

# Annual Report 2019



## Vereniging Aegon

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This is a translation of the Dutch text of the 2019 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

### Executive Committee as at December 31, 2019



**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. He now holds several executive and supervisory positions.



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

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

2012 and was appointed vice-chairwoman in 2018. She was director of Operations for the Schiphol Group until 2005. Since then, Ms Van Lier Lels holds various supervisory and executive positions as a member of the Supervisory Boards of RELX PLC, NS (Dutch Railways), Dura Vermeer, PostNL and as chairwoman of the Supervisory Board of Innovation Quarter.



**C.J. Kalden**  
(1948)

has been a member of Vereniging Aegon since 2012 and joined the Executive Committee

in 2017. 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 executive and supervisory positions, including as chairman of the Board of Stichting Weidegang, chairman of the Supervisory Council of Stichting ARK Natuurontwikkeling, chairman of the Board of Stichting Groene Hart and chairman of the Bosch Rosenthal Foundation and Landgoed Beekzicht.



**M.J. Rider**  
(1963)

has been a member of Vereniging Aegon and its Executive Committee since 2017. Mr Rider is

a member of the Executive Board and chief financial officer of Aegon N.V.



**V.P.G. de Serière**  
(1949)

has been a member of Vereniging Aegon as well as a member of its Executive Committee since 2015.

Mr De Serière has an of counsel relationship with Allen & Overy in Amsterdam, specialising in banking and securities law. He is also professor of Securities Law (aspects pertaining to property rights) at Radboud University Nijmegen and a member of the Nijmegen Institute for Financial Law. He is a member of the Supervisory Board of IMC B.V. and a member of Vereniging OOM / Aegon. He also is a member of the Board of a cultural foundation.



**J.W.Th. van der Steen**  
(1954)

has been a member of Vereniging Aegon since 2017 and joined the Executive Committee in

2018. Until 2014, Mr Van der Steen served in various international functions within Aon Corporation. Previously, he worked at ING Bank. Mr Van der Steen is a Supervisory Board member and advisor. He is chairman of the Supervisory Board of BinckBank N.V. and of Princess Sportsgear & Travel B.V., vice-chairman of Amsterdam RAI B.V. and Executive Board member of Stadhold Insurances Luxemburg S.A. Since 2019 he is chairman of the Supervisory Board of Coöperatie DELA.



**A.R. Wynaendts**  
(1960)

has been a member of Vereniging Aegon and its Executive Committee since 2008. Mr Wynaendts is

chairman of the Executive Board of Aegon N.V.

#### Secretary to the Executive Committee



**J.S. van der Woude**  
(1963)

has been secretary to the Executive Committee since 2019.



## Other members as at December 31, 2019



### B.F. Dessing

(1948)

has been a member of Vereniging Aegon since 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 Boards of SPF Beheer B.V., ACTA Holding B.V., Leyden Academy on Vitality and Ageing B.V., and as chairman of Stichting Nederlandse Hart Registratie.



### 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 chairman of the Board of Stichting Kasteel Middachten seated in De Steeg. He also is treasurer of Europa Nostra at The Hague/Brussels.



### P.C.G. Glas

(1956)

has been a member of Vereniging Aegon since 2019. Since January 1, 2019, Mr Glas has been appointed

as Delta Programme Commissioner, the government commissioner responsible for the Delta Programme. Before that, he served 15 years as chairman of the Dommel water board and he sat 6 years as chairman on the board of the Association of Dutch Regional Water Authorities. Until 2019, he was a member of the Supervisory Board of NWB Bank. As of 2020 he is a member of the ABP Pension Chamber of the Dutch Council of Civil Servants on behalf of Cabinet sector employers.



### C.M. Hooymans

(1951)

has been a member of Vereniging Aegon since 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 and managing director of Applied Plant Research B.V. and the Rijks-Kwaliteitsinstituut voor Land- en Tuinbouwproducten (State Quality Institute for Agricultural and Horticultural Products), all based in Wageningen. Until July 1, 2018, she was a member of the Supervisory Board of Rabobank Vallei en Rijn. She is currently a member of the Supervisory Boards of KeyGene B.V., the Diabetesfonds and HAN University of Applied Science



### H.J. Machielsen

(1960)

has been a member of Vereniging Aegon since 2017. Until 2012,

Mr Machielsen was chief financial officer of Eneco N.V. He now holds several executive and supervisory positions, including as a member of the Supervisory Board of Provinciale Waterleiding Noord-Holland, chairman of the Board of Stichting Pensioenfonds Nedlloyd, a member of the Supervisory Board of Stichting Pensioenfonds Nederlandse Groothandel and chairman of the Board of Stichting Pensioenfonds Recreatie. He is also affiliated with the Dutch National Monuments Organisation (NMO) as an investment expert.



**P.L. Meurs**  
(1953)

has been a member of Vereniging Aegon since 2012. She is 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 associate member of the Dutch Safety Board. Since January 1, 2015 till June 1, 2019 she has been chairwoman of the Council for Health and Society. Ms Meurs also holds several supervisory positions. She is a member of the Supervisory Board of Amsterdam UMC (the Amsterdam University Medical Centre) and a member of the Supervisory Council of the University of Amsterdam (UvA). She also is a member of the Supervisory Board of ArtEZ, College of Fine Arts, and a member of the Supervisory Board of the Parnassiagroep. Since January 1, 2019, she is chairwoman of the Prins Bernard Cultuurfonds.



**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. and STC-KNRM B.V. (Offshore Safety Training Provider).



**N.A. Mourits**  
(1947)

has been a member of Vereniging Aegon since 2012. From 2000 to 2011, Mr Mourits was the

managing director of NVA, a Dutch association of insurance intermediaries and financial service providers. In previous years, Mr Mourits was managing director of the Department of Municipal Taxes in Amsterdam and of the former Sluis-, Brug- en Haven-gelddienst, thereafter Binnenwaterbeheer Amsterdam. He is a member of the Geschillencommissies (Arbitration Boards) for the Legal Profession, the Notarial Profession, and the BOVAG.



**E.M. Sent**  
(1967)

has been a member of Vereniging Aegon since 2010. She is professor of Economic Theory and

Economic Policy at Radboud University Nijmegen since 2004 and 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 a visiting scholar at the London School of Economics in London, UK. She is a member of the Supervisory Boards of Karakter, Introdans, and Atria, a member of the Board of Trustees of the Wiarda Beckman Stichting, and the editor of the Journal of Institutional Economics.



**M.J. Tijssen**  
(1957)

has been a member of Vereniging Aegon since 2018. Until 2007,

Ms Tijssen worked at ABN AMRO Bank in several positions. In 2009, she entered the Fintech world as the founder of Five Degrees, an IT provider of core banking systems. In 2014, she became vice-chairwoman of the Supervisory Board of Univé Coöperatie and chairwoman of the Supervisory Board of Univé Schade N.V. Per January 2020 she is a member of the Supervisory Board of Aavishkaar group (AVSM) in India, an impact investor.



**H.A. van der Til**  
(1956)

has been a member of Vereniging Aegon since 2010. In 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 at the NATO Headquarters in Afghanistan and 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 and the Royal Netherlands Navy Command in Den Helder. He is chairman of the Board of the Stichting De Reenske Compagnie, which manages 180 rental homes for senior citizens in Hoogeveen.

## 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 income of the Vereniging 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 vitality and healthy ageing. Since 2008, 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 (the 'Vereniging') 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 Levensverzekeringen, 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. (the name of this company was subsequently 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 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 became entitled to acquire new preferred shares in order to maintain its majority position.

### Developments in shareholding and voting rights of Vereniging Aegon in Aegon N.V.

As of the merger in 1983 until the first half of the nineties of the previous century, the shareholding of the Vereniging amounted to 40% of the issued common shares in Aegon N.V. and all preferred shares. As a result, the Vereniging held approximately 54% of the total voting rights in Aegon N.V. In the period from 1996 to 2001, Aegon N.V. made some major acquisitions that were financed in part with its own shares. In the spirit of its objectives, the Vereniging successfully supported Aegon N.V. with these acquisitions by selling a portion of its common shares to Aegon N.V. It compensated the resulting dilution primarily by exercising its option rights to acquire new preferred shares. In addition, the Vereniging borrowed funds from a consortium of banks to replenish its reduced position in common shares in Aegon N.V.

The Vereniging concluded a Recapitalization Agreement with Aegon N.V. in 2002. This agreement led to a substantial reduction of its bank debt and a decrease in the number of common shares held. 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. To prevent dilution of its voting rights in Aegon N.V. the 1983 Merger Agreement was adjusted: the existing call option rights were amended into call option rights to acquire preferred shares B. As a result of this recapitalization and restructuring, the Vereniging's shareholding in common shares Aegon N.V. decreased to approximately 12%, and its full voting rights decreased to approximately 33%. In 2003, the Vereniging and Aegon N.V. concluded a voting rights agreement stipulating that, under normal circumstances, the Vereniging would waive part of its voting rights on the preferred shares, however in the event of a 'special cause', the Vereniging remained entitled to exercise the full voting rights.

In 2013, the capital of Aegon N.V. was restructured. Aegon N.V.'s aim was to simplify its capital structure and maintain a high-quality capital base under the new European Union solvency requirements (Solvency II). In this context, all preferred shares were converted partly into cash, common shares and common shares B. This restructuring enabled the Vereniging to considerably reduce its bank debt.

The difference between common shares and common shares B lies in the financial rights attached to the common shares B, which rights amount to 1/40 of a common share. All other rights attached to the common shares B are identical to those of the common shares. As common shares and common shares B have the same nominal value, both have equal voting rights: one vote per share.



In 2013, the 1983 Merger Agreement was amended and a new Voting Rights Agreement was concluded. This amended Voting Rights Agreement stipulates that in normal circumstances, i.e. the absence of a 'special cause', the voting rights are limited to one vote for each forty common shares B. In the event of a 'special cause', the Vereniging will be entitled to exercise its full voting rights, i.e. one vote per common share B. In that case, the full voting rights of the Vereniging will be equal to 32.64% of the voting rights attached to the outstanding shares in Aegon N.V.'s capital.

The amendment of the 1983 Merger Agreement related to the call option: the Vereniging received the call option right to acquire common shares B in order to maintain its full voting rights at 32.64%. It will be entitled to exercise this option whenever its full voting rights in the event of a 'special cause' decrease to less than 32.64%, regardless of the reason for this decrease.

Between 2013 and the end of 2015, the Vereniging exercised its option rights several times, mainly when Aegon N.V. issued shares in light of its stock option plans as part of the remuneration of its senior management.

### Developments in Aegon N.V. shareholding

Number of shares	Common	Common B
Per December 31, 2015	292,687,444	585,022,160
Per December 31, 2016	279,236,609	567,697,200
Per December 31, 2017	279,236,609	569,676,480
Per December 31, 2018	279,236,609	571,165,680
Per December 31, 2019	288,702,769	559,712,240

In 2016, the Vereniging participated in the Aegon N.V. share buy-back program, resulting in no change in its relative holding of common shares in Aegon N.V. As a result of this transaction, the Vereniging's shareholding was reduced. Following the Aegon N.V. share buy-back program, the Vereniging sold common shares B to Aegon N.V. in order to maintain its 32.64% full voting rights in Aegon N.V. In the following years common shares B were acquired only to maintain its full voting rights. In 2019, common shares were acquired as the Vereniging chose to receive the 2019 interim dividend partly in shares.

### Recent developments in the Vereniging's shareholding

In 2019, about 9.5 million common shares Aegon N.V. were acquired and on balance 11.5 million common shares B Aegon N.V. were sold.

### **Leyden Academy on Vitality and Ageing**

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 the Vereniging is the sole shareholder. In 2008, the Vereniging 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 1,500,000 available in the form of share premium payments 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 Leyden University Medical Centre, Leyden University, the 'Jo Visser fonds', 'ZonMW', and several government agencies. For further information on Leyden Academy on Vitality and Ageing, please visit the website at [www.leydenacademy.nl](http://www.leydenacademy.nl).

### **Vereniging Aegon website**

For a more comprehensive version of the history of Vereniging Aegon, please visit the website at [www.verenigingaeagon.nl](http://www.verenigingaeagon.nl).

## Report of the Executive Committee

### Developments in 2019

#### Shareholding and voting rights as at December 31, 2019

During the reporting year, the Vereniging increased its holding of common shares in Aegon N.V. as the Vereniging chose to receive the 2019 interim dividend partly in stock. The Vereniging held a total of approximately 289 million Aegon N.V. common shares as at December 31, 2019 (279 million as at December 31, 2018).

In order to prevent the dilution of its voting rights, the Vereniging acquired approximately 1.8 million common shares B in May 2019. In December 2019, the Vereniging sold 13.2 million common shares B to Aegon N.V. This acquisition and sale were executed to maintain the full voting rights in the general meeting of shareholders of Aegon N.V. at the agreed 32.64%.

The Vereniging's voting rights exercisable under normal circumstances on common and common shares B amount to approximately 14.74% as at December 31, 2019 (14.33% as at December 31, 2018), based on the number of outstanding voting shares (excluding common shares held in treasury by Aegon N.V.).

In the event of a 'special cause', the Vereniging's voting rights will increase, for a maximum period of six months, to the full number of votes, 32.64%, as at December 31, 2019 (32.64% as at December 31, 2018).

#### Exercising voting and dividend rights

As in previous years, the Vereniging met its objectives in 2019 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 17, 2019.

Aegon N.V. distributed a final dividend for the year 2018 of EUR 0.15 per common share, and EUR 0.00375 per common share B. An interim dividend for 2019 of EUR 0.15 per common share and EUR 0.00375 per common share B was also received. The dividends were mainly paid in cash.

The Vereniging chose to receive the interim dividend 2019 partly in common shares. It received stock dividend for 236,654,000 common shares

#### Financing of Vereniging Aegon

On April 7, 2016, the Vereniging concluded a new credit facility in the amount of EUR 445,000,000 with a consortium of lenders led by ING Bank. The facility became effective on May 23, 2016 and had an initial term of three years. On March 26, 2018, the option to extend the term was utilized. As at December 31, 2019, the total debt under the credit facility amounted to EUR 100,000,000 at par value (excluding the prepaid upfront fee of EUR 96,000).

#### Members and Executive Committee

As at December 31, 2019, the General Meeting of Members of the Vereniging comprised eighteen members, sixteen (members A) 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, members B, are members of the Executive Board of Aegon N.V.

During the reporting year, of the members A, Mr De Serière stepped down as scheduled and was reappointed as member A of the Vereniging. Mr Glas was admitted by the General Meeting of Members as a new member A.

As at December 31, 2019, the Executive Committee of the Vereniging had seven members, five of whom are members A, including the chairman and the vice-chairwoman, who are not and never have been affiliated with Aegon Group. The two members B are members of the Executive Board of Aegon N.V.

After Mr De Serière stepped down as scheduled and was reappointed, he was reappointed as a member A of the Executive Committee by the General Meeting of Members.

Ms Van der Woude was appointed secretary as from February 1, 2019.

## 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 determines all remuneration. In 2019, the chairman of the Executive Committee received a fee of EUR 28,500, and the vice-chairwoman received a fee of EUR 23,000. The fee for the other members of the Executive Committee was EUR 20,000 each. In 2019, 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 2019, the Vereniging provided Leyden Academy on Vitality and Ageing B.V. an amount of EUR 1,500,000 (2018: EUR 1,200,000). This was effectuated by means of a share premium payment on the existing paid-up share capital.

As at December 31, 2019, Ms T.A. Abma was the general manager of Leyden Academy on Vitality and Ageing B.V.

The Supervisory Board consisted of Mr W.M. van den Goorbergh (chairman), Ms M. de Visser, Mr B.F. Dessing, Mr J.W.B. Westerburgen and Mr M.J. Janssen on December 31, 2019.

For further information about Leyden Academy on Vitality and Ageing, please visit the website at [www.leydenacademy.nl](http://www.leydenacademy.nl).

## 2019 Financial Statements

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

The value of the shareholding in Aegon N.V. was EUR 1,231,063,000 as at December 31, 2019, 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, 2018, the value was EUR 1,197,251,000.

The change in market value in the financial year is recognized in the statement of income and expenditure. Consequently, in 2019 a decrease in value of EUR 350,000 was recognized in the statement of income and expenditure in respect of the common shares and a decrease in value of EUR 138,000 in respect of the common shares B.

The result for 2019 was a profit of EUR 82,382,000 (2018: loss EUR 287,908,000). The improved result can be attributed to increased dividend revenues of EUR 88 million (2018: EUR 82 million) and reduced financing costs, a decrease of EUR 1.9 million. Furthermore the result for 2018 was negatively affected by a fall in the market value of Aegon N.V. shares of EUR 363 million whereas the fall in market value in 2019 was limited to EUR 0.5 million.

As at December 31, 2019, solvency (equity/balance sheet total) is equal to 91.7% (2018: 87.8%). The Vereniging therefore expects to meet its obligations in the long term.

The Executive Committee recommends that the General Meeting of Members adopts the 2019 financial statements and releases the members of the Executive Committee from liability for their duties performed during 2019.

### Risk paragraph

The main objective of the Vereniging is to exercise the voting rights attached to the shares it holds in Aegon N.V. Consequently, the only relevant risk is its failing to achieve this objective, either in whole or in part. Such risk could only arise if the Vereniging fails to comply with its obligations, including towards its financiers, which would lead to a forced sale of its shareholding.

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. In the shorter term, the financing of the Vereniging allows sufficient flexibility to accommodate such a situation.

In the past years the Vereniging reduced its bank financing arrangements - secured with common shares Aegon N.V. - substantially. The future policy of the Vereniging aims to limit external financing to a restricted amount.

### Preview of 2020

In 2020, the Vereniging's financing costs will decrease further as a result of the repayments in 2019.

At year end 2019, the non-revolving facility (facility A) was repaid in full and no use was made of the revolving facility (facility C), that expires April 7, 2020.

The non-amortizing facility (facility B), that expires July 1, 2021, is expected to be substituted by a five-year loan granted by Vereniging OOM / Aegon.

In September 2019, the Vereniging elected to receive the interim dividend 2019 partly in cash and partly in stock. It is expected that in future the Vereniging will elect to receive mainly stock dividend. The aim is to apply dividend income as much as possible to align the financial interest in Aegon N.V., currently 14.74%, with the legal interest of 32.64%.

The Vereniging has decided to support a social program of Aegon the Netherlands that focuses on poverty issues as of 2020. The initiative 'Van Schulden naar Kansen' attempts to structurally get families out of a situation of poverty caused by problematic debts by means of improving the financial empowerment of the participants.

Since March 2020, the outbreak of the COVID-19 virus has an immense impact both on the Netherlands and globally. On April 3, 2020, Aegon N.V. announced the decision to forego its final 2019 dividend and to add the profit for the year 2019 to the reserves in order to comply with the calls made by its principal regulators. The cash position of the Vereniging is for now considered to be sufficient to meet its current obligations.

### General information with regard to the entity and the related company

Vereniging Aegon employed no staff in 2019 (2018: none). Vereniging Aegon is the sole shareholder in one participating interest.

The Hague, April 7, 2020

### On behalf of the Executive Committee,

W.M. van den Goorbergh, [chairman](#)



## Balance sheet at December 31

(after proposed appropriation of the result)  
(amounts x EUR 1,000)

	2019	2018
<b>Fixed assets</b>		
<i>Financial fixed assets</i>		
Shares A Aegon N.V. (listed stock)	1,174,154	1,139,006
Shares B Aegon N.V. (unlisted stock)	56,909	58,245
Participating interest in Leyden Academy on Vitality and Ageing B.V.	1,583	1,321
	<b>1,232,646</b>	<b>1,198,572</b>
<b>Current assets</b>		
Other receivables	-	301
Liquid assets	4,095	55
	<b>1,236,741</b>	<b>1,198,928</b>
<b>Capital and reserves</b>	1,134,710	1,052,328
<b>Long-term liabilities</b>		
Credit facility consortium of lenders	99,904	144,465
<b>Current liabilities</b>		
Other liabilities, accruals and deferred income	2,127	2,135
	<b>1,236,741</b>	<b>1,198,928</b>

## Statement of income and expenditure

(amounts x EUR 1,000)

	<b>2019</b>	<b>2018</b>
<b>Income</b>		
Dividend on Aegon N.V. common shares in cash and in shares	83,771	78,186
Dividend on Aegon N.V. common shares B in cash	4,297	3,998
<b>Total income</b>	<b>88,068</b>	<b>82,184</b>
<b>Expenses</b>		
Change in value Aegon N.V. common shares	350	345,136
Change in value Aegon N.V. common shares B	138	17,669
Financing costs	3,286	5,162
Expenses	674	795
<b>Total expenses</b>	<b>4,448</b>	<b>368,762</b>
<b>Result participating interest</b>	<b>(1,238)</b>	<b>(1,330)</b>
<b>Result</b>	<b>82,382</b>	<b>(287,908)</b>

## Cash flow statement

(amounts x EUR 1,000)

	2019	2018
<b>Cash flow from operating and investing activities</b>		
Cash dividend received on Aegon N.V. common shares	48,273	78,186
Cash dividend received on Aegon N.V. common shares B	4,297	3,998
Received/withheld dividend tax Aegon N.V. common shares B	300	(300)
Received sales proceeds Aegon N.V. common shares B	1,384	1,725
	54,254	83,609
Payment on Aegon N.V. common shares B	(186)	(218)
Paid-up share premium Leyden Academy on Vitality and Ageing B.V.	(1,500)	(1,200)
Financing costs paid	(2,880)	(4,769)
Expenses paid	(748)	(729)
	<b>48,940</b>	<b>76,693</b>
<b>Cash flow from financing activities</b>		
Repayment of credit facilities	(45,000)	(77,000)
Deposits Leyden Academy on Vitality and Ageing B.V.	100	-
	<b>4,040</b>	<b>(307)</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 21.

## Notes to the financial statements

### Registered office

Vereniging Aegon (Trade Register number 40531114) has its registered office at Aegonplein 50 in The Hague, the Netherlands.

### Introduction

The Vereniging has financial fixed assets of approximately EUR 1.2 billion (with common shares and common shares B being carried at the closing price on the Euronext Amsterdam stock exchange on December 31, 2019: EUR 4.067 or 1/40 thereof). At the same time, the Vereniging has outstanding debts of EUR 100 million, for which EUR 120 million in credit facilities are available, EUR 20 million until April 7, 2020 and EUR 100 million until July 1, 2021.

As at December 31, 2019, the Vereniging held approximately 289 million Aegon N.V. common shares and approximately 560 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 costs. 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*

#### **Shares 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)

	2019		2018	
	Number	Value	Number	Value
Balance as at January 1	279,236,609	1,139,006	279,236,609	1,484,142
Distribution of stock dividend	9,466,160	35,498	-	-
Revaluation financial year	-	(350)	-	(345,136)
<b>Balance as at December 31</b>	<b>288,702,769</b>	<b>1,174,154</b>	<b>279,236,609</b>	<b>1,139,006</b>

The market value of the common shares as at December 31, 2019, was EUR 1,174,154,000 (EUR 4.067 per share). At December 31, 2018, the fair value was EUR 1,139,006,000 (EUR 4.079 per share).

The common shares have been pledged as collateral to the consortium of lenders on behalf of the credit facility.



### Shares 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 in 2013 and from exercising the option rights. Common shares B are not listed.

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

	2019		2018	
	Aantal	Value	Number	Value
Balance as at January 1	571,165,680	58,245	569,676,480	75,696
Purchases	1,773,680	186	1,489,200	218
Sales	(13,227,120)	(1,384)	-	-
Revaluation financial year	-	(138)	-	(17,669)
<b>Balance as at December 31</b>	<b>559,712,240</b>	<b>56,909</b>	<b>571,165,680</b>	<b>58,245</b>

In 2019, after receiving the final dividend 2018, approximately 1.8 million Aegon N.V. common shares B were acquired in order to prevent the dilution of voting rights. After receiving the interim dividend 2019, where 9.5 million common shares were acquired, 13.2 million common shares B were sold to prevent the full voting rights to exceed 32.64%.

The financial rights attached to the Aegon N.V. common shares B amount to 1/40 of an Aegon N.V. common share. On that basis, 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, 2019 was EUR 56,909,000 (EUR 0.10168 per share). At December 31, 2018, the derivative market value was EUR 58,245,000 (EUR 0.10198 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 a 'special cause', the Vereniging 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 a 'special cause' (full voting rights), the Vereniging can exercise its option to acquire additional common shares B.

The ability to exercise 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, the Netherlands, is recognized in accordance with the net equity method (amounts x EUR 1,000)

	2019	2018
Balance as at January 1	1,321	1,451
Paid-up share premium	1,500	1,200
Result participating interest	2,821 (1,238)	2,651 (1,330)
<b>Balance as at December 31</b>	<b>1,583</b>	<b>1,321</b>

Leyden Academy on Vitality and Ageing B.V. commenced its activities in 2008, which tie in with the Vereniging's secondary objective, facilitating research and addressing issues around vitality and healthy ageing. Due to its relatively minor financial importance, the participating interest has not been consolidated in the financial statements.

### Current assets

(amounts x EUR 1,000)

	2019	2018
<b>Other receivables</b>	-	301

The dividend tax amounting to EUR 300,000, withheld from the interim dividend paid on Aegon N.V. common shares B on September 21, 2018, was refunded on January 21, 2019.

	2019	2018
<b>Liquid assets</b>	<b>4,095</b>	<b>55</b>

The cash at bank is at the free disposal.

## Capital and reserves

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

	2019	2018
Balance as at January 1	1,052,328	1,340,236
Result financial year	82,382	(287,908)
<b>Balance as at December 31</b>	<b>1,134,710</b>	<b>1,052,328</b>

### Appropriation of the result of income and expenditure for the 2018 financial year

The 2018 Annual Report was approved at the General Meeting of Members held on April 18, 2019. 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 2019 financial year

The Executive Committee proposes that the General Meeting of Members adds the full result for the 2019 financial year to the capital of the Vereniging. The financial statements reflect this proposal.

## Long-term liabilities

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

	2019	2018
<b>Credit facility consortium of lenders</b>	<b>99,904</b>	<b>144,465</b>

In 2016, the Vereniging concluded a new credit facility, to a maximum of EUR 445 million, that was made available by a consortium of lenders led by ING Bank. The new credit facility consisted of 'Facility A' (initially EUR 300 million), 'Facility B' (EUR 100 million) and 'Facility C' (a maximum of EUR 45 million credit limit).

In 2018, the Vereniging exercised the option to extend the term of the credit facility. Facility A and Facility C were extended to April 7, 2020 respectively amounting to EUR 121 million and a maximum of EUR 20 million credit limit. Facility B, amounting EUR 100 million, was extended to July 1, 2021.

At year-end 2019, Facility A was repaid in full and nothing was drawn on Facility C. During the term, no redemption will take place on Facility B of nominal EUR 100 million as long as Facility C is not settled in full. The interest rate agreed for these facilities is based on Euribor rates, with an interest surcharge linked to Aegon N.V.'s senior debt ratings. In 2019 and 2018, the margin was 2% (Facility A and C) and 2.15% (Facility B).

To obtain the new credit facility in 2016, the Vereniging paid an upfront fee. It also paid an upfront fee to extend the term of the credit facility in 2018. These fees will be recognized pro rata in the statement of income and expenditure over the respective terms. The partial prepayment of EUR 96,000 (2018: EUR 535,000) has been deducted from the amount drawn on the credit facility.

According to RJ 254.201 and RJ 254.202 at initial recognition loans and debts are recognized at fair value. After initial recognition, liabilities are recognized at the amortized cost price. Transaction costs, directly attributed to the acquisition of the liabilities, must be accounted for at initial recognition. Accordingly the upfront fee has been deducted from the valuation of the credit facility.

All common shares in Aegon N.V. and all income have been pledged as collateral for this credit facility.

## Current liabilities

(amounts x EUR 1,000)

### Other liabilities, accruals and deferred income

	2019	2018
Deposits Leyden Academy on Vitality and Ageing B.V.	700	600
Accrued interest Facility A and C	-	33
Accrued interest Facility B	1,332	1,331
Fees consortium of lenders	14	15
Payable costs working visit London	-	95
Other liabilities	81	61
<b>Total</b>	<b>2,127</b>	<b>2,135</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 per annum. Aegon N.V. and the Vereniging are free to decide unilaterally 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 the financial support of 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 1.5 million per year by means of share premium payments.

The Vereniging has decided to support a social program of Aegon the Netherlands 'Van Schulden naar Kansen' to an amount of EUR 1 million per year for the years 2020 and 2021. Prolongation of the support is possible, if the support is successful.

## 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 distributed dividends amount to EUR 0.30 per share (2018: EUR 0.28). In 2019 the choice was made to receive the dividends partly in common shares.

#### **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 0.0075 per share (2018: EUR 0.0070).

#### **Change in value Aegon N.V. common shares**

The change in the value of common shares relates to the change in the market value of Aegon N.V. common shares during the financial year. The decrease in value for 2019 was EUR 0.012 per share (2018: a decrease of EUR 1.236 per share), which led to a loss of EUR 3,351,000 (2018: a loss of EUR 345,136,000).

Common shares acquired of the interim dividend show an increase in value of EUR 0.317 per share which led to a profit of EUR 3,001,000. On balance a loss remains of EUR 350,000.

#### **Change in value Aegon N.V. common shares B**

The change in value of common shares B relates to the change in 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 2019 was EUR 0.0003 per share B (2018: a decrease of EUR 0.0309 per share B), which led to a loss of EUR 173,000 (2018: a loss of EUR 17,669,000).

In order to prevent its full voting rights at the general meeting of shareholders of Aegon N.V. from exceeding the agreed 32.64%, common shares B were sold in 2019. As a result, compared to the valuation as at December 31, 2018, a profit of EUR 35,000 was realized. On balance a loss remains of EUR 138,000.



## Expenses

	2019	2018
<b>Financing expenses</b>		
The financial expenses were as follows (amounts x EUR 1,000)		
Interest paid	2,683	4,102
Commissions paid to financial institutions	164	204
Amortization upfront fee credit facility	439	856
	<b>3,286</b>	<b>5,162</b>

In 2019, an average of EUR 125 million (2018: EUR 195 million) of the credit facility was used and the average interest rate was 2.15% (2018: 2.11%).

Due to the limited use of Facility C, an average of EUR 0.75 million of the available EUR 20 million, a near-maximum commission was paid for 2019 as well as for 2018.

In order to obtain the credit facility and its term extension, a one-time upfront fee was payable to the consortium of lenders. The fees will be recognized pro rata in the statement of income and expenditure during the terms of the facilities. In 2019 and 2018, the amortization relates to the upfront fee of the 2016 facility and its term extension in 2018.

	2019	2018
<b>Expenses</b>		
The expenses were as follows (amounts x EUR 1,000)		
Costs of executive committee and members	252	254
Costs of visit to Aegon branch office abroad	-	117
Costs of Aegon N.V. support services	266	266
Costs of secretary's office	34	44
Accounting costs	39	39
Auditor's costs	35	41
Legal advisory costs	34	-
Costs of extending the credit facility	-	25
Other costs	14	9
	<b>674</b>	<b>795</b>

The costs of the executive committee and members include EUR 151,500 (2018: EUR 158,000) 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 2019, no visit took place. In 2018, a visit was paid to the Aegon branch office in London, United Kingdom.

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 2019 and the company's website at [www.aegon.com](http://www.aegon.com).

### **Post-balance sheet events**

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

Since March 2020, the outbreak of the COVID-19 virus has an immense impact both on the Netherlands and globally. On April 3, 2020, Aegon N.V. announced the decision to forego the 2019 final dividend and to add the profit for the year 2019 to the reserves in order to comply with the calls made by its principal regulators. The cash position of the Vereniging is currently considered to be sufficient to meet its current obligations.

The Hague, April 7, 2020

### **The Executive Committee**

W.M. van den Goorbergh, [chairman](#)

M.E. van Lier Lels, [vice-chairman](#)

C.J. Kalden

M.J. Rider

V.P.G. de Serière

J.W.Th. van der Steen

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 contain no provisions for the appropriation of the result.

## Independent Auditor's Report

To: the Executive Committee of Vereniging Aegon

### Report on the audit of the financial statements 2019 included in the annual report

#### Our opinion

We have audited the financial statements 2019 of Vereniging Aegon based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Vereniging Aegon as at December 31, 2019 and of its result for 2019 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

#### The financial statements comprise:

- The balance sheet as at 31 December 2019;
- The statement of income and expenditure for 2019;
- The notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Vereniging Aegon in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

#### Emphasis of matter relating to Corona developments

The developments surrounding the Corona (Covid-19) virus have a profound impact on people's health and on our society as a whole, as well as on the operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The financial statements and our auditor's report thereon reflect the conditions at the time of preparation. The situation changes on a daily basis giving rise to inherent uncertainty. The impact of these developments on Vereniging Aegon is disclosed in the Management report in the paragraph Preview of 2020 on page 13 and the disclosure about events after the balance sheet date on page 25. We draw attention to these disclosures. Our opinion is not modified in respect of this matter.

#### Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The report of the Executive Committee;
- Other information.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements;
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Executive Committee is responsible for the preparation of the other information, including the report of the Executive Committee in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

## Description of responsibilities for the financial statements

### Responsibilities of the Executive Committee for the financial statements

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

As part of the preparation of the financial statements, the Executive Committee is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Executive Committee should prepare the financial statements using the going concern basis of accounting unless the Executive Committee either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Executive Committee should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.,:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit 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 company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee;

- Concluding on the appropriateness of the Executive Committee use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures;
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

The Hague, April 14, 2020

### **Ernst & Young Accountants LLP**

signed by A.A. Heij

