

AEGON NV  
 Form 424B2  
 June 22, 2006

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Filed Pursuant to Rule 424(B)(2)  
 Registration No. 333-71438

Prospectus Supplement  
 (To Prospectus dated May 20, 2005)

**\$500,000,000**

**AEGON N.V.**

(a Netherlands public company with limited liability)

**6.875% Perpetual Capital Securities**

We are issuing \$500,000,000 aggregate principal amount of 6.875% perpetual capital securities, or Capital Securities, which will be issued pursuant to an indenture, as supplemented by a supplemental indenture, between us and Citibank, N.A., as trustee.

The Capital Securities are perpetual securities that have no fixed maturity or redemption date. However, at our option, we may redeem the Capital Securities in whole (but not in part) at their aggregate principal amount, together with any Outstanding Payments (as defined herein), on September 15, 2011 or any interest payment date thereafter, and upon the occurrence of certain tax and regulatory events described in this prospectus supplement under "Description of the Capital Securities." The Capital Securities will be issued in denominations of \$25 and will constitute direct, unsecured and subordinated securities.

The Capital Securities will bear interest at a rate of 6.875% per annum on their outstanding principal amount from (and including) the issue date, payable in U.S. dollars quarterly in arrears on March 15, June 15, September 15 and December 15, commencing on September 15, 2006, subject to the conditions described in this prospectus supplement under "Description of the Capital Securities." You will receive interest payments on your Capital Securities only in cash. As more fully described in this prospectus supplement, we may defer interest payments for any period of time; provided, however, that such deferred payments will become immediately due and payable if we make any payment on, or repurchase or redeem (subject to certain exceptions), our Junior Securities or Parity Securities (each as defined herein). Although you will always receive cash in satisfaction of any payments, we may, in certain circumstances, elect and, in the case of deferred payments, be required to satisfy our obligation to make such payments in cash by issuing our Common Shares which, when sold, will provide a sufficient amount of cash necessary to make all such payments.

We will apply to list the Capital Securities on the New York Stock Exchange. Trading of the Capital Securities is expected to begin within 30 days after the initial delivery of the Capital Securities.

**Investing in the Capital Securities involves risks. See "Risk Factors" beginning on page S-12.**

	Price to Public(1)	Underwriting Discount(2)	Proceeds to AEGON N.V.(3)
Per Capital Security	100%	3.15%	96.85%
Total	\$500,000,000	\$15,750,000	\$484,250,000

- (1) Plus accrued interest, if any, from June 28, 2006 if settlement occurs after that date.
- (2) We will pay the underwriters compensation of 3.15% per Capital Security for sales of \$250,000 or less in aggregate principal amount of Capital Securities and 2.00% per Capital Security for sales in excess of \$250,000 in aggregate principal amount of Capital Securities to a single purchaser.
- (3) Before deducting expenses. See "Underwriting."

We have granted the underwriters a 30-day option to purchase up to an additional \$50,000,000 principal amount of Capital Securities to cover over-allotments, if any, at the offering price less the underwriting discount. If the option is exercised in full, the total Price to Public, Underwriting Discount, and Proceeds to AEGON N.V. will be \$550,000,000, \$17,325,000 and \$532,675,000, respectively. Any Capital Securities issued or sold under the option will have the same terms and conditions as the Capital Securities.

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

The underwriters will deliver the Capital Securities in book-entry form only through the facilities of The Depository Trust Company on or about June 28, 2006. Beneficial interests in the Capital Securities will be shown on, and transfers thereof will be effected only through, records maintained by The Depository Trust Company and its participants, including Clearstream Banking, société anonyme, and Euroclear Bank SA/NV.

	<hr/> <b>Citigroup</b>	<hr/> <b>Merrill Lynch &amp; Co.</b>	
<b>Morgan Stanley</b>	<hr/> <b>UBS Investment Bank</b>		<b>Wachovia Securities</b>
<b>ABN AMRO Incorporated</b>	<hr/> <b>BNP Paribas</b>	<hr/> <b>JPMorgan</b>	<b>RBC Capital Markets</b>

The date of this Prospectus Supplement is June 21, 2006.

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

This prospectus supplement and the accompanying prospectus are not a prospectus for the purpose of the Securities Trade Supervision Act 1995 and have not been approved by the Netherlands Authority for the Financial Markets ("AFM").

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

### ABOUT THIS PROSPECTUS SUPPLEMENT

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

This prospectus supplement contains the terms of the offering of Capital Securities. Certain additional information about us is contained in the accompanying prospectus. This prospectus supplement, or the information incorporated by reference in this prospectus supplement or in the accompanying prospectus, may add, update or change information in the accompanying prospectus. If the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement or in the accompanying prospectus is inconsistent with the accompanying prospectus, this prospectus supplement or the information incorporated by reference in this prospectus supplement or in the accompanying prospectus, as applicable, will apply and will supersede the information in the accompanying prospectus. Terms used in this prospectus supplement that are otherwise not defined will have the meanings given to them in the accompanying prospectus or the Indenture (as defined under "Description of the Capital Securities" beginning on page S-18 of this prospectus supplement).

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents we have referred you to under "Where You Can Find More Information About Us" on page S-15 of this prospectus supplement and page 3 of the accompanying prospectus.

**THE OFFERING**

*This summary may not contain all of the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the financial data and related notes and the documents incorporated by reference in this prospectus supplement, including the section entitled "Risks relating to our business" beginning on page 9 of our 2005 Annual Report on Form 20-F, and the accompanying prospectus, before making a decision to invest in the Capital Securities. Terms that are defined under "Description of the Capital Securities" or in the accompanying prospectus have the same meaning when used herein.*

The Capital Securities will be a separate series of subordinated debt securities of AEGON N.V. as described in this prospectus supplement and the accompanying prospectus and will be issued under an Indenture, as supplemented by a fifth supplemental indenture between AEGON N.V., and Citibank, N.A., as trustee.

Issuer	AEGON N.V.
Securities Offered	6.875% Perpetual Capital Securities, in an aggregate principal amount of \$500,000,000.
Redemption	The Capital Securities are perpetual securities and have no fixed maturity date or redemption date and the holders have no right to call for their redemption. The Capital Securities are redeemable at our option, in whole (but not in part) at their aggregate principal amount, together with any Outstanding Payments, on September 15, 2011 which we refer to as the " <b>First Call Date</b> ," or any Interest Payment Date thereafter. The Capital Securities are also subject to redemption upon the occurrence of a Tax Event or for regulatory reasons, each as described in this prospectus supplement under "Description of the Capital Securities Redemption and Purchases."
Interest	The Capital Securities will bear interest from (and including) the issue date at a rate of 6.875% per annum.  Subject to the conditions described in this prospectus supplement, we will make interest payments in an amount equal to the interest accrued from (and including) the immediately preceding Interest Payment Date in respect of which interest has been paid or from (and including) the date of issue, if no interest has been paid, to (but excluding) the applicable Interest Payment Date.
Calculation of Interest	Interest on the Capital Securities will be computed and paid on the basis of a 360-day year consisting of 12 months of 30 days each.
Interest Payment Dates	Subject as described below, interest on the Capital Securities will be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, commencing on September 15, 2006. We refer to these dates as Interest Payment Dates.

If any Interest Payment Date or the redemption date of the Capital Securities falls on a day that is not a Business Day, we will make the required payment on the next succeeding Business Day, and no additional interest will accrue in respect of any payment made on the next succeeding Business Day.

Regular Record Dates

We will pay interest through the paying agent to the person in whose name a Capital Security is registered at the close of business on March 1, June 1, September 1 and December 1.

Status and Subordination

The Capital Securities constitute our direct, unsecured, subordinated securities and rank equally without any preference among themselves and rank equally with any Parity Securities and Parity Guarantees and rank in priority to any Junior Securities or Junior Guarantees. The rights and claims of the holders of Capital Securities are subordinated to the claims of our Senior Creditors, present and future.

When we refer to Senior Creditors, we mean all our present and future creditors:

who are unsubordinated creditors;

whose claims are, or are expressed to be, subordinated (whether only in the event of a winding-up (*faillissement* or *vereffening na ontbinding*) or otherwise) only to the claims of our unsubordinated creditors; and

who are subordinated creditors, other than those whose claims are, or are expressed to rank, equally with, or junior to, the claims of holders of Capital Securities.

For the avoidance of doubt, the Capital Securities rank equally with our existing perpetual capital securities, which we refer to as our Existing Capital Securities. As of the date hereof, we have issued and outstanding five series of Existing Capital Securities in aggregate principal amounts of €950 million, \$500 million, \$1 billion, \$500 million and \$250 million, respectively.

Winding-Up Claims

The Capital Securities will rank on our winding-up (*faillissement* or *vereffening na ontbinding*) in priority to distributions on Junior Securities, Junior Guarantees and all classes of our share capital and will rank equally with each other and among themselves and will rank equally with any of our Parity Securities and Parity Guarantees, including our Existing Capital Securities then outstanding, but will be subordinated in right of payment to the prior payment in full of the claims of our Senior Creditors, present and future.

Condition of Payment

No Payment in respect of the Capital Securities will be payable except to the extent that we are Solvent and not subject to a Regulatory Event, as applicable, and could make such Payment and still be Solvent and still not be subject to a Regulatory Event, as applicable, immediately thereafter.

Required Deferral of Payments

**Required Deferral Prior to Our Becoming Subject to Capital Adequacy Regulations**

If at any time before we become subject to Capital Adequacy Regulations we determine that we are not Solvent or that a Payment on the Capital Securities will result in us becoming not Solvent, we will be required to defer further Payments on the Capital Securities for any period of time until we become Solvent and are able to make the relevant Payment and remain Solvent. We must make such determination on the 20th Business Day prior to the date on which any Payment would, in the absence of a deferral in accordance with the terms and conditions of the Capital Securities, be due and payable.

Unless we elect to further defer such Payment pursuant to our optional right to defer referred to below, a Payment so deferred must be satisfied on the Interest Payment Date next following the 19th Business Day after we determine that we have become Solvent and that such Payment would not result in us becoming not Solvent again. We also may satisfy at any time any Payment so deferred by giving not less than 16 Business Days' prior notice to the trustee and the holders of the Capital Securities of such satisfaction (provided that at the time of satisfying such payment we are Solvent).

No interest will accrue on Payments we are required to defer.

**Required Deferral After Our Becoming Subject to Capital Adequacy Regulations**

If at any time after we have become subject to Capital Adequacy Regulations a Regulatory Event should occur and during the period such Regulatory Event is continuing, we will be required to defer further Payments on the Capital Securities for any period of time until we are no longer subject to a Regulatory Event and are able to make the relevant Payment without the occurrence of a Regulatory Event. We must make such determination on the 20th Business Day prior to the date on which any Payment would in the absence of deferral in accordance with the terms and conditions of the Capital Securities, be due and payable.

Unless we elect to further defer such Payment pursuant to our optional right to defer referred to below, a Payment so deferred must be satisfied on the Interest Payment Date next following the 19th Business Day after we determine that we are no longer subject to a Regulatory Event and that such Payment would not result in us becoming subject to a Regulatory Event again. We also may satisfy at any time any Payment so deferred by giving not less than 16 Business Days' prior notice of such satisfaction (provided that at the time of satisfying such Payment, we are no longer subject to a Regulatory Event).

No interest will accrue on Payments we are required to defer.

Optional Deferral of Payments

Subject to the payment restriction described below, we may elect to defer any Payment on the Capital Securities for any period of time. However, if we make this election, the Payment so deferred will bear interest at the Interest Rate for the full period of optional deferral.

Mandatory Payment Events; Mandatory Partial Payment Events

If a Mandatory Payment Event or Mandatory Partial Payment Event occurs then all Mandatorily Deferred Payments and Optionally Deferred Payments will become mandatorily due and payable in full on the date of the event as described under "Description of the Capital Securities Dividend Pusher; Mandatory Payments and Mandatory Partial Payments." We will only satisfy our obligations to pay such Mandatorily Deferred Payments or Optionally Deferred Payments in accordance with the provisions of the Alternative Interest Satisfaction Mechanism.

Alternative Interest Satisfaction Mechanism

We will satisfy any Mandatorily Deferred Payments and Optionally Deferred Payments (with any interest accrued on such deferred payment, as applicable) using proceeds raised by the Alternative Interest Satisfaction Mechanism. In addition, we may elect at any time to satisfy any Payment using the Alternative Interest Satisfaction Mechanism. Applying this mechanism means that we will issue Common Shares for cash in an amount as required to provide enough cash for us to make full payments on the Capital Securities in respect of the relevant Payment. We will calculate the number of Common Shares that we must issue to raise the full amount of money due on the Capital Securities on the relevant Payment date. You will always receive Payments made in respect of the Capital Securities in cash.



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Sufficiency and Availability of Common Shares	We are required to keep available for issue enough Common Shares as we reasonably consider would be required for issuance in order to satisfy from time to time the next year's scheduled Interest Payments and any Mandatorily Deferred Payments or Optionally Deferred Payments.
Market Disruption Event	<p>If, in our opinion, a Market Disruption Event exists on or after the 15th Business Day preceding any date upon which we are due to satisfy a payment using the Alternative Interest Satisfaction Mechanism (which may be mandatory if it concerns a deferred payment and which we may elect to do in other cases), we may delay making payment to you until the Market Disruption Event no longer exists. Any such Mandatorily Deferred Payment or Optionally Deferred Payment will bear interest at the Interest Rate from the date on which such relevant Payment was due to be made if the Market Disruption Event continues for 14 days or more beyond the Interest Payment Date.</p> <p><b>"Market Disruption Event"</b> means:</p> <p>the occurrence or existence of any suspension of or limitation imposed on trading by reason of movements in price exceeding limits permitted by Euronext Amsterdam N.V. or the New York Stock Exchange or on settlement procedures for transactions in the Common Shares on Euronext Amsterdam N.V. or the New York Stock Exchange if, in any such case, that suspension or limitation is material in the context of the sale of the Common Shares;</p> <p>in our opinion, there has been a substantial deterioration in the price and/or value of the Common Shares; or circumstances are such as to prevent or to a material extent restrict the issue or delivery of the Common Shares;</p> <p>where, pursuant to the terms of the Indenture, monies are required to be converted from one currency into another currency in respect of any payment, the occurrence of any event that makes it impracticable to effect such conversion; or</p> <p>where, in our opinion, there will have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in our view be likely to prejudice materially the success of the offering and distribution of our Common Shares or dealings in the Common Shares in the secondary market, if any.</p>
Additional Amounts	We will pay Additional Amounts to you to gross up Interest Payments upon the imposition of Dutch withholding tax, subject to customary exceptions.

Redemption for Tax Reasons

Upon the occurrence of certain tax events, we may redeem the Capital Securities in whole (but not in part) on the next Interest Payment Date, including before, on or after the First Call Date, at their aggregate principal amount, together with any Outstanding Payments.

Redemption or Conversion for Regulatory Reasons

If, at any time after we become subject to Capital Adequacy Regulations, the relevant regulator has determined that securities of the nature of the Capital Securities cannot qualify as "own funds" or "core capital" (Tier 1 capital or equivalent) for the purposes of determination of such Capital Adequacy Regulations, then we may redeem the Capital Securities in whole (but not in part) at their aggregate principal amount together with any Outstanding Payments.

Subject to compliance with applicable regulatory requirements, we may also elect, at any time, to convert or exchange the Capital Securities in whole (but not in part) for another series of capital securities having materially the same terms.

Remedy for Non-Payment

If any Payment Default occurs and continues with respect to the Capital Securities, the trustee may pursue all legal remedies available to it, including commencing a judicial proceeding for the collection of the sums due and unpaid or a bankruptcy proceeding in the Netherlands (but not elsewhere), but the trustee may not declare the principal amount of any outstanding Capital Securities to be due and payable.

A "**Payment Default**" will occur with respect to the Capital Securities if we fail to pay or set aside for payment the amount due to satisfy any payment on the Capital Securities when due, and such failure continues for 14 days (as described under "Description of the Capital Securities Non-Payment When Due; Limitation of Remedies"); provided that a Payment Event will not constitute a Payment Default.

If a Payment Event occurs and is continuing, the trustee may institute winding-up proceedings (*faillissement* or *vereffening na ontbinding*) exclusively in the Netherlands, but may not pursue any other legal remedy, including a judicial proceeding for the collection of the sums due and unpaid.

A "**Payment Event**" (and not a Payment Default) will occur if at the end of the 14-day grace period we fail to make such payment as a result of the existence of a Required Deferral Condition.

In the case of a Mandatory Payment Event or Mandatory Partial Payment Event, requiring payment of Interest on a succeeding Interest Payment Date or dates, if we fail to make such payment of Interest as a result of:

the existence of a Required Deferral Condition or

a deferral of an Interest Payment as permitted under the terms of the Indenture,

the relevant Interest Payment due on the Capital Securities will constitute an Outstanding Payment and will accumulate with any other Outstanding Payments until paid and will constitute neither a Payment Default nor a Payment Event.

Notwithstanding the foregoing, as a holder of the Capital Securities, you have the absolute and unconditional right to institute suit for the enforcement of any payment when due and such right may not be impaired without your consent.

Form We will issue the Capital Securities only in fully registered form, without coupons, in the form of beneficial interests in one or more separate global securities (the "**Global Securities**") registered in the name of Cede & Co., as nominee for The Depository Trust Company, which we refer to as "**DTC**." The Capital Securities will not be issued in definitive form, except under certain limited circumstances described herein. See "Description of the Capital Securities Book-entry System; Delivery and Form."

The Capital Securities will be issued only in denominations of \$25, and integral multiples thereof.

Clearing Systems; Book-Entry System The Capital Securities will be accepted for clearance by DTC, Euroclear, and Clearstream, Luxembourg. The initial distribution of the Capital Securities will be cleared through DTC only. Beneficial interests in the Global Securities will be shown on, and transfers thereof will be effected only through, the book-entry records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream. Owners of beneficial interests in the Capital Securities will receive all payments relating to their Capital Securities in U.S. dollars.

Selling Restrictions The offering and sale of the Capital Securities are subject to all applicable selling restrictions. See "Underwriting."

Listing; Trading We will apply to list the Capital Securities on the New York Stock Exchange under the symbol "AEV." Trading of the Capital Securities on the New York Stock Exchange is expected to begin within 30 days after the initial delivery of the Capital Securities.

Once listed, each Capital Security will trade as an individual unit at a trading price that will take into account the value, if any, of accrued but unpaid interest.

Governing Law The Capital Securities and the related Indenture will be governed by, and construed in accordance with, the laws of the State of New York, except that the subordination provisions will be governed by and construed in accordance with the laws of the Netherlands.

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Use of Proceeds We intend to use the net proceeds of this offering for general corporate purposes.

Over-Allotment Option We have granted to the underwriters a 30-day option to purchase up to an additional \$50,000,000 principal amount of Capital Securities to cover over-allotments, if any. Any Capital Securities issued or sold under the option will have the same terms and conditions as the Capital Securities.

Trustee Citibank, N.A.  
Address: Corporate Trust Office  
Attention: Agency & Trust  
388 Greenwich Street, 14th Floor  
New York, New York 10013  
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**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated using financial information calculated in accordance with International Financial Reporting Standards as adopted in the European Union ("**IFRS**").

<b>Three Months Ended March 31,</b>		<b>Year Ended December 31,</b>	
<b>2006</b>	<b>2005</b>	<b>2005</b>	<b>2004</b>
1.9	2.1	2.0	2.0

The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated using financial information calculated in accordance with generally accepted accounting principles in the United States ("**U.S. GAAP**") which differ in certain significant respects from IFRS. You can find a description of the significant differences between IFRS and U.S. GAAP in Note 18.57 to our consolidated financial statements, which are incorporated by reference from our annual report on Form 20-F for the year ended December 31, 2005 beginning on page 314 thereof. The ratio of earnings to fixed charges is calculated in accordance with Item 503 of Regulation S-K of the Securities Act of 1933, as amended. For more information, please see Item 19, Exhibit 7 of Form 20-F.

<b>Year Ended December 31,</b>				
<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
1.8	1.8	1.7	(1)	1.3

(1)

The deficiency of our earnings to fixed charges based on U.S. GAAP was €841,000,000 during 2002.

For purposes of determining the ratio of earnings to fixed charges, earnings is defined as income before tax plus fixed charges less dividends on preferred shares.\* Fixed charges are calculated by adding (1) interest expensed and capitalized, (2) amortized premiums, discounts and capitalized expenses related to indebtedness, (3) interest on fixed annuities, guaranteed investment contracts and savings accounts, (4) dividends on preferred shares and (5) interest on perpetual capital securities.

\*

For IFRS purposes also less interest on perpetual capital securities.

**USE OF PROCEEDS**

We estimate that the net proceeds from this offering before deducting expenses will be approximately \$484,250,000 (approximately \$532,675,000 if the Underwriters' over-allotment option is exercised in full). We intend to use the net proceeds of this offering for general corporate purposes.

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## RISK FACTORS

*Your investment in the Capital Securities entails risks. You should carefully consider the risk factors below, as well as the other information contained in this prospectus supplement and the accompanying prospectus, and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, including our annual report on Form 20-F for the year ended December 31, 2005 and the risk factors described therein beginning on page 9 thereof, before investing in the Capital Securities.*

### **We may defer payments on the Capital Securities for any period of time.**

We may elect to defer payments on the Capital Securities for any period of time, subject to our obligation to pay any Deferred Payments if we make any payments on our Junior Securities and Parity Securities. Unless deferral is required, deferred payments will bear interest at the Interest Rate for the full period of deferral. See "Description of the Capital Securities Deferral of Payments."

### **We are required to defer payments on the Capital Securities if, at any time prior to us becoming subject to Capital Adequacy Regulations, we are not Solvent.**

If we determine that we are not Solvent or that a Payment on the Capital Securities will result in us becoming not Solvent, we will be required to defer further Payments on the Capital Securities for any period of time until we become Solvent and are able to make the Payment and remain Solvent. Any Payments so deferred will not accrue interest. See "Description of the Capital Securities Deferral of Payments Required Deferral of Payments Before We Are Subject to Capital Adequacy Regulations."

### **After we become subject to Capital Adequacy Regulations, we will be required to defer payments on the Capital Securities upon a Regulatory Event.**

Upon the occurrence of a Regulatory Event and during the period such Regulatory Event is continuing, we will be required to defer further Payments on the Capital Securities for any period of time until we are no longer subject to a Regulatory Event and are able to make the Payment without the occurrence of a Regulatory Event. Any Payments so deferred will not accrue interest. See "Description of the Capital Securities Deferral of Payments Required Deferral of Payments After We Become Subject to Capital Adequacy Regulations."

### **The Capital Securities are perpetual securities, and you will have no right to call for their redemption.**

The Capital Securities are perpetual securities and have no fixed maturity date or holder's redemption right. We are under no obligation to redeem the Capital Securities at any time and you have no right to call for their redemption.

### **The Capital Securities will rank below our secured debt, our senior notes, certain of our subordinated obligations and the liabilities of our subsidiaries.**

The Capital Securities will be direct, unsecured, subordinated obligations and will rank equally without any preference among themselves and among our Existing Capital Securities. The Capital Securities will be subordinated to the claims of all of our Senior Creditors, present and future. Currently, our outstanding Common Shares and preferred shares are our only securities that rank below the Capital Securities and the Existing Capital Securities are our only securities that currently rank equally with the Capital Securities. All of our other securities currently rank senior to the Capital Securities.

The Capital Securities are obligations exclusively of AEGON N.V. AEGON N.V. is a holding company and conducts substantially all of its operations through its subsidiaries which own substantially

all of its operating assets. Our subsidiaries are separate and distinct legal entities, and have no obligation to pay any amounts due or to provide us with funds to meet any payment obligations that arise thereunder. Our right to receive any assets of any of our subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganization, and therefore the right of the holders of Capital Securities to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including obligations to policyholders. On March 31, 2006, the total indebtedness and obligations of our consolidated subsidiaries to creditors was €2.843 billion in aggregate.

**We are not prohibited from issuing further debt that may rank equally with or senior to the Capital Securities.**

There is no restriction on the amount of debt we may issue that ranks senior to the Capital Securities or on the amount of securities we may issue that rank equally with the Capital Securities. The issue of any such debt or securities may reduce the amount recoverable by you upon our bankruptcy or may increase the likelihood of a deferral of payments on the Capital Securities.

**We may redeem the Capital Securities at any time if certain adverse tax or regulatory events occur and we may redeem the Capital Securities at our option on September 15, 2011 or at any time on any Interest Payment Date thereafter.**

Upon the occurrence of certain tax or regulatory events, as described more fully in this prospectus supplement under "Description of the Capital Securities Redemption and Purchases," we may at our option redeem the Capital Securities at any time in whole, but not in part. We may also redeem the Capital Securities at our option, in whole but not in part, on or after September 15, 2011. Any redemption of the Capital Securities will be subject to the conditions described under "Description of the Capital Securities Redemption and Purchases."

**We may defer payments that we elect, or are required, to make pursuant to the Alternative Interest Satisfaction Mechanism should we fail to have a sufficient number of Common Shares available for issue.**

If we are to make a payment using the Alternative Interest Satisfaction Mechanism (which is mandatory if it concerns Deferred Payments and which we may elect to do in other cases) but we have an insufficient number of Common Shares available for issue, then our payment obligation will be suspended to the extent of such insufficiency until such time as sufficient Common Shares are available to satisfy all or part of the suspended payment obligation, as more fully described under "Description of the Capital Securities Alternative Interest Satisfaction Mechanism Reservation and Insufficiency of Common Shares."

**We may defer payments on the Capital Securities if a Market Disruption Event occurs.**

If, following our decision to satisfy a payment using the Alternative Interest Satisfaction Mechanism, in our opinion a Market Disruption Event exists, such payment may be deferred until the cessation of such market disruption, as more fully described under "Description of the Capital Securities Alternative Interest Satisfaction Mechanism Market Disruption." Any such Mandatorily Deferred Payments or Optionally Deferred Payments will bear interest at the Interest Rate from the date on which such payment was due to be made if the Market Disruption Event continues for 14 days or more.



**There are limitations on the remedies available to you and the trustee should we fail to pay amounts due on the Capital Securities.**

If a Payment Default occurs and continues with respect to the Capital Securities, the trustee may pursue all legal remedies available to it, including commencing a judicial proceeding for the collection of sums due and unpaid or commencing a bankruptcy proceeding in the Netherlands, but not elsewhere. The trustee may not, however, declare the principal amount of any outstanding Capital Security to be due and payable. Upon a Payment Event, the sole remedy available to the trustee for recovery of amounts owing in respect of any payment of principal in respect of the Capital Securities will be the institution of bankruptcy proceedings in the Netherlands. Although there is some doubt under Dutch law whether the trustee would be permitted to commence a bankruptcy proceeding in the Netherlands, in all cases any holder of the Capital Securities with a due and payable claim would be permitted to commence such proceedings in accordance with Dutch bankruptcy law. See "Description of the Capital Securities Non-Payment When Due; Limitation of Remedies."

**You will be deemed to have waived all rights of set-off.**

Subject to applicable law, you may not exercise or claim any right of set-off in respect of any amount we owe you arising under or in connection with the Capital Securities and you will be deemed, by virtue of holding the Capital Securities, to have waived all such rights of set-off. See "Description of the Capital Securities Non-Payment When Due; Limitation of Remedies."

**General market conditions and other factors could adversely affect market prices for the Capital Securities.**

Market prices for the Capital Securities can be expected to vary with changes in market and economic conditions, including changes in credit spreads and the market for similar securities, our financial condition and prospects, changes in our credit ratings (whether real or anticipated) and other factors that generally influence the market prices of securities.

**The Capital Securities are a new issue of securities, and there is no assurance that a trading market will exist or that it will be liquid.**

The Capital Securities are a new issue of securities and have no established trading market. Although application will be made to list the Capital Securities on the New York Stock Exchange, there can be no assurance that an active trading market will develop. Even if an active trading market does develop, no one, including the underwriters, is required to maintain its liquidity.

**You may not be entitled to receive U.S. dollars in a winding-up.**

If any holder of the Capital Securities is entitled to any recovery with respect to the Capital Securities in any winding-up, the holder of the Capital Securities might not be entitled in those proceedings to a recovery in U.S. dollars and might be entitled only to a recovery in euro or any other lawful currency of the Netherlands. In addition, under current Dutch law, our liability to holders of the Capital Securities, would have to be converted into euro or any other lawful currency of the Netherlands at a date close to the commencement of proceedings against us and holders of the Capital Securities would be exposed to currency fluctuations between that date and the date they receive proceeds pursuant to such proceedings, if any.

**National Association of Insurance Commissioners (the "NAIC") may classify the Capital Securities.**

The NAIC reviews a broad array of securities, including so-called hybrid securities such as the Capital Securities, and may from time to time classify them into various categories. Depending on how the NAIC may classify the Capital Securities, they may be more or less attractive to U.S. insurance companies that may seek to invest in the Capital Securities, which may in turn affect the demand for the Capital Securities after this offering. You should consult with your own advisor about the implications to you, if any, of a classification by the NAIC with respect to the Capital Securities, if any.

**WHERE YOU CAN FIND MORE INFORMATION ABOUT US**

We file annual reports with and furnish other information to the U.S. Securities and Exchange Commission ("SEC"). You may read and copy any document that we have filed with or furnished to the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Our SEC filings are also available to the public through the SEC's web site at <http://www.sec.gov>. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room in Washington, D.C. and in other locations.

**INCORPORATION OF CERTAIN INFORMATION WE FILE WITH THE SEC**

As permitted by the SEC, this prospectus supplement and the accompanying prospectus do not contain all the information you can find in our registration statement or the exhibits to the registration statement. The SEC allows us to "incorporate by reference" information into this prospectus supplement and the accompanying prospectus, which means that:

incorporated documents are considered part of this prospectus supplement and the accompanying prospectus;

we can disclose important information to you by referring you to those documents;

information that we file with the SEC after the date of this prospectus supplement that is incorporated by reference in this prospectus supplement and the accompanying prospectus automatically updates and supersedes this prospectus supplement and the accompanying prospectus; and

information that is more recent that is included in this prospectus supplement and the accompanying prospectus automatically updates and supersedes information in documents incorporated by reference with a date earlier than this prospectus supplement.

We incorporate by reference into this prospectus supplement and the accompanying prospectus our documents listed below:

Annual Report on Form 20-F for the fiscal year ended December 31, 2005;

Report on Form 6-K furnished to the SEC on April 26, 2006 relating to resolutions passed at the annual general meeting of shareholders of AEGON N.V.;

Report on Form 6-K furnished to the SEC on May 10, 2006;

Report on Form 6-K furnished to the SEC on May 12, 2006 relating to our first quarter 2006 financial results;

Report on Form 6-K furnished to the SEC on May 22, 2006;

Report on Form 6-K furnished to the SEC on May 31, 2006; and

each of the following documents that we file with or furnish to the SEC after the date of this prospectus supplement from now until we terminate the offering of securities under this prospectus supplement, the accompanying prospectus and the registration statement:

reports filed under Section 13(a), 13(c) or 15(d) of the Exchange Act, and

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reports filed or furnished on Form 6-K that indicate that they are incorporated by reference in this prospectus supplement or the accompanying prospectus.

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These documents contain important information about us and our financial condition. You may obtain copies of these documents in the manner described above. You may also request a copy of these filings (excluding exhibits) at no cost by contacting us as follows:

Investor Relations  
AEGON N.V.  
P.O. Box 202  
2501 CE The Hague  
The Netherlands  
Tel: 011-31-70-344-8305  
Fax: 011-31-70-383-2773  
E-mail: [groupir@aegon.com](mailto:groupir@aegon.com)

Investor Relations  
AEGON USA, Inc.  
1111 North Charles Street  
Baltimore, MD 21201  
USA  
Tel: 1-410-576-4577  
Fax: 1-410-347-8685  
E-mail: [ir@aegonusa.com](mailto:ir@aegonusa.com)

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## CAPITALIZATION

The following table sets forth our consolidated capitalization (a) as of March 31, 2006 and (b) as of March 31, 2006, as adjusted to give effect to this offering of Capital Securities and use of the net proceeds therefrom. It is important that you read this table in conjunction with, and it is qualified by reference to the historical financial statements and related notes in the information relating to our results for the three months ended March 31, 2006 furnished to the SEC on May 12, 2006 on Form 6-K, incorporated by reference in this prospectus.

The following table uses financial information derived from accounting policies based on IFRS.

	As of March 31, 2006	
	Actual	Adjusted(1)
	(in millions of €)	
Preferred shares par value(2)	59	59
Common shares par value(2)	192	192
Surplus funds	18,588	18,588
Shareholders' equity	18,839	18,839
Share options	5	5
Junior perpetual capital securities, year of first call: 2010(3)	636	636
Junior perpetual capital securities, year of first call: 2014(4)	1,352	1,352
Junior perpetual capital securities, year of first call: 2015(5)	821	821
Capital Securities offered hereby		413
Perpetual cumulative subordinated bonds(6)	567	567
Minority interest	18	18
Group equity	22,238	22,651
Trust pass through securities(6)	425	425
Subordinated borrowings(6)	279	279
Senior borrowings related to insurance activities(6)	2,092	1,679
Total capital base	25,034	25,034

(1) Adjusted to reflect this offering and use of the net proceeds therefrom.

(2) On March 31, 2006, our issued share capital consisted of 235,530,000 preferred shares, par value €0.25 per share, and 1,599 million common shares, par value €0.12 per share, net of shares held in our treasury. Our preferred shares and common shares are Junior Securities.

(3) Consists of two series of perpetual capital securities in aggregate principal amount of \$500 million and \$250 million, respectively, each of which are Parity Securities.

(4) Consists of two series of perpetual capital securities in aggregate principal amount of €950 million and \$500 million, respectively, each of which are Parity Securities.

(5) Consists of a series of perpetual capital securities in aggregate principal amount of \$1 billion, which are Parity Securities.

(6)

Holders of all such obligations are Senior Creditors.

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## DESCRIPTION OF THE CAPITAL SECURITIES

The following description of the particular terms of the Capital Securities supplements the description of the general terms and provisions of the Capital Securities set forth under "Description of Debt Securities" beginning on page 11 in the accompanying prospectus. The accompanying prospectus contains a detailed summary of additional provisions of the Capital Securities and of the Indenture under which they will be issued. Certain provisions of this section are summaries of the accompanying prospectus and subject to its detailed provisions. You should read all the provisions of the accompanying prospectus and the Indenture. The following description of the Capital Securities replaces the accompanying prospectus in the event of any inconsistency.

The following description is only a summary and does not describe every aspect of the Capital Securities or the Indenture. Therefore, it may not contain all of the information that is important to you as a potential purchaser of the Capital Securities. If you purchase the Capital Securities, your rights will be determined by the Capital Securities, the Indenture and the Trust Indenture Act of 1939. In light of this, you should read the Indenture and the form of the Capital Securities filed with the Securities and Exchange Commission before making an investment decision. You can read the Indenture and the form of Capital Securities at the locations listed under "Where You Can Find More Information About Us" in this prospectus supplement.

The Capital Securities will be issued under an indenture, dated as of October 11, 2001, between AEGON N.V., AEGON Funding Corp., AEGON Funding Corp. II and Citibank, N.A., as trustee, as such indenture has been modified and supplemented to the date hereof, and as shall be further modified by a fifth supplemental indenture to be dated as of June 28, 2006 (the "**Fifth Supplemental Indenture**") between AEGON N.V. and Citibank, N.A., as trustee, which we refer to collectively as the "**Indenture**." The Capital Securities will be treated as a separate series of our subordinated debt securities. We will file a copy of the Fifth Supplemental Indenture relating to the Capital Securities and the form of the Capital Securities with the SEC. In accordance with the terms of the Indenture, we are permitted to issue additional Capital Securities that would be considered part of the same series of Capital Securities we are offering pursuant to this prospectus supplement.

## FORM AND DENOMINATION

We will issue the Capital Securities only in fully registered form, without coupons, in the form of beneficial interests in one or more Global Securities. The Capital Securities will be issued in denominations of \$25 and integral multiples thereof. We will issue the Capital Securities as Global Securities registered in the name of Cede & Co., as nominee for DTC. Please read " Book-Entry System; Delivery and Form" for more information about the form of the Capital Securities and their clearance and settlement.

## INTEREST

### *Interest Payment Dates*

Subject to our right to defer Interest Payments as described under " Deferral of Payments," interest on the Capital Securities will be payable quarterly in arrears in equal payments for any full Interest Period on March 15, June 15, September 15 and December 15 of each year, commencing on September 15, 2006 at a fixed rate per annum on their outstanding principal amount equal to 6.875% (calculated on a 30/360 day basis). We refer to such rate as the "**Interest Rate**" and to each such date as an "**Interest Payment Date**." If any Interest Payment Date or the redemption date of the Capital Securities falls on a day that is not a Business Day, we will make the required payment on the next succeeding Business Day and no additional interest will accrue in respect of any payment made on the next succeeding Business Day.

Interest is payable from the date of issue of the Capital Securities or from the most recent date to which interest on such Capital Security has been paid or duly provided for, until the principal amount of such Capital Security is paid or duly made available for payment. We will pay interest through the paying agent to the person in whose name the Capital Security is registered on the record date.

Subject to the conditions described in this prospectus, we will make interest payments in an amount equal to the interest accrued from (and including) the immediately preceding Interest Payment Date in respect of which interest has been paid or from (and including) the date of issue, if no interest has been paid, to (but excluding) the applicable Interest Payment Date (each, an "**Interest Period**"). Each Capital Security will cease to bear interest from the due date for redemption, if any, unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it will continue to bear interest at the Interest Rate.

## DEFERRAL OF PAYMENTS

We must make each Interest Payment on the relevant Interest Payment Date subject to and in accordance with the provisions contained herein. Subject to the conditions described herein under " Status" and " Dividend Pusher; Mandatory Payments and Mandatory Partial Payments," we must or may defer an Interest Payment and any other Payment in the following circumstances.

### *Required Deferral of Payments Before We Are Subject to Capital Adequacy Regulations*

(a) If, prior to such date as we become subject to Capital Adequacy Regulations, on the 20th Business Day prior to the date on which any payment (not including principal) would otherwise be due and payable, we determine that we are not Solvent or that payment of the relevant payment or part thereof would result in us becoming not Solvent, we must defer such payment or such part thereof, as the case may be, by giving notice to the trustee and the holders of Capital Securities. We refer to such deferred payment (together with any required deferral due to a Regulatory Event (as described below)) as a "**Mandatorily Deferred Payment**" and to such notice as well as any similar notice given in the event of a Mandatorily Deferred Payment due to the occurrence of a Regulatory Event or an Optionally Deferred Payment (as described below) as a "**Deferral Notice**." A Deferral Notice must be given not less than 16 Business Days prior to the payment due date. This required deferral is subject to the Alternative Interest Satisfaction Mechanism.

If, after we defer a payment for this reason, the relevant Required Deferral Condition is no longer met on the 20th Business Day preceding any subsequent Interest Payment Date, then we will satisfy such payment on the relevant Deferred Interest Satisfaction Date by giving notice, not less than 16 Business Days prior to the Deferred Interest Satisfaction Date, to the trustee and the holders of Capital Securities that we will satisfy such payment on such date.

(b) We will not satisfy such payment on the relevant Deferred Interest Satisfaction Date referred to above, if:

we have previously elected to satisfy such payment earlier (provided that, at the time of satisfying such payment, the relevant Required Deferral Condition fails to be met) by delivering a notice to the trustee and the holders of Capital Securities not less than 16 Business Days prior to the relevant Deferred Interest Satisfaction Date that we will satisfy such payment on such date; or

we validly elect to use our right to optionally defer any such payment that would otherwise have been required to be paid on such Deferred Interest Satisfaction Date as described below under " Optionally Deferred Payments."

(c) We may only satisfy our obligation to pay a Mandatorily Deferred Payment in accordance with the Alternative Interest Satisfaction Mechanism. A Mandatorily Deferred Payment will not accrue



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interest, except under the circumstances we describe under " Alternative Interest Satisfaction Mechanism."

### *Required Deferral of Payments After We Become Subject to Capital Adequacy Regulations*

(a) If, after such date as we become subject to Capital Adequacy Regulations, on the 20th Business Day prior to the date on which any payment (not including principal) would otherwise be due and payable, we determine that we are subject to a Regulatory Event or that payment of the relevant payment or part thereof would result in us becoming subject to a Regulatory Event, we must defer such payment or such part thereof, as the case may be, by giving a Deferral Notice to the trustee and the holders of Capital Securities. A Deferral Notice must be given not less than 16 Business Days prior to the payment due date.

If, after we defer a payment for this reason, the relevant Required Deferral Condition is no longer met on the 20th Business Day preceding any subsequent Interest Payment Date, then we will satisfy such payment on the relevant Deferred Interest Satisfaction Date by giving notice, not less than 16 Business Days prior to the Deferred Interest Satisfaction Date, to the trustee and the holders of Capital Securities that we will satisfy such payment on such date.

(b) We will not satisfy such payment on the relevant Deferred Interest Satisfaction Date referred to above, if:

we have previously elected to satisfy such payment earlier (provided that, at the time of satisfying such payment, the relevant Required Deferral Condition fails to be met) by delivering a notice to the trustee and the holders of Capital Securities not less than 16 Business Days prior to the relevant Deferred Interest Satisfaction Date that we will satisfy such payment on such date; or

we validly elect to use our right to optionally defer any such payment that would otherwise have been required to be paid on such Deferred Interest Satisfaction Date as described below under " Optionally Deferred Payments."

(c) We may only satisfy our obligations to pay a Mandatorily Deferred Payment in accordance with the Alternative Interest Satisfaction Mechanism. A Mandatorily Deferred Payment will not accrue interest, except under the circumstances we describe under " Alternative Interest Satisfaction Mechanism."

Any Mandatorily Deferred Payment will be satisfied from the proceeds of the issue of Common Shares as described herein under " Alternative Interest Satisfaction Mechanism."

### *Optionally Deferred Payments*

Subject to the conditions described under "Dividend Pusher; Mandatory Payments and Mandatory Partial Payments", we may at any time in our sole discretion and for any reason defer all or part of any Payment that would in the absence of deferral be due and payable by giving a Deferral Notice to the trustee and the holders of Capital Securities not less than 16 Business Days prior to the relevant due date. We will then, subject to the absence of a Required Deferral Condition, satisfy any such Optionally Deferred Payment at any time by means of an issuance of Common Shares in accordance with the Alternative Interest Satisfaction Mechanism, upon delivery of a notice to the trustee and the holders of Capital Securities, not less than 16 Business Days prior to the relevant Deferred Interest Satisfaction Date, informing them of our election to so satisfy such payment and specifying the relevant Deferred Interest Satisfaction Date.

Optionally Deferred Payments will bear interest at the Interest Rate from (and including) the date on which, but for such deferral, the Optionally Deferred Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Interest Satisfaction Date.

#### **DIVIDEND PUSHER; MANDATORY PAYMENTS AND MANDATORY PARTIAL PAYMENTS**

We will give a Deferral Notice in the case of a Required Deferral Condition and we may give a Deferral Notice, in our sole discretion and for any reason, in the case of an Optionally Deferred Payment, except that any such Deferral Notice as to a payment required to be paid pursuant to a Mandatory Payment Event or Mandatory Partial Payment Event pursuant to paragraph (a) below will have no force or effect.

We will be required to make payments on the Capital Securities in the following circumstances.

(a) If a Mandatory Payment Event or Mandatory Partial Payment Event (each as described below) occurs then all Mandatorily Deferred Payments and Optionally Deferred Payments will become mandatorily due and payable in full on the date of the event. Notwithstanding any provision to the contrary herein, we will only satisfy our obligations to pay such Mandatorily Deferred Payments and Optionally Deferred Payments in accordance with the provisions of the Alternative Interest Satisfaction Mechanism.

(b) If a Mandatory Payment Event occurs, then the Interest Payments payable on the next four consecutive Interest Payment Dates, the next two consecutive Interest Payment Dates or the next Interest Payment Date, as the case may be, following the Mandatory Payment Event, depending on whether the Junior Security, the Parity Security or the security benefiting from a Junior Guarantee or a Parity Guarantee pays dividends or income distributions on an annual basis, a semi-annual basis or a quarterly basis, as the case may be, will be mandatorily due and payable in full on the relevant Interest Payment Dates. We may, but will not be required to, satisfy our obligation to make the Interest Payment payable on such Interest Payment Date in accordance with the Alternative Interest Satisfaction Mechanism.

A Mandatory Payment Event occurs if:

we declare, pay or distribute a dividend or make a payment (other than a dividend in the form of Common Shares) on any of our Junior Securities or make a payment on a Junior Guarantee;

any of our subsidiaries or any corporate body, partnership or cooperative in which we have a direct or indirect financial, commercial or contractual majority interest, which we refer to as an Undertaking, declares, pays or distributes a dividend on any security issued by it benefiting from a Junior Guarantee or makes a payment (other than a dividend in the form of Common Shares) on any security issued by it benefiting from a Junior Guarantee;

we or any of our subsidiaries or Undertakings redeems, purchases or otherwise acquires for any consideration any of our Junior Securities, Parity Securities or securities issued by any of our subsidiaries or Undertakings benefiting from a Junior Guarantee or Parity Guarantee, other than:

by conversion into or in exchange for our Common Shares;

in connection with transactions effected by or for the account of our customers or customers of any of our subsidiaries or in connection with the distribution, trading or market-making activities in respect of those securities;

in connection with our satisfaction of our, or the satisfaction by any of our subsidiaries of its, obligations under any of our employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants of AEGON;

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as a result of a reclassification of us or any of our subsidiaries or the exchange or conversion of one class or series of capital stock for another class or series of capital stock; or

the purchase of fractional interests in shares of our capital stock or the capital stock of any of our subsidiaries pursuant to the conversion or exchange provisions of that capital stock (or the security being converted or exchanged); or

any moneys are paid to or made available for a sinking fund or for redemption of any Junior Securities, Parity Securities or any securities issued by any of our subsidiaries or Undertakings benefiting from a Junior Guarantee or Parity Guarantee;

in all such cases described above, except where it concerns a payment, purchase or redemption that we are obliged to make pursuant to our Articles of Association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions we conclude prior to the relevant deferral.

(c) If a Mandatory Partial Payment Event occurs, then Mandatory Partial Payments will be mandatorily due and payable in respect of each Capital Security. Such Mandatory Partial Payments will be payable on the next four consecutive Interest Payment Dates, the next two consecutive Interest Payment Dates or the next Interest Payment Date, as the case may be, after the occurrence of such Mandatory Partial Payment Event, depending on whether the Parity Securities pay dividends or income distributions on an annual basis, a semi-annual basis or a quarterly basis, as the case may be. We may, but will not be required to, satisfy our obligation to pay any Mandatory Partial Payments in accordance with the Alternative Interest Satisfaction Mechanism.

A Mandatory Partial Payment Event occurs if:

we declare, pay or distribute a dividend or make a payment on any of our Parity Securities or make any payment on any of our Parity Guarantees (except where it concerns a payment, purchase or redemption that we are obliged to make pursuant to our Articles of Association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by us prior to the relevant deferral); or

any of our subsidiaries or Undertakings declares, pays or distributes a dividend on any security issued by it benefiting from a Parity Guarantee or makes a payment on any security issued by it benefiting from a Parity Guarantee.

### **ALTERNATIVE INTEREST SATISFACTION MECHANISM**

We will satisfy any Mandatorily Deferred Payments and any Optionally Deferred Payments (with any interest accrued thereon, as applicable) using proceeds raised by the Alternative Interest Satisfaction Mechanism. In addition, we may elect at any time to satisfy our obligation to make any Payment (other than Deferred Payments and a payment of principal) to holders of Capital Securities by using the Alternative Interest Satisfaction Mechanism. Applying this mechanism means that we will issue Common Shares for cash in an amount as required to provide enough cash for us to make full payments on the Capital Securities in respect of the relevant Payment. We will calculate the number of Common Shares that we must issue to raise the full amount of money due on the Capital Securities on the relevant payment date plus the claims for the costs and expenses to be borne by us in connection with using the Alternative Interest Satisfaction Mechanism. You will always receive Payments made in respect of the Capital Securities in cash.

If we use the Alternative Interest Satisfaction Mechanism, we will notify the trustee not less than 16 Business Days prior to the relevant Interest Payment Date. Unless there is a required or an optional deferral of payment in accordance with the provisions described in this prospectus supplement under

" Deferral of Payments," Payments must be satisfied in accordance with the provisions described in this prospectus supplement under " Payments on the Global Securities Method of Payment."

*Issue of Common Shares*

If we satisfy any Payment in accordance with the Alternative Interest Satisfaction Mechanism then, subject to the conditions described under " Reservation and Insufficiency of Common Shares" and " Market Disruption," the following will occur.

(a) By close of business on or before the seventh Business Day prior to the relevant Interest Payment Date or Deferred Interest Satisfaction Date we will have authorized for issue such number of Common Shares as, in our determination, have a market value (after conversion from euro into U.S. dollars, if applicable) of not less than the relevant Payment to be satisfied.

(b) We will procure purchasers for such Common Shares as soon as possible after the above-mentioned authorization for the issue of Common Shares, but not later than the fourth Business Day prior to the Relevant Date.

(c) If, after the operation of the above procedures, there would, in our opinion, be a shortfall on the date on which the relevant Payment is due, we will issue further Common Shares in accordance with the provisions of the Indenture to ensure that a sum at least equal to the relevant Payment is available to make the Payment in full on the relevant due date, provided that if, despite these efforts, such a shortfall exists on the relevant due date we will continue to issue Common Shares until the trustee shall have received funds equal to the full amount of such shortfall.

*Receipt of Cash Proceeds in Respect of Issue of Common Shares to be Used to Satisfy Payment*

If we elect or if we are required to make a Payment hereunder by using the proceeds of an issue of Common Shares, and, in accordance with our obligations, we issue such Common Shares under the Indenture, we will sell such Common Shares in the market. Subject to the conditions described below under "Status Conditions of Payment," the cash proceeds we receive on the sale of the Common Shares in the market will be used to satisfy the relevant Payment or, as the case may be, the relevant part of such Payment. We will transfer the cash proceeds (or such amount of cash proceeds as is necessary (after conversion from euro to U.S. dollars, if applicable) to make the relevant Payment) to the trustee on the Business Day preceding the relevant payment date for Payment by the trustee, on the relevant payment date, towards the relevant Payments to be satisfied. The trustee shall pay to the holders of Capital Securities the proceeds of the sale of Common Shares in respect of the relevant Payment.

*Reservation and Insufficiency of Common Shares*

(a) We are required to keep available for issue enough Common Shares as we reasonably consider would be required to satisfy from time to time the next year's scheduled Interest Payments and any Mandatorily Deferred Payments or Optionally Deferred Payments. No damages will be payable for breach of this covenant but, if we breach this requirement, the trustee may require that we hold, as soon as practicable, an extraordinary general meeting of our shareholders at which we will seek a resolution to remedy the breach. The trustee is not obliged to monitor our compliance with this paragraph and is entitled to assume, unless it has actual knowledge to the contrary, that we are complying with our obligations under this paragraph.

(b) In the event that we do not, on the date when the number of Common Shares required to be issued is determined, have a sufficient number of Common Shares available for issue, then we will notify the trustee and the holders of Capital Securities that all or part, as the case may be, of the relevant Payment cannot be so satisfied due to the events described in this paragraph. In this case the

Payment or part thereof will be satisfied following the date of the next annual general meeting or extraordinary general meeting of our shareholders at which a resolution is passed making a sufficient number of Common Shares available to satisfy all or such part of the relevant Payment.

However, if the number of Common Shares authorized to be issued at any such meeting is insufficient to satisfy all or such part of the relevant Payment then we will apply the proceeds of those Common Shares so issued in partial satisfaction of all or such part of the relevant Payment. Following the passage of any such resolution, we will notify the trustee and the holders of Capital Securities of the date upon which the relevant Payment or, as the case may be, the part thereof is to be made on not less than 16 Business Days' notice. The relevant Payment or part thereof that is not so satisfied will, unless it is a Mandatorily Deferred Payment that had been deferred as described under " Deferral of Payments" and has not subsequently been satisfied or deferred in accordance with an optional deferral as described under " Deferral of Payments Optionally Deferred Payments," continue to accrue interest from (and including) the date on which Payment would otherwise have been due to (but excluding) the date on which such Payment or part thereof is satisfied or, in the event of a Market Disruption Event, the date on which such Payment or part thereof would, but for the occurrence of such Market Disruption Event, have been satisfied (from which date interest (if any) will accrue on such Payment as described under " Market Disruption") at the Interest Rate.

(c) If, in the case of an insufficiency of Common Shares, we do not hold an annual general meeting within six months of giving the above first-mentioned notice, at which a resolution to make a sufficient number of Common Shares so available is proposed, the trustee will by notice require us to convene an extraordinary general meeting at which such a resolution will be proposed, on a date falling within 10 weeks of such notice from the trustee.

(d) In the event that any such resolution proposed at any such annual general meeting or extraordinary general meeting is rejected, such resolution will be proposed at each annual general meeting or any extraordinary general meeting thereafter until such time as such resolution has been passed by our shareholders.

#### *Market Disruption*

Notwithstanding the provisions described above under "Issue of Common Shares," if, in our opinion, a Market Disruption Event exists on or after the 15th Business Day preceding any date upon which a payment or part thereof is due to be made or satisfied using the Alternative Interest Satisfaction Mechanism, then we may give notice to the trustee and the holders of Capital Securities as soon as possible after the Market Disruption Event has arisen or occurred, whereupon the relevant payment will be deferred until such time as, in our opinion, the Market Disruption Event no longer exists.

Any such deferred payment or part thereof will be satisfied as soon as practicable after the Market Disruption Event no longer exists. Except as provided in the next sentence, interest will not accrue on such deferred payment or part thereof, however, during a Market Disruption Event. If we do not make the relevant payment or part thereof for a period of 14 days or more after its due date, even if the Market Disruption Event is continuing, interest will accrue on such deferred payment or part thereof from (and including) the date on which the relevant payment or part thereof was due to be made to (but excluding) the date on which such payment or part thereof is made. Any such interest will accrue at the Interest Rate and will be satisfied only in accordance with the Alternative Interest Satisfaction Mechanism and as soon as reasonably practicable after the relevant deferred payment is made. No liability will attach to the trustee or its agents if, as a result of a Market Disruption Event or any other event outside the control of the trustee or any such agent, the trustee or any such agent is unable to comply with its duties in connection with any payment made pursuant to the Alternative Interest Satisfaction Mechanism.

*Certification to Trustee*

We will certify to the trustee that the proceeds used to make any Mandatorily Deferred Payments or Optionally Deferred Payments have been funded through the issue of Common Shares that will provide the cash amount due in respect of the Mandatorily Deferred Payments or Optionally Deferred Payments.

**STATUS**

*Status and Subordination of the Capital Securities*

The Capital Securities constitute our direct, unsecured, subordinated securities and rank equally without any preference among themselves and rank equally with any Parity Securities and Parity Guarantees and rank in priority to any Junior Securities and Junior Guarantees. The rights and claims of the holders of Capital Securities are subordinated to the claims of our Senior Creditors, present and future. For the avoidance of doubt, the Capital Securities rank equally with our Existing Capital Securities.

When we refer to Senior Creditors, we mean all our present and future creditors:

who are unsubordinated creditors;

whose claims are, or are expressed to be, subordinated (whether only in the event of a winding-up (*faillissement* or *vereffening na ontbinding*) or otherwise) only to the claims of our unsubordinated creditors; and

who are subordinated creditors, other than those whose claims are, or are expressed to rank, equally with, or junior to, the claims of holders of Capital Securities.

As of March 31, 2006, we had approximately €4.953 billion of outstanding debt owed to Senior Creditors.

*Conditions of Payment*

*Conditions of Payment prior to becoming subject to Capital Adequacy Regulations*

Before we become subject to Capital Adequacy Regulations, any Payment relating to the Capital Securities (or use of the proceeds of the issue of Common Shares in accordance with the Alternative Interest Satisfaction Mechanism described herein) will be made only if we are Solvent at the time of Payment (or at the time of using the proceeds of the issue of such Common Shares). We may make no Payment relating to the Capital Securities (nor use any proceeds of the issue of Common Shares in accordance with the Alternative Interest Satisfaction Mechanism) unless we would still be Solvent immediately after such Payment (or use of the proceeds of such Common Shares). Our redemption or purchase of the Capital Securities constitutes a payment that is subject to this condition.

*Conditions of Payment after becoming subject to Capital Adequacy Regulations*

After we become subject to Capital Adequacy Regulations, any Payment relating to the Capital Securities (or use of the proceeds of the issue of Common Shares in accordance with the Alternative Interest Satisfaction Mechanism) will be made only if we are not subject to a Regulatory Event at the time of payment (or at the time of using the proceeds of the issue of such Common Shares). We may make no Payment relating to the Capital Securities (nor use any proceeds of the issue of Common Shares in accordance with the Alternative Interest Satisfaction Mechanism) unless we are not subject to a Regulatory Event and could make the Payment (or use of the proceeds of such Common Shares) and still not be subject to a Regulatory Event thereafter. Our redemption or purchase of the Capital Securities constitutes a payment that is subject to this condition.

*Winding-Up Claim*

A Winding-Up Claim will be payable by us in our winding-up (*faillissement* or *vereffening na ontbinding*) as provided below under "Winding-Up."

*Set-off*

By purchasing Capital Securities, you and the trustee will be deemed to have waived any right of set-off, counterclaim or combination of accounts with respect to the Capital Securities or the Indenture (or between our obligations regarding the Capital Securities and any liability owed by a holder or the trustee to us) that you or the trustee might otherwise have against us. Each holder will, by virtue of holding any Capital Security, be deemed to have waived all such rights of set-off.

**WINDING-UP**

If at any time an order is made, or an effective resolution is passed, for our winding-up (*faillissement* or *vereffening na ontbinding*) (except in any such case a solvent winding-up solely for the purpose of a reconstruction, amalgamation or the substitution of a successor in business, the terms of which reconstruction, amalgamation or substitution have previously been approved in writing by the trustee or by an extraordinary resolution of our shareholders), we will pay the holders of the Capital Securities in respect of each Capital Security (in lieu of any other payment by us) a winding-up amount. The Capital Securities will rank on our winding-up (*faillissement* or *vereffening na ontbinding*) in priority to distributions on Junior Securities, Junior Guarantees and all classes of our share capital and will rank equally with each other and among themselves and will rank equally with any Parity Securities and Parity Guarantees, including our Existing Capital Securities, then outstanding, but will be subordinated in right of payment to the prior payment in full of the claims of our Senior Creditors, present and future.

As a consequence of the subordination provisions, the holders of our Capital Securities may recover less than the holders of the claims of our Senior Creditors. If, upon liquidation the amount payable on any Capital Securities and any claims ranking equally with the Capital Securities are not paid in full, the Capital Securities and other claims ranking equally will share ratably in any distribution of our assets upon liquidation in proportion to the respective amounts to which they are entitled. If any holder of Capital Securities is entitled to any recovery with respect to the Capital Securities upon liquidation, the holder of Capital Securities might not be entitled to a recovery in U.S. dollars and might be entitled only to a recovery in euro. In addition, under current Dutch law, our liability to holders of the Capital Securities would be converted into euro at the date close to the commencement of insolvency proceedings against us and holders of the Capital Securities would be exposed to currency fluctuations between that date and the date they receive proceeds pursuant to such proceedings, if any.

In our winding-up (*faillissement* or *vereffening na ontbinding*), holders of the Capital Securities will only have a claim for payment in full or part of principal and Mandatorily Deferred Payments or Optionally Deferred Payments, if any, to the extent that our distributable assets are sufficient to pay in full or part such amount of principal and such Deferred Payments.

**REDEMPTION AND PURCHASES**

*No Fixed Redemption Date*

The Capital Securities are perpetual securities and have no fixed maturity or mandatory redemption date and we have the right to repay them only in accordance with the following provisions.

*Our Option to Redeem*

Subject to the conditions of payment, as described above under "Status Conditions of Payment," we may redeem the Capital Securities in whole (but not in part) at our option, on September 15, 2011, or on any Interest Payment Date thereafter at their aggregate principal amount together with Outstanding Payments due through the date of redemption, which sum we refer to as the "**Base Redemption Price**." The Capital Securities are not redeemable at the option of the holder of a Capital Security at any time.

*Redemption upon Certain Events*

(a)

*Redemption for Tax Reasons*

We may, by giving notice of redemption, redeem in whole (but not in part) the Capital Securities at their Base Redemption Price if a Tax Event occurs. A "**Tax Event**" will occur if we determine that immediately prior to the giving of the notice referred to below, on the next Interest Payment Date any of the following would occur or be occurring.

We would, for reasons outside our control, be unable to make such payment without being required to pay Additional Amounts and we cannot avoid the requirement or circumstance by taking measures as we (acting in good faith) deem appropriate.

Payments of amounts in respect of interest on the Capital Securities, including, for the avoidance of doubt, the issue of Common Shares pursuant to the Alternative Interest Satisfaction Mechanism, may be treated as "distributions" within the meaning of Section II of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting* 1965; or such other provision as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and we cannot avoid the requirement or circumstance by taking such measures as we (acting in good faith) deem appropriate.

As a result of any proposed change or amendment to the laws of the Netherlands, or any proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Capital Securities, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by Act of Parliament or made by Statutory Instrument on or after the date of this prospectus supplement, there is more than an insubstantial risk that we will not obtain substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied by the issue of Common Shares pursuant to the Alternative Interest Satisfaction Mechanism and we cannot avoid this risk by taking such measures as we (acting in good faith) deem appropriate.

In the case of redemption upon the occurrence of a Tax Event, we are required, before we give a notice of redemption, to deliver to the trustee a written legal opinion of independent Netherlands counsel of recognized standing, selected by us, in a form satisfactory to the trustee confirming that we are entitled to exercise our right of redemption. The trustee will accept such certificate as sufficient evidence of the conditions set out above, in which event it will be conclusive and binding on the holders.



(b)

*Redemption or Conversion for Regulatory Reasons*

If, at any time after we become subject to Capital Adequacy Regulations, the relevant regulator has determined that securities of the nature of the Capital Securities cannot qualify as "own funds" or "core capital" (Tier 1 capital or equivalent) for the purposes of determination of such Capital Adequacy Regulations, then:

we may at any time, by giving notice of redemption, redeem in whole (but not in part) the Capital Securities at their Base Redemption Price; or

subject to compliance with applicable regulatory requirements, we may at any time convert or exchange the Capital Securities in whole (but not in part) to another series of our capital securities having materially the same terms as the Capital Securities and which are no less favorable to you than the current terms of the Capital Securities. Any conversion of the Capital Securities into another series of capital securities as described herein will be made on not less than 30 nor more than 60 days' notice before the applicable conversion date to the holders of the Capital Securities and the trustee. We are permitted to satisfy our obligation to pay any Mandatorily Deferred Payment or Optionally Deferred Payment due upon conversion only in accordance with the Alternative Interest Satisfaction Mechanism.

*Notice of Redemption*

Before we may redeem the Capital Securities as described herein, we must give not less than 30 nor more than 60 days' notice before the applicable redemption date to the trustee and holders thereof. Any notice of redemption is irrevocable and must be given in accordance with the terms of the Indenture. If the redemption price in respect of any of the Capital Securities is improperly withheld or refused and is not paid by us, interest on the Capital Securities will continue to be payable until the redemption price is actually paid.

*Purchases*

We may purchase on the open market at any time Capital Securities in any manner and at any price. Purchased Capital Securities may be held, resold or, at our option, cancelled, as described below under "Cancellation."

*Cancellation*

Cancellation of any Capital Securities so redeemed by us will be effected by reducing the principal amount of the Global Securities, and any Capital Securities so cancelled may not be reissued or resold and our obligations in respect of any such cancelled Capital Securities will be discharged.

**PAYMENTS ON THE GLOBAL SECURITIES**

*Method of Payment*

Payments of any amounts in respect of any Global Securities will be made by the trustee to DTC. Any such payments of interest and certain other payments on or in respect of the Capital Securities will be in U.S. dollars. Payments will be made to beneficial owners of Capital Securities in accordance with the rules and procedures of DTC or its direct and indirect participants, as applicable. Neither we, the trustee nor any of our agents will have any responsibility or liability for any aspect of the records of any securities intermediary in the chain of intermediaries between DTC, Euroclear or Clearstream, Luxembourg and any beneficial owner of an interest in the Global Securities, or the failure of DTC, Euroclear or Clearstream, Luxembourg or any intermediary to pass through to any beneficial owner any payments that we make to DTC.

For more information about holding Capital Securities in global book-entry form please see "Description of Debt Securities Global Securities" in the accompanying prospectus.

*Payments Subject to Tax Laws*

All payments made in respect of the Capital Securities will be subject, in all cases, to any tax or other laws and regulations applicable thereto in the place of payment, but will not affect our obligation to pay Additional Amounts as described herein under "Taxation: Additional Amounts."

**NON-PAYMENT WHEN DUE; LIMITATION OF REMEDIES**

*Notwithstanding any of the provisions below, the right to institute winding-up proceedings is limited to circumstances where payment has become due. The Indenture contains provisions entitling the trustee to claim from us, among other things, the fees, expenses and liabilities incurred by it in carrying out its duties under the Indenture. The restrictions on commencing proceedings described below will not apply to any such claim.*

The Events of Default and rights to accelerate described, and certain remedies provided for, in the accompanying prospectus under "Description of Debt Securities Events of Default" do not apply to the Capital Securities. The only defaults and remedies are as provided below.

(a) A "**Payment Default**" will occur with respect to the Capital Securities if we fail to pay or set aside for payment the amount due to satisfy any payment on the Capital Securities when due, and such failure continues for 14 days; provided that a Payment Event will not constitute a Payment Default.

If a Payment Default occurs and is continuing with respect to the Capital Securities, the trustee may pursue all legal remedies available to it including proceedings in the Netherlands (but not elsewhere) for the collection of the sums due and unpaid or our winding-up (*faillissement* or *vereffening na ontbinding*), but the trustee may not declare the principal amount of any outstanding Capital Security to be due and payable.

(b) A "**Payment Event**" (and not a Payment Default) will occur if at the end of the 14-day grace period we fail to make such payment as a result of the existence of a Required Deferral Condition.

If a Payment Event occurs and is continuing, the trustee may institute winding-up proceedings (*faillissement* or *vereffening na ontbinding*) exclusively in the Netherlands, but may not pursue any other legal remedy, including a judicial proceeding for the collection of the sums due and unpaid.

In the case of a Mandatory Payment Event or Mandatory Partial Payment Event, requiring payment of Interest on a succeeding Interest Payment Date, if we fail to make such mandatory payment of Interest as a result of:

the existence of a Required Deferral Condition; or

a deferral of an Interest Payment as permitted under the terms of the Indenture,

the relevant Interest Payment due on the Capital Securities will constitute an Outstanding Payment and will accumulate with any other Outstanding Payments until paid and will constitute neither a Payment Default nor a Payment Event.

(c) Subject to the provisions of this section, the trustee may at its discretion and without further notice institute such proceedings against us as it may think fit to enforce any term or condition binding on us under the Indenture, the Capital Securities (other than for the payment of any principal or satisfaction of any Payments in respect of the Capital Securities); provided that we will not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than we would otherwise have been obligated to pay.

(d) The trustee will not be bound to take any of the foregoing actions against us to enforce the terms of the Indenture or the Capital Securities unless (i) it will have been so requested by an extraordinary resolution or in writing by the holders of at least 25% in principal amount of the Capital Securities then outstanding and (ii) it will have been offered reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in compliance with such request.

(e) Notwithstanding the foregoing, holders of the Capital Securities have the absolute and unconditional right to institute suit for the enforcement of any payment when due and such right may not be impaired without the consent of the holder.

#### **TAXATION; ADDITIONAL AMOUNTS**

Any amounts to be paid by us on the Capital Securities (including principal, Interest Amounts, Mandatorily Deferred Payments or Optionally Deferred Payments, Mandatory Partial Payments, Accrued Interest Payments and Winding-Up Claims) will be made without withholding of or deduction for any present or future taxes, duties, assessments or other charges imposed by the government of the Netherlands or the government of a jurisdiction in which a successor to us is organized, unless the withholding or deduction of such taxes, duties, assessments or charges is required by law. In that event, we will pay such additional amounts, which we refer to as "**Additional Amounts**," as may be necessary in order that the net amounts received by holders of Capital Securities after such withholding or deduction equal the respective amounts of principal and interest which would have been received in respect of the Capital Securities in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable in relation to any payment with respect to any Capital Security:

(a) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Capital Security by reason of such Holder having some connection with the Netherlands other than the mere holding of such Capital Security; or

(b) to, or to a third party on behalf of, a Holder, if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or

(c) to, or to a third party on behalf of, a Holder, that is a partnership, or a Holder, that is not the sole beneficial owner of the Capital Security or which holds the Capital Security in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settler or beneficiary with respect to the fiduciary would not have been entitled to the payment of an Additional Amount had each of the members of the partnership, the beneficial owner, settler or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or

(d) presented for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days; or

(e) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Council Directive of June 3, 2003 on the taxation of savings income, implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to such Directive, or similar measures adopted by a number of third countries and territories.

Whenever we refer in this prospectus supplement or the accompanying prospectus to principal, Interest Amounts, Mandatorily Deferred Payments, Optionally Deferred Payments, Mandatory Partial Payments and/or Accrued Interest Payments, we intend to include any Additional Amounts that may become payable pursuant to the terms of the Indenture as described above.

In the event that any payment is satisfied through the Alternative Interest Satisfaction Mechanism, then any Additional Amounts that are payable must also be satisfied through the issue of Common Shares.

## **TRADING CHARACTERISTICS**

Application will be made to list the Capital Securities on the New York Stock Exchange. We expect the Capital Securities to trade as individual units at a trading price that takes into account the value, if any, of accrued but unpaid interest. This means that purchasers will not pay, and sellers will not receive, accrued and unpaid interest on the Capital Securities which has not been included in their trading price.

## **BOOK-ENTRY SYSTEM; DELIVERY AND FORM**

### *General*

The Capital Securities will initially be represented by one or more Global Securities in registered form, without coupons attached. They will be deposited with or on behalf of The Depository Trust Company, DTC, or its nominee and registered in the name of Cede & Co., as nominee of DTC. Until the Capital Securities are exchanged for definitive securities, the Global Securities may not be transferred except as a whole by DTC to a nominee or a successor of DTC.

The Capital Securities will be accepted for clearance by DTC, Euroclear and Clearstream, Luxembourg. The initial distribution of the Capital Securities will be cleared through DTC only. Beneficial interests in the Global Securities will be shown on, and transfers thereof will be effected only through, the book-entry records maintained by DTC and its direct and indirect participants, including Euroclear Bank SA/NV, or Euroclear, and Clearstream Banking, société anonyme, or Clearstream, Luxembourg. Owners of beneficial interests in the Capital Securities will receive all payments relating to their Capital Securities in U.S. dollars.

The laws of some states may require that certain investors in securities take physical delivery of their securities in definitive form. Those laws may impair the ability of investors to own interests in book-entry securities.

So long as DTC, or its nominee, is the holder of the Global Securities, it will be considered the sole holder of the Global Securities for all purposes under the Indenture. Except as described below under "Issuance of Definitive Securities," no participant, indirect participant or other person will be entitled to have Capital Securities registered in its name, receive or be entitled to receive physical delivery of Capital Securities in definitive form or be considered the owner or holder of Capital Securities under the Indenture. Each person having an ownership or other interest in Capital Securities must rely on the procedures of DTC, Euroclear and Clearstream, Luxembourg, and, if a person is not a participant or another securities intermediary through which that person owns its interest, exercise any rights and obligations of a holder under the Indenture or the Capital Securities. See also "Description of Debt Securities Global Securities" in the accompanying prospectus.

For more information about DTC, Euroclear and Clearstream see "Description of Debt Securities Global Securities" in the accompanying prospectus.

## **ISSUANCE OF DEFINITIVE SECURITIES**

So long as DTC holds the Global Securities, the Global Securities will not be exchangeable for definitive securities unless:

DTC notifies the trustee that it is unwilling or unable to continue to hold the book-entry Capital Securities or DTC ceases to be a clearing agency registered under the Securities Exchange Act

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of 1934, as amended, and the trustee does not appoint a successor to DTC which is registered under the Securities Exchange Act of 1934, as amended, within 120 days;

a Payment Default has occurred and is continuing;

a Payment Event has occurred;

in the event of our winding-up (*faillissement* or *vereffening na ontbinding*) we fail to make a payment on the Capital Securities when due; or

at any time we determine in our sole discretion that the global securities representing the Capital Securities should be exchanged for definitive Capital Securities in registered form.

Each person having an ownership or other interest in Capital Securities must rely exclusively on the rules and procedures of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and any agreement with any participant of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, or any other securities intermediary through which that person holds its interest to receive or direct the delivery or possession of any definitive security.

Definitive securities will be issued in registered form only in denominations of \$25 and any integral multiples thereof. To the extent permitted by law, we and the trustee are entitled to treat the person in whose name any definitive security is registered as its absolute owner.

Payments in respect of definitive securities will be made to the person in whose name the definitive securities are registered as it appears in the register. Payments will be made in respect of the Capital Securities by transfer to the holder's account in New York.

If we issue definitive securities in exchange for Global Securities, DTC, as holder of the Global Securities, will surrender it against receipt of the definitive securities, cancel the book-entry securities, and distribute the definitive securities to the persons in the amounts that DTC specifies.

If definitive securities are issued in the limited circumstances described above, those definitive securities may be transferred in whole or in part in denominations of any whole number of securities upon surrender of the definitive securities certificates together with the form of transfer endorsed on it, duly completed and executed at the specified office of the trustee. If only part of a securities certificate is transferred, a new securities certificate representing the balance not transferred will be issued to the transferor. For more information regarding the transfer and exchange of definitive securities see "Description of Debt Securities Form, Exchange and Transfer" in the accompanying prospectus.

### **FURTHER ISSUES OF SECURITIES**

We may from time to time without the consent of the holders create and issue further Capital Securities ranking equally in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Capital Securities) and so that the further issuance of Capital Securities will be consolidated and form a single series with the outstanding Capital Securities. Any further issue of Capital Securities will be issued pursuant to an additional supplemental indenture.

### **THE TRUSTEE**

#### *The Trustee*

Citibank, N.A. is the trustee under the Indenture. The trustee and its affiliates also perform certain commercial and investment banking services for us, for which they receive customary fees, and may serve as trustee pursuant to indentures and other instruments entered into by us or trusts established by us in connection with future issues of securities. The trustee will be the paying agent and transfer agent for the Capital Securities.

The Indenture contains provisions for the indemnification of the trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified to its satisfaction. The trustee is entitled to enter into business transactions with us, without accounting for any profit resulting therefrom.

## GOVERNING LAW

The Capital Securities and the related Indenture will be governed by, and construed in accordance with, the laws of the State of New York, except that the subordination provisions of the Capital Securities and the Indenture will be governed and construed in accordance with the laws of the Netherlands.

## GLOSSARY

Certain defined terms that are used in this prospectus supplement are defined in the following glossary. Terms used in the description of our Capital Securities which are not defined herein are defined in the accompanying prospectus or in the Indenture.

**"Accrued Interest Payment"** means, at any time, the amount of interest that has continued to accrue after an Interest Payment Date in respect of (i) an Optionally Deferred Payment, (ii) the failure to make a payment when due on an Interest Payment Date, (iii) certain payments which cannot be made due to insufficient Common Shares to satisfy the Alternative Interest Satisfaction Mechanism or (iv) failure to make a payment more than 14 days after its due date due to a Market Disruption Event.

**"Additional Amounts"** has the meaning set forth under " Taxation; Additional Amounts."

**"Alternative Interest Satisfaction Mechanism"** has the meaning set forth under " Alternative Interest Satisfaction Mechanism."

**"Base Redemption Price"** has the meaning set forth under " Redemption and Purchases Our Option to Redeem."

**"Business Day"** means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open for general business in New York and Amsterdam.

**"Capital Adequacy Regulations"** means, at any time, the regulations, requirements, guidelines, policies or decrees imposing obligations on AEGON N.V., as a holding company, with respect to the maintenance of minimum levels of solvency margins and/or capital adequacy ratios and/or comparable margins or ratios, as well as regarding the supervision thereof by any existing or future regulator having primary supervisory authority with respect to AEGON N.V.

**"Common Shares"** means the common shares of AEGON N.V.

**"Deferral Notice"** has the meaning set forth under " Deferral of Payments."

**"Deferred Interest Satisfaction Date"** means:

the Interest Payment Date following the 19th Business Day after the Required Deferral Condition fails to be met;

if other than an Interest Payment Date, the date on which we resolve to satisfy a Mandatorily Deferred Payment or Optionally Deferred Payment, as notified by us to the trustee and the holders of Capital Securities; or

the date on which we are required to satisfy all Mandatorily Deferred Payments and Optionally Deferred Payments as a result of the occurrence of a Mandatory Payment Event or a Mandatory Partial Payment Event.

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"**Deferred Payment**" means a Mandatorily Deferred Payment and/or an Optionally Deferred Payment that has not subsequently been satisfied or deferred as discussed under " Deferral of Payments."

"**DTC**" means The Depository Trust Company.

"**Existing Capital Securities**" means our two series of perpetual capital securities in aggregate principal amounts of €950 million and \$500 million, respectively, issued under a trust deed dated July 15, 2004 between AEGON N.V. and ATC Financial Services B.V., as trustee, together with our perpetual capital securities in aggregate principal amounts of \$1 billion, \$500 million and \$250 million, respectively, issued under the Indenture.

"**First Call Date**" has the meaning set forth under "The Offering."

"**Global Securities**" has the meaning set forth under "The Offering."

"**Indenture**" has the meaning set forth under "Description of the Capital Securities."

"**Interest**" will, where appropriate, include Interest Amounts, Mandatorily Deferred Payments, Optionally Deferred Payments and Accrued Interest Payments.

"**Interest Amount**" means:

in respect of an Interest Payment, the amount of interest payable on a Capital Security for the relevant Interest Period; and

in the event of redemption due to a Tax Event or for regulatory reasons, any interest accrued from (and including) the preceding Interest Payment Date (or, if none, the issue date of the Capital Securities) to (but excluding) the due date for redemption, and, if not an Interest Payment Date, as calculated on a 30/360 day basis, but not including the date of redemption.

"**Interest Payment**" means, in respect of an Interest Payment Date, the aggregate Interest Amount for the Interest Period ending on such Interest Payment Date.

"**Interest Payment Date**" has the meaning set forth under " Interest Interest Payment Dates."

"**Interest Period**" has the meaning set forth under " Interest Interest Payment Dates."

"**Interest Rate**" has the meaning set forth under " Interest Interest Payment Dates."

"**Junior Guarantee**" means any guarantee, indemnity or other contractual support arrangement entered into by us in respect of securities (regardless of name or designation) issued by one of our subsidiaries or Undertakings and ranking, on a winding-up (*faillissement* or *vereffening na ontbinding*) or in respect of distributions or payment of dividends or any other payment thereon, after the Capital Securities.

"**Junior Securities**" means our Common Shares or any of our other securities which rank after the Capital Securities with respect to distributions on a return of assets on our winding-up (*faillissement* or *vereffening na ontbinding*) or in respect of distributions or payment of dividends or any other payments thereon.

"**Mandatorily Deferred Payment**" is a payment that we are required to defer because the Required Deferral Condition is met.

"**Mandatory Partial Payment**" means a Payment in respect of each Capital Security in an amount that results in payment of a proportion of a full Interest Payment on the Capital Security on such Interest Payment Date equal to the proportion of a full payment on the relevant Parity Securities and/or payment on the relevant Parity Guarantee paid on the payment date in respect of the relevant Parity Securities and/or Parity Guarantee immediately preceding such Interest Payment Date.

**"Mandatory Partial Payment Event"** has the meaning set forth under " Dividend Pusher; Mandatory Payments and Mandatory Partial Payments."

**"Mandatory Payment Event"** has the meaning set forth under " Dividend Pusher; Mandatory Payments and Mandatory Partial Payments."

**"Market Disruption Event"** means:

the occurrence or existence of any suspension of or limitation imposed on trading by reason of movements in price exceeding limits permitted by Euronext Amsterdam N.V. or the New York Stock Exchange or on settlement procedures for transactions in the Common Shares on Euronext Amsterdam N.V. or the New York Stock Exchange if, in any such case, that suspension or limitation is material in the context of the sale of the Common Shares;

in our opinion, there has been a substantial deterioration in the price and/or value of the Common Shares or circumstances are such as to prevent or to a material extent restrict the issue or delivery of the Common Shares;

where, pursuant to the terms of the Indenture, monies are required to be converted from one currency into another currency in respect of any payment, the occurrence of any event that makes it impracticable to effect such conversion; or

where, in our opinion, there will have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in our view be likely to prejudice materially the success of the offering and distribution of our Common Shares or dealings in the Common Shares in the secondary market, if any.

**"Optionally Deferred Payment"** is a payment that we elected to defer as set forth under " Deferral of Payments Optionally Deferred Payments."

**"Outstanding Payment"** means:

in relation to any Interest Payment, any Deferred Payment or Interest Amount not falling within the definition of Interest Payment, that such payment (a) has either become due and payable or would have become due and payable except for the non-satisfaction on the Relevant Date due to (1) a failure to meet the conditions of payment as described under " Status Conditions of Payment" or (2) the deferral, postponement or suspension of such payment due to a Required Deferral Condition, an Optionally Deferred Payment or insufficient Common Shares available to satisfy the Alternative Interest Satisfaction Mechanism, or (3) failure to make a payment more than 14 days after its due date due to a Market Disruption Event; and (b) in any such case has not been satisfied; and

in relation to any Accrued Interest Payment, any amount thereof which has not been satisfied whether or not payment has become due.

**"Parity Guarantee"** means any guarantee, indemnity or other contractual support arrangement we enter into with respect to securities (regardless of name or designation) issued by any of our subsidiaries or Undertakings that rank on our winding-up (*faillissement* or *vereffening na ontbinding*) or in respect of distributions or payments thereon equally with the Capital Securities.

**"Parity Securities"** means, in respect of AEGON N.V., any securities that rank equally with the Capital Securities with respect to distributions on a return of assets on our winding-up (*faillissement* or *vereffening na ontbinding*) or in respect of distribution or payment of any amounts thereunder by us. For the avoidance of doubt, the Capital Securities rank equally with the Existing Capital Securities.



**"Payment"** means any Interest Payment, Mandatorily Deferred Payment, Optionally Deferred Payment, Accrued Interest Payment, payment of the Base Redemption Price or Interest Amount not falling within the definition of Interest Payment.

**"Payment Default"** has the meaning set forth under " Non-Payment When Due; Limitation of Remedies."

**"Payment Event"** has the meaning set forth under " Non-Payment When Due; Limitation of Remedies."

**"Regulatory Event"** means that we shall have become subject to supervision by any existing or future regulator pursuant to law or regulation and that our solvency margin, capital adequacy ratios or comparable margins or ratios under the Capital Adequacy Regulations are or as a result of a Payment would become less than the relevant minimum requirements as to be applied and enforced by such regulator pursuant to the Capital Adequacy Regulations.

**"Relevant Date"** means:

in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the monies payable on such date has not been received by the trustee on or prior to such date, the "Relevant Date" means the date on which such monies will have been so received and notice to that effect will have been given to the holders in accordance with the terms of the Indenture; and

in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the winding-up.

**"Required Deferral Condition"** means we (i) are not Solvent or making the relevant Payment will result in us becoming not Solvent or (ii) are subject to a Regulatory Event or making the relevant Payment will result in us becoming subject to a Regulatory Event.

**"Senior Creditors"** has the meaning set forth under " Status Status and Subordination of the Capital Securities."

**"Solvent"** means we are (i) able to pay our debts to Senior Creditors as they become due and (ii) our assets exceed the sum of our liabilities (other than our liabilities to persons who are not Senior Creditors). For these purposes, "assets" refers to our non-consolidated gross assets and "liabilities" means our non-consolidated gross liabilities, in each case as shown by our then latest published audited balance sheet but adjusted for contingencies and for subsequent events and to such extent as the board of directors, the auditors or, as the case may be, the liquidator may determine to be appropriate.

**"Tax Event"** has the meaning set forth under " Redemption and Purchases Redemption upon Certain Events Redemption for Tax Reasons."

**"Undertaking"** means a corporate body, partnership, limited partnership, cooperative or an incorporated association carrying on a trade or business with or without a view to profit in which we have direct or indirect financial, commercial or contractual majority interest.

**"Winding-Up Claim"** means amounts in respect of principal or payments in respect of which the conditions of payment as described under " Status Conditions of Payment" are not satisfied on the date upon which the same would otherwise be due and payable by us in our winding-up (*faillissement* or *vereffening na ontbinding*) (upon dissolution or otherwise) and on any redemption described under " Redemption and Purchases." A Winding-Up Claim will not bear interest.

## NETHERLANDS TAXATION

*The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Capital Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations thereof that may be relevant to a decision to acquire, hold or dispose of the Capital Securities.. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Capital Securities.*

*This summary is based on the Netherlands tax legislation, published case law, treaties, regulations and published policy, in force as of the date of this prospectus supplement, though it necessarily does not take into account any subsequent developments or amendments whether or not such developments or amendments have retroactive effect.*

*This summary does not address the Netherlands tax consequences for:*

*(a) holders of Capital Securities holding a substantial interest (aanmerkelijk belang) in AEGON N.V. Generally speaking, a holder of Capital Securities holds a substantial interest in AEGON N.V. if such holder of Capital Securities, alone or, where such holder is an individual, together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5% or more of the total issued capital of AEGON N.V. or of 5% or more of the issued capital of a certain class of shares of AEGON N.V., (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in AEGON N.V.;*

*(b) pension funds or other entities that are exempt from Dutch corporate income tax;*

*(c) investment institutions (fiscale beleggingsinstellingen).*

## WITHHOLDING TAX

All payments made by AEGON N.V. under the Capital Securities may 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.

## CORPORATE AND INDIVIDUAL INCOME TAX

### *Residents of the Netherlands*

If a holder of a Capital Security is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of its enterprise to which the Capital Securities are attributable, income derived from the Capital Securities and gains realized upon the redemption or disposal of the Capital Securities are generally taxable in the Netherlands.

If an individual holder of a Capital Security is a resident or deemed to be a resident of the Netherlands for Dutch tax purposes (including the individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Capital Securities and gains realized upon the redemption or disposal of the Capital Securities are taxable at the progressive rates of the Dutch income tax act 2001, if:

(a) the holder has an enterprise or an interest in an enterprise, to which enterprise the Capital Securities are attributable; or

(b) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Capital Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) applies to the holder of the Capital Securities, taxable income with regard to the Capital Securities must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realized. At present, this deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Capital Securities less the fair market value of certain qualifying liabilities on January 1 and December 31, divided by two. The fair market value of the Capital Securities will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4% will be taxed at a rate of 30%.

*Non-residents of the Netherlands*

If a holder of a Capital Security is not a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes (nor has opted to be taxed as a resident of the Netherlands), such holder is not taxable in respect of income derived from the Capital Securities and gains realized upon the redemption or disposal of the Capital Securities, unless:

(a) the holder has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Capital Securities are attributable; or

(b) the holder is entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of Securities or through an employment contract, and to which enterprise the Capital Securities are attributable; or

(c) the holder is an individual and such income or gains qualify as income from miscellaneous activities in the Netherlands, which includes the performance of activities in the Netherlands with respect to the Capital Securities that exceed regular, active portfolio management.

**GIFT AND INHERITANCE TAXES**

*Residents of the Netherlands*

Generally, gift and inheritance taxes will be due in the Netherlands in respect of an acquisition of the Capital Securities by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the time of the gift or his or her death.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax, if he or she has been resident in the Netherlands during the 10 years preceding the gift or his or her death. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax if he or she has been resident in the Netherlands at any time during the 12 months preceding the time of the gift. The same 12-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

*Non-Residents of the Netherlands*

No gift or inheritance taxes will arise in the Netherlands in respect of an acquisition of the Capital Securities by way of gift by, or as a result of the death of, a holder that is neither a resident nor

deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax, unless:

(a) such holder at the time of the gift has, or at the time of his or her death had, an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative, the Capital Securities are or were attributable; or

(b) the Capital Securities are or were attributable to the assets of an enterprise that is effectively managed in the Netherlands and the donor is or the deceased was entitled, other than by way of Securities or through an employment contract, to a share in the profits of that enterprise, at the time of the gift or at the time of his or her death; or

(c) in the case of a gift of the Capital Securities by a holder that at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such holder dies within 180 days after the date of the gift, while at the time of his or her death being a resident or deemed to be a resident of the Netherlands.

#### **VALUE ADDED TAX**

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

#### **OTHER TAXES AND DUTIES**

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

#### **EUROPEAN UNION SAVINGS DIRECTIVE**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from July 1, 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from July 1, 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

**TAXATION IN THE UNITED STATES**

The following discussion is the opinion of Allen & Overy LLP and describes the material United States Federal income tax consequences of owning Capital Securities. It applies to you only if you acquire your Capital Securities in this offering and you hold your Capital Securities as capital assets for tax purposes. This summary does not purport to address all U.S. Federal income tax matters that may be relevant to a particular holder of Capital Securities and does not address tax considerations applicable to you if you are a member of a class of holders subject to special rules, including:

a dealer or a trader in securities, currencies or notional principal contracts;

a financial institution;

a tax exempt organization;

an insurance company;

a regulated investment company;

a real estate investment trust;

a partnership, pass-through entity or a person that holds Capital Securities through a partnership or pass-through entity;

a person liable for alternative minimum tax;

a person that actually or constructively owns 10% or more of our voting stock;

a person that holds Capital Securities as part of a straddle or a hedging or conversion transaction or other integrated transaction for U.S. Federal income tax purposes; or

a person whose functional currency is not the U.S. dollar.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended, U.S. Treasury regulations and judicial and administrative interpretations, in each case as in effect and available on the date of this prospectus supplement. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

For the purposes of this summary, a "U.S. holder" is a beneficial owner of Capital Securities that is, for U.S. Federal income tax purposes:

a citizen or resident of the United States;

a corporation, or other entity that is treated as a corporation for U.S. Federal income tax purposes, created or organized in or under the laws of the United States or any state of the United States (including the District of Columbia);

an estate the income of which is subject to U.S. Federal income taxation regardless of its source; or

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a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust.

If a partnership holds Capital Securities, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding Capital Securities should consult their tax advisor. A non-U.S. holder is a beneficial owner of securities that is not a U.S. holder.

You are urged to consult your own tax advisor regarding the U.S. Federal, state and local and other tax consequences of owning and disposing of Capital Securities in your particular circumstances.

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## CLASSIFICATION OF THE CAPITAL SECURITIES

Although the matter is not free from doubt, the Capital Securities will be treated as an equity interest in AEGON N.V. and not as debt for U.S. Federal income tax purposes. By purchasing the Capital Securities, you agree to treat the Capital Securities as an equity interest in AEGON N.V. for U.S. Federal income tax purposes. Accordingly, each "interest" payment should be treated as a distribution by AEGON N.V. with respect to such equity interest, and any reference in this discussion to "dividends" or "distributions" refers to the "interest" payments on the Capital Securities. The rest of this discussion so assumes.

This discussion assumes that AEGON N.V. is not, and will not become, a passive foreign investment company as discussed below.

## TAXATION OF CAPITAL SECURITIES

### *Tax Consequences to U.S. Holders*

#### *Distributions*

Under the U.S. Federal income tax laws, if you are a U.S. holder, the gross amount of any interest payment paid by AEGON N.V. to the extent of our current or accumulated earnings and profits (as determined for U.S. Federal income tax purposes) will be treated as foreign-source ordinary dividend income for U.S. Federal income tax purposes that you must include in income when, actually or constructively, received by you. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. Federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the Capital Securities and thereafter as capital gain. We do not maintain calculations of our earnings and profits under U.S. Federal income tax principles. If we do not report to a U.S. holder the portion of a distribution that exceeds earnings and profits, the distribution will generally be taxable as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

If you are a noncorporate U.S. holder, dividends paid to you in taxable years beginning before January 1, 2011 will be taxable to you at a maximum tax rate of 15%, provided that we are a "qualified foreign corporation" for U.S. Federal income tax purposes and you have held the Capital Securities for a minimum holding period of at least 61 days during a specified 121-day period. Because we are eligible for benefits under the comprehensive income tax treaty between the Netherlands and the United States, we will be considered a "qualified foreign corporation" for this purpose. Accordingly, subject to the applicable limitations that may vary depending upon your individual circumstances, dividends paid to you in taxable years beginning before January 1, 2011 will constitute "qualified dividend income" that will be taxable at a maximum tax rate of 15%. Noncorporate U.S. holders should consult their own tax advisors to determine the availability of the maximum tax rate under their particular individual circumstances.

The U.S. Department of the Treasury, or U.S. Treasury, has announced its intention to promulgate rules pursuant to which holders of shares and intermediaries through whom such shares are held will be permitted to rely on certifications from issuers to establish that dividends are qualified dividends eligible for the preferential rates discussed above. Because such procedures have not yet been issued, it is not clear whether we will be able to comply with the procedures. We will use reasonable efforts to facilitate appropriate tax reporting by providing these certifications or other similar certifications pursuant to any subsequent rules the U.S. Internal Revenue Service, or IRS, or the U.S. Treasury may promulgate to the extent we are reasonably able to do so without material cost.

Dividends will be income from sources outside the United States for foreign tax credit limitation purposes. The limitation on foreign taxes, if any, eligible for the U.S. foreign tax credit is calculated separately with respect to specific classes of income. In certain circumstances, a U.S. holder may be unable to claim foreign tax credits for foreign taxes, if any, imposed on a dividend. The rules relating to foreign tax credits are complex. You are urged to consult your own tax advisors regarding the availability of a foreign tax credit under your particular situation.

*Sale or Other Disposition of Capital Securities*

A U.S. holder will generally recognize gain or loss for U.S. Federal income tax purposes upon the sale, exchange or other disposition of Capital Securities in an amount equal to the difference between the amount realized from such sale or exchange and the U.S. holder's tax basis for those Capital Securities. This gain or loss will be a capital gain or loss and will generally be treated as from sources within the United States. **Prospective investors should consult their own tax advisors with respect to the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers who are individuals, trusts or estates that have held the Capital Securities for more than one year) and capital losses (the deductibility of which is subject to limitations).**

*Redemption of Capital Securities*

The redemption of Capital Securities by AEGON N.V. will be treated as a sale of the redeemed Capital Securities by the U.S. holder (which is taxable as described above under "Sale or Other Disposition of Capital Securities") or, in certain circumstances in which the U.S. holder owns voting shares, as a distribution to the U.S. holder (which is taxable as described above under "Distributions").

*Passive Foreign Investment Company Considerations*

A corporation organized outside the United States generally will be classified as a passive foreign investment company, or PFIC, for U.S. Federal income tax purposes in any taxable year in which, after applying certain look-through rules, either: (1) at least 75% of its gross income is passive income, or (2) on average at least 50% of the gross value of its assets is attributable to assets that produce passive income or are held for the production of passive income. In arriving at this calculation, AEGON N.V. must also include a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions, but excludes any income derived in the active conduct of an insurance business by a corporation which is predominantly engaged in an insurance business. Based on AEGON N.V.'s estimated gross income, the average value of AEGON N.V.'s gross assets and the nature of AEGON N.V.'s active insurance business, AEGON N.V. does not believe that it will be classified as a PFIC in the current taxable year or for the foreseeable future. However, AEGON N.V.'s status with respect to PFIC classification in any taxable year will depend on its assets and activities in each year and no assurances can be provided in that regard. If AEGON N.V. were treated as a PFIC in any year during which a U.S. holder owns Capital Securities, adverse tax consequences could apply on a disposition of Capital Securities or on certain distributions received with respect to Capital Securities. **Investors should consult their own tax advisors with respect to any PFIC considerations.**

*Non-U.S. Holders*

If you are a non-U.S. holder, dividends paid to you in respect of Capital Securities and gain from the sale, exchange or other disposition of the Capital Securities will not be subject to U.S. Federal income tax unless the dividends and/or gain are "effectively connected" with your conduct of a trade or business within the United States, and, if required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis, the dividends and/or gain are attributable to a permanent establishment that you maintain in the United States. In such cases, you generally will be taxed in the same manner as a U.S. holder. If you are a corporate non-U.S. holder, "effectively connected" dividends and/or gain may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. If you are an individual non-U.S. holder, any gain realized on the sale, exchange or other disposition of the Capital Securities will be subject to U.S. Federal income tax if you



are present in the United States for 183 days or more in the taxable year of the sale, exchange or other disposition and certain other conditions are met.

#### **BACKUP WITHHOLDING AND INFORMATION REPORTING**

Backup withholding and information reporting requirements may apply to certain payments on the Capital Securities and to proceeds of the sale or redemption of the Capital Securities to U.S. holders made within the United States or through certain U.S.-related financial intermediaries. We, our agent or a broker, as the case may be, may be required to withhold tax from any payment that is subject to backup withholding if a U.S. holder fails to furnish the U.S. holder's taxpayer identification number, fails to certify that such U.S. holder is not subject to backup withholding, or fails to otherwise comply with the applicable requirements of the backup withholding rules. Certain U.S. holders (including, among others, corporations) are not subject to the backup withholding and information reporting requirements.

Non-U.S. holders that provide the required tax certifications of exempt or foreign status will generally be exempt from U.S. information reporting requirements and backup withholding. However, dividends and sales proceeds a non-U.S. holder receives with respect to Capital Securities through a broker may be subject to information reporting and backup withholding if the non-U.S. holder is not eligible for an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. holder or a non-U.S. holder generally may be claimed as a credit against such holder's U.S. Federal income tax liability provided that the required information is furnished to the IRS. **Prospective investors are urged to consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption. Non-U.S. holders are urged to consult their own tax advisors concerning the applicability of the information reporting and backup withholding rules under their particular circumstances.**

## UNDERWRITING

We intend to offer the Capital Securities through the underwriters. Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as representatives of the underwriters named below. Subject to the terms and conditions contained in an underwriting agreement between us and the underwriters, we have agreed to sell to the underwriters and the underwriters severally have agreed to purchase from us, the principal amount of the Capital Securities listed opposite their names below.

<u>Underwriter</u>	<u>Principal Amount of Capital Securities</u>
Citigroup Global Markets Inc.	\$ 83,900,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	83,900,000
Morgan Stanley & Co. Incorporated	83,650,000
UBS Securities LLC	83,650,000
Wachovia Capital Markets, LLC	83,650,000
ABN AMRO Incorporated	11,875,000
BNP Paribas Securities Corp.	11,875,000
J.P. Morgan Securities Inc.	11,875,000
RBC Dain Rauscher Inc.	11,875,000
Banc of America Securities LLC	1,625,000
Bear, Stearns & Co. Inc.	1,625,000
H&R Block Financial Advisors, Inc.	1,625,000
A.G. Edwards & Sons, Inc.	1,625,000
HSBC Securities (USA) Inc.	1,625,000
KeyBanc Capital Markets, a division of McDonald Investments Inc.	1,625,000
Morgan Keegan & Company, Inc.	1,625,000
Oppenheimer & Co. Inc.	1,625,000
Piper Jaffray & Co.	1,625,000
Charles Schwab & Co., Inc.	1,625,000
TD Ameritrade, Inc.	1,625,000
Wells Fargo Securities, LLC	1,625,000
BB&T Capital Markets, a division of Scott & Stringfellow, Inc.	750,000
Robert W. Baird & Co. Incorporated	750,000
William Blair & Company, L.L.C.	750,000
Crowell, Weedon & Co.	750,000
Davenport & Company LLC	750,000
D.A. Davidson & Co.	750,000
Ferris, Baker Watts, Incorporated	750,000
Fifth Third Securities, Inc.	750,000
J.J.B. Hilliard, W.L. Lyons, Inc.	750,000
Janney Montgomery Scott LLC	750,000
C. L. King & Associates, Inc.	750,000
Mesirow Financial, Inc.	750,000
Pershing LLC	750,000
Raymond James & Associates, Inc.	750,000
Ryan Beck & Co., Inc.	750,000
Stephens Inc.	750,000
Stifel, Nicolaus & Company, Incorporated	750,000
Wedbush Morgan Securities Inc.	750,000
B.C. Ziegler and Company	750,000
<b>Total</b>	<b>\$ 500,000,000</b>

The underwriters have agreed to purchase all of the Capital Securities sold pursuant to the underwriting agreement if any of these Capital Securities are purchased. If an underwriter defaults, the



underwriting agreement provides that the underwriting commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the Capital Securities, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Capital Securities, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The representatives of the underwriters may be contacted at the following addresses: Citigroup Global Markets Inc., 388 Greenwich St., New York, NY 10013 and Merrill Lynch, Pierce, Fenner & Smith Incorporated, 4 World Financial Center, New York, NY 10080.

### COMMISSIONS AND DISCOUNTS

The underwriters have advised us that they propose initially to offer the Capital Securities to the public at the public offering price on the cover page of this prospectus supplement, and to dealers at that price less a concession not in excess of 2.00% of the principal amount of the Capital Securities; provided that such concession for sales in excess of \$250,000 in aggregate principal amount of Capital Securities to a single purchaser will not be in excess of 1.20% of the principal amount thereof. The underwriters may allow, and the dealers may reallow, a discount not in excess of 1.80% of the principal amount of the Capital Securities to other dealers; provided that such discount for sales in excess of \$250,000 in aggregate principal amount of Capital Securities to a single purchaser will not be in excess of 1.08% of the principal amount thereof. After the initial public offering, the public offering price, concession and discount may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their overallotment option.

	<u>Per Capital Security</u>	<u>Without Option</u>	<u>With Option</u>
Public offering price	\$ 25.00	\$ 500,000,000	\$ 550,000,000
Underwriting discount(1)	\$ 0.7875	\$ 15,750,000	\$ 17,325,000
Proceeds to us	\$ 24.2125	\$ 484,250,000	\$ 532,675,000

(1) We will pay the underwriters compensation of 3.15% per Capital Security for sales of \$250,000 or less in aggregate principal amount of Capital Securities and 2.00% per Capital Security for sales in excess of \$250,000 in aggregate principal amount of Capital Securities to a single purchaser.

We estimate that our expenses in connection with the offering of Capital Securities, not including the underwriting discount, will be approximately \$650,000 in the aggregate. Substantially all of these expenses will be reimbursed to us by certain of the underwriters.

### OVER-ALLOTMENT OPTION

We have granted an option to the underwriters to purchase up to an additional \$50,000,000 of the Capital Securities at the public offering price on the cover page of this prospectus, less the underwriting discount. The underwriters may exercise these options for 30 days from the date of this prospectus solely to cover over-allotments. If the underwriters exercise these options, each underwriter will be obligated, subject to conditions contained in the underwriting agreement, to underwriting a

number of additional Capital Securities proportionate to such underwriter's initial amount reflected in the above table.

#### **NEW YORK STOCK EXCHANGE LISTING**

We will apply to list the Capital Securities on the New York Stock Exchange under the symbol "AEV." Trading of the Capital Securities on the New York Stock Exchange is expected to begin within 30 days after the initial delivery of the Capital Securities. The underwriters have advised us that they presently intend to make a market in the Capital Securities before the commencement of trading on the New York Stock Exchange. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the Capital Securities or that an active public market for the Capital Securities will develop. If an active public trading market for the Capital Securities does not develop, the market price and liquidity of the Capital Securities may be adversely affected. The Capital Securities may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our performance and other factors.

#### **PRICE STABILIZATION AND SHORT POSITIONS**

In connection with the offering, the underwriters are permitted to engage in transactions that stabilize the market price of the Capital Securities. Such transactions consist of bids or purchases to peg, fix or maintain the price of the Capital Securities. If the underwriters create a short position in the Capital Securities in connection with the offering, i.e., if they sell more Capital Securities than are on the cover page of this prospectus, the underwriters may reduce that short position by purchasing Capital Securities in the open market. The underwriters may also elect to reduce any short position by exercising all or part of the over-allotment option described above. Purchases of a security to stabilize the price or to reduce a short position could cause the price of the security to be higher than it might be in the absence of such purchases.

Neither we nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Capital Securities. In addition, neither we nor any of the underwriters makes any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

#### **OTHER RELATIONSHIPS**

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us. They have received, and may receive, customary fees, expenses and commissions for these transactions.

#### **SELLING RESTRICTIONS**

##### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Capital Securities to the public in that Relevant Member State except that it may, with effect

from and including the Relevant Implementation Date, make an offer of Capital Securities to the public in that Relevant Member State:

- (a) in the period beginning on the date of publication of a prospectus in relation to those Capital Securities which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by AEGON N.V. of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Capital Securities to the public" in relation to any Capital Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Capital Securities to be offered so as to enable an investor to decide to purchase or subscribe the Capital Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

**United Kingdom**