

ANNUAL REPORT 2012



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Vereniging Aegon

P.O. Box 202

2501 CE The Hague

Telephone: +31 (0)70 3448288

Fax: +31 (0)70 3477929

E-mail: secretariaat@verenigingaegon.nl

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This is a translation of the Dutch text of the 2012 Annual Report of Vereniging Aegon. In the event of a difference in interpretation, the Dutch text prevails.

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EXECUTIVE COMMITTEE AND MEMBERS

	Members	Year of resignation	
		Scheduled	Final
Executive Committee			
W.M. van den Goorbergh, <i>chairman</i>	J.M. Boll (until April 19, 2012)		
H.J.E. Bruins Slot, <i>vice-chairman</i> (since April 19, 2012)	H.J.E. Bruins Slot	2014	2018
M.E. van Lier Lels (since April 19, 2012)	B.F. Dessing	2015	2018
J.J. Nooitgedagt	H.A. Doek	2016	2017
H.P. Spruijt	W.M. van den Goorbergh	2015	2018
A.R. Wynaendts	C.M. Hooymans	2014	2022
	P.J. Idenburg (until April 19, 2012)		
	C.J. Kalden (since April 19, 2012)	2016	2018
	H.P.M. Knapen (since December 5, 2012)	2016	2018
Secretary	P.C. Krikke	-	2016
T.H.M. Schijf	M.E. van Lier Lels	2013	2021
	P.L. Meurs (since April 19, 2012)	2016	2023
	R.J. Meuter (since April 19, 2012)	2016	2017
	N.A. Mourits (since April 19, 2012)	2016	2017
	H. Muller (until April 19, 2012)		
	J.J. Nooitgedagt	n/a	2013
	H.M. Pinedo	-	2013
	E.M. Sent	2014	2022
	H.P. Spruijt	2013	2017
	H.A. van der Til	2014	2022
	J.W.B. Westerborgen (until April 19, 2012)		
	A.R. Wynaendts	n/a	2020

Executive Committee as at December 31, 2012**W.M. van den Goorbergh**

(1948) has been a member of the Vereniging since 2003 and joined the Executive Committee in 2004. In 2008, he was appointed chairman of the Executive Committee. Until 2002,

he was vice-chairman of the Executive Board of Rabobank Nederland. He now holds several executive and supervisory positions. These include being chairman of the Supervisory Boards of DELA, NIBC Bank N.V. and Welten. He is also a member of the Supervisory Boards of N.V. Bank Nederlandse Gemeenten and Mediq N.V. Mr. Van den Goorbergh is a member of the Supervisory Authority of Radboud University Nijmegen and UMC St. Radboud and he is also chairman of Nexus Instituut.



H.J.E. Bruins Slot (1948) has been a member of the Vereniging since 1998 and joined the Executive Committee in 2010. In 2012, he was appointed vice-chairman of the Executive Committee. Mr. Bruins Slot was chairman of the

Netherlands Public Broadcasting System. His previous positions include that of secretary-general of the Ministry of Education, Culture and Science and mayor of the Municipality of Apeldoorn. Mr. Bruins Slot holds several executive and supervisory positions, in particular in healthcare. He is chairman of Stichting Koningin Wilhelmina Fonds voor de Nederlandse Kankerbestrijding, chairman of the Supervisory Board of 's Heeren Loo, chairman of the Supervisory Board of Stichting Gelre Ziekenhuizen and chairman of the Supervisory Board of Rabobank Apeldoorn en Omgeving.

**M.E. van Lier Lels** (1959) has

been a member of the Vereniging since 2009. She joined the Executive Committee in 2012.

Since 2005 she has held various supervisory and executive positions. These include being a

member of the Supervisory Boards of Koninklijke KPN N.V., USG People N.V., TKH Group N.V., Maersk B.V., and Reed Elsevier N.V. She is also a member of the Council for Environment and Infrastructure, a member of the Advisory Council for Scientific and Technology Policy, a member of the Netherlands Bureau for Economic Policy Analysis (CPB) and chairman of the Supervisory Council of the Netherlands Society for Nature and Environment. Until 2005 she was director of Operations for the Schiphol Group.

**J.J. Nooitgedagt** (1953) has been

a member of the Vereniging and its Executive Committee since 2009.

Mr. Nooitgedagt is a member of the Executive Board of Aegon N.V. Until 2009, he was chairman of the Executive Board of Ernst & Young

Netherlands and Belgium.

**H.P. Spruijt** (1949) has been a

member of the Vereniging since 2005 and joined the Executive Committee in 2008. Mr. Spruijt

was a member of the Executive Board of Reed Elsevier N.V. Until December 2010, he was chairman

of the International Publishers Association (IPA) in Geneva. He is chairman of the Supervisory Boards of M&R de Monchy N.V., Koninklijke Jumbo B.V. (games) and of Koninklijke BDU Holding B.V., and a member of the Supervisory Boards of Koninklijke Brill N.V. and ANP Holding B.V.



A.R. Wynaendts (1960) has been a member of the Vereniging and its Executive Committee since 2008. Mr. Wynaendts is chairman of the Executive Board of Aegon N.V.

Secretary to the Executive Committee



T.H.M. Schijf (1944) has been secretary to the Executive Committee since 2004.

Other members as at December 31, 2012



B.F. Dessing (1948) became a member of the Vereniging in 2011. Until 2007, Mr. Dessing was chairman of Coöperatie Univé-VGZ-IZA-Trias (UVIT). He now holds several executive and supervisory positions. These include being a member of the Supervisory Boards of the Pension Fund of De Nederlandsche Bank, the Netherlands Public Broadcasting System and St. Antonius Hospital in Nieuwegein. In addition, Mr. Dessing is a member of the Advisory Board of the Netherlands Healthcare Authority and a member of the Audit Committee of the Netherlands Court of Audit.



H.A. Doek (1947) has been a member of the Vereniging since 2008. He was a member of the partnership Loyens & Loeff and, until June 2011, a member of the Senate of the Dutch Parliament. Mr. Doek holds several executive and supervisory positions. He is vice-chairman of the Supervisory Board of the Dutch Open Air Museum in Arnhem, chairman of the Supervisory Boards of Stichting Het Geldersch Landschap

and Stichting Geldersche Kasteelen, a member of the Supervisory Board of the East Netherlands Development Agency, vice-chairman of Stichting NJO (Dutch Orchestra and Ensemble Academy) and a member of the Board of Stichting Introdans.



C.M. Hooymans (1951) became a member of the Vereniging in 2010. Since 2002, she has been a member of the Executive Board of TNO in Delft. Before that, she was a member of the Plant Sciences Board of Wageningen University and Research Centre, managing director of Applied Plant Research B.V., managing director of the Rijks-Kwaliteitsinstituut voor Land- en Tuinbouwproducten (State Quality Institute for Agricultural and Horticultural Products) and director of research of Plant Research International, all based in Wageningen. She is deputy Crown member of the Social and Economic Council of the Netherlands (SER), a member of the Board of the Catholic University Nijmegen Foundation, a member of the Board of Directors of Meridian Institute for Policy Research in Washington and a member of the Supervisory Boards of Rabobank Vallei en Rijn and Koninklijke KPN N.V.



C.J. Kalden (1948) has been a member of the Vereniging since 2012. He is the director of Staatsbosbeheer. His previous positions include that of secretary-general of the former Ministry of Agriculture, Nature and Food Quality. Mr. Kalden also holds several other executive and supervisory positions. These include being a member of the Board of the Netherlands Study Centre for Technology Trends, a member of the Advisory Board of Rijkswaterstaat (the executive agency of the Ministry of Transport, Public Works and Water Management), a member of the Supervisory Board of Diergaarde Blijdorp (Rotterdam Zoo) and chairman of the Advisory Board of the Environmental Science Group (ESG) in Wageningen.



H.P.M. Knapen (1951) was a member of Vereniging Aegon from 2004 to 2010 and member of its Executive Committee from 2008 to 2010. From 2010 to 2012 Mr Knapen served as the State Secretary for Foreign Affairs.

Before becoming State Secretary, Mr Knapen held several executive and supervisory positions. These included being a member of the Scientific Council for Government Policy and a professor at Radboud University Nijmegen. He also served as a member of the Executive Board of PCM Uitgevers B.V.



P.C. Krikke (1961) has been a member of the Vereniging since 2004. Mrs. Krikke is mayor of the Municipality of Arnhem. She holds several executive and supervisory positions. Mrs. Krikke is a member of the Board of The Netherlands

Red Cross, chairman of the Strategic Advisory Committee of the Association of Insurers and chairman of the National Committee Consumer Interests in Public Transport.



P.L. Meurs (1953) became a member of the Vereniging in 2012. She is a professor of Healthcare Governance at Erasmus University and a member of the Senate of the Dutch Parliament. Furthermore, Mrs. Meurs holds several executive

and supervisory positions, in particular in the field of healthcare. She is chairwoman of the Board of ZonMw (the Dutch Organization for Health Research and Development), member of the Board of FORUM, Institute for Multicultural Affairs, chairwoman of the International Advisory Board of ICCO (an interchurch organization for developmental cooperation), a member of the Supervisory Board of AMC (the Amsterdam University Medical Center) and a member of the Supervisory Board of healthcare insurer CZ.



R.J. Meuter (1947) has been a member of the Vereniging since 2012. Mr. Meuter was vice-chairman of Wholesale Banking at ABN AMRO until 2005. He now holds several executive and supervisory positions. These

include being chairman of ABN AMRO Pension Fund, a member of the Supervisory Boards of TD Waterhouse Bank and KNRM (The Royal Netherlands Sea Rescue Institution), a member of the Board of Stichting Pro Senectute - housing for the elderly -, a member of the Board of Stichting Ubbo Emmiusfonds of University Groningen (Groningen University Fund) and a member of the Supervisory Board of the Controllers Institute of the Erasmus University. Furthermore, Mr. Meuter is boardroom counselor. He has also been appointed by the Enterprise Chamber of the Amsterdam Court as a director of several listed companies, and he also acts as a trustee for the Netherlands Competition Authority.



N.A. Mourits (1947) became a member of the Vereniging in 2012. Mr. Mourits is financial services consultant. He is a member of the Supervisory Board of Adfiz Dienstverlening B.V., which is the holding company of ANVA

and Financieel College. He is also chairman of the Board of the Banking and Insurance Sector of ECABO (Center of Expertise on Vocational Education, Training and Labor Market for the economic/administrative, ICT and security professions). Until 2010, Mr. Mourits served as the managing director of NVA, a Dutch association of insurance intermediaries.



H.M. Pinedo (1943) has been a member of the Vereniging since 2001. He is adviser to the Board of Directors of VUmc. Furthermore, he holds several executive and supervisory positions. Previously he was professor of Medical

Oncology at the VUmc, managing director of the

VUmc Cancer Center in Amsterdam and head of the Medical Oncology department of VUmc. On request he provides medical examinations (second opinions) for KLM Health Services. In Curaçao he has initiated public health screening for breast cancer.



E.M. Sent (1967) became a member of the Vereniging in 2010. Since 2004, she has been a professor of Economic Theory and Economic Policy at the Radboud University Nijmegen and, as of June 2011, she has been a member of the Senate of the Dutch Parliament. Before that she was a Research Fellow of the Netherlands Institute for Advanced Study (NIAS) in Wassenaar and an Assistant/Associate Professor at the University of Notre Dame in Indiana, USA. Furthermore, she is a member of the Council for Social Development, a member of the Supervisory Board of Plan Nederland, a member of the Advisory Council of De Groene Zaak, a member of the Editorial Council of *Academische Boekengids*, *Me Judice* and *FM Quarterly* and editor and a member of the Board of Trustees of the *Journal of Institutional Economics*.



H.A. van der Til (1956) became a member of the Vereniging in 2010. From October 2008, until his retirement in January 2012, he held, in the rank of Major General of the Marines, several positions at the staff of the Commander of the Armed Forces at the Ministry of Defence in The Hague. Before that he held several operational and staff management positions at home and abroad in the Marine Corps, the Command of the Naval Military Forces in Den Helder, NATO in Afghanistan and the Ministry of Defence in The Hague.

OBJECTIVES

Primary objective

Vereniging Aegon ('the Vereniging') as a shareholder represents, in a balanced manner, the direct and indirect interests of Aegon N.V. and its group companies, insured parties, employees, shareholders and other relations of these companies. The Vereniging does so by holding Aegon N.V. securities and exercising the associated rights, including voting rights. The Vereniging's income consists of the revenues from these securities.

Secondary objective

In 2007, Vereniging Aegon started to investigate the development of potential secondary objectives within the framework of its statutory objectives. The focus was on developments and issues concerning the ageing of the population.

In 2008, the study of the Vereniging focussed on possibilities for the improvement of ageing in a vigorous and healthy way. The outcome of this research was that the Vereniging did set up, in November 2008, the Leyden Academy on Vitality and Ageing (LAVA). LAVA cooperates, inter alia, with Leiden University Medical Centre, "Vereniging Het Zonnehuis" and "ILC Zorg voor Later" and is presided over by Mr. R.G.J. Westendorp, professor at the Department of Gerontology and Geriatrics of Leiden University and Mrs. M.A.E. van der Waal.

LAVA aims to contribute to vigorous and healthy ageing and wishes to focus on medical and social-medical aspects of ageing. LAVA tries to achieve its goals by offering part-time education for healthcare managers and a full-time international masters degree for talented young physicians, and by initiating and encouraging research and the conversion thereof for the medical and social-medical practice.

The Vereniging considers it important that, in addition to its primary objective and in the spirit of its roots as caretaker of mutual solidarity, it contributes to society in this manner.

HISTORY

Origin of Vereniging Aegon

Vereniging Aegon is an association under Dutch law. Until 1983, it was known as Vereniging AGO. It was established in 1978 as the legal successor of AGO Onderlinge Levensverzekeringmaatschappij, which was demutualized as a result of a legal restructuring of the AGO insurance group. Under the terms of the restructuring, Vereniging AGO became the sole shareholder in AGO Holding N.V.

At the time of the merger between AGO and Ennia in 1983, Vereniging AGO transferred its holding of the entire share capital in AGO Holding N.V. to the listed company Ennia N.V. (whose name was changed to Aegon N.V.) in exchange for new Aegon N.V. common and preferred shares. Vereniging AGO was renamed Vereniging Aegon. Under the terms of the 1983 Merger Agreement, the Vereniging acquired a substantial minority interest in the common shares as well as all of the preferred shares, thus acquiring a majority of the voting rights in Aegon N.V. Under the Agreement, in the event of a dilution of its voting rights, the Vereniging would also receive the right to acquire new preferred shares in order to maintain its majority position as desired by the parties involved in the merger; the so-called option rights scheme.

Development of ownership interest in Aegon N.V. and voting rights

- Recapitalization Agreement 2002

The Vereniging agreed a Recapitalization Agreement with Aegon N.V. in September 2002. This agreement formed the basis for the Vereniging's sale of 350,000,000 Aegon N.V. common shares at a net price of EUR 9.76 per share. The Vereniging used part of the proceeds to reduce its debt and agreed on a new credit facility with a consortium of banks for the remainder. The Vereniging paid the remaining portion of the proceeds (EUR 2,064,000,000) as a premium on its Aegon N.V. preferred shares in an effort to raise their value to that of the common shares.

As a result of these transactions, the Vereniging's ownership interest in Aegon N.V.'s common

shares decreased from approximately 37% to approximately 12% and its beneficial ownership interest in Aegon N.V.'s voting shares decreased to approximately 33%. Thus the voting rights of the Vereniging decreased from approximately 52% to approximately 33%. The Recapitalization Agreement included provisions for the continuation of the option rights scheme at this lower level of voting rights. The Vereniging also indicated that it was prepared, subject to the implementation of certain changes in corporate governance at Aegon N.V., to further reduce its voting rights in the near future to approximately 23.6%, a figure that corresponds to the capital paid in by the Vereniging.

- Amendment of Articles of Association 2003

This reduction in the voting rights was formalized on May 26, 2003 by amendment of the Articles of Association of the Vereniging.

The relationship with Aegon N.V. was changed as follows:

- The 440,000,000 preferred shares with a nominal value of EUR 0.12 held by the Vereniging were converted into 211,680,000 new class A preferred shares with a nominal value of EUR 0.25 and the paid-in capital on the preferred shares was increased by EUR 120,000 to EUR 52,920,000. The voting rights pertaining to the new preferred shares (the class A preferred shares as well as the class B preferred shares, which may be issued to the Vereniging under the option rights scheme as discussed below) were adjusted accordingly to 25/12 votes per preferred share.
- The Vereniging and Aegon N.V. entered into a preferred shares voting rights agreement, pursuant to which the Vereniging has voluntarily waived its right to cast 25/12 votes per class A or class B preferred share. Instead, the Vereniging agreed to exercise one vote only per preferred share, except in the event of a special cause, such as the acquisition of a 15% interest in Aegon N.V., a tender offer for Aegon N.V. shares or a proposal for a business combination by any person or group of persons, whether individually or as a group, other than

in a transaction approved by the Executive Board and the Supervisory Board of Aegon N.V. If, at its sole discretion, the Vereniging determines that a special cause has occurred, the Vereniging will notify the General Meeting of Shareholders of Aegon N.V. and retain its right to exercise the full voting power of 25/12 per preferred share for a maximum period of six months.

- The Vereniging and Aegon N.V. amended the option rights scheme under the 1983 Merger Agreement. Under the amended option rights scheme the Vereniging, in case of an issuance of shares by Aegon N.V., shall be entitled to claim such number of class B preferred shares as shall enable the Vereniging to prevent or correct dilution below its actual percentage of total voting rights. Class B preferred shares will then be issued at par value (EUR 0.25), unless a higher issue price is agreed on.

- Execution of option rights

In the years 2003 to 2012, the Vereniging exercised its option rights to acquire class B preferred shares at par value to correct a dilution of voting rights caused by Aegon N.V.'s issuance of stock dividends and new common shares, and treasury share sales. As a result, the voting rights which Vereniging Aegon is able to exercise in the event of a special cause remained at approximately 33% throughout that period.

- Current ownership interest and voting rights

On December 31, 2012, the Vereniging held a total of 171,974,055 common shares, 211,680,000 class A preferred shares and 118,093,000 class B preferred shares.

Consequently, as at that date, the Vereniging Aegon ownership interest in Aegon N.V. common shares amounted to roughly 8.7%.

The Vereniging's voting rights in normal circumstances on common shares and preferred shares A and B amounted to approximately 22%, based on the number of outstanding and voting shares (excluding common shares held in treasury

by Aegon N.V.), as at December 31, 2012 (as at December 31, 2011, this was approximately 22.4%). In the event of a special cause, the Vereniging's voting rights would increase for a maximum period of six months to the full number of votes, approximately 32.6% as at December 31, 2012 (as at December 31, 2011, this was approximately 33%).

Amendment of Articles of Association 2005

On September 13, 2005, Vereniging Aegon amended article 18 of its Articles of Association. The amendment limits Aegon N.V.'s influence on future amendments to the Articles of Association of Vereniging Aegon. In the event of an undesired change of control at the General Meeting of Shareholders of Aegon N.V., Vereniging Aegon may, under certain circumstances, amend its Articles of Association without Aegon N.V.'s cooperation.

Financing of Vereniging Aegon

The financing facility, agreed in 2002 with a consortium of banks, was replaced in 2005 by a facility with a maturity date of September 15, 2010. The credit limit was reduced to a maximum of EUR 1,650,000,000.

On February 9, 2010, Vereniging Aegon arranged a new three-year credit facility with a consortium of banks. This facility replaced the 2005 facility. The original maximum of this facility was EUR 1,250,000,000. In February 2013 the facility was extended to December 31, 2013, for a maximum of EUR 1,050,000,000.

Leyden Academy on Vitality and Ageing

The Leyden Academy on Vitality and Ageing is the main activity of the private company with limited liability of the same name, that was established in 2008 and of which Vereniging Aegon is the sole shareholder. In 2008, Vereniging Aegon provided LAVA B.V. with EUR 1,000,000 in paid-up share capital. In each of the following years the Vereniging made between EUR 1,000,000 and EUR 1,200,000 available to LAVA B.V. by means of share premium on the existing paid-up share capital.

Vereniging Aegon is also involved in the Stichting ILC Zorg voor Later. This foundation stimulates scientific research and discussion on issues and developments concerning ageing of the population and ageing in a healthy way. The Leyden Academy acts as its managing director and takes care of the secretary's office of this foundation.

REPORT OF THE EXECUTIVE COMMITTEE

Developments in 2012

Ownership interest in Aegon N.V. and voting rights

On March 1, 2011, Aegon N.V. issued approximately 173.6 million new common shares to institutional investors. As a result, the ownership interest of Vereniging Aegon in common shares Aegon N.V. was diluted to roughly 9%. As a result of issuance of stock dividends in 2012 the ownership interest diluted to approximately 8.7%.

In order to prevent dilution of voting rights at the General Meeting of Shareholders of Aegon N.V. in the event of a special cause, on August 14 and October 18, 2012, the Vereniging exercised its option rights to acquire the required class B preferred shares at par value.

The Vereniging's voting rights in normal circumstances on common and preferred shares A and B amount to approximately 22%, based on the number of outstanding and voting shares (excluding common shares held in treasury by Aegon N.V.), as at December 31, 2012 (as at December 31, 2011, this was approximately 22.4%). In the event of a special cause, the Vereniging's voting rights would increase for a maximum period of six months to the full number of votes, approximately 32.6% as at December 31, 2012 (as at December 31, 2011, this was approximately 33%).

On December 31, 2012, the Vereniging held a total of 171,974,055 common shares (on December 31, 2011, this was also 171,974,055), 211,680,000 class A preferred shares (on December 31, 2011, this was also 211,680,000) and 118,093,000 class B preferred shares (on December 31, 2011, this was 110,072,000).

Exercising voting and dividend rights

As in previous years, the Vereniging met its objectives in 2012 by holding shares in Aegon N.V. and exercising the associated rights, in particular the voting rights.

In accordance with the resolution of the Annual General Meeting of Members of the Vereniging, the voting rights were exercised at the Annual General Meeting of Shareholders of Aegon N.V., held on May 16, 2012.

Aegon N.V. distributed a final dividend for the year 2011 of EUR 0.10 per common share, and remitted an interim dividend for 2012 of EUR 0.10 per share. Both dividends were payable either in shares or in cash. In both cases Vereniging Aegon elected to receive the dividend in shares. In 2012 also a preferred dividend was received for the year 2011.

Members and Executive Committee

As at December 31, 2012, the General Meeting of Members of the Vereniging consisted of eighteen members, sixteen of whom are not related to Aegon N.V. They are neither current nor former employees of Aegon N.V. or its associated companies, nor current or former members of the Supervisory Board or the Executive Board of Aegon N.V. The two other members are members of the Executive Board of Aegon N.V.

During the year under review, the members Mr. Boll, Mr. Idenburg, Mr. Muller and Mr. Westerburgen stepped down. Mrs. Meurs, Mr. Kalden, Mr. Knapen, Mr. Meuter and Mr. Mourits were elected as a member. Mrs. Krikke and Mr. Doek stepped down as scheduled and were re-elected as a member of the Vereniging.

The Executive Committee of Vereniging Aegon has six members, four of whom, including the chairman and the vice-chairman, are not and never have been related to the Aegon Group. The other two members are also members of the Executive Board of Aegon N.V.

On April 19, 2012 Mr. Idenburg and Mr. Westerburgen stepped down as members of the Executive Committee. Subsequently the General Meeting of Members appointed Mrs. Van Lier Lels as a member of the Executive Committee. Mr. Bruins Slot was appointed vice-chairman.

Remuneration

The members of the Executive Committee receive a fixed fee for their activities. The other members receive a fixed fee and an attendance fee. The General Meeting of Members adopts all fee amounts.

In 2012, the chairman of the Executive Committee received a fee of EUR 28,500 and the vice-chairman received a fee of EUR 23,000. The fee for the other members of the Executive Committee was EUR 20,000 each. In 2012, the members received a fee of EUR 7,000 per year and EUR 1,000 per meeting attended.

For their activities as members of its Supervisory Board, LAVA B.V. paid Mr. Van den Goorbergh (chairman) a fixed fee of EUR 7,000, and Mr. Idenburg and Mr. Westerburchen a fixed fee of EUR 5,000 each.

Financing of the Vereniging

On February 9, 2010, Vereniging Aegon concluded a new credit facility with a consortium of banks for a period of three years. Originally, the maximum of this facility was EUR 1,250,000,000. At year end 2012 EUR 1,003,000,000 was drawn under the facility. The facility expired February 2013, but was extended until December 31, 2013 for the amount of EUR 1,050,000,000.

Developments in 2013 concerning the financing of the Vereniging and its ownership interest

On February 7, 2013 the Vereniging and Aegon N.V. reached an agreement to convert all preferred shares owned by the Vereniging. As a result, the capital structure of Aegon N.V. will be simplified while enabling Aegon N.V. to maintain a high-quality capital base under the new European solvency requirements. The agreement allows the Vereniging to substantially reduce its debt to the consortium of banks.

All preferred shares will be exchanged for cash and common shares. The value of the preferred shares, with a book value of EUR 2,146,000,000,

has been determined at EUR 1,055,000,000 (ex dividend).

The Vereniging will receive EUR 83,000,000 cash dividend on the preferred shares for the period January 2012 up to, and including, June 2013, EUR 400,000,000 in cash and the equivalent of EUR 655,000,000 in shares (121 million common shares and 566 million common shares B).

The Vereniging will relinquish its preferential rights with regard to dividends and liquidation proceeds. In addition, the voting rights of the Vereniging in ordinary course will be reduced from the current 22% to approximately 14.8%. This will align the voting rights and economic ownership. The Vereniging will maintain the right to exercise its full voting rights of 32.6% in the event of a special cause by means of the newly issued common shares B.

The new capital structure will be submitted for approval to the Annual General Shareholders Meeting of Aegon N.V. on May 15, 2013. Following approval and execution of the agreement the Vereniging will hold an aggregate of 293 million common shares, from the grand total of 2,066 million outstanding common shares in Aegon N.V. The financial rights attached to each of the 566 million common shares B will amount to 1/40 of one common share Aegon N.V.

Furthermore, the Vereniging negotiated a new credit facility in the amount of EUR 650,000,000 with a consortium of banks led by ING Bank and Royal Bank of Scotland. This concerns a so-called forward starting financial facility with a three year term (with the option to extend for one year) which shall take effect upon approval and execution of the transaction to convert all preferred shares. At the same time the extended facility of EUR 1,050,000,000 will expire.

Leyden Academy on Vitality and Ageing

Over the past few years the Leyden Academy on Vitality and Ageing has continued to evolve.

In addition to its educational programme, the research programme has developed further and both its national and its international networks have grown. This progress resulted in the creation of useful new joint ventures and the strengthening of existing joint ventures, such as those with Leiden University Medical Center, “Vereniging Het Zonnehuis” and “ILC Zorg voor Later”.

The Leyden Academy tightened up its strategic plan for the years 2012-2016. The third Executive Course, “Ageing and Healthcare”, took place during 2012 along with the masters course “Vitality and Ageing”.

In 2012, the Vereniging provided LAVA B.V. with a EUR 1,200,000 grant. This was effected by means of share premium on the existing paid-up share capital.

As of December 31, 2012 the Board of Directors of LAVA B.V. consists of Mr. R.G.J. Westendorp (chairman) and Mrs. M.A.E. van der Waal. The Supervisory Board, as of December 31, 2012, consists of Mr. W.M. van den Goorbergh (chairman), Mrs. M. de Visser, Mr. P.J. Idenburg and Mr. J.W.B. Westerburchen.

Financial Statements 2012

Under the accounting policies, the Aegon N.V. common shares held by the Vereniging are carried at market value, while the preferred shares are carried at the lower of the purchase price or the market value. The latter is based upon the net cash value of the discounted expected future cash flows.

The value of the shareholding Aegon N.V. amounted to EUR 1,880,809,000 as at December 31, 2012, whereas at December 31, 2011, this amounted to EUR 2,677,609,000 when the preferred shares were carried at the purchase price.

Unrealized gains and losses for the financial year are recognized in the statement of income

and expenditure. Consequently, an unrealized gain of EUR 292,700,000 was recognized in the statement of income and expenditure in respect of the common shares and an impairment of EUR 1,091,506,000 in respect of the preferred shares.

The result for 2012 was a loss of EUR 760,349,000 (2011: a loss of EUR 247,784,000). The result for 2012 was significantly affected by the change in the market value of the common shares Aegon N.V., the resumed dividend payments on common shares and the impairment of the preferred shares.

The Executive Committee recommends that the General Meeting of Members adopts the 2012 financial statements and endorses the Executive Committee’s management in 2012.

The Hague, April 5, 2013

On behalf of the Executive Committee

W.M. van den Goorbergh, Chairman

BALANCE SHEET AT DECEMBER 31

(after appropriation of the result)

	2012	2011
Fixed assets		
<i>Financial fixed assets</i>		
Participation quoted stock	825,991	533,291
Participation unquoted stock	1,054,818	2,144,318
Participating interest in Leyden Academy on Vitality and Ageing B.V.	937	801
	1,881,746	2,678,410
Current assets		
Prepayments and accrued income	59,400	64,738
Liquid assets	13	521
	59,413	65,259
Total assets	1,941,159	2,743,669
Capital and reserves	915,798	1,676,147
Long-term liabilities		
Credit facility consortium of banks	1,003,000	1,046,500
Current liabilities		
Other liabilities	22,361	21,022
Total liabilities	1,941,159	2,743,669

STATEMENT OF INCOME AND EXPENDITURE

Income	2012	2011
Dividend on common shares	34,332	-
Dividend on preferred shares	58,985	58,912
Premium and interest Convertible Core Capital Securities@	-	750,000
Unrealized profit on common shares	292,700	-
Total income	386,017	808,912
Expenses		
Impairment on preferred shares	1,091,506	-
Unrealized loss on common shares	-	253,662
Premium and interest Senior Loan State of the Netherlands@	-	750,000
Financial expenses	53,076	51,385
Expenses	720	599
Total expenses	1,145,302	1,055,646
Result participating interest	(1,064)	(1,050)
Result	(760,349)	(247,784)

@ Vereniging Aegon was not exposed to any financial risk in respect of the 'Convertible Core Capital Securities' issued by Aegon N.V. and the 'Senior Loan' granted by the State. As all economic risks and rewards of these financial instruments accrued to and were borne by Aegon N.V. and the State, related income and expenses were accounted for in the statement of income and expenditure not only because of the unique nature of the transaction but also to provide insight into the structure and legal position of Vereniging Aegon. In consideration of this special nature, recognition did take place when payments by Aegon N.V. to the State were actually effected.

CASH FLOW STATEMENT**Cash flow from operating and investing activities**

	2012	2011
Dividend received on common shares	34,332	-
Dividend received on preferred shares	58,912	58,687
Interest received	-	5
Payment on Aegon N.V. preferred shares	(2,006)	(10,260)
Paid-up share premium Leyden Academy on Vitality and Ageing B.V.	(1,200)	(1,000)
Financial expenses paid	(46,520)	(42,298)
Expenses paid	(526)	(653)
	42,992	4,481

Cash flow from financing activities

Repayment of credit facilities	(43,500)	(4,500)
Deposits Leyden Academy on Vitality and Ageing B.V.	-	100
	(43,500)	(4,400)

Movement in liquid assets

(508)	81
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The cash flow statement has been prepared using the direct method. A credit facility has been accounted for under cash flow from financing activities. The principal sum of this credit facility is set periodically. For further information please refer to page 23.

NOTES TO THE FINANCIAL STATEMENTS

Introduction

To the extent that the Supervisory Board of Aegon N.V. does not use the profit of the year for strengthening capital or creating reserves, an annual dividend is paid on the average paid-in capital of 330 million preferred shares in Aegon N.V. at a rate which is equal to the European Central Bank refinancing rate on the first business day of the year on the Euronext Amsterdam stock exchange plus 1.75 percentage points. The dividend on the preferred shares for the current year was set at 2.75% (last year, this was also 2.75%).

As at December 31, 2012, Vereniging Aegon owns approximately 172 million Aegon N.V. common shares.

The Vereniging has financial fixed assets of approximately EUR 1.88 billion (based on the closing price of the Aegon N.V. common shares on the Euronext Amsterdam stock exchange on December 31, 2012 of EUR 4.803) and outstanding debts of EUR 1 billion, for which bank facilities have been arranged until February 9, 2013. These facilities have been extended up to, and including December 31, 2013.

The participating interest (100%) in Leyden Academy on Vitality and Ageing B.V. has not been consolidated in the financial statements because of its small financial impact.

NOTES TO THE BALANCE SHEET

Accounting policies

The financial statements have been prepared in accordance with the provisions of Section 9 Book 2 of the Dutch Civil Code.

The valuation of balance sheet items and the determination of income and expenditure are based on historical cost. Unless stated otherwise in the relevant accounting policy of a specific balance sheet item, balance sheet items are valued at cost.

Fixed assets

Financial fixed assets

Participation quoted stock

This item is the holding of Aegon N.V. common shares. The common shares are valued at market value. Realized and unrealized gains and losses are accounted for in the statement of income and expenditure. If a dividend is taken in shares, an amount equal to the proceeds is added to the participation and accounted for through the statement of income and expenditure. An equal number of shares are immediately sold and the difference between the proceeds and the average cost of the shares is accounted for in the statement of income and expenditure.

The market value of the common shares as at December 31, 2012, is EUR 825,991,000 (EUR 4.803 per share). At December 31, 2011, the value was EUR 533,291,000 (EUR 3.101 per share). The cost of the common shares as at December 31, 2012, was EUR 2,343,662,000 (EUR 13.628 per share).

Movements in common shares:

	2012		2011	
	Number	Value	Number	Value
Balance as at January 1	171,974,055	533,291	171,974,055	786,953
Revaluation, realized and unrealized	-	292,700	-	(253,662)
Balance as at December 31	171,974,055	825,991	171,974,055	533,291

Participation unquoted stock

This item is the holding of Aegon N.V. preferred shares. The expected dividend on the preferred shares, on an annual basis, is equal to the European Central Bank refinancing rate on the first trading day on the Euronext Amsterdam stock exchange of the year, to which the dividend relates plus 1.75 percentage points. For 2012, a dividend of 2.75% is expected (2011 was also 2.75%). The expected dividend is included in accrued income.

The preferred shares A and B have been paid in at par value; on top of that, a premium has been paid in on the preferred shares A. However, preferred shares A and preferred shares B carry equal rights.

The preferred shares are carried at the lower of purchase price and market value. In the context of the planned adjustment of the financial interest of Vereniging Aegon in Aegon N.V. it was agreed that the market value of the preferred shares as at February 15, 2013 amounts to EUR 1,055,000,000. This valuation is based on the net cash value of the discounted expected future cash flows (the expected future preferred dividends). From this a lower market value became apparent, which led to a valuation of the preferred shares A at EUR 4.9144 (ex dividend) and the preferred shares B at EUR 0.1232 (ex dividend).

Movements in preferred shares:

	2012		2011	
	Number	Value	Number	Value
Balance as at January 1	321,752,000	2,144,318	280,710,000	2,134,058
Purchases	8,021,000	2,006	41,042,000	10,260
	329,773,000	2,146,324	321,752,000	2,144,318
Impairment	-	(1,091,506)	-	-
Balance as at December 31	329,773,000	1,054,818	321,752,000	2,144,318

The latter balance concerns

	Number	Value	Number	Value
Class A preferred shares	211,680,000	1,040,270	211,680,000	2,116,800
Class B preferred shares	118,093,000	14,548	110,072,000	27,518
Balance as at December 31	329,773,000	1,054,818	321,752,000	2,144,318

Participating interest in Leyden Academy on Vitality and Ageing B.V.

The participating interest (100%) in Leyden Academy on Vitality and Ageing B.V., with registered seat at Leiden, is recognized in accordance with the net equity method.

	2012	2011
Balance as at January 1	801	851
Paid-up share premium	1,200	1,000
Result participating interest	(1,064)	(1,050)
Balance as at December 31	937	801

Leyden Academy on Vitality and Ageing B.V. commenced its activities in 2008, which tie in with the Vereniging's secondary objective, addressing issues such as the ageing of the population and maintaining vitality when growing older. Due to the relatively small financial importance the participating interest has not been consolidated in the financial statements.

Current assets**Prepayments and accrued income**

Receivables are recorded at fair value and subsequently valued at amortized cost. Fair value and amortized cost are equal to face value.

Expected preferred dividend	58,985	58,911
Prepaid upfront fee	415	5,827
	59,400	64,738

To obtain the 2010 credit facility, Vereniging Aegon has paid an upfront fee of EUR 16,235,000. This fee will be recognized pro rata in the statement of income and expenditure over the course of the three-year term.

Liquid assets

The credit agreement allows dividends on preferred shares only to be applied to pay interest and redemptions on the credit facility. These receipts are allocated for this purpose at a blocked account with the Royal Bank of Scotland plc. At the end of 2012, a EUR 5,000 balance remains (2011: EUR 5,000) which is not at free disposal.

Capital and reserves

	2012	2011
Balance as at January 1	1,676,147	1,923,931
Result financial year	(760,349)	(247,784)
Balance as at December 31	915,798	1,676,147

Long-term liabilities

Withdrawn interest-bearing loans and debts are accounted for at amortized cost.

Credit facility consortium of banks	1,003,000	1,046,500
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The Vereniging has arranged a credit facility with a consortium of banks led by the Royal Bank of Scotland plc. This credit facility consists of a "Facility A" (with a maximum of EUR 1,000,000,000) and a "Facility B" (with a maximum of EUR 200,000,000). Both facilities mature on February 9, 2013, but are extended up to, and including, December 31, 2013. The interest rate agreed upon for these facilities is based on Euribor rates, with an interest surcharge that depends on the solvency (credit rating) of Aegon N.V.

To obtain the 2010 credit facility, Vereniging Aegon has paid an upfront fee that will be recognized, pro rata in the statement of income and expenditure over the three-year term. This fee has been separately accounted for under current assets and has not been deducted from the debt.

All assets and the revenues from the Aegon N.V. preferred shares have been pledged as collateral for the credit facility. The free cash flow, apart from the preferred dividend, must be used to redeem the credit facility.

Current liabilities

Other liabilities

Deposits Leyden Academy on Vitality and Ageing B.V.	600	600
Accrued interest	21,189	20,063
Fees consortium of banks	316	298
Other liabilities	256	61
	22,361	21,022

Contingent assets and liabilities

The fee payable to Aegon N.V. in respect of the Support Services Agreement is set at EUR 240,000 a year as a result of the recent increase of the value added tax (2012: EUR 237,000).

Post-balance-sheet events

On February 7, 2013 the Vereniging and Aegon N.V. reached an agreement to convert all preferred shares owned by the Vereniging. As a result, the capital structure of Aegon N.V. will be simplified while enabling Aegon N.V. to maintain a high-quality capital base under the new European solvency requirements. The agreement allows the Vereniging to substantially reduce its debt to the consortium of banks.

All preferred shares will be exchanged for cash and common shares. The value of the preferred shares - with a book value of EUR 2,146,000,000 - has been determined at EUR 1,055,000,000 (ex dividend). The Vereniging will receive EUR 83,000,000 cash dividend on the preferred shares for the period January 2012 up to, and including, June 2013, EUR 400,000,000 in cash and the equivalent of EUR 655,000,000 in shares (121 million common shares and 566 million common shares B).

The Vereniging will relinquish its preferential rights with regard to dividends and liquidation proceeds. In addition, the voting rights of the Vereniging in ordinary course will be reduced from the current 22% to approximately 14.8%. This will align the voting rights and economic ownership. The Vereniging will maintain the right to exercise its voting rights at 32.6% in the event of a special cause by means of the newly issued common shares B.

The new capital structure will be submitted for approval to the Annual General Shareholders Meeting of Aegon N.V. on May 15, 2013. Following approval and execution of the agreement the Vereniging will hold an aggregate of 293 million common shares from the grand total of 2,066 million outstanding common shares Aegon N.V. The financial rights attached to each of the 566 million common shares B are 1/40 of a common share Aegon N.V.

Furthermore, the Vereniging negotiated a new credit facility in the amount of EUR 650,000,000 with a consortium of banks led by ING Bank and Royal Bank of Scotland. This concerns a so-called forward starting financial facility with a three year term (with the option to extend for one year) which shall take effect upon approval and execution of the transaction to convert all preferred shares. At that time, the extended facility of EUR 1,050,000,000 will expire.

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

Income and expenditure attributable to the financial year are included in the statement of income and expenditure.

Income

Dividend on common shares

Dividends on common shares are dividends received in the financial year. In the case of a stock dividend, the proceeds from these shares are taken to the statement of income and expenditure on the date of distribution.

Dividend on preferred shares

The dividend on preferred shares consists of the European Central Bank refinancing rate on the first trading day of the year on the Euronext Amsterdam stock exchange, plus 1.75 percentage points. For 2012, this percentage was 2.75% (2011 was also 2.75%). The dividend is attributed to the year to which the dividend relates.

Unrealized profit on common shares

The unrealized profit on common shares relates to the increase of the market value of the Aegon N.V. common shares during the year.

Expenses

Unrealized loss on common shares

The unrealized loss on common shares relates to the decrease of the market value of the Aegon N.V. common shares during the year.

Impairment of preferred shares

The impairment of preferred shares relates to the revaluation of the Aegon N.V. preferred shares during the year as a result of devaluation based upon the net cash value of the discounted expected cash flows in future (the expected future preferred dividends).

	2012	2011
Premium and interest Senior Loan State of the Netherlands	-	750,000

On the occasion of the repayment on March 15, 2011, premium and interest were paid in the amount of EUR 375 million. Equally, on the occasion of the repayment on June 15, 2011, premium and interest were paid in the amount of EUR 375 million, resulting in an aggregate payment of EUR 750 million for premium and interest in 2011.

Financial expenses

The financial expenses were as follows:

Interest paid	45,800	44,017
Commissions paid to financial institutions	1,864	1,961
Upfront fee credit facility	5,412	5,412
Other interest revenue	-	(5)
	53,076	51,385

To obtain the 2010 credit facility, a one-time upfront fee had to be paid to the consortium of banks. This fee will be recognized pro rata in the statement of income and expenditure over the three-year term.

Expenses

The expenses were as follows:

Costs of executive committee and members	244	247
Costs of visit to Aegon branch office abroad	108	-
Costs of support services Aegon N.V.	237	236
Costs of secretary's office	40	33
Accounting costs	51	46
Auditor's costs	29	28
Other costs	11	9
	720	599

The costs of executive committee and members include EUR 139,000 (2011 was EUR 155,000) incurred by the Vereniging in the financial year for the remuneration of the members of the Executive Committee, pursuant to Section 2: 383(1), Book 2 of the Dutch Civil Code.

Visits to Aegon branch offices take place once every two years. In 2012 the Aegon branch office in Istanbul, Turkey was visited.

For further information on Aegon N.V., reference is made to the Aegon N.V. financial statements for 2012.

The Hague, April 5, 2013

The Executive Committee

W.M. van den Goorbergh, chairman

H.J.E. Bruins Slot, vice-chairman

M.E. van Lier Lels

J.J. Nooitgedagt

H.P. Spruijt

A.R. Wynaendts

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements 2012 of Vereniging Aegon, The Hague, which comprise the balance sheet as at December 31, 2012, the statement of income and expenditure for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Executive Committee's responsibility

The Executive Committee is responsible for the preparation and fair presentation of these financial statements and for the preparation of the report of the Executive Committee, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Executive Committee is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Vereniging Aegon as at December 31, 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the Executive Committee, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the Executive Committee, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

The Hague, April 5, 2013

Ernst & Young Accountants LLP

Signed by G.W. Hilverda

