

ANNUAL REPORT 2014



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Vereniging Aegon

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This is a translation of the Dutch text of the 2014 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

		Year of resignation	
		Scheduled	Final
Executive Committee	Members		
W.M. van den Goorbergh, chairman	H.J.E. Bruins Slot	-	2018
H.J.E. Bruins Slot, vice-chairman	D.D. Button	n/a	2025
D.D. Button	B.F. Dessing	2015	2018
H.P.M. Knapen	H.A. Doek	2016	2017
M.E. van Lier Lels	W.M. van den Goorbergh	2015	2018
H.P. Spruijt	C.M. Hooymans	2018	2022
A.R. Wynaendts	C.J. Kalden	2016	2018
	H.P.M. Knapen	2016	2018
Secretary	P.C. Krikke	-	2016
T.H.M. Schijf	M.E. van Lier Lels	2017	2021
	P.L. Meurs	2016	2023
	R.J. Meuter	2016	2017
	N.A. Mourits	2016	2017
	E.M. Sent	2018	2022
	H.P. Spruijt	-	2017
	H.A. van der Til	2018	2022
	A.R. Wynaendts	n/a	2020

Executive Committee as at December 31, 2014

W.M. van den Goorbergh (1948) has been a member of Vereniging Aegon since 2003, joining 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, including that of chairman of the Supervisory Boards of DELA and NIBC Bank N.V. He is also a member of the Supervisory Board of N.V. Bank Nederlandse Gemeenten.



H.J.E. Bruins Slot (1948) has been a member of Vereniging Aegon since 1998, joining 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. He is chairman of Stichting Koningin Wilhelmina Fonds voor de Nederlandse Kankerbestrijding, chairman of the Supervisory Boards of 's Heeren Loo and of Rabobank Apeldoorn en Omgeving, chairman of the Supervisory Board of Geldersch Landschap & Kasteelen and a member of the Board of De12Landschappen.



D.D. Button (1969) has been a member of Vereniging Aegon and its Executive Committee since 2013. Mr Button is a member of the Executive Committee and Chief Financial Officer of Aegon N.V.



H.P.M. Knapen (1951) was a member of Vereniging Aegon from 2004 to 2010 and a 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 was a member of the Scientific Council for Government Policy and a professor at Radboud University Nijmegen. He also was a member of the Executive Board of PCM Uitgevers B.V. At present he is, as a director-general, associated with the European Investment Bank. Mr Knapen re-joined Vereniging Aegon in 2012, being appointed as a member of the Executive Committee on June 13, 2013.



M.E. van Lier Lels (1959) has been a member of Vereniging Aegon since 2009. She joined the Executive Committee in 2012. She has held various supervisory and executive positions since 2005, including as a member

of the Supervisory Boards of Royal Imtech N.V., TKH Group N.V. and Reed Elsevier N.V. She is also a member of the Council for Environment and Infrastructure, chairman of the Supervisory Council of the Netherlands Society for Nature and the Environment and a member of the Supervisory Board of Eneco Holding N.V. She was director of Operations for the Schiphol Group until 2005.



H.P. Spruijt (1949) has been a member of Vereniging Aegon since 2005, joining 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 Board of Stichting Luchtman (a protective arrangement of Koninklijke Brill N.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, 2014



B.F. Dessing (1948) became a member of Vereniging Aegon in 2011. Until 2007, Mr Dessing was chairman of Coöperatie Univé-VGZ-IZA-Trias (UVIT). He now holds several executive and supervisory positions, including as a member of the Supervisory Board of SPF Beheer, a member of the Supervisory Board of ACTA Holding B.V., a member of the Supervisory Board of Leyden Academy on Vitality and Ageing B.V., a member of the Supervisory Board of St. Antonius Hospital in Nieuwegein and a member of the Audit Committee of the Netherlands Court of Audit.



H.A. Doek (1947) has been a member of Vereniging Aegon since 2008. He was a partner at 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 a member of the Supervisory Boards of the East Netherlands Development Agency N.V., Topfonds Gelderland B.V., and chairman of the Supervisory Board of Rabobank Arnhem en Omgeving, a member of the

Supervisory Board of the Youth Orchestra of the Netherlands (NJO) and a member of the Board of Stichting Introdans.



C.M. Hoymans (1951) became a member of Vereniging Aegon in 2010. From 2002 until the end of 2013, she was 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 a member of the Board of the Catholic University Nijmegen Foundation, a member of the Central Commission for Statistics of Statistics Netherlands (CBS) 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 Vereniging Aegon since 2012. Until May 2013, he was the director of Staatsbosbeheer. His previous positions include that of secretary-general of the former Ministry of Agriculture, Nature and Food Quality (LNV). He holds several other executive and supervisory positions. These include being chairman of the Board of Stichting Weidegang, chairman of the Supervisory Board of Stichting ARK Natuurontwikkeling, chairman of the Board of Nederlandse Kastelenstichting and a member of the Supervisory Board of Diergaarde Blijdorp (Rotterdam Zoo).



P.C. Krikke (1961) has been a member of Vereniging Aegon since 2004. Ms Krikke served as mayor of the Municipality of Arnhem until July 2013. She holds several executive and supervisory positions. Ms Krikke is chairwoman of the

Strategic Advisory Committee of the Association of Insurers and chairman of the National Committee Consumer Interests in Public Transport. Since October 1, 2014, she has been the managing director of the National Maritime Museum.



P.L. Meurs (1953) became a member of Vereniging Aegon in 2012. She is a professor of Healthcare Governance at Erasmus University and was a member of the Senate of the Dutch Parliament until February 1, 2013. Ms Meurs

also 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), a 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. Ms Meurs has been a member of the Dutch Safety Board since February 1, 2013.



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

as a member of the Supervisory Board of TD Bank, a member of the Supervisory Board of KNRM (The Royal Netherlands Sea Rescue Institution), a member of the Board of Stichting Ubbo Emmiusfonds of University Groningen (Groningen University Fund), chairman of the Board of Stichting Continuïteit van Vistaprint and chairman of the Supervisory Board of Propertize B.V. Mr Meuter acts as boardroom counsellor, and has been appointed by the Enterprise Chamber of the Amsterdam Court as a director of listed companies. He also acts as a trustee for the Netherlands Competition Authority.



N.A. Mourits (1947) became a member of Vereniging Aegon in 2012. Mr Mourits is a financial services consultant. He is also chairman of the Board of the Banking and Insurance Sector of ECABO (Centre of Expertise on Vocational Education, Training and

Labour Market for the economic/administrative, ICT and security professions). Since 2013, he has been a member of the Geschillencommissie (Arbitration Board) for the Notarial Profession and the BOVAG. Until 2010, Mr Mourits was the managing director of NVA, a Dutch association of insurance intermediaries.



E.M. Sent (1967) became a member of Vereniging Aegon in 2010. Since 2004, she has been a professor of Economic Theory and Economic Policy at the Radboud University Nijmegen and she has been a member of the Senate of the

Dutch Parliament since June 2011. 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. She was also Visiting Scholar at the London School of Economics in London, UK. She is a member of the Supervisory Boards of Plan Nederland, Karakter, Introdans, Utrecht Theater and Atria, a member of the Board of Trustees of the Wiarda Beckman Stichting and editor of the Journal of Institutional Economics.



H.A. van der Til (1956) became a member of Vereniging Aegon in 2010. During the last ten years of his military career he worked mainly in finance (planning and control) and operations (planning and operational readiness). From October 2008 until

his retirement in January 2012, he held, in the rank of Major General of the Marines, several positions on the staff of the Chief of Defence 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 Royal Netherlands Navy Command in Den Helder, NATO in Afghanistan and the Ministry of Defence in The Hague.

OBJECTIVES

Primary objective

As a shareholder, Vereniging Aegon ('the Vereniging') 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 this 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

The Vereniging considers it important that, in addition to its primary objective, it also shapes its social responsibility in the spirit of its roots as caretaker of mutual solidarity. For that purpose, it facilitates a centre for the research and promotion of healthy and vigorous ageing. Since 2008, the Leyden Academy on Vitality and Ageing has developed into a leading centre in the field of ageing (www.leydenacademy.nl).

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 as a result of a new issue of common shares, the Vereniging also received the right to acquire new preferred shares in order to maintain its majority position as desired by the parties involved in the merger; this is referred to as the 'option rights scheme'.

Development of shareholding in Aegon N.V., voting rights and financing

- The period from 1983 to 1996

During this period, the Vereniging's shareholding amounted to 40% of the issued common shares in Aegon N.V. In combination with the shareholding in preferred shares, the Vereniging held approximately 54% of the total voting rights.

- The period from 1997 to 2001

In this period, Aegon N.V. substantially expanded its activities through the acquisition of Providian and Transamerica in the United States of America. In the spirit of its objectives, Vereniging Aegon successfully supported these acquisitions.

At the end of 2001, as a result of these transactions, Vereniging Aegon's shareholding decreased to roughly 37% of the common shares, and it had incurred a bank debt of approximately NLG 3.6 billion.

The amount of the bank debt and the decrease in the Aegon N.V. share price prompted the Vereniging to restructure its shareholding and reduce its bank debt. During this period, the full voting rights remained at roughly 52% due to the acquisition of preferred shares.

Recapitalization Agreement (2002)

The Vereniging concluded 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. The Vereniging used part of the proceeds to reduce its debt and agreed 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 with a view to raising their value to that of the common shares.

Subsequently, in 2003, the capital structure of Aegon N.V. was adapted, in the context of which the existing preferred shares were converted into preferred shares A and a new class, preferred shares B, was created. Both classes of preferred shares had a nominal value of EUR 0.25 per share and voting rights of 25/12 votes per share. In the Preferred Shares Voting Rights Agreement the Vereniging had, in normal circumstances, relinquished its full voting rights on the preferred shares A and B and limited itself to only one vote per preferred share. In special circumstances, it could exercise the full voting rights on the preferred shares A and B. Vereniging Aegon acquired a call option on preferred shares B in case its shareholding in Aegon N.V. were diluted as a result of a share issue.

As a result of these transactions, the Vereniging's shareholding in Aegon N.V.'s common shares decreased from approximately 37% to approximately 12%, and its full voting rights decreased from approximately 52% to approximately 33%.

- Recent developments in the Vereniging Aegon shareholding

On February 7, 2013, Vereniging Aegon and Aegon N.V. reached an agreement on the conversion of all preferred shares that Vereniging Aegon held. The aim was for Aegon N.V. to simplify its capital structure and maintain a high-quality capital base under the new European solvency requirements. This agreement enabled Vereniging Aegon to reduce its bank debt.

The agreement was implemented on May 29, 2013, and the necessary amendments were made to the Articles of Association of Vereniging Aegon and Aegon N.V.

All preferred shares were exchanged for cash, common shares and common shares B. The value of the preferred shares – with a historical purchase price of EUR 2,146,000,000 – was set at EUR 1,055,000,000 (ex dividend).

The Vereniging received a EUR 83,000,000 cash dividend on the preferred shares for the period from 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 newly created common shares B). The Vereniging relinquished its preferential rights with regard to dividends and liquidation proceeds. In addition, the voting rights of the Vereniging under normal circumstances were reduced from the approximately 22% to approximately 14.8%. This aligned the voting rights with the beneficial ownership.

After the transaction, the Vereniging held approximately 293 million of the total of approximately 2,066 million outstanding common shares in Aegon N.V., as well as all outstanding (approximately) 566 million common shares B.

The financial rights attached to the common shares B amount to 1/40 of one Aegon N.V. common share. The other rights attached to the common shares B are identical to those of the common shares. Thus, the common shares and common shares B have the same nominal value

(EUR 0.12) and equal voting rights: one vote per share.

On May 29, 2013, the voting rights agreement and the 1983 Merger Agreement were amended to reflect the restructured share capital and voting rights.

As a consequence of the amended voting rights agreement, the voting rights are limited to one vote per forty common shares B although Vereniging Aegon will, for “special cause”, be entitled to exercise its full voting rights, one vote per common share B. However, as long as the Vereniging’s financial interest in Aegon N.V. remains below 32.64%, the full voting rights may never exceed 32.64% of the voting rights attached to the outstanding shares in Aegon N.V.’s capital.

In order to prevent the dilution of voting rights in the event of such special cause, Vereniging Aegon may exercise its option to acquire additional common shares B. It will be entitled to exercise this option whenever its full voting rights in the event of special cause decrease to less than 32.64%, regardless of the reason for this decrease.

During 2013 and 2014, the Vereniging exercised its option rights and acquired 15 million additional common shares B, as a result of which the Vereniging held a total of approximately 581 million common shares B as at December 31, 2014.

Development shareholding Aegon N.V.

Number of shares	Common	Common B	Preferred A	Preferred B
December 31, 2012	171,974,055	-	211,680,000	118,093,000
December 31, 2013	292,687,444	579,005,440	-	-
December 31, 2014	292,687,444	581,325,720	-	-

Financing of Vereniging Aegon from 2002 to 2014

The financing facility, agreed in 2002 with a consortium of banks, was replaced in 2005 by a facility that was reduced to a maximum of EUR 1,650,000,000. In 2010, Vereniging Aegon arranged a new credit facility. The original maximum of this facility amounted to EUR 1,250,000,000. In May 2013, the facility was replaced by a new financing facility with a maximum of EUR 650,000,000 for a period of three years (and the option to extend for one year).

As at December 31, 2014, a financing facility of EUR 571,000,000 was available (facility A EUR 471,000,000 and facility B EUR 100,000,000) and the bank debt amounted to EUR 472,000,000.

Amendment of Articles of Association (2005)

In 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.

Activities within the framework of its objectives

In the period up to 2001, Vereniging Aegon successfully supported Aegon N.V.'s acquisition of Providian and Transamerica in the United States of America, among others, all in the spirit of its objectives.

When the financial crisis broke out in 2008, Vereniging Aegon played a part in providing Aegon N.V. with financial support from the State of the Netherlands. On December 1, 2008, Vereniging Aegon entered into an agreement with the State of the Netherlands and Aegon N.V. in order to provide Aegon N.V. with additional core capital in the amount of EUR 3 billion. To this end, the State granted Vereniging Aegon a loan of EUR 3 billion, which the Vereniging used to acquire 750 million Convertible Core Capital Securities from Aegon N.V. at the issue price of EUR 4 each.

This loan was repaid in four tranches, the first on December 1, 2009, and the last on June 15, 2011, with the corresponding convertible securities being simultaneously transferred to Aegon N.V.

Vereniging Aegon participated in this structure within the context of its objectives under its Articles of Association, which are to serve the interests of Aegon N.V. in a balanced manner. The Vereniging was not exposed to any financial risk in respect of this structure. All income accrued to and expenses were borne by Aegon N.V.

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, which was established in 2008 and in which Vereniging Aegon is the sole shareholder. In 2008, Vereniging Aegon provided Leyden Academy on Vitality an Ageing 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 Leyden Academy on Vitality an Ageing B.V. in the form of share premium on the existing paid-up share capital.

Leyden Academy on Vitality an Ageing aims to contribute to vigorous and healthy ageing and wishes to focus on the social and medical aspects of ageing. Leyden Academy on Vitality an Ageing tries to achieve its goals by offering part-time education for healthcare managers and a full-time international master's degree programme for talented young physicians, as well as by initiating and encouraging research and its application in practice.

Leyden Academy cooperates with various organisations, including the Leyden University Medical Centre, the Leyden University, "Vereniging Het Zonnehuis", "ZonMW", and several government agencies.

Website Vereniging Aegon

For a more comprehensive version of the history of Vereniging Aegon, please visit www.verenigingaegon.nl.

REPORT OF THE EXECUTIVE COMMITTEE

Developments in 2014

Shareholding in Aegon N.V. and voting rights as at December 31, 2014

On May 22, 2014, in order to prevent dilution of voting rights at the General Meeting of Shareholders of Aegon N.V. in the event of special cause, the Vereniging exercised its option to acquire the requisite common shares B at the derived market value. On December 31, 2014, the Vereniging held a total of approximately 293 million Aegon N.V. common shares and approximately 581 million common shares B.

On December 31, 2014, the Vereniging's voting rights in normal circumstances on common and common shares B amounted to approximately 14.6%, based on the number of outstanding and voting shares (excluding common shares held in treasury by Aegon N.V.). This figure was also approximately 14.6% as at December 31, 2013.

In the event of special cause, the Vereniging's voting rights will increase, for a maximum period of six months, to the full number of votes, approximately 32.6% as at December 31, 2014 (this figure was also approximately 32.6% as at December 31, 2013).

Exercising voting and dividend rights

As in previous years, the Vereniging met its objectives in 2014 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 21, 2014.

Aegon N.V. distributed a final dividend for the year 2013 of EUR 0.11 per common share, and EUR 0.00275 per common share B. An interim dividend for 2014 of EUR 0.11 per common share and EUR 0.00275 per common share B was also received. All dividends were received in cash.

Financing of Vereniging Aegon

On May 29, 2013, the Vereniging concluded a new credit facility in the amount of EUR 650,000,000 with a consortium of banks led by Royal Bank of Scotland and ING. The financial facility has a three- year term (with the option to extend for one year). As at December 31, 2014, the bank debt amounted to EUR 472,000,000.

Members and Executive Committee

As at December 31, 2014, the General Meeting of Members of the Vereniging consisted of seventeen members, fifteen of whom are not affiliated with Aegon N.V. They are neither current nor former employees of Aegon N.V. or its associated companies, and neither current nor former members of the Supervisory or 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, members Ms Hooymans, Ms Sent, Mr Bruins Slot and Mr Van der Til stepped down as scheduled and were re-elected as members of the Vereniging.

The Executive Committee of Vereniging Aegon has seven members, five of whom, including the chairman and the vice-chairman, are not and never have been affiliated with the Aegon Group. The other two members are also members of the Executive Board of Aegon N.V.

In 2014, Mr Bruins Slot stepped down as scheduled as a member of the Executive Committee. Subsequently, the General Meeting of Members re-appointed him as member of the Executive Committee.

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 2014, 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 2014, 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, Leyden Academy on Vitality and Ageing B.V. paid Mr Van den Goorbergh (chairman) a fixed fee of EUR 7,000, and Mr Dessing a fixed fee of EUR 5,000.

Leyden Academy on Vitality and Ageing

In the past year, 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 international networks have grown. This progress has resulted in the creation of useful new joint ventures and the strengthening of existing joint ventures, such as those with Leiden University Medical Centre, Leiden University, "Vereniging Het Zonnehuis" and "ZonMw".

The Leyden Academy has drawn up a new strategic plan for the years 2015-2020. Between 2008 and 2014, the Leyden Academy developed into an institute of knowledge about vitality and ageing, with a multidisciplinary staff and an extensive national and international knowledge network. Leyden Academy's core activities will still be to perform research and apply knowledge, but it wishes to shift the main focus of its activities in the years to come from research to the application of knowledge.

In 2014, the Vereniging again provided Leyden Academy on Vitality and Ageing 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 at December 31, 2014, the Board of Directors of Leyden Academy on Vitality and Ageing B.V. consisted of Mr R.G.J. Westendorp (chairman) and Ms M.A.E. van der Waal. On January 1, 2015, Mr Westendorp was succeeded by Mr J.P.J. Slaets, professor of geriatric medicine at the Groningen University. The Supervisory Board consisted of Mr W.M. van den Goorbergh (chairman), Ms M. de Visser, Mr B.F. Dessing and Mr J.W.B. Westerburgen.

For further information about Leyden Academy on Vitality and Ageing, please visit the organisation's website at www.leydenacademy.nl.

2014 Financial Statements

Under the accounting policies, the Aegon N.V. common shares held by the Vereniging were carried at fair market value.

The value of the shareholding Aegon N.V. was EUR 1,922,894,000 as at December 31, 2014, where the common shares B were carried at 1/40 of the market value of a common share on that date. As at December 31, 2013, this value was EUR 2,107,750,000.

The change in market value in the financial year is recognized in the statement of income and expenditure. Consequently, a decrease of value of EUR 176,490,000 was recognized in the statement of income and expenditure in respect of the common shares and a decrease of value of EUR 8,730,000 in respect of the common shares B.

The result for 2014 was a loss of EUR 136,895,000 (2013: a profit of EUR 676,231,000). The result for 2014 was significantly affected by the change in the market value of Aegon N.V. shares.

The Executive Committee recommends that the General Meeting of Members adopt the 2014 financial statements and grant the Executive Committee a discharge for its management in 2014.

Preview of 2015

In 2015 the loan servicing costs will, if comparable interest rates apply, diminish as a result of redemptions in 2014. Provided that any dividends received on Aegon N.V. shares are comparable to those received in 2014, the Vereniging expects to redeem approximately EUR 51 million on its financing.

Vereniging Aegon is preparing an amendment to the Articles of Association in order to make them more accessible and easier to read. The Vereniging is also working on modifying its internal organisation. This process is expected to be concluded in 2015. At the same time, the Vereniging is also researching a modification of the legal structure of Leyden Academy on Vitality and Ageing and its activities.

The Hague, April 8, 2015

On behalf of the Executive Committee

W.M. van den Goorbergh, Chairman

BALANCE SHEET AT DECEMBER 31

(after appropriation of the result)

	2014	2013
Fixed assets		
<i>Financial fixed assets</i>		
Participation Aegon N.V., listed stock	1,831,931	2,008,421
Participation Aegon N.V., unlisted stock	90,963	99,329
Participating interest in Leyden Academy on Vitality and Ageing B.V.	1,103	964
	1,923,997	2,108,714
Current assets		
Prepayments and accrued income	4,059	6,843
Liquid assets	792	191
	4,851	7,034
Total assets	1,928,848	2,115,748
Capital and reserves	1,455,134	1,592,029
Long-term liabilities		
Credit facility consortium of banks	472,000	522,000
Current liabilities		
Other liabilities, accruals and deferred income	1,714	1,719
Total liabilities	1,928,848	2,115,748

STATEMENT OF INCOME AND EXPENDITURE

income	2014	2013
Dividend on Aegon N.V. common shares	64,392	51,113
Dividend on Aegon N.V. common shares B	3,197	1,592
Dividend on Aegon N.V. preferred shares	-	24,418
Change in value Aegon N.V. common shares	-	596,350
Change in value Aegon N.V. common shares B	-	28,972
Total income	67,589	702,445
Expenses		
Change in value Aegon N.V. common shares	176,490	-
Change in value Aegon N.V. common shares B	8,730	-
Financial expenses	17,352	24,119
Expenses	851	922
Total expenses	203,423	25,041
Result participating interest	(1,061)	(1,173)
Result	(136,895)	676,231

NOTES TO THE FINANCIAL STATEMENTS

Cash flow from operating and investing activities

	2014	2013
Dividend received on Aegon N.V. common shares	64,392	51,113
Dividend received on Aegon N.V. common shares B	3,197	1,592
Dividend received on Aegon N.V. preferred shares	-	83,403
Share premium received on Aegon N.V. preferred shares	-	400,000
	67,589	536,108

Payment on Aegon N.V. common shares B	(364)	(1,619)
Paid-up share premium Leyden Academy on Vitality and Ageing B.V.	(1,200)	(1,200)
Financial expenses paid	(14,519)	(51,225)
Expenses paid	(905)	(886)
	50,601	481,178

Cash flow from financing activities

Repayment of credit facilities	(50,000)	(481,000)
	601	178

Movement in liquid assets

The cash flow statement was prepared using the direct method. A credit facility is accounted for under cash flow from financing activities. The principal sum of this credit facility is set periodically. For further information, please refer to the chapter entitled "Credit facility consortium of banks" on page 23.

NOTES TO THE FINANCIAL STATEMENTS

Introduction

An annual dividend was paid on the average paid-in capital of the Aegon N.V. preferred shares at a rate which was 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 last year was set at 2.5%. Because of the conversion from preferred shares to common shares and common shares B, preferred dividend 2013 was received until the conversion date (June 14, 2013).

The Vereniging has financial fixed assets of approximately EUR 1.9 billion (where the common shares and the common shares B are carried at the closing price on the Euronext Amsterdam stock exchange on December 31, 2014: EUR 6.259 or 1/40 thereof). At the same time, the Vereniging has outstanding debts of EUR 472 million, for which bank facilities have been arranged until June 17, 2016 (with the option to extend for one year).

As at December 31, 2014, Vereniging Aegon owned approximately 293 million Aegon N.V. common shares and approximately 581 million Aegon N.V. common shares B.

The participating interest (100%) in Leyden Academy on Vitality and Ageing B.V. has not been consolidated in the financial statements because of its minor 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 Aegon N.V. listed stock

This item is the holding of Aegon N.V. common shares. The common shares are valued at fair market value. Changes in value are accounted for in the statement of income and expenditure.

Movements in common shares (value x EUR 1,000):

	2014		2013	
	Number	Value	Number	Value
Balance as at January 1	292,687,444	2,008,421	171,974,055	825,991
Conversion of preferred shares	-	-	120,713,389	586,080
Revaluation financial year	-	(176,490)	-	596,350
Balance as at December 31	292,687,444	1,831,931	292,687,444	2,008,421

The market value of the common shares as at December 31, 2014, was EUR 1,831,931,000 (EUR 6.259 per share). At December 31, 2013, the fair market value was EUR 2,008,421,000 (EUR 6.862 per share). The cost of the common shares as at December 31, 2014, was EUR 2,929,741,000 (EUR 10.010 per share).

Participation Aegon N.V. unlisted stock

This item refers to the Aegon N.V. common shares B acquired from the conversion of unlisted Aegon N.V. preferred shares and from exercising the option rights.

Movements in common shares B (value x EUR 1,000):

	2014		2013	
	Number	Value	Number	Value
Balance as at January 1	579,005,440	99,329	-	-
Conversion of preferred shares	-	-	566,313,695	68,738
Purchases	2,320,280	364	12,691,745	1,619
Revaluation financial year	-	(8,730)	-	28,972
Balance as at December 31	581,325,720	90,963	579,005,440	99,329

The financial rights attached to the Aegon N.V. common shares B amount to 1/40 of an Aegon N.V. common share. Based on that, these shares are carried at 1/40 of the market value of a common share. The derivative market value of the common shares B as at December 31, 2014, was EUR 90,963,000 (EUR 0.1565 per share). At December 31, 2013, the derivative market value was EUR 99,329,000 (EUR 0.1716 per share). The purchase price of the common shares B at the end of 2014 was EUR 70,721,000 (EUR 0.1217 per share).

The other rights attached to the common shares B are the same as those attached to common shares. Based on the voting rights agreement, the voting rights are limited to one vote per 40 common shares B. In the event of special cause, Vereniging Aegon can decide to use its full voting rights, one vote for each common share B. However, as long as the Vereniging's financial interest in Aegon N.V. remains below 32.64%, the full voting rights may never exceed 32.64% of the voting rights attached to the outstanding shares in Aegon N.V.'s capital.

In order to prevent the dilution of voting rights in the event of special cause, Vereniging Aegon can exercise its option to acquire additional common shares B.

The ability to exercise the full voting rights is not reflected in the valuation of the common shares B. The common shares B are not freely negotiable, and there is no active market or any other reliable valuation method for the full voting rights.

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

The participating interest (100%) in Leyden Academy on Vitality and Ageing B.V., which has its registered office in Leiden, is recognized in accordance with the net equity method (amounts x EUR 1,000).

	2014	2013
Balance as at January 1	964	937
Paid-up share premium	1,200	1,200
	2,164	2,137
Result participating interest	(1,061)	(1,173)
Balance as at December 31	1,103	964

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 its relatively minor 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 (amounts x EUR 1,000)

	2014	2013
Prepaid upfront fee	4,059	6,843

To obtain the current credit facility, Vereniging Aegon paid an upfront fee of EUR 8,353,600. This fee will be recognized pro rata in the statement of income and expenditure over the course of the three-year term.

	2014	2013
Liquid assets	792	191

Under the credit agreement, free cash flow, less overhead and the yearly share premium on the paid-up share capital in Leyden Academy on Vitality an Ageing B.V., may only be applied to pay interest and repay the credit facility. These receipts are allocated for this purpose to a blocked account with the Royal Bank of Scotland N.V. At the end of 2014, a blocked balance of EUR 5,000 (2013: EUR 5,000) remained in the account.

Capital and reserves

The capital in the Vereniging is specified as follows (amounts x EUR 1,000):

	2014	2013
Balance as at January 1	1,592,029	915,798
Result financial year	(136,895)	676,231
Balance as at December 31	1,455,134	1,592,029

Long-term liabilities

Withdrawn interest-bearing loans and debts are accounted for at amortized cost (amounts x EUR 1,000).

	2014	2013
Credit facility consortium of banks	472,000	522,000

The Vereniging has arranged a credit facility with a consortium of banks led by the Royal Bank of Scotland and ING. This credit facility consists of a "Facility A" (initially EUR 550 million) and a "Facility B" (with a maximum of EUR 100 million). Both facilities mature on June 17, 2016. The interest rate agreed for these facilities is based on EURIBOR rates, with an interest surcharge linked to Aegon N.V.'s solvency (i.e. credit rating). At year-end 2014, the Facility A was paid down to EUR 471 million and EUR 1 million was drawn on Facility B.

To obtain the credit facility, Vereniging Aegon 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 revenues have been pledged as collateral for the credit facility. The free cash flow, apart from overhead and the yearly share premium on the paid-up share capital of Leyden Academy on Vitality and Ageing B.V., must be used to repay the credit facility.

Current liabilities

Other liabilities, accruals and deferred income

(amounts x EUR 1,000)

	2014	2013
Deposits Leyden Academy on Vitality and Ageing B.V.	600	600
Accrued interest	431	631
Fees consortium of banks	444	195
Other liabilities	239	293
Total	1,714	1,719

Contingent assets and liabilities

The fee payable to Aegon N.V. in respect of the Support Services Agreement is set at EUR 266,000 a year. Aegon N.V. and Vereniging Aegon are free to decide individually to restrict, suspend or terminate the support services. Aegon N.V. must observe a notice period of at least 60 days in order to ensure the continuity of the support services.

Post-balance sheet events

No events occurred after the balance sheet date that would affect the actual situation as at that date.

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 Aegon N.V. common shares

Dividends on common shares are dividends received in the financial year. The cash dividends amount to EUR 0.22 per share (2013: EUR 0.22).

Dividend on Aegon N.V. common shares B

Dividends on common shares B are dividends received in the financial year. The cash dividends amount to EUR 0.0055 per share (2013: EUR 0.00275).

Dividend on Aegon N.V. preferred shares

The dividend on preferred shares consisted 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 2013, this percentage was 2.5%. The dividend was attributed to the reporting year to which the dividend related.

Change in value Aegon N.V. common shares

The change in value common shares relates to the change of the market value of Aegon N.V. common shares during the financial year. The decrease of value for 2014 was EUR 0.60 per share.

Change in value Aegon N.V. common shares B

The change in value common shares B relates to the change of the derivative market value (1/40 of a common share) of Aegon N.V. common shares B during the financial year. The decrease of value for 2014 was EUR 0.015 per share.

Expenses

Financial expenses

The financial expenses were as follows (amounts x EUR 1,000):

	2014	2013
Interest paid	13,549	20,282
Commissions paid to financial institutions	1,018	861
Upfront fee credit facility	2,785	2,976
	17,352	24,119

During 2014 an average of EUR 505 million of the credit facility was used (2013: EUR 720 million) and the average interest rate was 2.64% (2013: 2.69%).

Due to a limited use of facility B, an average of EUR 3 million of the available EUR 100 million, a near-maximum commission has been paid for 2014.

To obtain the current 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 term of the facility.

Expenses

The expenses were as follows (amounts x EUR 1,000):

	2014	2013
Costs of executive committee and members	247	260
Costs of visit to Aegon branch office abroad	179	-
Costs of Aegon N.V. support services	266	240
Costs of secretary's office	44	45
Accounting costs	50	61
Auditor's costs	30	29
PSAP and refinancing costs	-	285
Legal advisory costs	32	-
Other costs	3	2
	851	922

The costs of executive committee and members include EUR 152,000 (2013: EUR 153,000) 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 2014, the Aegon branch office in Cedar Rapids, United States of America, was visited.

The costs of Aegon N.V. support services are pursuant to the Service Level Agreement as last amended on March 6, 2014.

For further information on Aegon N.V., please refer to the Aegon N.V. financial statements for 2014 and the company's website at www.aegon.com.

The Hague, April 8, 2015

The Executive Committee

W.M. van den Goorbergh, chairman

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

D.D. Button

H.P.M. Knapen

M.E. van Lier Lels

H.P. Spruijt

A.R. Wynaendts

OTHER INFORMATION

Statutory rules concerning appropriation of the result of income and expenditure

The statutory rules of Vereniging Aegon do not stipulate the appropriation of the result.

Appropriation of the result of income and expenditure for the financial year 2013

The annual report 2013 was approved in the General Meeting of Members held on April 30, 2014. The General Meeting of Members approved the appropriation of the result in accordance with the proposal being made by the Executive Committee.

Proposed appropriation of the result of income and expenditure for the financial year 2014

The Executive Committee proposes to the General Meeting of Members to deduct the result for the 2014 financial year on the capital of the Vereniging. The financial statements reflect this proposal.

INDEPENDENT AUDITOR'S REPORT

To: Executive Committee of Vereniging AEGON

Report on the financial statements

We have audited the accompanying financial statements 2014 of Vereniging AEGON, The Hague, which comprise the balance sheet as at December 31, 2014 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, 2014 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 8, 2015

Ernst & Young Accountants LLP

Signed by G.W. Hilverda



