

## RISK MANAGEMENT AND RISK FACTORS

AEGON's ability to make payments on debt obligations and pay certain operating expenses may depend upon the receipt of dividends from subsidiaries. Certain of these subsidiaries have regulatory restrictions, which can limit the payment of dividends.

Insurance products enjoy certain tax advantages, particularly in the United States and the Netherlands, which permit the tax-deferred accumulation of earnings on the premiums paid by the holders of annuities and life insurance products under certain conditions and within limits. Taxes, if any, are payable on accumulated tax-deferred earnings when earnings are actually paid. The United States Congress has, from time to time, considered possible legislation that would eliminate the deferral of taxation on the accretion of value within certain annuities and life insurance products. In addition, the US Congress passed legislation in 2001 that provided for reductions in the estate tax and the possibility of permanent repeal of the estate tax continues to be discussed, which could have an impact on insurance products and sales in the United States. Recent changes in tax laws in the Netherlands have reduced the attractiveness of certain of AEGON's individual life products. The current administration in the Netherlands has indicated that it is contemplating further changes in law that would eliminate the tax advantages of certain of AEGON's products, including group savings products. Any changes in United States or Dutch tax law affecting products could have a material adverse effect on AEGON's business, results of operations and financial condition.

### LITIGATION

AEGON faces significant risks of litigation and regulatory investigations and actions in connection with AEGON's activities as an insurer, securities issuer, employer, investment advisor, investor and taxpayer. Lawsuits, including class actions and regulatory actions, may be difficult to assess or quantify, may seek recovery of very large and/or indeterminate amounts, including punitive and treble damages, and their existence and magnitude may remain unknown for substantial periods of time. A substantial legal liability or a significant regulatory action could have a material adverse effect on AEGON's business, results of operations and financial condition.

### CHANGES IN ACCOUNTING PRINCIPLES

AEGON's financial statements are prepared and presented in accordance with Dutch accounting principles. Any change in these accounting principles, such as the discontinuation of the indirect income method as of January 1, 2004, and the conversion to IFRS in 2005, may have a material impact on AEGON's reported results, financial condition and shareholders' equity.

The Hague, March 11, 2004

The Executive Board