

**INFORMATION MEMORANDUM**



**AEGON N.V.**

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

***Programme for the  
Issuance of Debt Instruments***

*Application has been made to the Financial Services Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the "FSMA"), the "UKLA") for debt instruments (the "Instruments") issued under the programme (the "Programme") described in the Information Memorandum (as defined below) during the period of twelve months from the Publication Date (the date of this Information Memorandum) to be admitted to the Official List of the UKLA and to trading on the London Stock Exchange plc (the "London Stock Exchange"). This Information Memorandum supersedes the Information Memorandum dated 18th December, 2002 in relation to the Programme and comprises listing particulars ("Listing Particulars") issued in compliance with the listing rules made under Section 74 of the FSMA (the "Listing Rules") for the purpose of giving information with regard to the issue during the period of twelve months from the Publication Date of Instruments under the Programme. Copies of the Listing Particulars, have been delivered for registration to the registrar of Companies in England and Wales in accordance with Section 83 of the FSMA.*

*Arranger for the Programme*

**MORGAN STANLEY**

*Dealers*

**ABN AMRO**

**CITIGROUP**

**DEUTSCHE BANK**

**GOLDMAN SACHS INTERNATIONAL**

**LEHMAN BROTHERS**

**MORGAN STANLEY**

**BARCLAYS CAPITAL**

**CREDIT SUISSE FIRST BOSTON**

**DRESDNER KLEINWORT WASSERSTEIN**

**JPMORGAN**

**MERRILL LYNCH INTERNATIONAL**

**UBS INVESTMENT BANK**

*18th December, 2003*

**AEGON N.V. (the “Issuer”) accepts responsibility for the information contained in these listing particulars. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in the listing particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.**

**Any reference in this document to listing particulars means this document excluding all information incorporated by reference. The Issuer has confirmed that any information incorporated by reference, including any such information to which readers of this document are expressly referred, has not been and does not need to be included in the listing particulars to satisfy the requirements of the FSMA or the Listing Rules. The Issuer believes that none of the information incorporated therein by reference conflicts in any material respect with the information included in the listing particulars.**

**The Issuer has confirmed to the dealers (the “Dealers”) named under “Subscription and Sale” that this Information Memorandum is true and accurate in all material respects and not misleading in any material respect; that there are no other facts in relation to the information contained or incorporated by reference herein the omission of which would, in the context of the issue of the Instruments, make any statement herein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing. The Issuer has further confirmed to the Dealers that this Information Memorandum (subject to being supplemented by pricing supplements (each a “Pricing Supplement”) referred to herein) contains all such information as investors and their professional advisers would reasonably require, and reasonably expect to find, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and its subsidiaries and of the rights attaching to the relevant Instruments.**

**This document should be read and construed with any amendment or supplement thereto (this document, as amended or supplemented, the “Information Memorandum”), with any Pricing Supplement and with any other documents incorporated by reference provided always that any such amendment or supplement and any such other documents incorporated by reference shall not form part of the listing particulars as contained in this document.**

**The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Instruments other than as contained or incorporated by reference in this Information Memorandum, in the Dealership Agreement (as defined herein), in any other document prepared in connection with the Programme or any Pricing Supplement or as approved for such purpose by the Issuer. Any such unauthorised representation or information should not be relied upon as having been authorised by the Issuer, the Dealers or any of them.**

**No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility, as to the accuracy or completeness of the information contained herein. Neither the delivery of this Information Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Instrument shall, in any circumstances, create any implication that there has been no adverse change in the financial situation of the Issuer since the date hereof or, as the case may be, the date upon which this document has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated into this document by reference.**

**The distribution of this Information Memorandum and any Pricing Supplement and the offering, sale and delivery of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of this Information Memorandum or any Pricing Supplement and other offering material relating to the Instruments see “Subscription and Sale”. In particular, Instruments have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may include Instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Instruments may not be offered, sold or delivered within the United States or to U.S. persons. Neither this Information Memorandum nor any Pricing Supplement may be used for the purpose of an offer or**

solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

The Issuer has not authorised any offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (the “Regulations”) of Instruments having a maturity of one year or more which have not been admitted to listing in accordance with Part VI of the FSMA. Such Instruments may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.

Neither this Information Memorandum nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Instruments and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Information Memorandum or any Pricing Supplement should subscribe for or purchase any Instruments. Each recipient of this Information Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Instruments outstanding at any one time under the Programme will not exceed USD6,000,000,000 (and for this purpose, any Instruments denominated in another currency shall be translated into U.S. Dollars at the date of the agreement to issue such Instruments calculated in accordance with the provisions of the Dealership Agreement). The maximum aggregate principal amount of Instruments which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under “Subscription and Sale”.

All references in this Information Memorandum to “USD” and “U.S. Dollars” are to the currency of the United States of America and all references herein to “euro” and “€” are to the single currency of the European Union as introduced at the start of the third stage of the European Economic and Monetary Union.

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## DOCUMENTS INCORPORATED BY REFERENCE

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

- (1) the most recently published annual report (including the financial statements therein) of the Issuer from time to time;
- (2) any interim financial statements of the Issuer published subsequently to the annual financial statements referred to above; and
- (3) all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time.

Save that (i) any statement contained herein or any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement provided that any modifying or superseding statement does not form part of the listing particulars as contained in this document given in compliance with the Listing Rules and (ii) neither (a) any documents incorporated by reference nor (b) any modifying or superseding statement form part of the listing particulars as contained in this document given in compliance with the Listing Rules.

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**IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF INSTRUMENTS UNDER THE PROGRAMME, THE DEALER (IF ANY) WHICH IS SPECIFIED IN THE RELEVANT PRICING SUPPLEMENT AS THE STABILISING MANAGER (OR ANY PERSON ACTING FOR THE STABILISING MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE INSTRUMENTS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD. HOWEVER, THERE MAY BE NO OBLIGATION ON THE STABILISING MANAGER (OR ANY AGENT OF THE STABILISING MANAGER) TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES. SUCH STABILISING, WHEN CONDUCTED BY A DUTCH STABILISING MANAGER ANYWHERE IN THE WORLD OR BY A NON-DUTCH STABILISING MANAGER IN THE NETHERLANDS WILL BE CONDUCTED IN ACCORDANCE WITH THE RULES OF THE FURTHER CONDUCT OF BUSINESS REGULATION TO THE DUTCH SECURITIES MARKET SUPERVISION ACT (NADERE RECELING GEDRAGSTOEZICHT EFFECTENVERKEER 2002) AND WILL IN ANY EVENT BE DISCONTINUED WITHIN 30 DAYS AFTER THE ISSUE DATE.**

## SUMMARY OF THE PROGRAMME

*The following is a brief summary only and should be read, in relation to any Instruments, in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Instruments set out herein.*

Issuer:	AEGON N.V. (the “Issuer”)
Arranger:	Morgan Stanley & Co. International Limited
Dealers:	ABN AMRO Bank N.V., Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG London, Dresdner Bank Aktiengesellschaft, Goldman Sachs International, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Merrill Lynch International, Morgan Stanley & Co. International Limited, and UBS Limited.
Fiscal Agent:	Citibank, N.A., London office.
Authorised Adviser:	Morgan Stanley & Co. International Limited.
Initial Programme Amount:	USD 6,000,000,000 (or its approximate equivalent in any other currency at the date of the agreement to issue any Tranche of Instruments). The aggregate principal amount of Instruments which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under “Subscription and Sale”.
Issuance in Series:	Instruments will be issued in series (each, a “Series”). Each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) issued on different issue dates. The Instruments of each Series will all be subject to identical terms, whether as to currency, interest, maturity or otherwise, or terms which are identical except that the issue dates, the issue price and the amount of the first payment of interest and/or the denomination thereof may be different and save that a Series may comprise Instruments in bearer form and Instruments in registered form. The Instruments of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Instruments in bearer form and Instruments in registered form and may comprise Instruments of different denominations.

Form of Instruments:	Instruments may be issued in bearer form or in registered form. In respect of each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument, which will be deposited on or before the relevant issue date therefor with a depositary or a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) and/or Clearstream Banking, société anonyme, Luxembourg (“Clearstream, Luxembourg”) and/or any other relevant clearing system. Such temporary global Instrument will be exchangeable for a permanent global Instrument or, if so specified in the relevant Pricing Supplement, for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Pricing Supplement) registered form in accordance with its terms. Each permanent global Instrument will be exchangeable for Instruments in definitive bearer form and/or (in the case of a Series comprising both bearer and registered Instruments and if so specified in the relevant Pricing Supplement) registered form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, have interest coupons (“Coupons”) attached and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon. Instruments in registered form may not be exchanged for Instruments in bearer form.
Currencies:	Instruments may be denominated in any currency or currencies (including, without limitation, Australian Dollars (“AUD”), Canadian Dollars (“CAD”), Danish Krone (“DKK”), euro (“EUR”), Hong Kong Dollars (“HKD”), Japanese Yen (“JPY”), New Zealand Dollars (“NZD”), Norwegian Krone (“NKR”), Pounds Sterling (“GBP”), Swedish Krona (“SEK”) Swiss Francs (“CHF”) and United States Dollars (“USD”)) subject to compliance with all applicable legal and/or regulatory requirements.
Status:	Instruments may be issued on a subordinated or unsubordinated basis, as specified in the relevant Pricing Supplement.
Issue Price:	Instruments may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Pricing Supplement.
Maturities:	Any maturity is subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory requirements.

Where Instruments have a maturity of less than one year from their date of issue and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Instruments is carried on from an establishment maintained by the Issuer in the United Kingdom, such Instruments must (i) have a maximum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business, or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, or (ii) or issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

**Redemption:** Instruments may be redeemable at par or at such other redemption amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement.

**Early Redemption:** Early redemption will be permitted for taxation reasons as mentioned in “Terms and Conditions of the Instruments - Early Redemption for Taxation Reasons”, but will otherwise be permitted only to the extent specified in the relevant Pricing Supplement.

**Interest:** Instruments may be interest-bearing or non-interest bearing.

**Denominations and Minimum Issue Size:** Instruments will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory requirements.

**Taxation:** Unless otherwise expressly stated in the relevant Pricing Supplement, payments in respect of Instruments will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject to customary exceptions) pay such additional amounts as will result in the holders of Instruments or Coupons receiving such amounts as they would have received in respect of such Instruments or Coupons had no such withholding or deduction been required. Also see Condition “8. Taxation” under “Terms and Conditions of the Instruments” and paragraph “13. EU Savings Directive” under “General Information”.

**Governing Law:** The Instruments and all related contractual documentation will be governed by, and construed in accordance with, English law except for the subordination provisions applicable to any subordinated Instruments which will be governed by, and construed in accordance with, Dutch law.

Listing:	Each Series may be admitted to the Official List of the UKLA and/or listing or trading on any other stock exchange as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Pricing Supplement. Alternatively each Series may be not listed or traded on any stock exchange.
Terms and Conditions:	A Pricing Supplement will be prepared in respect of each Tranche of Instruments. The terms and conditions applicable to each Series will be those set out herein as supplemented, modified or replaced by the relevant Pricing Supplement.
Enforcement of Instruments in Global Form:	In the case of Instruments in global form, individual investors' rights will be governed by a Deed of Covenant dated 18th December, 2002, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or, in relation to any Instruments, any other clearing system as may be specified in the relevant Pricing Supplement.
Puts/Calls:	In the event that put and/or call options are applicable to any Instruments (as agreed between the Issuer and the relevant Dealer), the details thereof (including notice periods) will be inserted in the relevant Pricing Supplement. Puts/calls will in all cases be subject to any legal and/or regulatory requirement providing for minimum maturities for an issue denominated in a specific currency.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Instruments and on the distribution of offering material generally and in the United States of America, the United Kingdom, Japan, The Netherlands, Germany and France see under "Subscription and Sale". Further restrictions may be required in connection with any particular Tranche of Instruments and will be specified in the documentation relating to such Tranche.



## TERMS AND CONDITIONS OF THE INSTRUMENTS

*The following are the Terms and Conditions of the Instruments which (subject to completion and minor amendment) will be applicable to each Series of Instruments Provided that the relevant Pricing Supplement in relation to any Instruments may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of such Instruments:*

The Instruments are issued in accordance with an amended and restated issue and paying agency agreement (the “Issue and Paying Agency Agreement”), which expression shall include any amendments or supplements thereto) dated 18th December, 2002 and made between AEGON N.V. (the “Issuer”), Citibank, N.A., London office in its capacities as fiscal agent (the “Fiscal Agent”, which expression shall include any successor to Citibank, N.A., London office in its capacity as such) and as principal registrar (the “Principal Registrar”, which expression shall include any successor to Citibank, N.A., London office in its capacity as such), The Bank of New York, Brussels office in its capacity as first alternative registrar (the “First Alternative Registrar”, which expression shall include any successor to The Bank of New York, Brussels office in its capacity as such), Citibank, N.A., New York office in its capacity as second alternative registrar (the “Second Alternative Registrar”, which expression shall include any successor to Citibank, N.A., New York office in its capacity as such) and the Paying Agents named therein (the “Paying Agents”, which expression shall include the Fiscal Agent and any substitute or additional Paying Agents appointed in accordance with the Issue and Paying Agency Agreement). The Instruments have the benefit of a deed of covenant (the “Deed of Covenant”, which expression shall include any amendments or supplements thereto) dated 18th December, 2002 executed by the Issuer in relation to the Instruments. Copies of the Issue and Paying Agency Agreement and the Deed of Covenant are available for inspection at the specified office of each of the Paying Agents, the Principal Registrar, the First Alternative Registrar and the Second Alternative Registrar. All persons from time to time entitled to the benefit of obligations under any Instruments shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement and the Deed of Covenant insofar as they relate to the relevant Instruments.

The Instruments are issued in series (each, a “Series”), and each Series may comprise one or more tranches (“Tranches” and each, a “Tranche”) of Instruments. Each Tranche will be the subject of a pricing supplement (each, a “Pricing Supplement”), a copy of which will, in the case of a Tranche in relation to which application has been made for admission to the Official List of the UK Listing Authority (the “UKLA”), be lodged with the UKLA and will be available for inspection at the specified office of the Fiscal Agent or, as the case may be, the Registrar (as defined in Condition 2.02). In the case of a Tranche of Instruments in relation to which application has not been made for admission to the Official List of the UKLA and/or any other competent listing authority or other stock exchange, copies of the relevant Pricing Supplement will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of, such Instruments.

References in these Terms and Conditions to “Instruments” are to Instruments of the relevant Series and any references to “Coupons” are to Coupons relating to Instruments of the relevant Series.

### **1. Form and Denomination**

**1.01** Instruments are issued in bearer form or in registered form, as specified in the relevant Pricing Supplement.

#### *Form of Bearer Instruments*

**1.02** Each Tranche of Instruments issued in bearer form (“Bearer Instruments”) will be represented upon issue by a temporary global instrument (a “Temporary Global Instrument”) in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement. In the case of an exchange for Instruments in registered form (“Registered Instruments”) at any time and without any requirement for certification, but otherwise on or after the date (the “Exchange Date”) which is forty days after the completion of the distribution of the Instruments of the relevant Tranche and provided certification as to the beneficial ownership thereof as required by U.S. Treasury

regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing systems) has been received, interests in the Temporary Global Instrument may be exchanged for:

- (i) interests in a permanent global instrument (a “Permanent Global Instrument”) representing the Instruments of that Tranche and in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement; or
- (ii) if so specified in the relevant Pricing Supplement, serially numbered definitive instruments (“Definitive Instruments”) and/or (in the case of a Series comprising both Bearer Instruments and Registered Instruments and if so specified in the relevant Pricing Supplement) Registered Instruments in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement.

**1.03** If any date on which a payment of interest is due on the Instruments of a Tranche occurs whilst any of the Instruments of that Tranche are represented by a Temporary Global Instrument, the related interest payment will be made on the Temporary Global Instrument only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Instrument or in such other form as is customarily issued in such circumstances by the relevant clearing systems) has been received by Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”) or Clearstream Banking, société anonyme, Luxembourg (“Clearstream, Luxembourg”) or any other relevant clearing system. Payments of amounts due in respect of a Permanent Global Instrument will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for certification.

**1.04** Interests in a Permanent Global Instrument will be exchanged by the Issuer in whole (but not in part only), at the option of the Holder of such Permanent Global Instrument, for serially numbered Definitive Instruments and/or (in the case of a Series comprising both Bearer and Registered Instruments and if so specified in the relevant Pricing Supplement) Registered Instruments, (a) if any Instrument of the relevant Series becomes due and repayable following an Event of Default (as defined herein); or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently; or (c) if so specified in the Pricing Supplement, at the option of the Holder of such Permanent Global Instrument upon such Holder’s request. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Definitive Instruments and/or Registered Instruments is required, deposit the relevant Permanent Global Instrument with the Fiscal Agent at its specified office with the form of exchange notice endorsed thereon duly completed. If default is made by the Issuer in the required delivery of Definitive Instruments and/or Registered Instruments and such default is continuing at 6:00 p.m. (London time) on the thirtieth day after the day on which the relevant notice period expires or, as the case may be, such Permanent Global Instrument becomes so exchangeable, such Permanent Global Instrument will become void in accordance with its terms but without prejudice to the rights of the accountholders with Euroclear or Clearstream, Luxembourg or any other relevant clearing system in relation thereto under the Deed of Covenant.

**1.05** Interest-bearing Definitive Instruments will, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery coupons (“Coupons”), presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest-bearing Definitive Instruments will also, if so specified in the relevant Pricing Supplement, have attached thereto at the time of their initial delivery, a talon (“Talon”) for further coupons and the expression “Coupons” shall, where the context so requires, include Talons.

**1.06** Instruments, the principal amount of which is repayable by instalments (“Instalment Instruments”) which are Definitive Instruments, will have endorsed thereon a grid for recording the repayment of principal.

### *Form of Registered Instruments*

**1.07** Registered Instruments will be in substantially the form (subject to amendment and completion) scheduled to the Issue and Paying Agency Agreement. Registered Instruments will not be exchangeable for Bearer Instruments.

### *Denomination and Minimum Issue Size*

**1.08** Denominations of medium term notes are subject to any changes in applicable legal and/or regulatory requirements.

Unless permitted by then current laws and regulations, Instruments (in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom) will have a minimum denomination of £100,000 (or its equivalent in other currencies), unless such Instruments may not be redeemed until the third anniversary of their date of issue and are to be traded on the London Stock Exchange.

### *Denomination of Bearer Interests*

**1.09** Subject as provided in Condition 1.08, Bearer Instruments will be in the denomination or denominations (each of which denomination must be integrally divisible by each smaller denomination) specified in the relevant Pricing Supplement. Bearer Instruments of one denomination will not be exchangeable, after their initial delivery, for Bearer Instruments of any other denomination.

### *Denomination of Registered Instruments*

**1.10** Subject as provided in Condition 1.08, Registered Instruments will be in the minimum denomination specified in the relevant Pricing Supplement or integral multiples thereof.

### *Currency of Instruments*

**1.11** Instruments may be denominated in any currency (including, without limitation, Australian Dollars (“AUD”), Canadian Dollars (“CAD”), Danish Kroner (“DKK”), euro (“EUR”), Hong Kong Dollars (“HKD”), Japanese Yen (“JPY”), New Zealand Dollars (“NZD”), Norwegian Krone (“NKR”), Pounds Sterling (“GBP”), Swedish Krona (“SEK”), Swiss Francs (“CHF”) and United States Dollars (“USD”)), subject to compliance with all applicable legal or regulatory requirements.

**1.12** For the purposes of these Terms and Conditions, references to Instruments shall, as the context may require, be deemed to be to Temporary Global Instruments, Permanent Global Instruments, Definitive Instruments or, as the case may be, Registered Instruments.

## **2. Title**

**2.01** Title to Bearer Instruments and Coupons passes by delivery. References herein to the “Holders” of Bearer Instruments or of Coupons are to the bearers of such Bearer Instruments or such Coupons.

**2.02** Title to Registered Instruments passes by registration in the register which is kept by the Principal Registrar, the First Alternative Registrar or, as the case may be, the Second Alternative Registrar, as specified in the relevant Pricing Supplement. For the purposes of these Terms and Conditions, “Registrar” means, in relation to any Series comprising Registered Instruments, the Principal Registrar, the First Alternative Registrar or, as the case may be, the Second Alternative Registrar. References herein to the “Holders” of Registered Instruments are to the persons in whose names such Registered Instruments are so registered in the relevant register.

**2.03** The Holder of any Bearer Instrument, Coupon or Registered Instrument will (except as otherwise required by applicable law or regulatory requirement) 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 interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

*Transfer of Registered Instruments and exchange of Bearer Instruments for Registered Instruments*

**2.04** A Registered Instrument may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum denomination specified in the relevant Pricing Supplement) upon the surrender of the Registered Instrument to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. A new Registered Instrument will be issued to the transferee and, in the case of a transfer of part only of a Registered Instrument, a new Registered Instrument in respect of the balance not transferred will be issued to the transferor.

**2.05** If so specified in the relevant Pricing Supplement, the Holder of Bearer Instruments may exchange the same for the same aggregate principal amount of Registered Instruments upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement. In order to exchange a Bearer Instrument for a Registered Instrument, the Holder thereof shall surrender such Bearer Instrument at the specified office outside the United States of the Fiscal Agent or of the Registrar together with a written request for the exchange. Each Bearer Instrument so surrendered must be accompanied by all unmatured Coupons appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 2.06) where the exchange date would, but for the provisions of Condition 2.06, occur between the Record Date (as defined in Condition 9B.03) for such payment of interest and the date on which such payment of interest falls due.

**2.06** Each new Registered Instrument to be issued upon the transfer of a Registered Instrument or the exchange of a Bearer Instrument for a Registered Instrument will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for delivery at the specified office of the Registrar. For these purposes, a form of transfer or request for exchange received by the Registrar or the Fiscal Agent after the Record Date (as defined in Condition 9B.03) in respect of any payment due in respect of Registered Instruments shall be deemed not to be effectively received by the Registrar or the Fiscal Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions,

- (i) “Relevant Banking Day” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Instrument for a Registered Instrument where such request for exchange is made to the Fiscal Agent, in the place where the specified office of the Fiscal Agent is located;
- (ii) the “exchange date” shall be the Relevant Banking Day following the day on which the relevant Bearer Instrument shall have been surrendered for exchange in accordance with Condition 2.05; and
- (iii) the “Transfer date” shall be the Relevant Banking Day following the day on which the relevant Registered Instrument shall have been surrendered for transfer in accordance with Condition 2.04 and all reasonable requirements of the Issuer and the Registrar shall have been satisfied in respect of such transfer.

**2.07** The issue of new Registered Instruments on transfer or on the exchange of Bearer Instruments for Registered Instruments will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

**2.08** Upon the transfer, exchange or replacement of Registered Instruments bearing the private placement legend (the “Private Placement Legend”) set forth in the form of Registered Instrument scheduled to the Issue and Paying Agency Agreement, the Registrar shall deliver only Registered Instruments that also bear such legend unless either (i) such transfer, exchange or replacement occurs three or more years after the later of (1) the original issue date of such Instruments or (2) the last date on which the Issuer or any affiliates (as defined below) of the Issuer as notified to the Registrar by the Issuer

as provided in the following sentence, was the beneficial owner of such Instrument (or any predecessor of such Instrument) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.

**2.09** For so long as any of the Registered Instruments bearing the Private Placement Legend remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer covenants and agrees that it shall, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934 nor exempt from reporting pursuant to Rule 12g3-2(b) under such Act, make available to any Holder of such Instruments in connection with any sale thereof and any prospective purchaser of such Instruments from such Holder, in each case upon request, the information specified in, and meeting the requirements of, Rule 144(d)(4) under the Securities Act.

### **3. Status of the Instruments**

**3.01** This Condition 3.01 is applicable in relation to Instruments specified in the relevant Pricing Supplement as being unsubordinated or not specified as being subordinated (“Unsubordinated Instruments”).

The Unsubordinated Instruments constitute direct, unconditional, unsubordinated, general and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank at least *pari passu* without any preference among themselves and (subject to such exceptions as from time to time exist under applicable law) with all other outstanding, unsecured and unsubordinated obligations of the Issuer, present and future.

**3.02** This Condition 3.02 is applicable in relation to Instruments specified in the relevant Pricing Supplement as being subordinated (“Subordinated Instruments”).

The obligations represented by the Subordinated Instruments will be unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and will, in the event of the bankruptcy, dissolution, winding-up or liquidation of the Issuer be subordinated in right of payment to the prior payment in full of all Senior Debt of the Issuer, present and future.

For the purposes of this Condition 3.02:

“Senior Debt” means the principal of and premium, if any, and interest on any Indebtedness of the Issuer currently outstanding or to be issued hereafter unless such Indebtedness, by the terms of the instrument by which it is created or evidenced, is not senior in right of payment to the Subordinated Instruments to which this Condition 3.02 applies. The Issuer’s outstanding Subordinated Indebtedness will not be considered Senior Debt.

“Subordinated Indebtedness” means any Indebtedness of the Issuer the right to payment of which is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated in the event of the bankruptcy, dissolution, winding-up or liquidation of the Issuer.

“Indebtedness” means all indebtedness for money borrowed that is created, assumed, incurred or guaranteed in any manner or for which the Issuer is otherwise responsible or liable.

By virtue of the above subordination:

- (a) all payments to Holders of Subordinated Instruments will, in the event of the bankruptcy, dissolution, winding-up or liquidation of the Issuer only be made after, and any set-off by any Holder of such Subordinated Instruments shall be excluded until all Senior Debt admissible in any such bankruptcy, dissolution, winding-up or liquidation of the Issuer has been satisfied in full following which the obligations in respect of the Subordinated Instruments shall rank at least *pari passu* with all other Subordinated Indebtedness; and
- (b) creditors of the Issuer who are not holders of Senior Debt may, subject to any subordination provisions that may be applicable to such creditors, recover more ratably than Holders of the Subordinated Instruments.

#### **4. Negative Pledge**

So long as any of the Instruments remains outstanding (as defined in the Issue and Paying Agency Agreement), the Issuer will procure that no loan or other indebtedness in respect of borrowed moneys having an original maturity of more than two years or any guarantee in respect of any such indebtedness, in each case now or hereafter existing, will be secured upon any of the present or future assets or revenues of the Issuer or any of its Subsidiaries unless it shall, simultaneously with or prior to the creation of such security, take any and all action necessary to procure that the same security (or other security acceptable to the Holders of Instruments) is accorded to the Holders of Instruments other than Holders of Subordinated Instruments as referred to in Condition 3.02, except that the foregoing shall not apply to (i) security created over any shares in or any securities owned by any Subsidiaries which are not Insurance Subsidiaries, (ii) security created in the normal course of the relevant insurance business carried on in a manner consistent with generally accepted insurance practice for such insurance business, (iii) security or preference arising by operation of any law, (iv) security over real property to secure borrowings to finance the purchase or improvement of such real property, (v) security over assets existing at the time of acquisition thereof, and (vi) security not otherwise permitted by the foregoing clauses securing borrowed moneys in an aggregate principal amount not to exceed 50 per cent. of the Group's borrowed moneys with an original maturity of more than two years.

In these Terms and Conditions, "Subsidiary" means any corporation, partnership or other business entity of which more than 50 per cent. of the shares or other equity interests (as the case may be) carrying the right to vote are, directly or indirectly, owned by the Issuer; "Insurance Subsidiary" means any Subsidiary, (i) the principal activity of which is insurance business, and (ii) the gross premium income of which as shown by the latest audited profit and loss account is more than 10 per cent. of the total gross premium income of the Group as shown by the latest audited consolidated profit and loss account of the Group; and "Group" means the Issuer and its Subsidiaries from time to time.

#### **5. Interest**

Instruments may be interest-bearing or non interest-bearing, as specified in the relevant Pricing Supplement. In the case of non interest-bearing Instruments, a Reference Price and Accrual Yield will, unless otherwise agreed, be specified in the relevant Pricing Supplement. The Pricing Supplement in relation to each Tranche of interest-bearing Instruments shall specify which of Condition 5A, 5B, 5C and/or 5D shall be applicable and Condition 5E will be applicable to each Tranche of interest-bearing Instruments as specified therein save, in each case, to the extent inconsistent with the relevant Pricing Supplement. In relation to any Tranche of interest-bearing Instruments, the relevant Pricing Supplement may specify actual amounts of interest payable rather than, or in addition to, a rate or rates at which interest accrues.

##### **5A. Interest — Fixed Rate**

Instruments in relation to which this Condition 5A is specified in the relevant Pricing Supplement as being applicable shall bear interest from their date of issue (as specified in the relevant Pricing Supplement) or from such other date as may be specified in the relevant Pricing Supplement at the rate or rates per annum (or otherwise, as specified in the relevant Pricing Supplement) specified in the relevant Pricing Supplement. Such interest will be payable in arrear on such dates as are specified in the relevant Pricing Supplement and on the date of final maturity thereof. Interest in respect of a period of less than one year will be calculated on a "30/360", "30E/360" basis (as both such terms are used in the ISDA Definitions, as defined below) or "Actual/Actual (ISMA)" basis, as specified in the relevant Pricing Supplement or on such other basis as may be specified in the relevant Pricing Supplement.

##### **5B. Interest — Floating Rate**

**5B.01** Instruments in relation to which this Condition 5B is specified in the relevant Pricing Supplement as being applicable, shall bear interest at the rate or rates per annum (or otherwise, as specified in the relevant Pricing Supplement) determined in accordance with this Condition 5B. Condition 5E.02 shall apply to Instruments to which this Condition 5B applies.

**5B.02** Instruments shall bear interest from their date of issue (as specified in the relevant Pricing Supplement) or from such other date as may be specified in the relevant Pricing Supplement. Such interest will be payable on each Interest Payment Date (as defined in Condition 5E.02) and on the maturity date.

**5B.03** The Pricing Supplement in relation to each Series of Instruments in relation to which this Condition 5B is specified as being applicable, shall specify which page (the “Relevant Screen Page”) on the Reuters Screen or Telerate or any other information vending service shall be applicable. For these purposes, “Reuters Screen” means the Reuter Money 3000 Service and “Telerate” means the Moneyline Telerate Service (or such other services or service as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto).

**5B.04** The rate of interest (the “Rate of Interest”) applicable to such Instruments for each Interest Period shall be determined by the Determination Agent (as defined in Condition 5E.04) on the following basis:

- (i) the Determination Agent will determine the rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, .00005 being rounded upwards) of the rates for deposits) in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of 11.00 a.m. (London time) or, in the case of Instruments denominated in euro, 11.00 a.m. (Brussels time) on the second London Banking Day before (or, in the case of Instruments denominated in euro, on the second TARGET Business Day) before (or, in the case of Instruments denominated in Pounds Sterling or in another currency if so specified in the relevant Pricing Supplement on) the first day of the relevant Interest Period (the “Interest Determination Date”);
- (ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may be, if fewer than two such rates for deposits so appear) or if the Relevant Screen Page is unavailable, the Determination Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by four major banks in the London interbank market (or, in the case of Instruments denominated in euro, by four major banks in the Euro-zone interbank market), selected by the Determination Agent, at approximately 11.00 a.m. (London time) or, in the case of Instruments denominated in euro, 11.00 a.m. (Brussels time) on the Interest Determination Date, to prime banks in the London interbank market (or, in the case of Instruments denominated in euro, by four major banks in the Euro-zone interbank market), for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Determination Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Determination Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (as defined in Condition 9C.03) (or, in the case of Instruments denominated in euro four major banks in the Euro-zone interbank market) selected by the Determination Agent, at approximately 11.00 a.m. (Relevant Financial Centre time or, in the case of Instruments denominated in euro, 11.00 a.m. (Brussels time)) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time.

The Rate of Interest applicable to such Instruments during each Interest Period will be the sum of the relevant margin (the “Relevant Margin”) specified in the relevant Pricing Supplement and the rate (or, as the case May be, the arithmetic mean (rounded as aforesaid) of rates) so determined provided, however, that, if the Determination Agent is unable to determine a rate (or, as the case may be, an arithmetic mean of rates) in accordance with the above provisions in relation to any Interest Period, the

Rate of Interest applicable to such Instruments during such Interest Period will be the sum of the Relevant Margin and the rate (or, as the case may be, the arithmetic mean (rounded as aforesaid) of rates) determined in relation to such Instruments in respect of the last preceding Interest Period provided always that if there is specified in the relevant Pricing Supplement a minimum interest rate or a maximum interest rate then the Rate of Interest shall in no event be less than or, as the case may be, exceed it. For the purposes of these Terms and Conditions “London Banking Day” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

**5B.05** The Determination Agent will, as soon as practicable after determining the Rate of Interest in relation to each Interest Period, calculate the amount of interest (the “Interest Amount”) payable in respect of the principal amount of the smallest or minimum denomination of such Instruments specified in the relevant Pricing Supplement for the relevant Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to such principal amount, multiplying the product by a fraction (day count fraction) the numerator of which is the actual number of days in the Interest Period concerned and the denominator for which is 360 (or, in the case of Instruments denominated in Pounds Sterling, 365 or, when all or part of an Interest Period falls in a leap year, 366 for that proportion of the Interest Period so falling) or by such other day count fraction as may be specified in the relevant Pricing Supplement and rounding the resulting figure to the nearest sub-unit of the currency in which such Instruments are denominated or, as the case may be, in which such interest is payable (one half of any such sub-unit being rounded upwards).

#### **5C. Interest — ISDA Rate Indices**

**5C.01** Instruments in relation to which this Condition 5C is specified in the relevant Pricing Supplement as being applicable shall bear interest at the rates per annum determined in accordance with this Condition 5C.

**5C.02** Each such Instrument shall bear interest from its date of issue (as specified in the relevant Pricing Supplement) or from such other date as may be specified in the relevant Pricing Supplement. Such interest will be payable on such dates and in such amounts as would have been payable (regardless of any event of default or termination event or tax event thereunder) by the Issuer had it entered into a swap transaction (to which a swap master agreement (the “Agreement”) and the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the “ISDA Definitions”) (as amended and updated as at the date specified in the relevant Pricing Supplement) with the Holder of such Instruments under which:

- the Reset Date was the first day of the relevant Interest Period;
- the Fixed Rate Payer or, as the case may be, the Floating Rate Payer was the Issuer;
- the Calculation Agent was the Determination Agent (as defined in Condition 5E.04);
- the Effective Date was such date of issue or such other date as may be specified in the relevant Pricing Supplement;
- the Calculation Amount was the principal amount of such Instrument; and
- all other terms were as specified in the relevant Pricing Supplement.

#### **5D. Interest — Other Rates**

Instruments in relation to which this Condition 5D is specified in the relevant Pricing Supplement as being applicable shall bear interest at the rate or rates calculated on the basis specified in, and be payable in the amounts and in the manner determined in accordance with, the relevant Pricing Supplement.

#### **5E. Interest — Supplemental Provision**

**5E.01** Conditions 5E.02, 5E.03, 5E.04 and 5E.05 shall be applicable (as appropriate) in relation to all Instruments which are interest-bearing.



### *Interest Payment Date Conventions*

**5E.02** The Pricing Supplement in relation to each Series of Instruments in relation to which this Condition 5E.02 is specified as being applicable shall specify which of the following conventions shall be applicable, namely:

- (i) the “FRN Convention”, in which case interest shall be payable in arrear on each date (each an “Interest Payment Date”) which numerically corresponds to their date of issue or such other date as may be specified in the relevant Pricing Supplement or, as the case may be, the preceding Interest Payment Date in the calendar month which is the number of months specified in the relevant Pricing Supplement after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred Provided that:
  - (a) if there is no such numerically corresponding day in the calendar month in which an Interest Payment Date should occur, then the relevant Interest Payment Date will be the last day which is a Business Day in that calendar month;
  - (b) if an Interest Payment Date would otherwise fall on a day which is not a Business Day, then the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (c) if such date of issue or such other date as aforesaid or the preceding Interest Payment Date occurred on the last day in a calendar month which was a Business Day, then all subsequent Interest Payment Dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which such date of issue or such other date as aforesaid or, as the case may be, the preceding Interest Payment Date occurred;
- (ii) the “Modified Following Business Day Convention”, in which case interest shall be payable in arrear on such dates (each an “Interest Payment Date”) as are specified in the relevant Pricing Supplement Provided that, if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date will be the first preceding day which is a Business Day; or
- (iii) such other convention as may be specified in the relevant Pricing Supplement.

Each period beginning on (and including) such date of issue or such other date as aforesaid and ending on (but excluding) the first Interest Payment Date and each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an “Interest Period”.

### *Notification of Rates of Interest, Interest Amounts and Interest Payment Dates*

**5E.03** The Determination Agent will cause each Rate of Interest, floating rate, Interest Payment Date, final day of a calculation period, Interest Amount, floating amount or other item, as the case may be, determined or calculated by it to be notified to the Issuer and the Fiscal Agent. The Fiscal Agent will cause all such determination or calculations to be notified to the other Paying Agents and, in the case of Registered Instruments, the Registrar (from whose respective specified offices such information will be available) as soon as practicable after such determination or calculation but in any event not later than the fourth London Banking Day thereafter and, in the case of Instruments admitted to the Official List of the UKLA and/or listed by any other competent listing authority or any other stock exchange, cause all such determinations or calculations to be notified to the UKLA and/or any other competent listing authority or on any other stock exchange on which the Instruments of the relevant Series may, for the time being, be listed by the time required (if any) by such competent listing authority or stock exchange. Provided that, in the case of Instruments listed on any stock exchange(s), the requirements of such competent listing authority or stock exchange(s) are complied with. The Determination Agent will be entitled to amend any Interest Amount, floating amount, Interest Payment Date or final day of a calculation period (or to make appropriate alternative arrangements by way of adjustment) without prior

notice in the event of the extension or abbreviation of any relevant Interest Period or calculation period and such amendment will be notified in accordance with the first two sentences of this Condition 5E.03.

**5E.04** The determination by the Determination Agent of all items failing to be determined by it pursuant to these Terms and Conditions shall, in the absence of manifest error, be final and binding on all parties. As used herein the “Determination Agent” means the Fiscal Agent or such other agent as may be specified in the relevant Pricing Supplement.

#### *Accrual of Interest*

**5E.05** Interest shall accrue on the principal amount of each Instrument or, in the case of an Instalment Instrument, on each instalment of principal or, in the case of a partly paid Instrument, on the paid up principal amount of such Instrument or otherwise as indicated in the relevant Pricing Supplement. Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Instrument, in respect of each instalment of principal, on the due date for payment thereof) unless upon (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment) due presentation or surrender thereof, payment in full of the principal amount or the relevant instalment or, as the case may be, redemption amount is improperly withheld or refused or default is otherwise made in the payment thereof in which case interest shall continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Instruments or such other rate as may be specified in the relevant Pricing Supplement until the date on which, upon (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment) due presentation of the relevant Instrument, the relevant payment is made or, if earlier (except in the case of any payment where presentation and/or surrender of the relevant Instrument is not required as a precondition of payment), the seventh day after the date on which, the Fiscal Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Instruments in accordance with Condition 14 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

## **6. Redemption and Purchase**

### *Redemption at Maturity*

**6.01** Unless previously redeemed, or purchased and cancelled, each Instrument shall be redeemed at its maturity redemption amount (the “Maturity Redemption Amount”, which shall be its principal amount or such other Maturity Redemption Amount as may be specified in or determined in accordance with the relevant Pricing Supplement) (or, in the case of Instalment Instruments, in such number of instalments and in such amounts as may be specified in the relevant Pricing Supplement) on the date or dates (or, in the case of Instruments which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the relevant Pricing Supplement.

### *Early Redemption for Taxation Reasons*

**6.02** If, in relation to any Series of Instruments, (i) as a result of any change in the laws or regulations of The Netherlands or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which become effective on or after the date of issue of such Instruments or any earlier date specified in the relevant Pricing Supplement, the Issuer would be required to pay additional amounts as provided in Condition 8 and (ii) such circumstances are evidenced by the delivery by the Issuer to the Fiscal Agent of a certificate signed by an authorised officer of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal or tax advisers or firm of accountants of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than thirty nor more than sixty days’ notice (ending, in the case of Instruments which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Instruments in accordance with Condition 14 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Instruments comprising the Series in relation to which such notice has been given, at their early tax redemption amount (the “Early Redemption Amount (Tax)”) which shall be their principal amount (or at such other Early Redemption Amount (Tax) as may be specified in or

determined in accordance with the relevant Pricing Supplement) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument prior to the date fixed for redemption under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Instruments which bear interest at a floating rate, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Instruments plus 60 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 Instruments then due.

#### *Optional Early Redemption (Call)*

**6.03** If this Condition 6.03 is specified in the relevant Pricing Supplement as being applicable, then the Issuer may, upon the expiry of the appropriate notice and subject to such conditions as may be specified in the relevant Pricing Supplement, redeem all (but not, unless and to the extent that the relevant Pricing Supplement specifies otherwise, some only) of the Instruments of the relevant Series at their call early redemption amount (the “Early Redemption Amount (Call)”), which shall be their principal amount or such other Early Redemption Amount (Call) as may be specified in or determined in accordance with the relevant Pricing Supplement, less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon.

**6.04** The appropriate notice referred to in Condition 6.03 is a notice given by the Issuer to the Fiscal Agent, the Registrar (in the case of Registered Instruments) and the Holders of the Instruments of the relevant Series in accordance with Condition 14 (which notice shall be irrevocable), which notice shall be signed by a duly authorised officer of the Issuer and shall specify:

- the Series of Instruments subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Instruments of the relevant Series which are to be redeemed;
- the due date for such redemption which shall be a Business Day (as defined in Condition 9C.03), which shall be not less than thirty days (or such lesser period as may be specified in the relevant Pricing Supplement) after the date on which such notice is validly given and which is, in the case of Instruments which bear interest at a floating rate, a date upon which interest is payable; and
- the Early Redemption Amount (Call) at which such Instruments are to be redeemed.

Any such notice shall be irrevocable, and the delivery thereof shall oblige the Issuer to make the redemption therein specified.

#### *Partial Redemption*

**6.05** If the Instruments of a Series are to be redeemed in part only on any date in accordance with Condition 6.03:

- (i) in the case of Bearer Instruments, the Instruments to be redeemed shall be drawn by lot in such European city as the Fiscal Agent may specify, or identified in such other manner or in such other place as the Fiscal Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any competent listing authority and/or stock exchange on which the relevant Instruments may be listed; and
- (ii) in the case of Registered Instruments, the Instruments shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, subject always as aforesaid and provided always that the amount redeemed in respect of each Instrument shall be equal to the minimum denomination thereof or an integral multiple thereof.

### *Optional Early Redemption (Put)*

**6.06** If this Condition 6.06 is specified in the relevant Pricing Supplement as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Instrument of the relevant Series, redeem such Instrument on the date or the next of the dates specified in the relevant Pricing Supplement at its put early redemption amount (the “Early Redemption Amount (Put)” which shall be its principal amount or such other Early Redemption Amount (Put) as may be specified in or determined in accordance with the relevant Pricing Supplement) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date so specified (or such other period as may be specified in the relevant Pricing Supplement), deposit the relevant Instrument (together, in the case of an interest-bearing Definitive Instrument, with any unmatured Coupons appertaining thereto) with, in the case of a Bearer Instrument, any Paying Agent or, in the case of a Registered Instrument, the Registrar together with a duly completed redemption notice in the form which is available from the specified office of any of the Paying Agents or, as the case may be, the Registrar.

### *Purchase of Instruments*

**6.07** The Issuer or any of its Subsidiaries may at any time purchase Instruments in the open market or otherwise and at any price provided that, in the case of interest-bearing Definitive Instruments, all unmatured Coupons appertaining thereto are purchased therewith.

### *Cancellation of Redeemed and Purchased Instruments*

**6.08** All unmatured Instruments and Coupons redeemed or purchased in accordance with this Condition 6 may be held and resold by the Issuer or any of its Subsidiaries or may be surrendered for cancellation in all cases at the discretion of the Issuer or, as the case may be, the relevant Subsidiary.

## **7. Events of Default**

**7.01** Unless otherwise specified in the relevant Pricing Supplement, the following events or circumstances (each an “Event of Default”) shall be acceleration events in relation to:

- (a) Unsubordinated Instruments of any Series:
  - (i) *Non-Payment*: the Issuer is in default for any reason whatsoever for more than three days with respect to the payment of principal due on the Instruments or for more than fourteen days with respect to the payment of interest due on the Instruments; or
  - (ii) *Breach of other obligations*: the Issuer is in default in the performance of any other obligation under these Terms and Conditions and, if such default is capable of being remedied, such default has not been remedied within thirty days after written notification from the Holder of any Instrument requiring such default to be remedied shall have been given to the Issuer; or
  - (iii) *Cross default*: the Issuer fails to repay within thirty days after its due date, or becomes liable to repay prematurely due to default, any other borrowings which the Issuer has contracted or guaranteed or security granted therefor is enforced on behalf of or by the creditors entitled thereto if and insofar as such default or such enforcement is not caused by the fact that the Issuer is prevented, directly or indirectly, by any government or other governmental body from fulfilling the relevant obligation; or
  - (iv) *Enforcement Proceedings*: an *executoriaal beslag* (executory attachment) is made on any substantial part of the assets of the Issuer or any Insurance Subsidiary or a *conservatoir beslag* (interlocutory attachment) is made thereon and is not cancelled or withdrawn within thirty days after the making thereof or the Issuer or any Insurance Subsidiary goes bankrupt, applies for suspension of payment or is wound up, save, in respect of Insurance Subsidiaries, for a voluntary solvent winding up where substantially the whole of the

assets of such Insurance Subsidiary are transferred to another Subsidiary (which shall thereupon itself become an Insurance Subsidiary for the purposes of these Conditions and notice thereof shall forthwith be given by the Issuer to the Holders of Instruments) or the Issuer or any Insurance Subsidiary offers a compromise to its creditors or negotiates with all its creditors another agreement relating to its payment difficulties, or such measures are officially decreed, or the Issuer or any Insurance Subsidiary becomes subject to the “*noodregeling*” (contingency regulation) as referred to in Chapter VII of the *Wet toezicht verzekeringsbedrijf 1993* (Act on Supervision of the Insurance Business), as modified or reenacted from time to time, of The Netherlands; or

- (v) *Cessation of business*: the Group shall cease to carry on substantially the whole of its business or shall dispose of substantially the whole of its assets; or
  - (iv) *Analogous event*: any event occurs which under the laws of The Netherlands has an analogous effect to any of the events referred to above;
- (b) Subordinated Instruments of any Series: an order is made or an effective resolution is passed for the bankruptcy, winding-up or liquidation of the Issuer.

**7.02** If any Event of Default shall occur in relation to any Series of Instruments, any Holder of an Instrument of the relevant Series may, by written notice to the Issuer, at the specified office of the Fiscal Agent, declare that such Instrument and (if the Instrument is interest-bearing) all interest then accrued on such Instrument shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the “Early Termination Amount” which shall be its principal amount or such other Early Termination Amount as may be specified in or determined in accordance with the relevant Pricing Supplement) less, in the case of any Instalment Instrument, the aggregate amount of all instalments that shall have become due and payable in respect of such Instrument under any other Condition prior to the date fixed for redemption (which amount, if and to the extent not then paid, remains due and payable), together with all interest (if any) accrued thereon without any other action whatsoever, which the Issuer will expressly waive, notwithstanding anything contained in such Instruments to the contrary, unless, prior thereto, all Events of Default in respect of the Instruments of the relevant Series shall have been cured.

## **8. Taxation**

**8.01** All amounts payable (whether in respect of principal, redemption amount, interest or otherwise) in respect of the Instruments will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, unless previously redeemed in accordance with these Terms and Conditions, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder of any Instrument or Coupon after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in relation to any payment in respect of any Instrument or Coupon presented for payment:

- (i) by or on behalf of, a Holder of an Instrument or Coupon who is liable for such taxes, duties, assessments or governmental charges in respect of such Instrument or Coupon by reason of his having some connection with the jurisdiction by which such taxes, duties, assessments or governmental charges have been imposed, levied, collected, withheld or assessed other than the mere holding of such Instrument or Coupon;
- (ii) more than thirty 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 days;
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive

implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (iv) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Instrument or Coupon to another Paying Agent in a Member State of the EU.

**8.02** For the purposes of these Terms and Conditions, the “Relevant Date” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Fiscal Agent, or as the case may be, the Registrar on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders of Instruments and Coupons, notice to that effect shall have been duly given to the Holders of the Instruments of the relevant Series in accordance with Condition 14.

**8.03** If the Issuer becomes subject at any time to any taxing jurisdiction other than or in addition to The Netherlands, references herein to The Netherlands shall be read and construed as references to The Netherlands and/or to such other jurisdiction.

**8.04** Any reference in these Terms and Conditions to principal, redemption amount and/or interest in respect of the Instruments shall be deemed also to refer to any additional amounts which may be payable under this Condition 8.

## **9. Payments**

### **9A. Payments — Bearer Instruments**

**9A.01** This Condition 9A is applicable in relation to Instruments in bearer form.

**9A.02** Payment of amounts (other than interest) due in respect of Bearer Instruments will be made against presentation and (save in the case of a partial redemption which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment) surrender of the relevant Bearer Instruments at the specified office of any of the Paying Agents.

**9A.03** Payment of amounts in respect of interest on Bearer Instruments will be made:

- (i) in the case of a Temporary Global Instrument or Permanent Global Instrument, against presentation of the relevant Temporary Global Instrument or Permanent Global Instrument at the specified office of any of the Paying Agents outside (unless Condition 9A.04 applies) the United States and, in the case of a Temporary Global Instrument, upon due certification as required therein;
- (ii) in the case of Definitive Instruments without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Instruments at the specified office of any of the Paying Agents outside (unless Condition 9A.04 applies) the United States; and
- (iii) in the case of Definitive Instruments delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Definitive Instruments, in either case at the specified office of any of the Paying Agents outside (unless Condition 9A.04 applies) the United States.

**9A.04** Payments of amounts due in respect of interest on the Bearer Instruments and exchanges of Talons for Coupon sheets in accordance with Condition 9A.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code of 1986 and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Instruments when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If

paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

**9A.05** If the due date for payment of any amount due in respect of any Bearer Instrument is not both a Relevant Financial Centre Day (as defined in Condition 9C.03) and a local banking day (as defined in Condition 9C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5E.05.

**9A.06** Each Definitive Instrument initially delivered with Coupons attached thereto should be presented and, save in the case of partial payment which includes, in the case of an Instalment Instrument, payment of any instalment other than the final instalment, surrendered for final redemption together with all unmatured Coupons and Talons appertaining thereto, failing which:

- (i) in the case of Definitive Instruments which bear interest at a fixed rate or rates, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the redemption amount paid bears to the total redemption amount due) (excluding, for this purpose, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within five years of the Relevant Date applicable to payment of such final redemption amount;
- (ii) in the case of Definitive Instruments which bear interest at, or at a margin above or below, a floating rate, all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Definitive Instruments (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and
- (iii) in the case of Definitive Instruments initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 9A.06 notwithstanding, if any Definitive Instruments which bear interest at a fixed rate or rates should be issued with a maturity date and a fixed rate or fixed rates such that, on the presentation for payment of any such Definitive Instrument without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Instrument, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not become void, the amount required by paragraph (i) to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Instrument to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

**9A.07** In relation to Definitive Instruments initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 9A.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

**9A.08** For the purposes of these Terms and Conditions, the “United States” means the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands).

**9B. Payments — Registered Instruments**

**9B.01** This Condition 9B is applicable in relation to Instruments in registered form.

**9B.02** Payment of amounts (whether principal, redemption amount or otherwise and including accrued interest) due in respect of Registered Instruments on the final redemption of Registered Instruments will be made against presentation and, save in the case of partial payment of the amount due upon final redemption by reason of insufficiency of funds, surrender of the relevant Registered Instruments at the specified office of the Registrar. If the due date for payment of the final redemption amount of any Registered Instrument is not both a Relevant Financial Centre Day (as defined in Condition 9C.03) and a Local Banking Day (as defined in Condition 9C.03), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day and, thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5E.5.

**9B.03** Payment of amounts (whether principal, redemption amount, interest or otherwise) due (other than in respect of the final redemption of Registered Instruments) in respect of Registered Instruments will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 2.06) before the due date for such payment (the “Record Date”).

**9B.04** Notwithstanding the provisions of Condition 9C.02, payment of amounts (whether principal, redemption amount, interest or otherwise) due (other than in respect of final redemption of Registered Instruments) in respect of Registered Instruments will be made by cheque (in the case of payment in Japanese Yen to a non-resident of Japan, drawn on an authorised foreign exchange bank) and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.06) not later than the relevant date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account in the relevant currency (in the case aforesaid, a non-resident account with an authorised foreign exchange bank).

**9C. Payments — General Provisions**

**9C.01** Save as otherwise specified herein, this Condition 9C is applicable in relation to Instruments whether in bearer or in registered form.

**9C.02** Payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of Instruments will be made by (a) transfer to an account in the relevant currency specified by the payee (in the case of payment in Japanese Yen to a non-resident of Japan, a non-resident account with an authorised foreign exchange bank specified by the payee) or (b) cheque (in the case of payment in Japanese Yen to a non-resident of Japan, drawn on an authorised foreign exchange bank). Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.

**“9C.03** For the purposes of these Terms and Conditions:

- (i) “Business Day” means a day:
  - in relation to Instruments payable in euro, which is a TARGET Business Day; and



- in relation to Instruments payable in any other currency, on which commercial banks are open for business and foreign exchange markets settle payments in the Relevant Financial Centre in respect of the relevant Instruments; and, in either case,
  - on which commercial banks are open for business and foreign exchange markets settle payments in any place specified in the relevant Pricing Supplement;
- (ii) “Relevant Financial Centre” means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definitions of “Business Day” in the ISDA Definitions;
  - (iii) “Relevant Financial Centre Day” means, in the case of any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre and in any other place specified in the relevant Pricing Supplement and in the case of payment in euro, a day which is a TARGET Business Day;
  - (iv) “Local Banking Day” means a day (other than a Saturday and Sunday) on which commercial banks are open for business in the place of presentation of the relevant Instrument or, as the case may be, Coupon;
  - (v) “euro” means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty;
  - (vi) “EC Treaty” means the Treaty establishing the European Community as amended;
  - (vii) “Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the EC Treaty; and
  - (viii) “TARGET Business day” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is operating,

and, in the case of any of paragraphs (i) to (iv) of this Condition 9C.03, as the same may be modified in the relevant Pricing Supplement.

## **10. Prescription**

**10.01** Claims against the Issuer in respect of Bearer Instruments, Coupons and in respect of interest will be prescribed unless made within five years after the Relevant Date (as defined in Condition 8.02) for payment thereof.

**10.02** In relation to Definitive Instruments initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon, any Coupon which would be void upon issue pursuant to Condition 9A.06 or the date for the payment of which would fall after the due date for the redemption of the relevant Instrument or which would be void pursuant to this Condition 10.

**10.03** Claims against the Issuer in respect of Registered Instruments (other than in respect of the final redemption amount of Registered Instruments) and in respect of interest will be prescribed unless made within five years after the due date for payment. Claims against the Issuer in respect of the final redemption amount of Registered Instruments will be prescribed unless made within five years after the Relevant Date (as defined in Condition 8.02) for payment thereof.

## **11. The Paying Agents and the Registrars**

**11.01** The initial Paying Agents and Registrars and their respective offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Fiscal Agent) or the Registrar and to appoint additional or other Paying Agents or another Registrar provided that it will at all times maintain (i) a Fiscal Agent, (ii) in the case of Registered Instruments, a Registrar with a specified office in continental Europe (but outside the United Kingdom), (iii) a Paying Agent (which may be the Fiscal Agent) with a specified office in continental Europe (but outside the United Kingdom), (iv) so long as any Instruments are listed on the Official List of the UKLA and/or any other competent listing authority or stock exchange, a Paying Agent (which may be the Fiscal Agent) and a Registrar each with a specified office in London and/or in such other place as may be required by such other stock exchange, (v) in the circumstances described in Condition 9A.04, a Paying

Agent with a specified office in New York City and (vi) if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 is brought into force a Paying Agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to the Savings Directive. The Paying Agents and the Registrar reserve the right at any time to change their respective offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of the Paying Agent or the Registrar will be given promptly by the Issuer to the Holders of the Instruments in accordance with Condition 14.

**11.02** The Paying Agents and Registrars act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement, do not assume any obligations towards or relationship of agency or trust for any Holder of any Instrument or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon them in the Issue and Paying Agency Agreement or incidental thereto.

## **12. Replacement of Instruments**

If any Instrument or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent or such Paying Agent or Paying Agents as may be specified for such purpose in the relevant Pricing Supplement (in the case of Bearer Instruments and Coupons) or of the Registrar (in the case of Registered Instruments), subject to all applicable laws and the requirements of any stock exchange on which the relevant Instruments are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Fiscal Agent, the relevant Paying Agent or, as the case may be, the Registrar may require. Mutilated or defaced Instruments and Coupons must be surrendered before replacements will be delivered therefor.

## **13. Meetings of Holders**

The Issue and Paying Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Instruments of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Holders of Instruments of any Series will be binding on all Holders of the Instruments of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Instruments of such Series.

## **14. Notices**

### *To Holders of Bearer Instruments*

**14.01** Notices to Holders of Bearer Instruments will, save where another means of effective communication has been specified herein or in the relevant Pricing Supplement, be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, in the case of a Temporary Global Instrument or Permanent Global Instrument, if delivered to Euroclear and Clearstream, Luxembourg for communication by them to the persons shown in their respective records as having interests therein provided that, in the case of Instruments admitted to listing and/or trading on any stock exchange, the requirements of such stock exchange have been complied with. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the first date on which publication is made) or, as the case may be, on the fourth day after the date of such delivery to Euroclear and Clearstream, Luxembourg. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Instruments in accordance with this Condition.

### *To Holders of Registered Instruments*

**14.02** Notices to Holders of Registered Instruments will be deemed to be validly given if sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth day after the date of such mailing or, if posted from another country, on the fifth such day.

## **15. Further Issues**

The Issuer may, from time to time without the consent of the Holders of any Instruments create and issue further instruments, bonds or debentures having the same terms and conditions as such Instruments in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Instruments of any particular Series.

## **16. Currency Indemnity**

The currency in which the Instrument is denominated or, if different, payable, as specified in the relevant Pricing Supplement (the “Contractual Currency”) is the sole currency of account and payment for all sums payable by the Issuer in respect of such Instrument, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of an Instrument or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of an Instrument or Coupon in respect of such Instrument or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Instrument or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Instruments or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of an Instrument or Coupon.

## **17. Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Instrument, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right where such rights would, but for such failure or delay, otherwise have existed. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

## **18. Law and Jurisdiction**

**18.01** The Instruments (except for Subordinated Instruments as described in Condition 3.02 and any other applicable provisions relating to Subordinated Instruments), the Issue and Paying Agency Agreement and the Deed of Covenant are governed by, and shall be construed in accordance with, English law. Condition 3.02 and any other subordination provisions applicable to a Series of Instruments issued on a subordinated basis shall be governed by, and construed in accordance with, the laws of The Netherlands, as specified in the relevant Pricing Supplement.

**18.02** The Issuer irrevocably agrees for the benefit of the Holders of the Instruments that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Instruments (respectively, “Proceedings” and “Disputes”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

**18.03** The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

**18.04** The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to AEGON UK plc (attention: The Secretary) at 90 Long Acre, London WC2E 9RA or its other registered office for the time being. If the appointment of the person mentioned

in this Condition 18.04 ceases to be effective, the Issuer shall forthwith appoint a further person in England to accept service of process on its behalf in England and notify the name and address of such person to the Fiscal Agent and, failing such appointment within fifteen days, any Holder of an Instrument shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent. Nothing contained herein shall affect the right of any Holder of an Instrument to serve process in any other manner permitted by law.

**18.05** The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Holders of the Instruments or any of them to take Proceedings in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

*No person shall have any rights to enforce any term or condition of any Instruments under the Contracts (Rights of Third Parties) Act 1999.*

### **USE OF PROCEEDS**

The net proceeds of the issue of each Tranche of Instruments will be used by the Issuer for general corporate purposes.

## **AEGON N.V.**

### **Foundation**

AEGON N.V., was formed on 30th November, 1983 as a result of a merger between AGO and ENNIA, both of which were successors to insurance companies founded in the 1800s. AEGON N.V. is a public limited liability stock corporation established under Dutch law and is domiciled in the Netherlands. The headquarters are located at AEGONplein 50, PO Box 202, 2501 CE The Hague, the Netherlands, telephone +31 70 344 3210.

### **Summary description of the Group**

Since its foundation AEGON N.V., through its member companies collectively referred to herein as AEGON, the Company or Group, has emerged as an international insurer with major operations in the USA, the Netherlands and the United Kingdom. AEGON is also present in Canada, Hungary, Spain, France, Taiwan, China and a number of other countries and has a representative office in India.

AEGON's strategy is to offer life and pension products in markets that offer scale and growth opportunities. The objective is to have a top-5 position in each of these markets. Consistent with its strategy, over 85 per cent of AEGON's business is life insurance, pensions and related savings and investment products. The Group is also active in accident and health insurance, general insurance and, to a limited extent, banking activities. AEGON focuses on growth in existing operations and selected new markets, through acquisitions, joint ventures and greenfields. AEGON emphasizes profitable growth, i.e. average annual earnings growth of 10 per cent and a return on investment that exceeds the cost of capital.

AEGON emphasizes a decentralized organizational structure while key control functions are supported by central oversight at group level. The operating companies, with knowledgeable and experienced local management and employees, market their own, unique products using multi-channel distribution strategies.

**AEGON Americas** (AEGON USA and Canada) operates through business units organized by distribution channel. AEGON USA offers a broad portfolio of products nationwide to consumers, corporate and institutional clients. The products range varies from term life insurance to variable universal life, fixed and variable annuities, pensions plans, institutional products like GICs, other related financial products, supplemental health insurance and reinsurance. Utilising a multi-channel distribution system, products are offered through agents, financial institutions, brokers, direct selling, business partners and other channels.

The acquisition of the Providian life insurance business in 1997 added the country's leading traditional and synthetic guaranteed investment contract (GIC) provider, and expanded market size in home service life insurance sales and direct-marketed life and supplemental health insurance product sales. The Transamerica acquisition in July of 1999 made AEGON one of the largest life insurance companies in the USA and expanded the product portfolio by adding a life reinsurance business and a Canadian life insurance company. In 2001 AEGON acquired JC Penney's direct marketing insurance operations. This has made AEGON USA the largest direct marketer of life and supplemental insurance in the United States.

**AEGON The Netherlands** is a leading life insurer in The Netherlands in both the individual and group life and pension businesses. AEGON The Netherlands operates through twelve business units offering a broad portfolio of products. These range from traditional life insurance to universal life, group pension plans and institutional asset management products, but also accident and health and general insurance products. Distribution is equally broad using a large variety of channels. In January 2003 AEGON The Netherlands acquired TKP, a provider of pension administration services for pension funds.

AEGON The Netherlands has announced its intention to reorganize its business unit's structure in order to better align the organisation to customer needs. For this purpose, effective January 1st 2004, the business unit structure will be replaced by five service centres and four marketing-and-sales units, each with their own competences.

**AEGON UK**, through its subsidiary Scottish Equitable plc, is a leading provider of group and individual pensions in the United Kingdom. AEGON UK also markets protection products and provides asset management services and institutional and retail asset management products. AEGON UK operates through business units using independent financial agents (IFA's) as the main distribution channel.

The Guardian acquisition in 1999 broadened AEGON UK's product range and distribution, generated economies of scale and brought protection product skills to the UK Group. With the acquisition of HS Administrative Services in 2000, AEGON UK acquired a leading provider of third-party pension administration services for large blue chip corporate clients. In the course of 2002, AEGON UK Distribution Holdings was created and has acquired four UK based IFAs and holds a small number of minority interests in other IFAs.

**AB-AEGON** in Hungary offers an expanded line of life, pension and non-life products under both the AB brand and AEGON brand. Distribution is accomplished via professional intermediaries, its own sales force and joint ventures with other financial institutions.

**AEGON Spain** markets life and non-life products to individuals and corporates through three distinctive groups: life insurance, general insurance and health insurance. The products are sold through a network of tied and career agents and through financial institutions.

**AEGON** announced the entry into the French life and pension market through the acquisition of a 20% stake in La Mondiale, a leading pension provider, in September 2002.

**AEGON Taiwan** is fully operational and has reached the break-even results in 2002, since it started as a greenfield activity in 1994. Also AEGON Taiwan served as a stepping-stone for China, where AEGON opened a representative office in Beijing in 1998 and runs a joint venture for life insurance activities with CNOOC since May 2002. AEGON opened a representative office in New Delhi, India in 1997. Transamerica has operated a branch in Hong Kong for more than 50 years, focusing on universal life products and selling its products through independent brokers.

AEGON's common shares are quoted on the stock exchanges in Amsterdam, Frankfurt, London, New York (NYSE), Tokyo and Zurich. In addition, AEGON stock options are quoted on the Euronext in Amsterdam, the Chicago Board Options Exchange and the Philadelphia Stock Exchange. AEGON recognizes that a modern company's license to operate is defined both by its ability to create value for its shareholders and policyholders and its respect for wider corporate, social and environmental responsibilities.

### **Income, revenues, deposits and investments**

All tables included in this section contain financial information derived from the Company's consolidated financial statements and are presented on the basis of Dutch Accounting Principles (DAP). All tables in this section contain information extracted without material adjustment from AEGON's audited financial statements (with the exception of financial data stated to be correct as at 30th September, 2003). All note references refer to notes to the consolidated financial statements.

On 6th November, 2003, AEGON announced its unaudited nine months results for the period ended 30th September, 2003. A summary of these results is set out on pages 41 to 46.

### **Results**

Net income for 2002 of EUR 1,547 million was 35% lower than last year. Results were adversely affected by additions to the provision for bond defaults (EUR 817 million), accelerated amortization of deferred policy acquisition costs (EUR 450 million) and increased provisions for products with guaranteed minimum benefit (EUR 482 million). Comparison with the prior year's result is positively influenced by the additional earnings from the acquired J.C. Penney direct marketing insurance operations (EUR 94 million). The 2001 gain on the sale of operations in Mexico (EUR 343 million) and the loss of earnings on these divested operations (EUR 81 million) negatively influences the comparison with the prior year. Adjusting for the above items, pre-tax earnings would have been marginally higher in 2002 than in 2001. The influence of currency exchange rates on net income was minus 2%.

Total revenues were 2% lower (1% higher, excluding currency influence) and gross margin was 10% lower (excluding currency influence 6% lower). The decline in gross margin is due primarily to lower investment returns, higher bond default provisions and provisions for guaranteed minimum benefits. Commissions and expenses were 14% above last year (19% excluding currency influence), which includes the higher DPAC amortization and the expenses of acquired operations. Excluding the acquired operations and the additional DPAC amortization, commissions and expenses were 3% higher.

The effective tax rate for 2002 was 19% compared to 28% for 2001. The lower effective tax rate is largely due to a reduction of the deferred tax liability, favourable adjustments resulting from the filing of the 2001 corporate tax returns in the US, lower taxable income relative to tax preferred investments and tax-exempt income in the Netherlands and the US, and a tax loss in the UK. Results for Transamerica Finance Corporation were USD 48 million as compared to USD 64 million last year. This reflects lower asset balances for 2002 as well as tax benefits and investment gains included in 2001 results, which are non-recurring.

<i>amounts in million EUR</i>	<i>Americas<sup>(6)</sup></i>	<i>The Netherlands</i>	<i>United Kingdom</i>	<i>Other Countries<sup>(7)</sup></i>	<i>Full year 2002</i>	<i>Full year 2001</i>
<b>Income</b>						
Traditional life <sup>(1)</sup> .. .. .	859	552	19	27	1,457	1,557
Fixed annuities .. .. .	174	–	–	–	174	358
GICs and funding agreements	272	–	–	–	272	215
Life for account policyholders <sup>(2)</sup> .. .. .	112	49	224	(14)	371	632
Variable annuities .. .. .	(462)	–	–	–	(462)	120
Fee business <sup>(3)</sup> .. .. .	5	–	(10)	7	2	94
Book profit Mexico .. .. .	–	–	–	–	–	343
Life insurance .. .. .	960	601	233	20	1,814	3,319
Accident & health insurance ..	246	26	–	6	278	209
General insurance	–	24	–	38	62	67
<b>Total insurance</b> .. .. .	<b>1,206</b>	<b>651</b>	<b>233</b>	<b>64</b>	<b>2,154</b>	<b>3,595</b>
of which general account .. ..	1,551	602	19	71	2,243	2,749
of which policyholders account <sup>(4)</sup> .. .. .	(345)	49	214	(7)	(89)	846
<b>Banking activities<sup>(5)</sup></b> .. .. .	<b>–</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>8</b>	<b>45</b>
<b>Interest charges &amp; Other</b> .. ..					<b>(313)</b>	<b>(397)</b>
Income before tax business units .. .. .	1,206	659	233	64		
Income before tax .. .. .					1,849	3,243
Corporation tax business units	(239)	(136)	(55)	(12)		
Corporation tax .. .. .					(353)	(918)
Net income business units .. ..	967	523	178	52		
Transamerica Finance Corporation .. .. .					51	72
<b>Net income</b> .. .. .					<b>1,547</b>	<b>2,397</b>

- (1) Traditional life includes income on traditional and fixed universal life products.
- (2) Life insurance with investments for account of policyholders includes income on variable universal life, unitised pension (UK), other unit-linked products with investments for account of policyholders and with profit fund in the UK.
- (3) Fee business includes income on off balance sheet type products.
- (4) Includes also variable annuities and fee business.
- (5) Banking activities includes income on off balance sheet type products of The Netherlands.
- (6) The figures ‘Americas’ include the figures of AEGON in the USA and Canada.
- (7) The figures under ‘Other countries’ include the figures of the operations in Hungary, Spain, AEGON Germany, Italy, Spaarbeleg Belgium, Taiwan and the Philippines.

## Revenues

<i>amounts in million EUR</i>	<i>Americas<sup>(2)</sup></i>	<i>The Netherlands</i>	<i>United Kingdom</i>	<i>Other Countries<sup>(3)</sup></i>	<i>Full year 2002</i>	<i>Full year 2001</i>
<b>Revenues</b>						
Life general account single premiums.. .. .	995	507	273	14	1,789	2,165
Life general account recurring premiums.. .. .	4,721	564	129	275	5,689	5,533
Life policyholders account single premiums .. .. .	835	1,171	4,196	30	6,232	6,363
Life policyholders account recurring premiums .. .. .	667	1,331	1,835	198	4,031	4,220
Total life insurance gross premiums.. .. .	7,218	3,573	6,433	517	17,741	18,281
Accident and health insurance premiums.. .. .	2,608	162	–	78	2,848	2,558
General insurance premiums..	–	447	–	320	767	739
<b>Total gross premiums .. .. .</b>	<b>9,826</b>	<b>4,182</b>	<b>6,433</b>	<b>915</b>	<b>21,356</b>	<b>21,578</b>
Investment income insurance activities .. .. .	7,546	1,454	176	149	9,325	9,840
Income from banking activities .. .. .	–	416	–	–	416	384
Total revenues business units	17,372	6,052	6,609	1,064	31,097	31,802
Income from other activities ..					47	93
<b>Total revenues .. .. .</b>					<b>31,144</b>	<b>31,895</b>
Investment income for the account of policyholders ..	(5,965)	(1,165)	(4,266)	(128)	(11,524)	(9,515)
Commissions and expenses business units .. .. .	3,733	666	500	265		
Commissions and expenses ..					5,212	4,574
Gross margin business units <sup>(1)</sup>	4,939	1,325	733	329		
Gross margin <sup>(1)</sup> .. .. .					7,061	7,817

(1) Gross margin is calculated as the sum of income before tax and commissions and expenses.

(2) The figures ‘Americas’ include the figures of AEGON in the USA and Canada.

(3) The figures under ‘Other countries’ include the figures of the operations in Hungary, Spain, AEGON Germany, Italy, Spaarbeleg Belgium, Taiwan and the Philippines.

## Line of business

### The Americas

Traditional life results of USD 813 million, up 3%, include USD 160 million of bond defaults compared to USD 157 million for 2001. Fixed annuity results of USD 165 million, down 49%, include USD 401 million of bond defaults compared to USD 229 million for 2001. Fixed annuity results also include a net reduction of DPAC amortization of USD 34 million compared to a positive unlocking of USD 20 million for 2001. GICs and funding agreement results of USD 257 million, up 33%, include bond defaults of USD 174 million compared to USD 159 million for 2001. Life for the account of policyholders results were USD 106 million, up 14%, reflecting lower expense levels. Variable annuity reported a loss of USD 437 million compared to a profit of USD 107 million in 2001. Due to declining equity markets and the adjustment of our equity return assumptions, additional DPAC amortization of USD 327 million and CAD 31 million and guaranteed minimum benefit provisions of USD 199 million and CAD 88 million were charged against results. Fee business results were USD 5 million, USD 69 million lower than 2001. The 2001 results included earnings from divested pension operations in Mexico. Accident and health results increased 60% to USD 233 million due to the acquired direct marketing insurance operations of J.C. Penney.



## The Netherlands

Traditional life results of EUR 552 million were 10% lower than 2001 results, due to lower interest results and higher lapse rates. Life for the account of policyholders results were EUR 49 million, down from EUR 192 million the prior year. This is primarily due to the provisions for guaranteed minimum benefits of EUR 209 million. Accident and health results of EUR 26 million were EUR 10 million lower than in 2001 and reflect higher claims as well as lower investment returns. General insurance results were EUR 24 million, down EUR 13 million from the prior year, due to the October storm claims and lower investment returns. Banking activities were EUR 8 million, down EUR 37 million from 2001, reflecting lower production and investment spreads, as well as increased provisions for credit risk.

## United Kingdom

Life for the account of policyholders results were GBP 75 million lower, mainly as a result of lower management and fund related fees.

## Other countries

Net income from other countries was EUR 52 million, a 15% decrease from 2001. The lower result was due primarily to lower results in Spain and start-up activities in Asia. Taiwan showed a modest profit for the first time.

## Deposits and New Premium Products

<i>amounts in million EUR</i>	<i>Americas<sup>(1)</sup></i>	<i>The Netherlands</i>	<i>United Kingdom</i>	<i>Other Countries<sup>(2)</sup></i>	<i>Full year 2002</i>	<i>Full year 2001</i>
<b>Deposits</b>						
Fixed annuities .. .. .	7,582	–	–	–	7,582	7,545
GICs and funding agreements	10,379	–	–	–	10,379	12,198
Variable annuities .. .. .	10,458	–	–	–	10,458	6,638
<b>Total .. .. .</b>	<b>28,419</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>28,419</b>	<b>26,381</b>
Savings deposits .. .. .	–	3,386	–	–	3,386	4,262
<b>Total production on balance sheet .. .. .</b>	<b>28,419</b>	<b>3,386</b>	<b>–</b>	<b>–</b>	<b>31,805</b>	<b>30,643</b>
<b>Investment contracts .. .. .</b>	<b>–</b>	<b>393</b>	<b>–</b>	<b>–</b>	<b>393</b>	<b>816</b>
<b>Off balance sheet production</b>						
Synthetic GICs .. .. .	12,881	–	–	–	12,881	13,077
Mutual funds/Collective Trusts and other managed assets .. .. .	7,020	1,223	696	186	9,125	8,520
<b>Total production off balance sheet .. .. .</b>	<b>19,901</b>	<b>1,223</b>	<b>696</b>	<b>186</b>	<b>22,006</b>	<b>21,597</b>
<b>Standardised new premium production life insurance</b>						
Single .. .. .	1,667	1,536	3,804	45	7,052	8,337
Recurring annualised .. .. .	872	191	556	157	1,776	1,783
<b>Total recurring plus 1/10 single</b>	<b>1,039</b>	<b>345</b>	<b>936</b>	<b>161</b>	<b>2,481</b>	<b>2,617</b>

(1) The figures 'Americas' include the figures of AEGON in the USA and Canada.

(2) The figures under 'Other countries' include the figures of the operations in Hungary, Spain, AEGON Germany, Italy, Spaarbeleg Belgium, Taiwan and the Philippines.

## Portfolio composition

In 2002, AEGON's general account investment assets decreased 5.8% from 2001 to EUR 123.1 billion. These assets represent 44.4% of AEGON's total managed assets. On general account assets, AEGON carries the investment risk and earns a spread. The general account assets in the Americas and the Netherlands represented 97% of AEGON's general account assets at 31st December, 2002. The decrease during 2002 was mainly driven by currency exchange rate differences. In local currencies, the general account asset base of AEGON Americas grew 12.5% to USD 109 billion due to strong new production in traditional life products and fixed annuities. In the Netherlands, the total general account asset base decreased by 11.1%, mainly as a result of the decline of the value of our equity investments by 17.4% in 2002. In 2002, AEGON also rebalanced its portfolio from equities to fixed income investments while increasing slightly the credit quality of the fixed income portfolio despite the further deterioration of credit markets during the year by reinvesting at a slightly higher average credit quality.

Investments for the account of policyholders (34.2% of AEGON's total managed assets in 2002) decreased by 16.4% in 2002 to EUR 94.7 billion, driven by currency exchange rate changes and declines in equity markets. Strong new production in variable annuities in the Americas of USD 9.9 billion partially offset the impact of equity market declines. On investments for the account of policyholders, the investment risk is generally borne by the policyholders, in certain cases subject to minimum benefit guarantees provided by AEGON, and AEGON earns fee income through policy expense charges. For these investments, the shift toward fixed income allocations already apparent in the past two years continued in 2002, as the allocation in fixed income securities (49%) was brought almost equal to the allocation in equities (51%). Assets related to banking activities increased 1.7% in 2002 to EUR 7.2 billion.

Off balance sheet investments (third-party asset management, mutual funds and synthetic GICs), on which we also earn fees, represented 18.8% of total managed assets and declined slightly in 2002 to EUR 52 billion as a result of the lower USD exchange rate, more than offsetting increased new production in third-party asset management and synthetic GICs.

<i>amounts in million EUR</i>	<i>Americas<sup>(1)</sup></i>	<i>The Netherlands</i>	<i>United Kingdom</i>	<i>Other Countries<sup>(2)</sup></i>	<i>As at 31st December 2002</i>	<i>As at 31st December 2001</i>
<b>Investments</b>						
Fixed income .. .. .	100,643	10,792	1,507	1,611	114,553	119,222
Equities and real estate.. ..	3,299	4,943	135	133	8,510	11,432
<b>Total general account .. .. .</b>	<b>103,942</b>	<b>15,735</b>	<b>1,642</b>	<b>1,744</b>	<b>123,063</b>	<b>130,654</b>
Fixed income .. .. .	11,397	11,139	23,675	312	46,523	43,279
Equities and real estate.. ..	22,193	5,934	19,892	186	48,205	69,993
<b>Total account policyholders ..</b>	<b>33,590</b>	<b>17,073</b>	<b>43,567</b>	<b>498</b>	<b>94,728</b>	<b>113,272</b>
<b>Total insurance activities .. ..</b>	<b>137,532</b>	<b>32,808</b>	<b>45,209</b>	<b>2,242</b>	<b>217,791</b>	<b>243,926</b>
Banking activities .. .. .	–	7,167	–	–	7,167	7,047
<b>Off balance sheet assets .. ..</b>	<b>48,639</b>	<b>1,689</b>	<b>1,239</b>	<b>471</b>	<b>52,038</b>	<b>53,884</b>
<b>Total business units .. .. .</b>	<b>186,171</b>	<b>41,664</b>	<b>46,448</b>	<b>2,713</b>	<b>276,996</b>	<b>304,857</b>
Other investments.. .. .					378	464
<b>Total investments .. .. .</b>					<b>277,374</b>	<b>305,321</b>

(1) The figures 'Americas' include the figures of AEGON in the USA and Canada.

(2) The figures under 'Other countries' include the figures of the operations in Hungary, Spain, AEGON Germany, Italy, Spaarbeleg Belgium, Taiwan and the Philippines.

## **Management**

The Company is managed by an Executive Board, the members of which are employed by AEGON N.V.. The Executive Board is appointed by the general meeting of shareholders upon nomination by the Supervisory Board. The activities of the Executive Board are subject to the general supervision by the Supervisory Board. Members of the Executive Board are appointed for an indefinite period.

Certain transactions affecting AEGON as a whole, such as the issuance or cancellation of shares, application for listing on a stock exchange, major acquisitions, major capital expenditures and all matters concerning substantial changes in employee relations require the approval of the Supervisory Board.

The members of the Supervisory Board are appointed and dismissed by the general meeting of shareholders. If appointment or dismissal is proposed other than upon nomination from the Supervisory Board, a resolution of the general meeting to that effect requires a 2/3 majority in a general shareholder's meeting representing more than half of AEGON N.V.'s issued share capital. Members of the Supervisory Board are appointed for a maximum term of four years and may be re-appointed. However, members are no longer eligible for re-appointment if they reach the age of 70.

Set forth below is certain information concerning the members of the Executive and Supervisory Boards of the Company. The business address of each member of the Executive and Supervisory Boards is AEGONplein 50, 2591 TV, The Hague, the Netherlands.

### **Executive Board**

Donald J. Shepard (1946), American nationality, started his career with Life Investors in 1970. Serving in various management and executive functions with Life Investors, he became Executive Vice-President and Chief Operating Officer in 1985, a position he held until AEGON consolidated its other US operations with Life Investors to form AEGON USA in 1989. He became a member of the Executive Board in 1992. In 2002 he became Chairman of the Executive Board of AEGON N.V.

Joseph B.M. Streppel (1949), Dutch nationality, started his career in 1973 at one of AEGON's predecessors in several treasury and investment positions. In 1986 he became CFO of FGH Bank and in 1987 he joined the Executive Board of FGH Bank. In 1991 he became CEO and Chairman of Labouchere and in 1995 also of FGH Bank. In 1998 he became CFO of AEGON N.V. Since May 2000 he has been a member of the Executive Board of AEGON N.V.

Johan G. van der Werf, (1952), Dutch nationality, started his career in 1973 as a First Officer in the Merchant Marine. In 1981 he joined one of the predecessors of AEGON as a district sales manager. From 1987 till 1992 he was chairman of the management board of Spaarbeleg and in 1992 he became a member of the management board of AEGON The Netherlands. In 2002 he became a member of the Executive Board of AEGON N.V. and CEO of AEGON The Netherlands.

Alexander R. Wynaendts (1960), Dutch nationality, started his career with AEGON in 1997 and was appointed Executive Vice-President Group Business Development in 1998. In the Executive Board he is responsible for business development and Asia. He is also member of the Boards of AEGON UK and La Mondiale Participations and of the Supervisory Boards of AEGON Hungary and AEGON Spain. Mr. Wynaendts has worked in the finance industry since 1984. In April 2003 he became member of the Executive Board of AEGON N.V.

### **Supervisory Board Members**

M. Tabaksblat (1937), Chairman and Dutch nationality, is Chairman of Reed Elsevier plc and a retired Chairman and CEO of Unilever. He was appointed in 1990; his current term will end in 2005. He is also Chairman of the Supervisory Board of TNT Post Group and a member of the International Advisory Boards of Salomon Smith Barney (USA) and Renault Nissan (France). He is also a member of the Executive Committee of Vereniging AEGON. He is the Chairman of the Compensation, Nominating and the Strategy Committees.

H. de Ruyter (1934), Vice-Chairman and Dutch nationality, is a retired Managing Director of Royal Dutch Petroleum Company and Group managing director of Royal Dutch/Shell group of

companies. He was appointed in 1993; he will retire in 2004, then having reached the retirement age of 70. He is a member of the Supervisory Boards of a number of Dutch companies, among which Royal Dutch Petroleum Company, Wolters Kluwer and Univar N.V. and has recently announced his retirement from the Supervisory Board of Royal Ahold. He is also a member of the Executive Committee of Vereniging AEGON and of Trust offices on behalf of some Dutch companies. He is a member of the Audit, Compensation, Nominating and Strategy Committees.

D.G. Eustace (1936), British nationality, is Chairman of Smith & Nephew plc (London, UK) and former Vice-Chairman of Royal Philips Electronics. He was appointed in 1997. He is also a member of the Supervisory Boards of a number of Dutch companies, among which Royal KLM, Royal KPN and Board Member of Royal Ahold. He is the Chairman of the Audit Committee.

O.J. Olcay (1936), American nationality, is Vice-Chairman and Managing Director of Fischer, Francis, Trees and Watts, Inc. (New York, USA). He was appointed in 1993; his current term of office will end in 2004. He is Chairman of FFTW Funds Inc. in New York (USA), FFTW Funds Selection in Luxembourg and FFTW Funds in Dublin (Ireland). He is a member of the Nominating and Strategy Committees.

T. Rembe (1936), American nationality, is a partner of Pillsbury Winthrop LLP (San Francisco, USA). She was appointed in 2000; her current term will end in 2004. She is a member of the Board of Directors of Potlach Corporation (USA) and SBC Communications (USA). She is a member of the Audit Committee.

W.F.C. Stevens (1938), Dutch nationality, is a senator in the Dutch Parliament and a retired partner/senior counsel of Baker & McKenzie. He was appointed in 1997; his current term will end in 2005. He is a member of the Supervisory Boards of a number of Dutch companies, among which NIB Capital, Schiphol Groep and TBI Holdings. He is a member of the Compensation Committee.

K.J. Storm (1942), Dutch nationality, is a former Chairman of the Executive Board of AEGON. He was appointed in 2002; his current term will end in 2006. He is a Chairman of the Supervisory Boards of Royal Wessanen and Laurus and a member of the Supervisory Boards of Interbrew (Leuven, Belgium), Royal KLM and Pon Holdings.

F.J. de Wit (1939), Dutch nationality, is a former Chairman of the Executive Board of Koninklijke KNP BT. He was appointed in 1990; his current term will end in 2004. He is also a member of the Supervisory Boards of Océ and PontEecen. He is a member of the Compensation and Strategy Committees.

L. M. van Wijk (1946), Dutch nationality, has held the position of Chief Executive Officer (CEO) at KLM Royal Dutch Airlines since 1997. He was appointed in 2003; his current term will end in 2007. Mr. Van Wijk is also a member of the Board of Directors of Northwest Airlines and of the Supervisory Boards of Randstad Holding, Martinair, TUI Nederland and 'Nederlands Bureau voor Tourisme'.

## Capital and indebtedness

The following table sets forth the audited total consolidated capitalisation and indebtedness of AEGON N.V. at 31st December, 2002 and the unaudited total consolidated capitalisation and indebtedness of AEGON N.V. at 30th September, 2003.

<i>in million EUR</i>	<i>31st December, 2002</i>	<i>30th September, 2003</i>
Preferred shares <sup>(1)(2)(3)</sup> .. .. .	53	55
Common shares <sup>(2)</sup> .. .. .	173	182
Surplus Funds .. .. .	14,005	13,369
<b>Shareholders' equity</b> .. .. .	<b>14,231</b>	<b>13,606</b>
Perpetual cumulative subordinated loans .. .. .	1,517	1,517
Trust Pass-through Securities .. .. .	491	442
Capital securities .. .. .	2,008	1,959
Subordinated debt.. .. .	616	477
Senior debt allocated to insurance activities .. .. .	3,203	4,027
<b>Total capital base</b> .. .. .	<b>20,058</b>	<b>20,069</b>

- (1) Vereniging AEGON, based in The Hague, holds all the issued preferred shares.
- (2) On 30th September, 2003 AEGON's issued share capital consisted of 221,900,000 preferred shares of EUR 0.25 each and 1,514,377,800 common shares of EUR 0.12 each.  
On 30th September, 2003 AEGON's authorised share capital consisted of EUR 250 mln preferred shares and EUR 360 mln common shares. All of AEGON's issued shares are fully paid-up.
- (3) Vereniging AEGON has the right to receive preferred shares B in order to prevent dilution resulting from the interim dividend declared on 7th August, 2003.
- (4) Save as disclosed above there has been no material change in the capitalisation and indebtedness of AEGON N.V. since 30th September, 2003.

The liabilities of AEGON N.V. are unsecured and unguaranteed. AEGON N.V. has no other material loan capital outstanding, loan capital created but unissued, term loans guaranteed, term loans unguaranteed, term loans secured, term loans unsecured, guaranteed borrowings, unguaranteed borrowings, secured borrowings, unsecured borrowings or other debts (including bank overdrafts, liabilities under acceptances, or acceptance credits, hire purchase commitments and obligations under finance leases).

## Commitments and Contingencies at 31st December

<i>amounts in million EUR</i>	<i>2002</i>	<i>2001</i>
<b>Investments contracted</b>		
Real estate .. .. .	(100)	(8)
Mortgage loans .. .. .	366	276
Bonds and registered debentures:		
Purchase .. .. .	–	1,007
Sale .. .. .	–	624
Private placements .. .. .	84	55
Other:		
Purchase .. .. .	552	694
Sale .. .. .	–	–

- (1) AEGON N.V. does not produce interim figures for Commitments and Contingencies or Collateral and Guarantees given to third parties.

## Future Lease Payments

Under non-cancellable operating lease contracts for office buildings, future minimum lease payments amount to:

<i>amounts in million EUR</i>	2002	2001
Less than one year .. .. .	64	63
Between one and five years .. .. .	218	223
Later than five years .. .. .	342	349
	<u>624</u>	<u>635</u>

<i>amounts in million EUR</i>	2002	2001
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### **Collateral and Guarantees given to third parties**

Bonds and registered debentures .. .. .	2,435	855
Private placements .. .. .	1	1
Ceded and securitized mortgage loans .. .. .	3,792	2,173
Letters of credit .. .. .	1,022	1,513

- (1) AEGON N.V. does not produce interim figures for Commitments and Contingencies or Collateral and Guarantees given to third parties.

These function mainly as collateral granted by AEGON subsidiaries abroad, to meet legal requirements. This item also includes collateral guarantees given by subsidiaries under reciprocal insurance contracts and guarantees on interest rate risk at early redemption of ceded and securitised mortgage loans.

There has been no material change in the commitments and contingencies of AEGON N.V. since 31st December, 2002.

## Derivatives

AEGON uses common derivative financial instruments, such as swaps, options, futures and cross-currency derivatives, to hedge its exposures related to investments, liabilities and borrowings. In general, the accounting treatment of derivatives mirrors the accounting treatment of the underlying financial instrument. In the balance sheet, the book values of the derivatives are recognized under the captions of the related underlying financial instrument. Foreign currency amounts are converted at the year-end exchange rates. Realized and unrealised results on derivative financial instruments are recognized in the same period and likewise as the results of the related investments, liabilities and debt.

AEGON does not hold or issue derivative instruments for speculative trading purposes.

AEGON engages into both exchange-traded derivatives contracts as well as over-the-counter (OTC) derivatives transactions. Because of its OTC derivatives positions, AEGON is exposed to counterparty credit risk. Counterparty credit risk is the risk of loss from a counterparty failing to meet its obligations according to the terms of the contract. The company continually monitors its position and the credit ratings of the counterparties to these derivative instruments. AEGON believes the risk of losses due to non-performance by its counterparties is low due to their high credit quality. All OTC transactions are governed by ISDA Master Agreements, which allow for netting of positions with one specific counterparty. In addition, during 2002, AEGON has negotiated collateral agreements with some of its counterparties to further limit mutual credit exposure. The credit exposure of OTC derivatives is represented by the market value of the derivatives contract.

The following table represents aggregate notional amounts of derivatives that are for account of AEGON. The amounts listed for interest rate contracts will not be exchanged by parties and, thus, do not reflect an exposure of the company to market movements. The amounts listed for cross currency contracts will be exchanged at amounts calculated on the basis of the notional amounts and the terms of the derivatives, which are related to interest rates, exchange rates and/or certain indices.

<i>amounts in million EUR</i>	<i>Notional amounts 2002</i>	<i>Fair Value 2002</i>	<i>Book value 2002</i>	<i>Notional amounts 2001</i>	<i>Fair value 2001</i>	<i>Book value 2001</i>
<b>Interest rate contracts</b>						
Interest rate swaps .. ..	35,380	(762)	62	35,419	(265)	0
Swaptions .. .. . . . . .	3	0	0	2,583	93	90
Caps/floors .. .. . . . . .	587	24	6	1,507	20	7
Forward rate agreements	104	2	0	724	1	0
<b>Other derivative contracts</b>						
Cross currency swaps ..	6,937	249	203	10,220	(604)	(694)
Foreign exchange contracts	1,329	57	57	671	(26)	(25)
Equity swaps.. .. . . . . .	599	(341)	37	478	(14)	(17)
Over-the-counter options	81	71	71	177	77	76
Credit derivatives .. .. . .	484	(7)	(4)	100	0	0
Exchange traded options/ futures .. .. . . . . . . .	3,557	72	74	5,225	(47)	(41)

### Off balance sheet assets

As part of its core operations, AEGON concludes transactions and has relationships with institutional and retail customers for a variety of financial services. The return for these services is a fee related to the asset value, to the investment performance or to the risk exposure of the contract.

The services include:

- management of investments for institutional investors and of mutual funds in the retail business;
- offering of synthetic GICs which guarantee to plan sponsors benefit responsiveness, whether or not in the form of annuities, in the event that qualified plan benefit requests exceed plan cash flows. The plan sponsor agrees to reimburse for such benefit payments with interest.

For all services the related assets are owned by the customers and therefore they do not appear on the balance sheet of AEGON.

Total assets involved in these operations amount to EUR 52 billion (2001: EUR 54 billion).

AEGON Levensverzekering N.V. completed two private placed securitisation programs in 2002 and two public placed securitisation programs in 2003. Currently, the economical ownership of in total EUR 3 billion of mortgage receivables has been conveyed to third-parties.

### Litigation

Banque Internationale à Luxembourg S.A. and Dexia Bank Belgium S.A. ('Dexia') have initiated legal proceedings against AEGON in connection with its acquisition in 2000 of Labouchere, at that time a subsidiary company of AEGON. Dexia alleges that AEGON has made certain misrepresentations and has breached some of the warranties contained in the purchase agreement. The alleged misrepresentations and breaches of warranties relate to the securities leasing products sold by Labouchere. Dexia's claims include a claim for dissolution of the agreement and damages and, if honoured by the competent courts, may result in substantial damage to us. AEGON has taken the view that the sale of Labouchere to Dexia constitutes a transaction between two large financial institutions that was duly effected and that Dexia's allegations are without merit. In view thereof, and given that the amount of damages due in case any of the claims of Dexia would succeed cannot be determined, no provision has been made for these claims in the annual accounts for 2002.

In January and February 2003, AEGON and certain (former) members of the Executive Board and directors were named in a series of similar class action complaints filed in US federal court alleging various violations of US securities laws involving the issuance of false and misleading statements during the period between 9th August, 2001 and 22nd July, 2002, when AEGON issued an update to its earnings guidance for 2002. AEGON believes these allegations are without merit and intends to defend vigorously against these actions. AEGON does not believe that these claims, either individually or in the aggregate, will result in a material adverse effect on its financial condition or results of operations.

### **Recent developments**

On 9th May, 2003 AEGON has adopted certain amendments to its Articles of Incorporation in an extraordinary general meeting of shareholders, which amendments have been adopted in the context of revisions of AEGON's corporate governance and its relationship with Vereniging AEGON and termination of the application to AEGON of the Dutch large company regime.

On 5th August, 2003 AEGON announced it has reached an agreement, through its subsidiary Transamerica Finance Corporation (TFC), to sell most of TFC's commercial lending business to GE Commercial Finance, the business-to-business financial services unit of the General Electric Company, for a total payment of approximately USD 5.4 billion. The transaction is expected to close before year-end 2003. In the context of this sale, AEGON is offering its guarantees as consideration in connection with its solicitation of consents from the required percentages of holders of outstanding TFC notes, which total USD 1,054,781,000 in aggregate principal amount, to effect the requisite amendments or waivers from those holders.

On 2nd October, 2003 AEGON announced the sale of Transamerica Finance Corporation's (TFC) real estate tax service and flood hazard certification businesses to First American Corporation for a total cash purchase price of USD 400 million.

On 29th October, 2003 AEGON Group officially launched its life insurance activities in Slovakia. AEGON Slovakia started selling traditional life insurance products last September.

On 26th November, 2003 AEGON announced an agreement on a partnership with Caja de Ahorros del Mediterráneo (CAM). AEGON and CAM have signed a framework agreement for a partnership, which would establish one of the key players in the Spanish insurance market.



## **UNAUDITED INTERIM RESULTS FOR NINE MONTHS ENDED 30TH SEPTEMBER, 2003**

Set out below are extracts from a press release issued by AEGON on 6th November, 2003:

“AEGON reports net income of EUR 464 million for the third quarter of 2003 compared to EUR 429 million in the third quarter of 2002. Additions to the provision for defaults on fixed income securities and the provision for guarantees were lower than in the same period of 2002. Net income for Transamerica Finance Corporation was EUR 31 million higher for the quarter. Earnings per share for the third quarter of 2003 were EUR 0.30, compared to EUR 0.29 in the same period last year.

Net income of EUR 1,323 million increased 11% compared to EUR 1,192 million in the first nine months of 2002 and includes an EUR 144 million increase in net income from Transamerica Finance Corporation. At constant currency exchange rates, net income would have increased by 24% for the first nine months of 2003. Income before tax for the first nine months of 2003 was 3% lower than the first nine months of 2002. Reflecting the adjustment for the 2002 stock dividend and the increased preferred share dividend, earnings per share over the first nine months amounted to EUR 0.85 compared to EUR 0.82 for the same period last year [.....]

### **Capital and funding**

Shareholders' equity decreased by EUR 625 million from 31st December, 2002 to EUR 13,606 million at 30th September, 2003. The main factors contributing to the change were negative exchange rate translations of EUR 1,289 million, a cash interim dividend on common shares of EUR 147 million, preferred dividend of EUR 71 million, a reduction in the revaluation reserve of EUR 85 million and net income of EUR 1,323 million. In addition, a goodwill charge of EUR 340 million was incurred mainly as a result of the consolidation of distribution companies.

At 30th September, 2003, equity capital represented 68% of our total capital base, while senior and dated subordinated debt comprised 22% of our total capital base. Not included in these numbers is the positive effect on equity capital of the sale of most of TFC's commercial lending activities as well as the sale of TFC's real estate information services and the flood hazard certification business. Inclusion of these divestitures would have taken the ratio equity to total capital to over 70%. Capital securities accounted for the remaining 10%. Fluctuations in the capital base may occur throughout the year due to the timing of transactions and cash flows. AEGON targets its equity to be 70% of the total capital base and expects to be at this level in subsequent quarters.

The revaluation account balance at 30th September, 2003 was EUR 2,513 million, comprised of realized gains of EUR 1,530 million and unrealised gains of EUR 983 million account for the total. EUR 467 million was released as indirect investment income from the revaluation account to income before tax compared with EUR 592 million for the first nine months of 2002. ”

Set out below is a summary of the unaudited interim results of AEGON for nine months ended 30th September, 2003, as published by AEGON on 30th November, 2003.

## Highlights

amounts in millions

USD			EUR			EUR		
First nine months		%	Third quarter		%	First nine months		%
2003	2002		2003	2002		2003	2002	
<b>Income by product segment</b>								
977	1,016	(4)	277	348	(20)	879	1,095	(20)
239	188	27	100	77	30	215	203	6
189	189	0	74	65	14	170	204	(17)
318	272	17	112	89	26	286	293	(2)
23	(264)	109	14	(32)	144	21	(285)	107
33	0	0	10	(3)		30	0	0
1,779	1,401	27	587	544	8	1,601	1,510	6
209	217	(4)	80	79	1	188	234	(20)
66	52	27	17	22	(23)	60	56	7
<b>2,054</b>	<b>1,670</b>	<b>23</b>	<b>684</b>	<b>645</b>	<b>6</b>	<b>1,849</b>	<b>1,800</b>	<b>3</b>
<b>12</b>	<b>30</b>	<b>(60)</b>	<b>9</b>	<b>11</b>	<b>(18)</b>	<b>11</b>	<b>32</b>	<b>(66)</b>
<b>(376)</b>	<b>(249)</b>	<b>51</b>	<b>(121)</b>	<b>(82)</b>	<b>48</b>	<b>(339)</b>	<b>(268)</b>	<b>26</b>
1,690	1,451	16	572	574	0	1,521	1,564	(3)
(456)	(408)	12	(151)	(157)	(4)	(410)	(440)	(7)
236	63		43	12		212	68	
<b>1,470</b>	<b>1,106</b>	<b>33</b>	<b>464</b>	<b>429</b>	<b>8</b>	<b>1,323</b>	<b>1,192</b>	<b>11</b>
<b>Income geographically</b>								
1,225	984	24	422	403	5	1,103	1,061	4
622	496	25	199	186	7	560	534	5
149	176	(15)	49	45	9	134	190	(29)
70	44	59	23	22	5	63	47	34
2,066	1,700	22	693	656	6	1,860	1,832	2
(376)	(249)	51	(121)	(82)	48	(339)	(268)	26
1,690	1,451	16	572	574	0	1,521	1,564	(3)
(456)	(408)	12	(151)	(157)	(4)	(410)	(440)	(7)
236	63		43	12		212	68	
<b>1,470</b>	<b>1,106</b>	<b>33</b>	<b>464</b>	<b>429</b>	<b>8</b>	<b>1,323</b>	<b>1,192</b>	<b>11</b>
6,004	4,986	20	1,841	1,726	7	5,404	5,373	1
4,314	3,535	22	1,269	1,152	10	3,883	3,809	2
<b>Amounts per common share of EUR 0.12</b>								
<b>0.94</b>	<b>0.76</b>	<b>24</b>	<b>0.30</b>	<b>0.29</b>	<b>3</b>	<b>0.85</b>	<b>0.82</b>	<b>4</b>
0.94	0.76	24	0.30	0.30	0	0.85	0.82	4
<i>As at</i>	<i>As at</i>					<i>As at</i>	<i>As at</i>	
<i>Sept. 30</i>	<i>Dec. 31</i>					<i>Sept. 30</i>	<i>Dec. 31</i>	
2003	2002					2003	2002	
9.00	8.64	4				7.72	8.24	(6)
9.44	9.18	3				8.10	8.75	(7)
Number of employees								
						28,846	26,278	10
Outstanding common shares: <sup>3</sup>								
– Number of common shares (millions) .. . . . . .								
						1,514	1,502	1
– Weighted average number (millions) .. . . . . .								
						1,473	1,452	1

<sup>1</sup>Based on the weighted average number of common shares, adjusted for stock dividend and repurchased own shares.

<sup>2</sup>Based on the number of common shares outstanding at the end of the period, adjusted for stock dividend and repurchased own shares.

<sup>3</sup>Adjusted for stock dividend.

**Revenues and production**  
amounts in millions

USD			EUR			EUR		
First nine months			Third quarter			First nine months		
2003	2002	%	2003	2002	%	2003	2002	%
<b>Revenues</b>								
1,513	1,308	16	380	539	(29)	1,362	1,410	(3)
4,491	3,985	13	1,302	1,293	1	4,042	4,294	(6)
3,975	4,111	(3)	1,148	1,310	(12)	3,578	4,430	(19)
3,533	2,992	18	863	959	(10)	3,180	3,224	(1)
13,512	12,396	9	3,693	4,101	(10)	12,162	13,358	(9)
2,079	2,027	3	589	643	(8)	1,871	2,184	(14)
682	552	24	175	174	1	614	595	3
16,273	14,975	9	4,457	4,918	(9)	14,647	16,137	(9)
7,143	6,520	10	2,194	2,188	0	6,429	7,025	(8)
303	268	13	88	99	(11)	273	289	(6)
23,719	21,763	9	6,739	7,205	(6)	21,349	23,451	(9)
10	7	43	6	(12)	150	9	8	13
<b>23,729</b>	<b>21,770</b>	<b>9</b>	<b>6,745</b>	<b>7,193</b>	<b>(6)</b>	<b>21,358</b>	<b>23,459</b>	<b>(9)</b>
<b>Revenues by product segment</b>								
20,210	18,451	10	5,751	6,145	(6)	18,191	19,882	(9)
2,471	2,435	1	710	766	(7)	2,224	2,624	(15)
735	609	21	190	195	(3)	661	656	1
303	268	13	88	99	(11)	273	289	(6)
10	7	43	6	(12)	150	9	8	13
<b>23,729</b>	<b>21,770</b>	<b>9</b>	<b>6,745</b>	<b>7,193</b>	<b>(6)</b>	<b>21,358</b>	<b>23,459</b>	<b>(9)</b>
<b>8,491</b>	<b>(13,796)</b>	<b>162</b>	<b>2,157</b>	<b>(8,486)</b>	<b>125</b>	<b>7,643</b>	<b>(14,866)</b>	<b>151</b>
<b>Standardized new premium production life insurance</b>								
4,865	4,885	0	1,258	1,520	(17)	4,379	5,264	(17)
1,594	1,196	33	472	373	27	1,435	1,289	11
<b>2,081</b>	<b>1,685</b>	<b>24</b>	<b>598</b>	<b>525</b>	<b>14</b>	<b>1,873</b>	<b>1,815</b>	<b>3</b>
<b>Deposits</b>								
4,374	5,581	(22)	905	1,535	(41)	3,937	6,014	(35)
7,598	8,167	(7)	1,813	2,122	(15)	6,839	8,801	(22)
5,243	6,556	(20)	1,108	2,581	(57)	4,719	7,065	(33)
17,215	20,304	(15)	3,826	6,238	(39)	15,495	21,880	(29)
2,446	2,505	(2)	679	832	(18)	2,202	2,699	(18)
<b>19,661</b>	<b>22,809</b>	<b>(14)</b>	<b>4,505</b>	<b>7,070</b>	<b>(36)</b>	<b>17,697</b>	<b>24,579</b>	<b>(28)</b>
<b>Net deposits</b>								
1,208	3,609	(67)	(27)	1,065	(103)	1,087	3,889	(72)
1,367	2,144	(36)	(105)	(127)	17	1,231	2,310	(47)
2,319	2,830	(18)	309	1,563	(80)	2,087	3,050	(32)
4,894	8,583	(43)	177	2,501	(93)	4,405	9,249	(52)
(702)	33		(183)	(95)	(93)	(632)	36	
<b>4,192</b>	<b>8,616</b>	<b>(51)</b>	<b>(6)</b>	<b>2,406</b>	<b>(100)</b>	<b>3,773</b>	<b>9,285</b>	<b>(59)</b>
<b>14</b>	<b>289</b>	<b>(95)</b>	<b>0</b>	<b>63</b>	<b>(100)</b>	<b>13</b>	<b>311</b>	<b>(96)</b>
<b>Off balance sheet production</b>								
11,239	8,593	31	3,726	2,585	44	10,116	9,260	9
8,491	6,189	37	2,701	2,078	30	7,643	6,669	15
<b>19,730</b>	<b>14,782</b>	<b>33</b>	<b>6,427</b>	<b>4,663</b>	<b>38</b>	<b>17,759</b>	<b>15,929</b>	<b>11</b>
519	549	(5)	157	176	(11)	467	592	(21)

**Investments, assets and capital geographically**  
*amounts in million EUR (unless otherwise stated)*

<i>Americas USD</i>	<i>United Kingdom GBP</i>	<i>As at 30th September, 2003</i>	<i>Americas</i>	<i>The Netherlands</i>	<i>United Kingdom</i>	<i>Other countries</i>	<i>Total EUR</i>	<i>Total USD</i>
<b>Investments</b>								
113,903	1,121	Fixed income .. .. .	97,754	13,200	1,604	1,875	114,433	133,337
3,565	87	Equities and real estate.. .. .	3,060	5,213	125	127	8,525	9,933
<b>117,468</b>	<b>1,208</b>	<b>Total general account .. . . .</b>	<b>100,814</b>	<b>18,413</b>	<b>1,729</b>	<b>2,002</b>	<b>122,958</b>	<b>143,270</b>
12,544	16,286	Fixed income .. .. .	10,765	10,665	23,312	387	45,129	52,584
29,682	14,428	Equities and real estate.. .. .	25,474	7,198	20,652	201	53,525	62,368
<b>42,226</b>	<b>30,714</b>	<b>Total account policyholders .. . . .</b>	<b>36,239</b>	<b>17,863</b>	<b>43,964</b>	<b>588</b>	<b>98,654</b>	<b>114,952</b>
<b>159,694</b>	<b>31,922</b>	<b>Total insurance activities .. . . .</b>	<b>137,053</b>	<b>36,276</b>	<b>45,693</b>	<b>2,590</b>	<b>221,612</b>	<b>258,222</b>
–	–	Banking activities .. .. .	–	6,792	–	–	6,792	7,914
<b>62,021</b>	<b>855</b>	<b>Off balance sheet assets .. . . .</b>	<b>53,228</b>	<b>9,225</b>	<b>1,224</b>	<b>514</b>	<b>64,191</b>	<b>74,795</b>
<b>221,715</b>	<b>32,777</b>	<b>Total assets business units .. . . .</b>	<b>190,281</b>	<b>52,293</b>	<b>46,917</b>	<b>3,104</b>	<b>292,595</b>	<b>340,931</b>
		Other investments.. .. .					23	27
		Total group .. .. .					292,618	340,958
165,443	32,443	Assets business units.. .. .	141,987	45,923	46,440	2,896	237,246	276,439
		Other assets .. .. .					3,159	3,681
		Total assets on balance sheet					240,405	280,120
17,196	2,079	Capital in units .. .. .	14,758	2,623	2,976	447	20,804	24,241
		Total capital base .. .. .					20,069	23,384
		Other net liabilities .. .. .					735	857
		Total .. .. .					20,804	24,241
<i>As at 30th September, 2002</i>								
<b>Investments</b>								
103,867	860	Fixed income .. .. .	105,342	13,542	1,366	1,491	121,741	120,037
3,702	68	Equities and real estate.. .. .	3,754	4,165	108	141	8,168	8,054
<b>107,569</b>	<b>928</b>	<b>Total general account .. . . .</b>	<b>109,096</b>	<b>17,707</b>	<b>1,474</b>	<b>1,632</b>	<b>129,909</b>	<b>128,091</b>
13,068	15,451	Fixed income .. .. .	13,254	10,293	24,545	286	48,378	47,701
20,851	12,372	Equities and real estate.. .. .	21,147	6,532	19,654	190	47,523	46,857
<b>33,919</b>	<b>27,823</b>	<b>Total account policyholders .. . . .</b>	<b>34,401</b>	<b>16,825</b>	<b>44,199</b>	<b>476</b>	<b>95,901</b>	<b>94,558</b>
<b>141,488</b>	<b>28,751</b>	<b>Total insurance activities .. . . .</b>	<b>143,497</b>	<b>34,532</b>	<b>45,673</b>	<b>2,108</b>	<b>225,810</b>	<b>222,649</b>
–	–	Banking activities .. .. .	–	7,503	–	–	7,503	7,397
<b>47,271</b>	<b>797</b>	<b>Off balance sheet assets .. . . .</b>	<b>47,942</b>	<b>1,272</b>	<b>1,266</b>	<b>316</b>	<b>50,796</b>	<b>50,085</b>
<b>188,759</b>	<b>29,548</b>	<b>Total assets business units .. . . .</b>	<b>191,439</b>	<b>43,307</b>	<b>46,939</b>	<b>2,424</b>	<b>284,109</b>	<b>280,131</b>
		Other investments.. .. .					379	374
		Total group .. .. .					284,488	280,505
148,212	28,923	Assets business units.. .. .	150,316	43,819	45,946	2,261	242,342	238,949
		Other assets .. .. .					5,500	5,423
		Total assets on balance sheet					247,842	244,372
14,063	1,858	Capital in units .. .. .	14,263	2,289	2,952	329	19,833	19,555
		Total capital base .. .. .					19,239	18,970
		Other net liabilities .. .. .					594	585
		Total .. .. .					19,833	19,555
<i>As at 31st December, 2002</i>								
<b>Investments</b>								
105,544	980	Fixed income .. .. .	100,643	10,792	1,507	1,611	114,553	120,132
3,460	88	Equities and real estate.. .. .	3,299	4,943	135	133	8,510	8,924
<b>109,004</b>	<b>1,068</b>	<b>Total general account .. . . .</b>	<b>103,942</b>	<b>15,735</b>	<b>1,642</b>	<b>1,744</b>	<b>123,063</b>	<b>129,056</b>
11,952	15,401	Fixed income .. .. .	11,397	11,139	23,675	312	46,523	48,789
23,274	12,940	Equities and real estate.. .. .	22,193	5,934	19,892	186	48,205	50,552
<b>35,226</b>	<b>28,341</b>	<b>Total account policyholders .. . . .</b>	<b>33,590</b>	<b>17,073</b>	<b>43,567</b>	<b>498</b>	<b>94,728</b>	<b>99,341</b>
<b>144,230</b>	<b>29,409</b>	<b>Total insurance activities .. . . .</b>	<b>137,532</b>	<b>32,808</b>	<b>45,209</b>	<b>2,242</b>	<b>217,791</b>	<b>228,397</b>
–	–	Banking activities .. .. .	–	7,167	–	–	7,167	7,516
<b>51,008</b>	<b>806</b>	<b>Off balance sheet assets .. . . .</b>	<b>48,639</b>	<b>1,689</b>	<b>1,239</b>	<b>471</b>	<b>52,038</b>	<b>54,572</b>
<b>195,238</b>	<b>30,215</b>	<b>Total assets business units .. . . .</b>	<b>186,171</b>	<b>41,664</b>	<b>46,448</b>	<b>2,713</b>	<b>276,996</b>	<b>290,485</b>
		Other investments.. .. .					378	397
		Total group .. .. .					277,374	290,882
149,948	29,864	Assets business units.. .. .	142,985	42,750	45,910	2,541	234,186	245,591
		Other assets .. .. .					4,020	4,216
		Total assets on balance sheet					238,206	249,807
16,518	2,028	Capital in units .. .. .	15,751	2,605	3,117	399	21,872	22,937
		Total capital base .. .. .					20,058	21,035
		Other net liabilities .. .. .					1,814	1,902
		Total .. .. .					21,872	22,937

## Summarized consolidated income statements

amounts in millions

USD			EUR			EUR		
First nine months		%	Third quarter		%	First nine months		%
2003	2002		2003	2002		2003	2002	
<b>Revenues</b>								
16,273	14,975	9	4,457	4,918	(9)	14,647	16,137	(9)
7,153	6,527	10	2,200	2,176	1	6,438	7,033	(8)
303	268	13	88	99	(11)	273	289	(6)
<b>23,729</b>	<b>21,770</b>	<b>9</b>	<b>6,745</b>	<b>7,193</b>	<b>(6)</b>	<b>21,358</b>	<b>23,459</b>	<b>(9)</b>
<b>Benefits and expenses</b>								
1,701	1,114	53	523	339	54	1,531	1,200	28
14,853	14,492	2	4,043	4,789	(16)	13,369	15,617	(14)
147	144	2	40	47	(15)	132	155	(15)
Commissions and expenses for								
4,314	3,535	22	1,269	1,152	10	3,883	3,809	2
530	492	8	155	165	(6)	477	530	(10)
Miscellaneous income and								
494	542	(9)	143	127	13	445	584	(24)
<b>22,039</b>	<b>20,319</b>	<b>8</b>	<b>6,173</b>	<b>6,619</b>	<b>(7)</b>	<b>19,837</b>	<b>21,895</b>	<b>(9)</b>
1,690	1,451	16	572	574	-	1,521	1,564	(3)
(456)	(408)	12	(151)	(157)	(4)	(410)	(440)	(7)
Transamerica Finance								
236	63		43	12		212	68	
<b>1,470</b>	<b>1,106</b>	<b>33</b>	<b>464</b>	<b>429</b>	<b>8</b>	<b>1,323</b>	<b>1,192</b>	<b>11</b>

Income statement items: average rate 1 EUR = USD 1.1110 (2002: USD 0.9280).

## Condensed consolidated balance sheets

amounts in millions

As at		%	As at		As at		As at		%
Sept. 30	Dec. 31		Sept. 30	Sept. 30	Sept. 30	Dec. 31			
USD			USD	EUR	EUR	EUR			
151,211	136,969	10	135,862	137,791	129,773	130,608		(1)	
3,436	3,729	(8)	3,336	3,383	2,949	3,556		(17)	
114,952	99,341	16	94,558	95,901	98,654	94,728		4	
10,521	9,768	8	10,616	10,767	9,029	9,314		(3)	
<b>280,120</b>	<b>249,807</b>	<b>12</b>	<b>244,372</b>	<b>247,842</b>	<b>240,405</b>	<b>238,206</b>		<b>1</b>	
Total shareholders' equity <sup>1</sup>									
15,584	14,924	6	14,360	14,564	13,606	14,231		(4)	
2,282	2,106	8	2,011	2,039	1,959	2,008		(2)	
556	646	(14)	630	639	477	616		(23)	
4,692	3,359	40	1,969	1,997	4,027	3,203		26	
<b>23,384</b>	<b>21,035</b>	<b>11</b>	<b>18,970</b>	<b>19,239</b>	<b>20,069</b>	<b>20,058</b>		-	
116,282	107,926	8	104,461	105,944	99,796	102,914		(3)	
Technical provisions with investments for the									
114,952	99,341	16	94,558	95,901	98,654	94,728		4	
25,502	21,505	19	26,383	26,758	21,886	20,506		7	
<b>280,120</b>	<b>249,807</b>	<b>12</b>	<b>244,372</b>	<b>247,842</b>	<b>240,405</b>	<b>238,206</b>		<b>1</b>	
<sup>1</sup> Shareholders' equity January 1									
Net income excluding preferred dividend .. .. .									
Dividend paid .. .. .									
Paid in surplus/Issuance of new shares .. .. .									
Currency exchange rate differences .. .. .									
Goodwill .. .. .									
Repurchased and sold own shares .. .. .									
Change revaluation account .. .. .									
Other changes .. .. .									
15,854	14,924		14,360	14,564	13,606	14,231			
Shareholders' equity end of period <sup>5,6</sup> .. .. .									
%									
44,863	42,014	7	38,959	39,512	38,502	40,063		(4)	
27,923	25,961	8	26,715	27,094	23,964	24,755		(3)	
(16,951)	(15,938)	6	(15,538)	(15,759)	(14,548)	(15,198)		(4)	
38,825	32,458	20	29,846	30,270	33,321	30,951		8	
6,936	6,674	4	6,643	6,737	5,953	6,364		(6)	
2,928	2,725	7	2,597	2,634	2,513	2,598		(3)	
1,783	2,156	(17)	2,496	2,531	1,530	2,056		(26)	

<sup>6</sup>Excluding the gain on the sale of TFC flood hazard certification and real estate tax service businesses to First American Corporation as announced on 2nd October, 2003.

Balance sheet items: closing rate 1 EUR = USD 1,1652 (2002: 0.9860; year-end 2002: USD 1.0487).

**Results by segment twelve months cumulative**  
*amounts in million EUR (unless otherwise stated)*

<i>Americas USD</i>	<i>United Kingdom GBP</i>	<i>Ist October, 2002 – 30th September, 2003</i>	<i>Americas</i>	<i>The Netherlands</i>	<i>United Kingdom</i>	<i>Other countries</i>	<i>Total EUR</i>	<i>Total USD</i>
		<b>Net income</b>						
1,161	119	Life insurance .. .. .	1,045	654	177	29	1,905	2,095
223	–	– Accident and health insurance	203	22	–	7	232	255
–	–	– General insurance .. . . .	–	22	–	44	66	74
–	–	– Banking activities .. . . .	–	(13)	–	–	(13)	(10)
		Interest charges and other.. .					(384)	(424)
1,384	119	Income before tax .. . . .	1,248	685	177	80	1,806	1,990
(264)	(27)	business units .. . . .	(217)	(152)	(40)	(18)	(323)	(382)
		Income before tax .. . . .						
		Corporation tax business units						
		Corporation tax .. . . .						
1,120	92	Net income business units.. .	1,031	533	137	62	195	221
		Transamerica Finance Corporation .. . . .						
		<b>Net income</b> .. . . .					<b>1,678</b>	<b>1,829</b>
5,088	514	Gross margin business units ..	4,670	1,641	763	355	7,101	7,430
		Gross margin .. . . .						
3,704	395	Commissions and expenses business units .. . . .	3,422	956	586	275	5,295	5,440
		Commissions and expenses ..						
		Net income per share (currency x 1) .. . . .					1.07	1.16

  

<i>Americas USD</i>	<i>United Kingdom GBP</i>	<i>Ist October, 2001 – 30th September, 2002</i>	<i>Americas</i>	<i>The Netherlands</i>	<i>United Kingdom</i>	<i>Other countries</i>	<i>Total EUR</i>	<i>Total USD</i>
		<b>Net income</b>						
1,209	185	Life insurance .. . . .	1,319	671	296	21	2,307	2,114
232	–	– Accident and health insurance	253	31	–	8	292	269
1	–	– General insurance .. . . .	1	33	–	39	73	67
–	–	– Banking activities .. . . .	–	31	–	–	31	29
		Interest charges and other.. .					(330)	(304)
1,442	185	Income before tax business units .. . . .	1,573	766	296	68	2,373	2,175
(403)	(53)	Income before tax .. . . .	(438)	(166)	(85)	(12)	(626)	(574)
		Corporation tax business units						
		Corporation tax .. . . .						
1,039	132	Net income business units.. .	1,135	600	211	56	85	78
		Transamerica Finance Corporation .. . . .						
		<b>Net income</b> .. . . .					<b>1,832</b>	<b>1,679</b>
4,893	428	Gross margin business units ..	5,325	1,354	686	309	7,391	7,067
		Gross margin .. . . .						
3,451	243	Commissions and expenses business units .. . . .	3,752	588	390	241	5,018	4,892
		Commissions and expenses ..						
		Net income per share (currency x 1) .. . . .					1.27	1.16

## DUTCH TAXATION

*The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Information Memorandum and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Instruments, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Save as otherwise indicated, this summary only addresses the position of investors who do not have any connection with The Netherlands other than the holding of the Instruments. Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of the Instruments under the laws of their country of citizenship, residence, domicile or incorporation.*

### 1. Withholding Tax

All payments by the Issuer of interest and principal under the Instruments and the Deed of Covenant can be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, provided that, if the Instruments have no fixed maturity date or a maturity date (including any extensions thereof) exceeding ten years,

- (i) such payments are not dependent, or deemed to be dependent, in whole or in part, on the profits of or on the distribution of profits by the Issuer or an affiliated company (*verbonden lichaam*); or
- (ii) whether such payments become due is not dependent, or deemed to be dependent, in whole or in part, on the profits of or on the distribution of profits by the Issuer or an affiliated company, unless the Instruments have a fixed maturity date (including any extensions thereof) not exceeding 50 years or are not subordinated.

### 2. Taxes on Income and Capital Gains

A holder of an Instrument who derives income from an Instrument or who realises a gain on the disposal or redemption of an Instrument will not be subject to Dutch taxation on such income or capital gains unless:

- (i) the holder is, or is deemed to be, resident in The Netherlands, or, where the holder is an individual, such holder has elected to be treated as a resident of The Netherlands; or
- (ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (iii) the holder is not an individual and the holder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in the Issuer and such interest does not form part of the assets of an enterprise; or
- (iv) the holder is an individual and the holder has, directly or indirectly, a substantial interest (*aanmerkelijk belang*) in the Issuer or such income or gain otherwise qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

### 3. Gift, Estate or Inheritance Taxes

Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of an Instrument by way of gift by, or on the death of, a holder, unless:

- (i) the holder 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 as a 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; or
- (iii) such Instrument is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment or a permanent representative in The Netherlands.

**4. Value Added Tax**

There is no Dutch value added tax payable by a holder of an Instrument in respect of payments in consideration for the issue of the Instruments or in respect of the payment of interest or principal under the Instruments, or the transfer of the Instruments.

**5. Other Taxes and Duties**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands by a holder of an Instrument in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Instruments or the performance of the Issuer's obligations under the Instruments.

**6. Residence**

A holder of an Instrument will not be treated as resident of The Netherlands by reason only of the holding of an Instrument or the execution, performance, delivery and/or enforcement of the Instruments.



## SUBSCRIPTION AND SALE

Instruments may be sold from time to time by the Issuer to any one or more of ABN AMRO Bank N.V., Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse First Boston (Europe) Limited, Deutsche Bank AG London, Dresdner Bank Aktiengesellschaft, Goldman Sachs International, J.P. Morgan Securities Ltd., Lehman Brothers International (Europe), Merrill Lynch International, Morgan Stanley & Co. International Limited, Salomon Brothers International Limited and UBS Limited (the “Dealers”). Instruments may also be sold by the Issuer direct to institutions who are not Dealers. The arrangements under which Instruments may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated 18th December, 2003 (the “Dealership Agreement”) and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Instruments, the price at which such Instruments will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Instruments.

Save for having obtained the approval of this document by the UKLA and for having procured the delivery of a copy of this document for registration to the Registrar of Companies in England and Wales, and having submitted (or procured the submission of) this document with the approval of the UKLA to the Netherlands Authority for Financial Markets (“*Stichting Autoriteit Financiële Markten*”, hereinafter the “AFM”), no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Information Memorandum and any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

In particular (but without limiting the generality of the preceding paragraph), subject to any amendment or supplement which may be agreed with the Issuer in respect of the issue of any Tranche, each Dealer has agreed to comply with the following provisions except to the extent that, as a result of any change(s) in, or in the official interpretation of, any applicable laws and/or regulations, non-compliance would not result in any breach of the provisions of the preceding paragraph.

**United States of America:** *Regulation S Category 2; TEFRA D; Rule 144A eligible if so specified in the relevant Pricing Supplement*

Instruments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Instruments in bearer form 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 U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Instruments, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Instruments comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Instruments to or through more than one Dealer, by each of such Dealers as to Instruments of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Instruments during the restricted period relating

thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Instruments within the United States or to or for the account or benefit of U.S. persons. In addition, until forty days after the commencement of the offering of Instruments comprising any Tranche, any offer or sale of Instruments within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act.

Each Tranche of Instruments will also be subject to such further United States selling restrictions as the Issuer and the relevant Dealer(s) may agree and as indicated in the relevant Pricing Supplement.

### **United Kingdom**

In relation to each Tranche of Instruments, each Dealer subscribing for or purchasing such Instruments has represented to and agreed with, or will represent to and agree with, the Issuer and each other such Dealer (if any) that:—

- (a) **No offer to public — listed Instruments:** if such Instruments have a maturity of one year or more and are to be listed on the Official List of the UKLA, it has not offered or sold and will not offer or sell any such Instruments to persons in the United Kingdom prior to admission of such Instruments to listing in accordance with Part VI of the Financial Services and Markets Act 2000 (the “FSMA”), except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the FSMA;
- (b) **No offer to public — unlisted Instruments:** if such Instruments have a maturity of one year or more and are not to be listed on the Official List of the UKLA, it has not offered or sold and will not offer or sell any such Instruments to persons in the United Kingdom prior to the expiry of the period of six months from the issue date of such Instruments except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FMSA with respect to anything done by it in relation to such Instruments in, from or otherwise involving the United Kingdom; and
- (d) **Financial promotion:** 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) in connection with the issue or sale of such Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (e) **No deposit-taking:** with respect to any Tranche of Instruments which has a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (b) it has not offered or sold and will not offer or sell any such Instruments other than to persons:
  - (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
  - (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Instruments would otherwise constitute a contravention of section 19 of the FSMA by the Issuer.

## The Netherlands/Global

(I) Any Instruments (including rights representing an interest in a Instrument in global form) issued under the Programme that are offered *anywhere in the world*, as part of their initial distribution, shall, in order to comply with the Netherlands Securities Market Supervision Act 1995 (*Wet toezicht effectenverkeer 1995*, hereinafter the “**Wte**”), only be offered and such an offer shall only be announced in writing (whether electronically or otherwise) in accordance with any one of the following restrictions as specified in the applicable Pricing Supplement:

- (i) if they have a denomination of at least EUR 50,000 (or the equivalent in any other currency) provided that if any such Instruments are issued:
  - (1) at a discount, they may only be offered if their issue price is no less than EUR 50,000 (or its equivalent in any other currency);
  - (2) on a partly-paid basis, they may only be offered if paid-up by their initial holders to at least such amount;
  - (3) with a denomination of precisely EUR 50,000 (or its equivalent in any other currency), they may only be offered on a fully-paid basis and at par or at a premium; or
- (ii) if, regardless of their denomination, Notes can only be acquired by investors during primary distribution (or by way of a re-offering in The Netherlands) in units comprising several Notes (each a “**Unit**”) against a purchase price of at least EUR 50,000 (or the equivalent in any other currency) per Unit, provided that:
  - (a) in the offer, in the applicable Pricing Supplement and in any documents or advertisements in which a forthcoming offering of such Notes is publicly announced (whether electronically or otherwise) it is stated that such offer will consist of Units with a purchase price of at least EUR 50,000 (or the equivalent in any other currency); and
  - (b) a copy of this Information Memorandum and the applicable Pricing Supplement are submitted to the AFM before the issue date.
- (iii) if all Instruments pertaining to any particular Series are purchased by one or more Dealers acting as principals, and such Dealers:
  - (1) are not incorporated in or acting through a branch office in The Netherlands; and
  - (2) qualify as professional investors (as described under (iv) below); and
  - (3) offer all such Instruments exclusively outside The Netherlands;
- (iv) to individuals or legal entities situated *anywhere in the world* who or which trade or invest in securities in the conduct of a business or profession (which includes banks, securities intermediaries (including dealers and brokers), insurance companies, pension funds, collective investment institutions, central governments, large international and supranational organisations, other institutional investors and other parties, including treasury departments of commercial enterprises, which as an ancillary activity regularly invest in securities; hereinafter, “**Professional Investors**”), provided that in the offer, in the applicable Pricing Supplement and in any documents or advertisements in which a forthcoming offering of such Instruments is publicly announced (whether electronically or otherwise) it is stated that such offer is and will be exclusively made to such Professional Investors;
- (v) in the case of Instruments issued to individuals or legal entities who or which are established, domiciled or have their usual residence (collectively, “**are resident**”) outside The Netherlands, provided that (a) in the offer, the applicable Pricing Supplement and in any advertisements or documents in which a forthcoming offer of the Instruments is announced (whether electronically or otherwise; collectively “**announcements**”) it is stated that the offer is not and will not be made to individuals or legal entities who or which are resident in The Netherlands, (b) the offer, the applicable Pricing Supplement and any announcements comply with the laws and regulations of any State where individuals or legal entities to whom or which the offer is or will be made are resident, and (c) a statement by the Issuer that those laws and

regulations are complied with is submitted to the Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, hereinafter the “**AFM**”) before the offer or any such announcement is made and is included in the applicable Pricing Supplement and each such announcement; or

- (vi) in the case of Instruments issued to persons and entities as referred to in (v) above and to Professional Investors situated in The Netherlands, provided that all the conditions referred to in (iv) and (v) above are complied with; or
- (vii) if the following criteria are met:
  - (c) the Instruments are subscribed for and placed by a syndicate of which at least two members have their statutory seat in different states that are a party to the European Treaty on an Economic Area (hereinafter the “**EEA**”); and
  - (d) 60 per cent. (60%) or more of the relevant issue amount of Instruments is offered in one or more states other than The Netherlands; and
  - (e) the Instruments may only be subscribed for or initially be purchased through the intermediation of a credit institution (registered with the Dutch Central Bank) or another financial institution which in the conduct of a business or profession provides one or more of the services described in paragraphs 7 and 8 of the Annex to the Banking Coordination Directive (2000/12/EC); and
  - (f) no general advertising or cold-calling campaign is conducted in respect of the Instruments *anywhere in the world*; or
- (viii) if any other exemption from the prohibition contained in article 3 paragraph 1 of the Wte applies or if the AFM has granted an (individual) dispensation from the above prohibition and the conditions attached to such exemption or dispensation are fully complied with.

(II) In addition and without prejudice to the relevant restrictions set out under (I) above, Zero Coupon Instruments (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Instrument in global form, or (b) in respect of the initial issue of Zero Coupon Instruments in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Instruments in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Instruments within, from or into The Netherlands if all Zero Coupon Instruments (either in definitive form or as rights representing an interest in a Zero Coupon Instrument in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein “**Zero Coupon Instruments**” are Instruments that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## **Japan**

Each Dealer understands that the Instruments have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any Instruments, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws and regulations promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Federal Republic of Germany**

Each Dealer has confirmed that it is aware of the fact that no German sales prospectus (*Verkaufsprospekt*) within the meaning of the Securities Sales Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*, the “**Act**”) of the Federal Republic of Germany has been or will be published with respect to the Notes and that it will comply with the Act and all other applicable legal and regulatory requirements. In particular, each of the Dealers represents that it has not engaged and has agreed that it will not engage in a public offering (*öffentliches Angebot*) within the meaning of the Act with respect to any Notes otherwise than in accordance with the Act.

### **The Republic of France**

Each Dealer has represented and agreed that it has not offered or sold Instruments in France except in compliance with the relevant regulations issued from time to time by the *Commission des Opérations de Bourse* and to (i) qualified investors (*investisseurs qualifiés*) or (ii) with a limited number of investors (*cercle restreint d’investisseurs*) each as defined in and in accordance with Article. L.411-2 of the French *Code monétaire et financier* (the “**Code**”) and the Decree No° 98-880 dated 1 October 1998.

In addition, each Dealer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, the Information Memorandum or any other offering material relating to the Instruments other than to investors to whom offers and sales of Instruments in France may be made as described above.

### **General**

Save for the Issuer having obtained the approval of this document by the UKLA and for the Issuer having procured the delivery of a copy of this document for registration to the Registrar of Companies in England and Wales, and having submitted (or procured the submission of) this document with the approval of the UKLA to the AFM, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Instruments, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Information Memorandum and any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Instruments or have in their possession or distribute such offering material, in all cases at their own expense.

## GENERAL INFORMATION

1. The establishment of the Programme was authorised by a resolution of the Executive Board (“*Raad van Bestuur*”) of the Issuer on 18th April, 1994.

2. Save as disclosed under “Litigation” on page 39, there are no, nor have there been any legal, arbitration or administrative proceedings involving the Issuer or any of its Subsidiaries (and no such proceedings are pending or threatened) which may have or have had during the twelve months prior to the date of this Information Memorandum a significant effect on the financial position of the Issuer or of the Group.

3. Save as disclosed in this Information Memorandum, there has been no significant change in the financial or trading position of the Issuer or the Group since 30th September, 2003 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31st December, 2002.

4. The financial statements of the Issuer have been audited for the three financial years preceding the date of this Information Memorandum by Ernst & Young Accountants, certified public accountants, and unqualified opinions have been reported thereon.

5. For so long as the Programme remains in effect or any Instruments shall be outstanding, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Fiscal Agent and Principal Registrar and from the registered office of the Issuer, namely:

- (a) the articles of incorporation (“*Statuten*”) of the Issuer;
- (b) the current listing particulars in relation to the Programme, together with any amendments or supplements thereto and any document incorporated therein by reference;
- (c) the Issue and Paying Agency Agreement;
- (d) the Deed of Covenant;
- (e) the Dealership Agreement;
- (f) the most recent publicly available audited consolidated financial statements of the Issuer beginning with such financial statements for the years ended 31st December, 2001 and 2002 and any interim financial statements published subsequently; and
- (g) any Pricing Supplement. In the case of a Tranche of Instruments in relation to which application has not been made for admission to the Official List of the UKLA, or for listing by any other competent listing authority or stock exchange, copies of the relevant Pricing Supplement will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (as defined in the Deed of Covenant) in respect of such Instruments.

6. Definitive Instruments not intended to be listed on the Official List of the UKLA may not in all circumstances be printed from engraved steel plates. If they are not to be so printed, a statement to that effect will be made in the relevant Pricing Supplement.

7. AEGON N.V. is registered at the Chamber of Commerce in The Hague under number 27076669.

8. The listing of any Series of Instruments on the Official List of the UKLA will be expressed as a percentage of their principal amount (excluding accrued interest). It is expected that each Series of Instruments which is to be admitted to the Official List of the UKLA will be admitted separately as and when issued, subject only to the issue of Temporary Global Instrument initially representing the Instruments of such Series and that the listing of the Programme and the admission for trading by the London Stock Exchange are both expected to take effect on or about 20th December, 2003.

9. The Instruments have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and International Securities Identification Number in

relation to the Instruments of each Series and any other clearing system as shall have accepted the relevant Instruments for clearance, will be specified in the Pricing Supplement relating thereto.

10. Bearer Instruments (other than Temporary Global Instruments) and any Coupon appertaining thereto will bear a legend substantially to the following effect: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.” The sections referred to in such legend provide that a United States person who holds a Bearer Instrument or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Instrument or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

11. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Fiscal Agent or, as the case may be, the Registrar in relation to each Tranche of Instruments.

12. At the date hereof, regulations of the Swiss National Bank exist concerning issues denominated in Swiss Francs.

**13. EU Savings Directive**

On 3 June 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is scheduled to be applied by Member States from 1 January 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

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