

**2015 ANNUAL REPORT**



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### **Vereniging Aegon**

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This is a translation of the Dutch text of the 2015 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
<b>Executive Committee</b>			
W.M. van den Goorbergh, <i>chairman</i>	H.J.E. Bruins Slot	2018	-
H.J.E. Bruins Slot, <i>vice-chairman</i>	D.D. Button	-	-
D.D. Button	B.F. Dessing	2018	2023
H.P.M. Knapen	H.A. Doek	2016	2020
M.E. van Lier Lels	W.M. van den Goorbergh	2018	-
V.P.G. de Serière	C.M. Hooymans	2018	2022
H.P. Spruijt	C.J. Kalden	2016	2024
A.R. Wynaendts	H.P.M. Knapen	2016	2018
	P.C. Krikke	-	2016
<b>Secretary</b>	M.E. van Lier Lels	2017	2021
T.H.M. Schijf	P.L. Meurs	2016	2024
	R.J. Meuter	2016	2024
	N.A. Mourits	2016	2024
	E.M. Sent	2018	2022
	V.P.G. de Serière	2019	2027
	H.P. Spruijt	-	2017
	H.A. van der Til	2018	2022
	A.R. Wynaendts	-	-

**Executive Committee as at December 31, 2015**

**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.



**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. After his retirement, Mr Bruins Slot held several executive and supervisory positions, particularly in healthcare. At present, he is chairman 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. Mr Knapen re-joined Vereniging Aegon in 2012, being appointed as a member of the Executive Committee on June 13, 2013. From

2010 to 2012, Mr Knapen served as the State Secretary for Foreign Affairs and subsequently until August 2015 as a director-general, associated with the European Investment Bank (EIB). Since June 2015, he has also been a member of the Senate of the Dutch Parliament.



**M.E. van Lier Lels** (1959) has been a member of Vereniging Aegon since 2009. She joined the Executive Committee in 2012. She was director of Operations for the Schiphol Group until 2005. She has held various supervisory and executive positions since 2005, including as a member of the Supervisory Boards of 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.



**V.P.G. de Serière** (1949) has been a member of Vereniging Aegon, as well as a member of its Executive Board, since 2015. Mr de Serière is of counsel to Allen & Overy in Amsterdam, specialising in banking and securities law. He is also a professor of Securities Law (aspects pertaining to property rights) at the Radboud University Nijmegen and a member of the Nijmegen Institute for Financial Law. He is a member of the Supervisory Boards of IMC, Deutsche Bank Nederland N.V. and The Economy Bank N.V. He is a member of Vereniging OOM/Aegon. He also is a member of the Boards of two cultural foundations.



**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, 2015



**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 B.V., 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 the NOS (Dutch Broadcast Foundation) 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., chairman of the Board of Stichting Kasteel Middachten and a member of the Board of Stichting Introdans.



**C.M. Hooymans** (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), a member of the Supervisory Board of Rabobank Vallei en Rijn and a member of the Supervisory Board of the Diabetesfonds.



**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 Council of Stichting ARK Natuurontwikkeling, chairman of the Board of Stichting Groene Hart, 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 chairman 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. Since June 2015 Ms Krikke is a member of the Senate of the Dutch Parliament.



**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. Subsequently, she first became a member and thereafter an extraordinary member of the Dutch Safety Board. Since January 1, 2015, she has been chairwoman of the Council for Health and Society. Ms Meurs also holds several other executive and supervisory positions, in particular in the field of healthcare. Until June 2015, she was chairwoman of the Board of ZonMw (the Dutch Organization for Health Research and Development). She is a member of the Supervisory Board of AMC (the Amsterdam University Medical Center) and a member of the Board of the Health Insurance Fund.



**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 N.V., Propertize B.V. and Advanced Metallurgical Group N.V. He also is 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) and chairman of the Board of Stichting Continuïteit van Vistaprint.



**N.A. Mourits** (1947) became a member of Vereniging Aegon in 2012. Mr Mourits is a financial services consultant. He is a member of the Geschillencommissies (Arbitration Boards) for the Legal Profession, 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 Karakter, Introdans, 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 June 2007 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. He is chairman of the Board of the Stichting De Reensche Compagnie, which administers 180 rental homes for senior citizens in Hoogezand.

## 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.

Influences that threaten the continuity, independence or identity of Aegon N.V., in conflict with the aforementioned interests, will be resisted as much as possible. 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](http://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 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 May 29, 2013, all preferred shares that Vereniging Aegon held were converted. 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 substantially.

All preferred shares were exchanged for cash and common shares. 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.

From 2013 to 2015, the Vereniging exercised its option rights and acquired 19 million additional common shares B, as a result of which the Vereniging held a total of approximately 585 million common shares B as at December 31, 2015.

**- Development shareholding Aegon N.V.**

Number of shares	Common	Common B
December 31, 2013	292,687,444	579,005,440
December 31, 2014	292,687,444	581,325,720
December 31, 2015	292,687,444	585,022,160

**- 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, 2015, a financing facility of EUR 513,000,000 was available (facility A EUR 413,000,000 and facility B EUR 100,000,000) and the bank debt amounted to EUR 413,000,000.

**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 and including 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 and 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 in the form of share premium on the existing paid-up share capital.

Leyden Academy aims to promote and improve the quality of life of the elderly. To achieve its goals Leyden Academy offers educational programs, conducts research and initiates developments in the field of vitality and ageing. Leyden Academy does not focus solely on conducting research; it particularly wishes to assimilate knowledge and comprehension, critically evaluate these, and communicate these through educational services, consultations and its public service function.

Leyden Academy's cooperative relationships include those with 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](http://www.verenigingaegon.nl).

## REPORT OF THE EXECUTIVE COMMITTEE

### Developments in 2015

#### Shareholding in Aegon N.V. and voting rights as at December 31, 2015

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 their derivative market value.

On December 31, 2015, the Vereniging held a total of approximately 293 million Aegon N.V. common shares and approximately 585 million common shares B.

On December 31, 2015, the Vereniging's voting rights in normal circumstances on common and common shares B amounted to approximately 14.5%, based on the number of outstanding and voting shares (excluding common shares held in treasury by Aegon N.V.). This figure was approximately 14.6% as at December 31, 2014.

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, 2015 (this figure was also approximately 32.6% as at December 31, 2014).

#### Exercising voting and dividend rights

As in previous years, the Vereniging met its objectives in 2015 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 20, 2015.

Aegon N.V. distributed a final dividend for the year 2014 of EUR 0.12 per common share, and EUR 0.003 per common share B. An interim dividend for 2015 of EUR 0.12 per common share

and EUR 0.003 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, 2015, the bank debt amounted to EUR 413,000,000.

#### Members and Executive Committee

As at December 31, 2015, the General Meeting of Members of the Vereniging consisted of eighteen members, sixteen 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 Mr Dessing and Mr Van den Goorbergh stepped down as scheduled and were re-elected as members of the Vereniging. Moreover Mr De Serière was elected as a new member.

The Executive Committee of Vereniging Aegon has eight members, six 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 2015, Mr Van den Goorbergh stepped down as scheduled as chairman of the Executive Committee. Subsequently, the General Meeting of Members re-appointed him as chairman of the Executive Committee. The General Meeting of Members appointed Mr De Serière as a member of the Executive Committee on the latter's recommendation.

#### Remuneration

The members of the Executive Committee are

granted 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 2015, 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 2015, 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.

#### **Amendment of Articles of Association**

On June 19, 2015, the Vereniging amended its Articles of Association in order to make them more accessible and easier to read, and to modify the internal organisation of the Vereniging.

#### **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".

Leyden Academy has drawn up a new strategic plan for the years 2015-2020. In recent years, the Leyden Academy has 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 2015, 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, 2015, the Board of Directors of Leyden Academy on Vitality and Ageing B.V. consisted of Mr J.P.J. Slaets (chairman) and Ms M.A.E. van der Waal. 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](http://www.leydenacademy.nl).

#### **2015 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 in Aegon N.V. was EUR 1,607,247,000 as at December 31, 2015, with the common shares B being carried at 1/40 of the market value of a common share on that date. As at December 31, 2014, this value was EUR 1,922,894,000.

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 301,175,000 was recognized in the statement of income and expenditure in respect of the common shares and a decrease of value of EUR 15,130,000 in respect of the common shares B.

The result for 2015 was a loss of EUR 259,712,000 (2014: a loss of EUR 136,895,000). The result for 2015 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 2015 financial statements and grant the Executive Committee a discharge for its management in 2015.

### **Risk paragraph**

The main objective of Vereniging Aegon is to exercise the voting rights on the Aegon N.V. securities it holds. Consequently, the only relevant risk is that it fails to realize this objective wholly or partially. Such risk could only arise if the Vereniging failed to comply with its obligations to its financiers.

As far as the income of the Vereniging is concerned such failure could only occur if Aegon N.V. were to forego dividends for a prolonged period. For the shorter term, the financing of the Vereniging allows sufficient flexibility to accommodate such a setback.

Also, the expenses of the Vereniging could sharply increase if the general level of interest rates were to increase rapidly and radically. The development of interest rates is closely monitored by the Executive Committee and if necessary the interest risk will be hedged with swaps or options.

More generally, the Vereniging's policy is directed at fully repaying its financing as soon as possible.

### **Preview of 2016**

In 2016, the loan servicing costs will decrease further as a result of repayments in 2015 and lower interest rates. Aegon N.V. announced that it will increase the final dividend to EUR 0.13 per common share. Presuming that Aegon N.V. implements a sound dividend policy, the Vereniging expects to repay approximately EUR 65 million of its financing in 2016.

The current financing of the Vereniging will mature on June 17, 2016. The Vereniging is negotiating a new financing arrangement with a small consortium of lenders for a three-year term with two options to extend for one year. The facility is

expected to be signed in April 2016 and, at the end of May, an initial withdrawal will be made simultaneously with the termination of the existing arrangement.

The Hague, March 31, 2016

### **On behalf of the Executive Committee**

W.M. van den Goorbergh, Chairman



**BALANCE SHEET AT DECEMBER 31**

(after appropriation of the result)

	<b>2015</b>	<b>2014</b>
<b>Fixed assets</b>		
<i>Financial fixed assets</i>		
Participation Aegon N.V., listed stock	1,530,756	1,831,931
Participation Aegon N.V., unlisted stock	76,491	90,963
Participating interest in Leyden Academy on Vitality and Ageing B.V.	1,067	1,103
	<b>1,608,314</b>	<b>1,923,997</b>
<b>Current assets</b>		
Prepayments and accrued income	1,274	4,059
Liquid assets	376	792
	<b>1,650</b>	<b>4,851</b>
<b>Total assets</b>	<b>1,609,964</b>	<b>1,928,848</b>
<b>Capital and reserves</b>	<b>1,195,422</b>	<b>1,455,134</b>
<b>Long-term liabilities</b>		
Credit facility consortium of banks	413,000	472,000
<b>Current liabilities</b>		
Other liabilities, accruals and deferred income	1,542	1,714
<b>Total liabilities</b>	<b>1,609,964</b>	<b>1,928,848</b>



## STATEMENT OF INCOME AND EXPENDITURE

<b>Income</b>	<b>2015</b>	<b>2014</b>
Dividend on Aegon N.V. common shares	70,245	64,392
Dividend on Aegon N.V. common shares B	3,510	3,197
<b>Total income</b>	<b>73,755</b>	<b>67,589</b>
<b>Expenses</b>		
Change in value Aegon N.V. common shares	301,175	176,490
Change in value Aegon N.V. common shares B	15,130	8,730
Financial expenses	15,279	17,352
Expenses	647	851
<b>Total expenses</b>	<b>332,231</b>	<b>203,423</b>
<b>Result participating interest</b>	<b>(1,236)</b>	<b>(1,061)</b>
<b>Result</b>	<b>(259,712)</b>	<b>(136,895)</b>

## CASH FLOW STATEMENT

<b>Cash flow from operating and investing activities</b>	<b>2015</b>	<b>2014</b>
Dividend received on Aegon N.V. common shares	70,245	64,392
Dividend received on Aegon N.V. common shares B	3,510	3,197
	<b>73,755</b>	<b>67,589</b>
Payment on Aegon N.V. common shares B	(658)	(364)
Paid-up share premium Leyden Academy on Vitality and Ageing B.V.	(1,200)	(1,200)
Financial expenses paid	(12,469)	(14,519)
Expenses paid	(844)	(905)
	<b>58,584</b>	<b>50,601</b>
<b>Cash flow from financing activities</b>		
Repayment of credit facilities	(59,000)	(50,000)
<b>Movement in liquid assets</b>	<b>(416)</b>	<b>601</b>

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 page 23.

## NOTES TO THE FINANCIAL STATEMENTS

### Introduction

The Vereniging has financial fixed assets of approximately EUR 1.6 billion (with the common shares and the common shares B being carried at the closing price on the Euronext Amsterdam stock exchange on December 31, 2015: EUR 5.230 or 1/40 thereof). At the same time, the Vereniging has outstanding debts of EUR 413 million, for which bank facilities have been arranged until June 17, 2016 (with the option to extend for one year).

As at December 31, 2015, Vereniging Aegon owned approximately 293 million Aegon N.V. common shares and approximately 585 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):

	<b>2015</b>		<b>2014</b>	
	Number	Value	Number	Value
Balance as at January 1	292,687,444	1,831,931	292,687,444	2,008,421
Revaluation financial year	-	(301,175)	-	(176,490)
<b>Balance as at December 31</b>	<b>292,687,444</b>	<b>1,530,756</b>	<b>292,687,444</b>	<b>1,831,931</b>

The market value of the common shares as at December 31, 2015, was EUR 1,530,756,000 (EUR 5.230 per share). At December 31, 2014, the fair market value was EUR 1,831,931,000 (EUR 6.259 per share). The cost of the common shares as at December 31, 2015, 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):

	2015		2014	
	Number	Value	Number	Value
Balance as at January 1	581,325,720	90,963	579,005,440	99,329
Purchases	3,696,440	658	2,320,280	364
Revaluation financial year	-	(15,130)	-	(8,730)
<b>Balance as at December 31</b>	<b>585,022,160</b>	<b>76,491</b>	<b>581,325,720</b>	<b>90,963</b>

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, 2015, was EUR 76,491,000 (EUR 0.130750 per share). At December 31, 2014, the derivative market value was EUR 90,963,000 (EUR 0.156475 per share). The purchase price of the common shares B at the end of 2015 was EUR 71,379,000 (EUR 0.122011 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).

	<b>2015</b>	<b>2014</b>
Balance as at January 1	1,103	964
Paid-up share premium	1,200	1,200
	<b>2,303</b>	<b>2,164</b>
Result participating interest	(1,236)	(1,061)
<b>Balance as at December 31</b>	<b>1,067</b>	<b>1,103</b>

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).

	<b>2015</b>	<b>2014</b>
<b>Prepaid upfront fee</b>	<b>1,274</b>	<b>4,059</b>

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.

	<b>2015</b>	<b>2014</b>
<b>Liquid assets</b>	<b>376</b>	<b>792</b>

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 and 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 2015 no blocked balance remained in the account (2014: EUR 5,000).

## Capital and reserves

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

	2015	2014
Balance as at January 1	1,455,134	1,592,029
Result financial year	(259,712)	(136,895)
<b>Balance as at December 31</b>	<b>1,195,422</b>	<b>1,455,134</b>

## Long-term liabilities

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

	2015	2014
<b>Credit facility consortium of banks</b>	<b>413,000</b>	<b>472,000</b>

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 2015, the Facility A was paid down to EUR 413 million and no use was made of Facility B. Meanwhile a new facility is being negotiated with a three-year term and the option to extend for a maximum of two years.

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)

	2015	2014
Deposits Leyden Academy on Vitality and Ageing B.V.	600	600
Accrued interest	459	431
Fees consortium of banks	441	444
Other liabilities	42	239
	<b>1,542</b>	<b>1,714</b>

**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.

The Vereniging is committed to financially support Leyden Academy on Vitality and Ageing B.V. For the period up to and including 2020 commitments have been made up to a maximum of EUR 1.2 million per year by means of share premium payments.

**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 0.24 per share (2014: 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 0.006 per share (2014: EUR 0.0055).

#### **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 in value for 2015 was EUR 1.029 per share (2014: decrease of 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 in value for 2015 was EUR 0.026 per share B (2014: decrease of EUR 0.015 per share B).

## Expenses

### Financial expenses

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

	2015	2014
Interest paid	11,474	13,549
Commissions paid to financial institutions	1,020	1,018
Upfront fee credit facility	2,785	2,785
	<b>15,279</b>	<b>17,352</b>

In 2015, an average of EUR 449 million (2014: EUR 505 million) of the credit facility was used and the average interest rate was 2.50% (2014: 2.64%).

Due to the limited use of facility B, an average of EUR 3 million of the available EUR 100 million, a near-maximum commission was paid for 2015 as well as 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):

	2015	2014
Costs of executive committee and members	259	247
Costs of visit to Aegon branch office abroad	-	179
Costs of Aegon N.V. support services	266	266
Costs of secretary's office	39	44
Accounting costs	40	50
Auditor's costs	31	30
Legal advisory costs	7	32
Other costs	5	3
	<b>647</b>	<b>851</b>

The costs of the executive committee and members include the EUR 165,000 (2014: EUR 152,000) incurred by the Vereniging in the financial year for the remuneration of the members of the Executive Committee, pursuant to Section 2:383(1) 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 2015 and the company's website at [www.aegon.com](http://www.aegon.com).

The Hague, March 31, 2016

#### **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

V.P.G. de Serière

H.P. Spruijt

A.R. Wynaendts

## OTHER INFORMATION

### **Rules in the Articles of Association concerning appropriation of the result of income and expenditure**

The Articles of Association of Vereniging Aegon do not stipulate the appropriation of the result.

### **Appropriation of the result of income and expenditure for the 2014 financial year**

The 2014 annual report was approved in the General Meeting of Members held on April 30, 2015. The General Meeting of Members approved the appropriation of the result in accordance with the proposal made by the Executive Committee.

### **Proposed appropriation of the result of income and expenditure for the 2015 financial year**

The Executive Committee proposes that the General Meeting of Members deduct the result for the 2015 financial year from 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 2015 financial statements of Vereniging Aegon, The Hague, which comprise the balance sheet as at December 31, 2015 and 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, 2015 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(5)(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(1)(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(4) of the Dutch Civil Code.

The Hague, March 31, 2016

**Ernst & Young Accountants LLP**

Signed by G.W. Hilverda



