 2017
<b>Return on equity<sup>2</sup></b>	9.0%	3.3%	1.9%
<b>Cost-to-income ratio<sup>3</sup></b>	60%	84%	89%
<b>Total assets/liabilities</b>	20,000,000	14,140,045	13,676,046

### Income flows

The activities of Aegon Bank and Knab generate the following income flows:

- *Interest margin:* Aegon Bank and Knab generate income from the difference between the return on investing funds and the return on savings and deposits offered to its clients; and
- *Fee income:* Knab customers pay a monthly fee for the services of Knab. Knab differentiates in different payment service packages with each their own tariffs and services. In addition, customers of Aegon Bank and Knab pay a periodic service fee and a portfolio management fee (calculated over the average value of the investment portfolio) for the investment products of Aegon Bank and Knab. Finally, Knab receives commission from Collin Crowdfund N.V. for the loans provided by its clients in relation to Knab Crowdfunding.

<sup>2</sup> Return on equity is calculated as Underlying earnings after tax (applying a nominal tax rate) divided by average IFRS equity excluding the revaluation reserve. There is no IFRS financial measure that is directly comparable to return on equity. The Issuer believes that return on equity provides meaningful information about the performance of Issuer's business.

<sup>3</sup> Cost-to-income ratio is calculated as Operating expenses divided by Operating income as defined in the Issuer's Underlying earnings before tax measure. There is no IFRS financial measure that is directly comparable to the cost-to-income ratio. The Issuer believes that the cost-to-income ratio provides meaningful information about the performance of Issuer's business.

## Issuer's Authorised and Issued Share Capital

As at the date of this Prospectus, the Issuer's authorised share capital is €90,000,000 and the Issuer's issued share capital is €37,437,000.

## Important historical financial information

The most important historical financial information of the Issuer is as follows:

Amount in € thousands	Financial year ended 31 December 2018	Financial year ended 31 December 2017
<b>Income statement</b>		
Total interest and fee margin	202,508	155,703
Result from financial transactions	(12,489)	44,645
Impairment losses	(48,388)	(23,210)
Total expenses	144,109	177,653
Net income before tax	(2,478)	59,484
Net income	5,695	44,721
<b>Balance sheet</b>		
Equity	635,619	595,200
Total assets	14,140,045	13,676,046

The annual figures for 2017 and 2018 are based on the audited consolidated financial statements for the financial years ended on 31 December 2017 and 31 December 2018. These audited consolidated financial statements have been incorporated in this Prospectus by reference (see *Documents incorporated by reference*). The figures have been prepared on the basis of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), with IFRS as published by the International Accounting Standards Board (IASB) and in accordance with Title 9 of Book 2 of the Dutch Civil Code (*Burgerlijk Wetboek*). A complete overview of the financial position of the Issuer as of 31 December 2017 or 31 December 2018 can only be based on the published audited consolidated financial statements for the financial year ended on 31 December 2017 or 31 December 2018, respectively.

## Ratios

The table below provides an overview of the unaudited ratios of the Issuer.

Ratios	Financial year ended 31 December 2018	Financial year ended 31 December 2017
Common Equity Tier 1 ratio	21.6%	20.6%
LCR	209%	277%
NSFR	141%	132%
Leverage ratio	4.4%	3.9%
Asset Encumbrance ratio	19.4%	16%

## Equity and liabilities

The table below provides an overview of the equity and liabilities of the Issuer as of the financial year ended on 31 December 2017 or 31 December 2018, respectively.

Amount in € thousands	Financial year ended 31 December 2018	Financial year ended 31 December 2017
Paid up capital instruments	37,437	37,437
Share premium	401,751	351,751
Retained earnings	174,001	137,440
Profit or loss attributable to owners of the parent	5,695	44,721

(-) Part of interim or year-end profit not eligible	(5,695)	(44,721)
Dividend	(475)	(437)
Accumulated other comprehensive income	7,710	14,789
Adjustments to CET1 due to prudential filters	(1,435)	(1,574)
Other transitional adjustments to CET1 Capital	-	(2,958)
<b>CET1 Capital</b>	<b>618,990</b>	<b>536,448</b>
Additional Tier 1 Capital	9,500	9,500
<b>Total Tier 1 Capital</b>	<b>628,490</b>	<b>545,948</b>
Other transitional adjustments to CET1 Capital	-	2,958
(-) Part of interim or year-end profit not eligible	5,695	44,721
Adjustments to CET1 due to prudential filters	1,435	1,574
<b>Total IFRS Capital</b>	<b>635,619</b>	<b>595,200</b>
Savings deposits	10,585,775	9,567,498
Borrowings	2,243,797	2,976,098
Derivatives	347,822	182,909
Net deferred tax liabilities	67,301	101,778
Provisions	10,145	2,893
Other liabilities and accruals	249,587	249,670
<b>Total equity and liabilities</b>	<b>14,140,045</b>	<b>13,676,046</b>

### Capital contribution of EUR 75 million to the Issuer

Aegon N.V. has agreed to provide EUR 75 million of CET1 capital to the Issuer in 2019 in order to support the business growth of the Issuer.

### Assets

The table below provides an overview of the assets of the Issuer.

Amount in € thousands	Financial year ended 31 December 2018	Financial year ended 31 December 2017
Cash	1,268,659	1,431,952
Amounts due from banks	95,899	159,793
Mortgage loans and other loans	11,155,163	10,155,373
Financial assets available-for-sale	-	1,776,640
Financial assets measured at fair value through other comprehensive income	1,314,614	-
Financial assets at fair value through profit or loss	-	180
Derivatives	214,897	83,755
Other assets and receivables	90,814	68,353
<b>Total assets</b>	<b>14,140,045</b>	<b>13,676,046</b>

### Declaration relating to working capital

The Issuer is of the opinion that its working capital is sufficient to meet its present needs during a period of at least 12 months after the date of this Prospectus. The Issuer meets all regulatory requirements with respect to liquidity as provided for in the CRR and the Wft. The Issuer also meets the minimum capital requirements as provided for in the CRR.

### Basel III and CRR

In 2018, the Issuer reported CRR ratios to DNB, namely the CET1 ratio, the leverage ratio, the Liquidity Coverage Ratio (“**LCR**”) and the Net Stable Funding Ratio (“**NSFR**”). Basel III is being introduced in stages between 2015 and 2019. Minimum requirements will then apply to each ratio. The reported ratios show that the Issuer at the date of this Prospectus already complies with the proposed legislation and meets the targets for solvency, leverage ratio, LCR and NSFR when the legislation becomes effective. Aligned with the Issuer's strategy, the liquidity ratio was maintained at prudent levels and the solvency ratio remained above the Issuer's long term target level up to the date of this Prospectus. The Issuer's stress tests show that it continues to have a stable and solvent financial position with substantial capital buffers to absorb extreme but still plausible shocks in the financial markets.

As part of its proposition, until the end of 2017 Knab offered its customers the opportunity to invest in a subordinated bond, issued by the Issuer. The subordinated bond qualifies as an Additional Tier 1 asset under CRR, thereby supporting the Issuer's solvency. On 28 October 2017, a change to the programme conditions for the subordinated bonds became effective, pursuant to which (among other things) (i) no subordinated bonds will be issued anymore and (ii) Knab has the right to redeem all the subordinated bonds issued by the Issuer starting from 1 November 2022 (if not earlier redeemed pursuant to the programme conditions).

#### *Minimum Requirement for own funds and Eligible Liabilities (MREL)*

Based on the annual Supervisory Review and Evaluation Process (“**SREP**”), for 2019, the Issuer is required to meet a Total SREP Capital Requirement (“**TSCR**”) of 14.6%, to consist of at least 11.1% of Common Equity Tier 1 (“**CET1**”).

The national resolution authority (“**NRA**”) has stated that bail-in will form part of the resolution strategy with a single point of entry at the Issuer's level. Based on the 2018 Single Resolution Board default formula and the Issuer's 2019 SREP requirements, an indicative MREL Requirement of 33.35% can be calculated for the Issuer. This MREL requirement is the sum of the Loss Absorbing Amount (“**LAA**”), the Recapitalization Amount (“**RCA**”) and the Market Confidence Charge (“**MCC**”). The Issuer's LAA consist of 8% of P1R, 6.6% of P2R and 2.7% of CBR. The Issuer's RCA consists of 8% of P1R and 6.6% of P2R and the Issuer's MCC is equivalent to 2.7% of CBR minus 1.25%.

The indicative MREL Requirement is subject to change as a result of development of the risk weighted assets, future SREP requirements and bank-specific MREL target adjustments by the relevant resolution authorities and other regulatory developments, including a Dutch resolution policy.

The abbreviations used in this paragraph have the following meaning:

“**CBR**” means Combined Buffer Requirement (being CCB+CCyB)

“**CCB**” means Capital Conversation Buffer

“**CCyB**” means Countercyclical Buffer

“**P1R**” means Pillar 1 Requirement

“**P2R**” means Pillar 2 Requirement

#### **Risk Management**

The Issuer has an autonomous risk management unit which reports on operational, compliance and financial risks to the Managing Board. The Chief Risk Officer has a primary responsibility in the Managing Board for adopting, implementing, monitoring and, where necessary, adjusting the company's overall risk policy. The Chief Risk Officer is also the chairman of the Credit Risk Committee. He has no individual commercial responsibility and functions independently from the other commercial areas of work. The Chief Financial Officer chairs the asset and liability committee and the Chief Risk Officer chairs the operational risk committee. This allows the Managing Board to be advised directly of any material risks. The Issuer's risk

management system is integrated with the risk management system operated by the Aegon group and Aegon Nederland. The overall policy on risk appetite and risk tolerance was confirmed by the Management Board and approved by the Supervisory Board.

The Supervisory Board supervises the risk policy adopted by the Management Board. The Supervisory Board assesses, at a strategic level, whether capital allocation and liquidity requirements are in line with the approved risk appetite. In this matter, the Supervisory Board is advised by the Risk & Audit Committee. The Supervisory Board's assessment shows that in general, Aegon Bank's commercial activities are appropriate within the context of the risk appetite it has approved.

The Risk & Audit Committee consists of the Supervisory Board members Mrs. G. Reijnen (chairman of the Risk & Audit Committee) en W. Horstmann. Supervisory Board member Mr. J.A.J. Vink, the Chief Executive Officer, Chief Financial Officer and Chief Risk Officer, as well as the internal audit unit, are also present at meetings of the Risk & Audit Committee. The mandate of the Risk & Audit Committee is to do the preparatory work for the supervision exercised over the Management Board in terms of the implementation, maintenance and operation of the Issuer's risk management system and risk appetite. The Committee also monitors compliance with laws and regulations and with the procedures for preparing and adopting the financial statements. The Issuer's risk appetite is documented, used in the Internal Capital Adequacy Assessment Process (ICAAP) document and translated in a monthly capital plan which is also monitored monthly and reported to the Executive Board and the Supervisory Board.

Every new and updated proposition follows a proposition-approval process. In this process, which is in conformity with the applicable regulations under the Wft and the Banking Code, the Issuer carefully balances the risks in a proposition and tests it against the duty of care towards the customer, financial sustainability and suitability with the Issuer's vision, strategy and objectives. A proposition is not brought to the market until the approval process has been successfully completed. Existing propositions, selected through the use of pre-defined risk indicators, also go through this process to safeguard customers' interests. Both processes determine whether a proposition meets the Issuer's current standards. They incorporate statutory requirements and consider whether the proposition is cost efficient, useful, secure and comprehensible for the target group and also whether it fits the Issuer's vision, strategy, core values and competencies. At year-end, Internal Audit Netherlands (being the internal audit department) performs a risk analysis to determine whether an audit on the Governance Principles is required in the following year's audit plan.

### **Internal Audit**

The Issuer makes use of the services of an internal audit unit (Internal Audit Netherlands) that occupies an independent position within Aegon Nederland. This unit performs audits on the basis of annual risk analyses to examine whether the Issuer's key business processes are operating properly. The unit's director reports directly to the chairman of the Management Board and the chairman of the Risk & Audit Committee of the Supervisory Board. Internal Audit Netherlands is part of Aegon Nederland.

Internal Audit Netherlands has regular contact and consultations with the Risk & Audit Committee and the external independent auditor to discuss the risk analysis and the audit plan. As part of the engagement to audit the financial statements, the external independent auditor reports his findings on the quality and effectiveness of the Issuer's system of governance, risk management and control procedures to the Management Board and the Supervisory Board. Internal Audit Netherlands also engages in frequent contact with DNB to discuss risk analyses, findings and audit plans.

### **Dutch Banking Code**

On 9 September 2009, the Dutch Banking Association (*Nederlandse Vereniging van Banken*) adopted the Banking Code (*Code Banken*) in response to a report entitled 'Restoring Trust' published in April 2009 by

the Maas Committee. Effective as of 1 January 2010, the Banking Code lays down standards on governance, risk management, audits and remuneration. The Code uses the ‘apply or explain’ principle. As from 1 April 2015, a new Banking Code has been implemented. This new Banking Code consists of three pieces: a Social Charter, the Banking Code and Rules of Conduct. Along with the introduction of a Social Charter and updating the Banking Code, the Dutch banking industry has also taken the initiative to implement the bankers’ oath for all employees. The Dutch banks intend this to show that everyone working in the industry is bound by the rules of conduct attaching to this statement for the ethical and careful practice of his/her profession. Employees have personal responsibility to comply with those rules of conduct and can be held accountable for non-compliance.

The Issuer endorses the Banking Code and has implemented the Banking Code and its values within its organisation. As part of the new Banking Code, all employees of the Issuer have sworn a bankers’ oath.

### **Independent Auditors**

PricewaterhouseCoopers Accountants N.V., with registered offices in Amsterdam, the Netherlands, has been appointed as from 1 January 2014 as the independent auditor of the Issuer. PricewaterhouseCoopers Accountants N.V. has audited, and rendered unqualified independent auditor’s reports on, the Issuer’s financial statements for the financial years ended 31 December 2017 and 31 December 2018. The partner of PricewaterhouseCoopers Accountants N.V. acting as an independent auditor is a member of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants, NBA*), the professional body for accountants in the Netherlands.

### **Members of the Managing Board**

As at the date of this Prospectus, the Members of the Managing Board of the Issuer are the following persons:

- Mr. E.F.M. Rutten, Chief Executive Officer and Chairman of the Managing Board, as well as a member of the managing board of Orange Loans B.V. and advisory director of Auxmoney GmbH (an online lending platform under the laws of Germany);
- Mr. M.R. de Boer, Chief Financial Officer, as well as member of the Managing Board of Orange Loans B.V. (a subsidiary of the Issuer) and Aegon Loans B.V. (a subsidiary of Aegon Nederland N.V.); and
- Mr. E.G. Negenman, Chief Risk Officer.

### **Members of the Supervisory Board**

As at the date of this Prospectus, the Members of the Supervisory Board of the Issuer are the following persons:

- Mr. J.A.J. Vink (Chairman), also member of the Supervisory Board of Aegon Capital B.V. and having several (supervisory) duties at other companies;
- Mr. W. Horstmann, also member of the Managing Board of Aegon Bemiddeling B.V., Aegon Hypotheken B.V., Aegon Levensverzekering N.V., Aegon Nederland N.V., Aegon Schadeverzekering N.V., Aegon Spaarkas N.V., and Aegon Advies B.V.; and
- Mrs. G. Reijnen, having several (supervisory) duties at other companies.

The members of the Supervisory Board may be contacted at the registered address of the Issuer, at Aegonplein 50, 2591 TV The Hague, the Netherlands, telephone number +31 (0) 70 344 3210.

### **Conflicts of interest**

There are no potential conflicts of interest between any duties to the Issuer and the private interests and/or other duties of members of the Managing Board and/or the Supervisory Board of the Issuer. These members

may obtain financial services of the Issuer.

### **Know-your-customer optimization and enhancement program**

The Issuer started a coherent know-you-customer (“KYC”) optimization and enhancement program to strengthen its KYC framework, to effectively mitigate the relevant risks of money laundering, terrorism financing and to ensure compliance with sanction regulations and to bring the Issuer’s KYC framework in line with current market standards by the end of 2019 and beyond, taking into account the Issuer’s transition, strategy and ambitions. This contributes to an appropriate and timely follow-up on KYC incidents, any issues or gaps, and proposed improvement actions. Key point is the embedding of an advanced client acceptance process taking into account specific client/business characteristics. The main focus is forward looking, to strengthen KYC going forward and to avoid KYC issues. Strengthening the current KYC framework also implies potential lookbacks and remediations as a repair action on, e.g., client files, alerts and historic transactions.

### **Supervision**

The Issuer is a credit institution with a full Netherlands banking license and as such is supervised by DNB (*De Nederlandsche Bank*) and by the Authority for the Financial Markets (*Autoriteit Financiële Markten*).

### **Transactions with third party lending platforms**

The Issuer invests in consumer and small and medium enterprise loans through partnerships with third party lending platforms in jurisdictions across north-western Europe, such as the Netherlands, Germany, the United Kingdom and France. These platforms originate consumer and small and medium enterprise loans under their own label, and subsequently sell a representative part of their origination to the Issuer in the form of consumer or small and medium enterprise loan receivables, in accordance with pre-agreed criteria, terms and conditions. Through entering into these exposures, the Issuer faces risks associated with the performance of the underlying loans. See the risk factor “*Market conditions observed over the past few years may increase the risk of loans being impaired. The Issuer is exposed to the risk of declining property values on the collateral supporting residential and commercial real estate lending*”. Also, the Issuer is exposed to risks associated with the lending platforms, their processes and financial position, which could result in the inability of the lending platforms to pay or perform under their obligations. See the risk factor “*Because the Issuer does business with many counterparties, the inability of these counterparties could have a material adverse effect on its results of operations.*” The Issuer is looking at possibilities to enter into similar transactions with third party lending platforms in other jurisdictions, which meet its risk appetite and strategic balance sheet.

DNB has performed an on-site inspection in the beginning of 2019 of the investments of the Issuer in loans originated via third party lending platforms. The results of this on-site inspection are expected in the course of 2019. Depending on the conclusions drawn by the regulator on the on-site results, measures could be implemented which could result in higher capital requirements for investments of the Issuer in loans originated via certain third party lending platforms.

### **ALM transaction with Aegon Levensverzekering N.V.**

On 1 November 2017, the Issuer entered into a strategic ALM transaction with Aegon Levensverzekering N.V., in which a portfolio of predominantly non-NHG mortgage loans with a longer fixed-rate term was sold, and a portfolio with predominantly NHG mortgage loans with a shorter fixed-rate term was acquired. This transaction led to a better matching of the duration of assets and liabilities on the balance sheet, and optimised the deployment of capital for the Issuer. As mortgage loans are recognised on the balance sheet at amortized costs, a positive non-operational result from this financial transaction was realised on the sold portfolio, whereas the purchase of the NHG portfolio will negatively impact profitability of the Issuer in the

coming years, as the premium above par will be amortised over time.

### **Ratings**

The current ratings of the Issuer are as follows:

<b>Rating Agency</b>	<b>Long-term</b>	<b>Short-term</b>	<b>Outlook/watch</b>
<b>S&amp;P</b>	A+	A-1+	Negative
<b>Fitch</b>	A-	F2	Stable



## Description of Aegon N.V.

Aegon N.V. is incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap*) and registered in the Business Register of the Chamber of Commerce under number 27076669. Aegon was formed in 1983 through the merger of two Dutch insurance companies, AGO and Ennia, both of which were successors to insurance companies founded in the 1800s. The LEI of Aegon N.V. is O4QK7KMMK83ITNTHUG69.

Aegon N.V. is the sole and direct shareholder of Aegon Europe Holding B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and registered in the Business Register of the Chamber of Commerce under number 52705390. Aegon Europe Holding B.V. is the sole and direct shareholder of Aegon Nederland N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law and registered in the Business Register of the Chamber of Commerce under number 27111251. Aegon Nederland N.V. is the sole and direct shareholder of Aegon Bank N.V.

Aegon N.V., through its member companies, collectively referred to as “**Aegon**” or the “**Aegon group**”, is an international life insurance, pension and asset management company. Aegon is headquartered in the Netherlands and employs, through its subsidiaries, over 26,000 people worldwide as of 31 December 2018. Aegon's common shares are listed on the Official Segment of the stock market of Euronext Amsterdam, the principal market for its common shares, on which they trade under the symbol “AGN”. Aegon's common shares are also listed on the New York Stock Exchange under the symbol “AEG”.

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

The main operating units are separate legal entities and operate under the laws of their respective countries. The shares of these legal entities are directly or indirectly held by three intermediate holding companies incorporated under Dutch law: Aegon Europe Holding B.V., the holding company for all European activities; Aegon International B.V., which serves as a holding company for the Aegon Group companies of all non-European countries; and Aegon Asset Management Holding B.V., the holding company for some of its asset management entities.

Aegon conducts its operations through five primary segments:

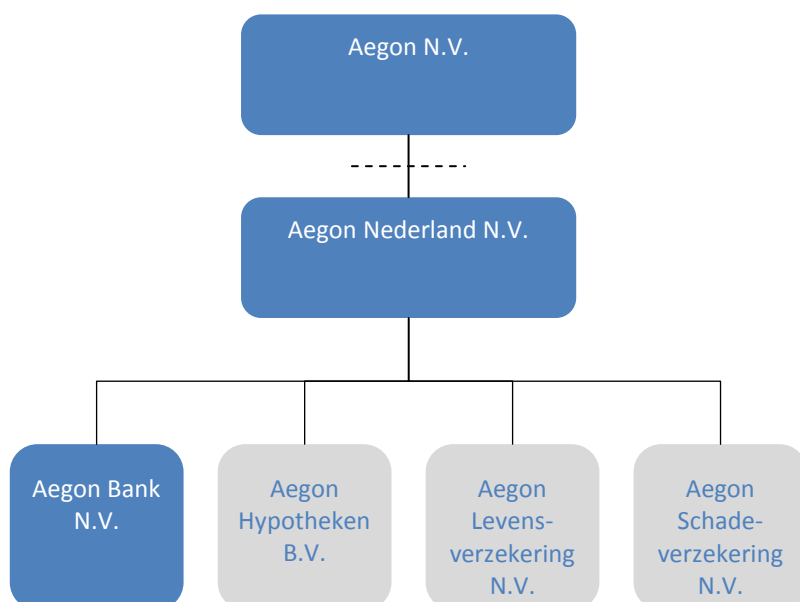
1. Americas: one operating segment which covers business units in the United States, Brazil and Mexico, including any of the units' activities located outside these countries;
2. Europe, which covers the following operating segments: the Netherlands, United Kingdom, Central & Eastern Europe and Spain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

For Europe, the underlying businesses (the Netherlands, United Kingdom, Central & Eastern Europe and

Spain & Portugal) are separate operating segments which cannot be aggregated as one operating segment under IFRS 8.

Aegon's headquarters are located at Aegonplein 50, P.O. Box 85, 2501 CB The Hague, the Netherlands (telephone +31 70 344 3210).

### Simplified structure of Aegon group



### Legal and arbitration proceedings, regulatory investigations and actions within the Aegon group

Aegon faces significant risks of litigation as well as regulatory investigations and actions relating to its and its subsidiaries' insurance, pensions, retirement administration, 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 and their affiliated regulated entities are routinely subject to litigation, investigation and regulatory activity by various governmental and enforcement authorities, individual claimants and policyholder advocate groups involving issues such as, but not limited to, 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; employment or distribution relationships; operational and internal 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.

Government and regulatory investigations 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. There can be no assurance that government and regulatory investigations will not have a material and adverse effect on Aegon's reputation, financial position, results of operations or liquidity.

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 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*

Several US insurers, including Aegon subsidiaries, have been named in class actions as well as individual litigation relating to increases in monthly deduction rates ("**MDR**") on 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. In one such class action against Aegon's subsidiary pending in the US federal district court for the Central District of California, the parties agreed to settle the case which resulted in a net charge to the income statement for 2018 of USD 166 million. In January 2019, a court approved the aforementioned settlement. Over 99% of affected policyholders participated in the settlement. While less than 1% of policyholders opted out, they represent approximately 43% of the value of the settlement fund. The settlement fund was reduced proportionally for opt outs, although Aegon continues to hold a provision for these policyholders. Resolution of this class action is expected to end a number of other related cases, including several other class actions. 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 the remaining MDR increase related litigation, 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.

Unclaimed property administrators and state insurance regulators performed examinations and multi-state examinations of the life insurance industry in the United States, including certain of Aegon's subsidiaries. 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 2018, there was a provision of USD 31 million for unclaimed property obligations, which is management's best estimate of the still-outstanding exposure. The final amount may vary based on subsequent regulatory review.

Aegon's US-based subsidiaries may face employment-related lawsuits from time to time. For example, several US-based Aegon subsidiaries have been named in two purported class actions alleging that the business model inappropriately characterizes distributors as independent contractors instead of employees. Depending on the outcome, these lawsuits, along with similar claims against other companies, as well as

regulatory action could necessitate a change in the distribution model and could result in significant settlements or judgments.

A former subsidiary of Transamerica Corporation was involved in a contractual dispute with a Nigerian travel broker that arose in 1976. That dispute was resolved in Delaware court for USD 235 thousand 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 on procedural grounds and remanded back to the trial court which ruled to dismiss the case; however, at this time the case is still subject to appeal. Aegon has no material assets located in Nigeria.

In Poland, owners of unit-linked policies continue to file claims in civil court against Aegon over fees payable upon purchase or surrender of the product. Plaintiffs claim that these fees are not contractually supported. Aegon faces a significant number of these cases. For reasons of commercial necessity as well as at the instigation of the regulatory authorities, Aegon decided to modify the fee structure. As of 2018, a provision of €17 million remains, 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, 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 September 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. The claim challenges a variety of elements of these products, on multiple legal grounds, including allegations made previously. 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. The district court did not decide on the reasonableness of the cost levels and whether the previous compensation arrangements provide sufficient compensation. This court decision has been appealed by both 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. At this time, 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.

See for a description of the Dutch litigation relating to securities lease products (*aandelenlease producten*) that the Issuer is involved in, the risk factor *“The Issuer's business may be negatively affected by adverse publicity, regulatory actions or litigation with respect to such business, other well-known companies or the financial services industry in general”*.

### **Use of Proceeds**

The net proceeds from the issue of the Notes will be applied by the Issuer for its general corporate purposes.

## Taxation

### The Netherlands

#### General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Notes may include an individual or entity who does not have the legal title of these Notes, but to whom nevertheless the Notes or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Notes or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Netherlands corporate income tax;
- (iii) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Notes of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (iv) persons to whom the Notes and the income from the Notes are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*); and
- (v) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Notes are attributable to such permanent establishment or permanent representative.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

#### Withholding Tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

## Corporate and Individual Income Tax

### *Residents of the Netherlands*

If a holder of Notes is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 51.75%) under the Netherlands Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 30%.

### *Non-residents of the Netherlands*

If a person is not a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Netherlands corporate or individual income tax purposes, such person is not liable to Netherlands income tax in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

- (i) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) is (other than by way of Notes) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%.

- (ii) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities in the Netherlands which includes activities with respect to the Notes that exceed regular, active portfolio

management (*normaal, actief vermogensbeheer*), or (3) is other than by way of securities entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) is subject to individual income tax at progressive rates up to a maximum rate of 51.75%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on savings and investments (as described above under “Residents of the Netherlands”). The fair market value of the share in the profits of the enterprise (which includes the Notes) will be part of the individual's Netherlands yield basis.

### **Gift and Inheritance Tax**

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (i) the holder of a Note is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions.

### **Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

### **Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

### **The proposed financial transactions tax (“FTT”)**

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.



## **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as “**FATCA**”, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (foreign passthrough payments) to persons that fail to meet certain certification, reporting or related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthrough payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthrough payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under “Terms and Conditions—Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## **Subscription and Sale**

Coöperatieve Rabobank U.A., Crédit Agricole Corporate and Investment Bank, ING Bank N.V., Société Générale and UniCredit Bank AG (the “**Joint Lead Managers**”) have, pursuant to a Subscription Agreement dated 19 June 2019, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Notes at 99.491 per cent. of their principal amount less a combined selling, management and underwriting commission. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

### **SELLING RESTRICTIONS**

#### **United States**

The Notes have not been and will not be registered under the Securities Act, or the securities laws of any state of the U.S. or other jurisdiction of the U.S. The Notes may not be offered, sold or delivered within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Notes are being offered, sold or delivered only to non-U.S. persons (as defined in Regulation S) outside the U.S. in reliance on Regulation S.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the US IR Code and U.S. Treasury regulations promulgated thereunder.

Each Joint Lead Manager has represented and agreed that it will offer, sell or deliver the Notes (i) as part of its distribution at any time and (ii) otherwise until forty (40) days after distribution of the Notes only in accordance with rule 903 of the Securities Act. Each Joint Lead Manager has also represented and agreed that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (as defined in Regulation S) a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

#### **United Kingdom**

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

#### **Prohibition of sales to EEA Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
  - (ii) a customer within the meaning of the IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### **General**

Each Joint Lead Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Joint Lead Manager shall have any responsibility therefor.

Neither the Issuer nor any Joint Lead Manager shall represent that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## General Information

1. The issue of the Notes has been duly authorised by a resolution of the Management Board of the Issuer dated 29 May 2019. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under Dutch law have been given for the issue of the Notes.
2. Application has been made to Euronext Amsterdam N.V. for the Notes to be listed on Euronext Amsterdam with effect from 21 June 2019. The expenses in connection with the listing of the Notes are expected to amount to approximately €2,500.
3. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.
4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or, as far as the Issuer is aware, threatened) which may have or have had in the twelve (12) months preceding the date of this Prospectus a significant effect on the financial position or profitability of the Issuer and/or the Issuer and its subsidiaries.
5. There has been no significant change in the financial or trading position of the Issuer and its subsidiaries, which has occurred since the end of the financial year ending 31 December 2018 for which period audited financial information has been published by the Issuer. Neither has there been a material adverse change in the financial position or prospects of the Issuer since 31 December 2018.
6. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The International Securities Identification Number (ISIN) for the Notes is XS2008921947 and the Common Code is 200892194.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

7. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.
8. PricewaterhouseCoopers Accountants N.V., the Netherlands, have audited the accounts of the Issuer for the financial years ended 31 December 2017 and 31 December 2018 in accordance with Dutch law, including the Dutch Standards on Auditing. The relevant auditors of PricewaterhouseCoopers Accountants N.V. who have signed the independent audit reports incorporated by reference into this Prospectus are members of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*).
9. Save for the commissions and any fees payable to the Joint Lead Managers, no person involved in the issue of the Notes has an interest, including conflicting ones, material to the offer.
10. Copies of the following documents will be available free of charge during normal business hours from the registered office of the Issuer and from the specified office of the Paying Agents for the time being as long as any of the Notes remains outstanding:

(A) the Articles of Association (*statuten*) of the Issuer;

(B) the Agency Agreement; and

(C) this Prospectus, including any documents incorporated by reference herein.

11. The effective yield of the Notes is 0.729 per cent. per annum. The yield is calculated at the Issue Date.
12. ABN AMRO Bank N.V. has been engaged by the Issuer as listing agent for the Notes. ABN AMRO Bank N.V. in its capacity of listing agent is acting for the Issuer only and will not regard any other person as its client in relation to the offering of the Notes. Neither ABN AMRO Bank N.V. nor any of its directors, officers, agents or employees makes any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Prospectus, in any investor report or for any other statements made or purported to be made either by itself or on its behalf in connection with the Issuer or the offering or the Notes. Accordingly, ABN AMRO Bank N.V. disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Prospectus and or any such other statements.

ABN AMRO Bank N.V. is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of these Notes to Euronext Amsterdam or to trading on its regulated market for the purposes of the Prospectus Directive.

### **Registered Office of the Issuer**

**Aegon Bank N.V.**  
Aegonplein 50  
2591TV, The Hague  
The Netherlands

### **Structuring Adviser**

**ING Bank N.V.**  
Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

### **Joint Lead Managers**

#### **Coöperatieve Rabobank U.A.**

Croeselaan 18  
3521 CB Utrecht  
The Netherlands

#### **Crédit Agricole Corporate and Investment Bank**

12 place des Etats-Unis  
CS 70052  
92547 Montrouge  
France

#### **ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

#### **Société Générale**

10 Bishops Square  
London E1 6EG  
United Kingdom

#### **UniCredit Bank AG**

Arabellastrasse 12  
81925 Munich  
Germany

### **Fiscal Agent and Paying Agent**

#### **Citibank, N.A., London Branch**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### **Auditors of the Issuer**

#### **PricewaterhouseCoopers Accountants N.V.**

Prinses Margrietplantsoen 46  
2595 BR Den Haag  
The Netherlands

**Legal Advisers**

*To the Issuer*

**Allen & Overy LLP**  
Apollolaan 15  
1077 AB Amsterdam  
The Netherlands

*To the Joint Lead Managers*

**Linklaters LLP**  
WTC Amsterdam  
Zuidplein 180  
1077 XV Amsterdam  
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