

Aegon cannot predict at this time the effect that litigation, investigations, and actions will have on the insurance industry or Aegon's business. Lawsuits, including class actions and regulatory actions, may be difficult to assess or quantify, and may seek recovery of very large and/or indeterminable amounts, including bad faith, punitive and treble damages, and their existence and magnitude may remain unknown for substantial periods of time. Claimants may allege damages that are not quantifiable or supportable and may bear little relationship to their actual economic losses, or amounts they ultimately receive, if any.

Aegon and other US industry participants have been named in lawsuits alleging, among other things, that asset-based fees charged for investment products offered on 401(k) platforms were higher than those generally available in the market. In the Netherlands, certain current and former customers, and groups representing customers have initiated litigation, and certain groups are encouraging others to bring lawsuits against Aegon and other insurers, in respect of certain products including securities leasing products and unit-linked products (so called 'beleggingsverzekeringen', including the KoersPlan product).

Aegon has defended and Aegon intends to continue defending itself vigorously when Aegon believes claims are without merit. Aegon has also sought and will continue to seek to settle certain claims, including via policy modifications in appropriate circumstances. Aegon refers to the settlement Aegon reached in 2009 with two major customer interest groups in the Netherlands, Stichting Verliespolis and Stichting Woekerpolis Claim. In 2012, Aegon accelerated certain product improvements that reduce future costs and increase policy value for its customers with unit-linked insurance policies. With these measures, Aegon committed to an appeal by the Dutch Ministry of Finance to apply 'best of class' principles to certain existing unit-linked products. As a result of this acceleration, Aegon took a one-off charge of EUR 265 million before tax. In addition, Aegon decided to reduce future policy costs from 2013 onward for the large majority of its unit-linked portfolio. This is expected to decrease income before tax over the remaining duration of the policies by approximately EUR 125 million in aggregate, based on the present value at the time of the decision. While parties such as Ombudsman Financiële Dienstverlening (the Netherlands financial services industry ombudsman) supported the arrangements, it is uncertain whether public debate over the general adequacy of the arrangements reached with customer interest groups, as well as ongoing discussions in the Dutch Parliament, will not continue in the future and lead to re-examination and adjustment of the settlements made. It is not yet possible to determine the direction or outcome of any further debate, including what actions, if any, Aegon may take in response thereto, or the impact that any such actions may have on Aegon's business, results of operations and financial position. Any such actions, whether triggered by legal requirements or commercial necessity, any substantial legal liability or a significant regulatory action, may have a materially adverse effect on Aegon's businesses, results of operations and financial condition.

In June, 2013, the Dutch Supreme Court denied Aegon's appeal from a ruling of the Court of Appeal with respect to a specific Aegon unit-linked product, the "Koersplan"-product. In 2011, the Court of Appeal had ruled that Aegon should have more clearly informed its customers about the amount of premium which the company charged in relation to the death benefit embedded in the product, sold during the period 1989-1998. Prior to the ruling Aegon had already taken steps to improve its communications with customers as well as adjusting the amounts charged to Koersplan-customers. As a result of the Dutch Supreme Court's denial of appeal, Aegon will compensate the approximately 35,000 holders of KoersPlan-products who were plaintiffs in the litigation and took a charge of EUR 25 million in Q2 2013. It is possible that holders of KoersPlan-products that were not plaintiffs in the litigation also expect or demand a form of compensation. It is not yet possible to determine what actions, if any, Aegon may take in connection with any such expectations or demands due to commercial necessity or future rulings, or the impact that any such actions may have on Aegon's business, results of operations and financial position.

Furthermore, recently a group of policyholders filed a claim against Aegon in Poland over the fees payable by a customer in case of early surrender of the policy contract. In September 2013, the Klachteninstituut Financiële Dienstverlening (KIFID), rendered an interim decision against another insurance company in The Netherlands. KIFID is an independent body that offers an alternative forum for customers to file complaints or claims over financial services. Its decisions may be appealed to the courts. In its interim decision, KIFID found that the consumer had not been adequately informed of the so-called initial costs embedded within its unit linked policy, nor of the leverage component thereof, and challenged the contractual basis for the charges. There are claims pending with KIFID that were filed over Aegon products and that arguably include similar allegations. If KIFID were to finally decide unfavorably and that decision were to be upheld by a court, there can be no assurances that ultimately the aggregate exposure to Aegon of such adverse decisions would not have a material adverse effect on Aegon's results of operations or financial position if the principles underlying any such decision were to be applied also to Aegon products.

Certain of the products Aegon sells are complex and involve significant investment risks that may be assumed by Aegon's customers. Aegon has, from time to time, received claims from certain current and former customers, and groups representing customers, in respect of certain products. Certain claims remain under review and may lead to disputes in the future. Aegon has in the past agreed to make payments, in some cases substantial, or adjustments to policy terms to settle those claims or disputes if Aegon believed it was appropriate to do so. While Aegon intends to defend itself vigorously against any claims that Aegon does not believe have merit, there