

VERENIGING

AEGON

ANNUAL REPORT 2011

Vereniging AEGON

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EXECUTIVE COMMITTEE AND MEMBERS

Executive Committee

W.M. van den Goorbergh, *chairman*

J.W.B. Westerburgen, *vice-chairman* (until April 19, 2012)

H.J.E. Bruins Slot

P.J. Idenburg (until April 19, 2012)

J.J. Nooitgedagt

H.P. Spruijt

A.R. Wynaendts

Secretary

T.H.M. Schijf

Year of resignation

| Members | Scheduled | Final |
|--|-----------|-------|
| J.M. Boll (until April 19, 2012) | - | 2012 |
| A.F. Bosma (until April 27, 2011) | | |
| H.J.E. Bruins Slot | 2014 | 2018 |
| B.F. Dessing (from December 1, 2011) | 2015 | 2018 |
| H.A. Doek | 2012 | 2017 |
| W.M. van den Goorbergh | 2015 | 2018 |
| C.M. Hooymans | 2014 | 2022 |
| P.J. Idenburg (until April 19, 2012) | - | 2012 |
| P.C. Krikke | 2012 | 2016 |
| M.E. van Lier Lels | 2013 | 2021 |
| H. Muller (until April 19, 2012) | - | 2012 |
| E.J. Mulock Houwer (until April 27, 2011) | | |
| J.J. Nooitgedagt RA | n/a | 2021 |
| H.M. Pinedo | - | 2013 |
| E.M. Sent | 2014 | 2022 |
| H.P. Spruijt | 2013 | 2017 |
| H.A. van der Til | 2014 | 2022 |
| J.W.B. Westerburgen (until April 19, 2012) | - | 2012 |
| A.R. Wynaendts | n/a | 2020 |

Executive committee as at December 31, 2011



W.M. van den Goorbergh (1948) has been a member of the Vereniging since 2003 and joined the Executive Committee in 2004. In 2008, he was appointed chairman of the Executive Committee. Until 2002, he was vice-chairman of the Executive Board of

Rabobank Nederland. At present, he holds several executive and supervisory positions. He is chairman of the Supervisory Board of DELA, NIBC Bank N.V. and Welten. He is also a member of the Supervisory Boards of N.V. Bank Nederlandse Gemeenten and Mediq N.V.. Mr. van den Goorbergh is a member of the Supervisory Authority of the Radboud University Nijmegen and UMC St. Radboud and is chairman of the Nexus Instituut.



J.W.B. Westerburgen (1942) was elected as a member of the Vereniging in 2001, and joined the Executive Committee in 2003. He was appointed vice-chairman in 2004. Until his retirement in 2001 he was Joint Secretary and head of

the tax department at Unilever N.V. and Unilever Plc. He is a member of the Supervisory Board of ASML Holding N.V..



H.J.E. Bruins Slot (1948) has been a member of the Vereniging since 1998 and joined the Executive Committee in 2010. Mr. Bruins Slot was chairman of the Netherlands Public Broadcasting System. His previous positions include that of secretary-

general of the Ministry of Education, Culture and Science and mayor of the Municipality of Apeldoorn. Mr. Bruins Slot holds several executive and supervisory positions, in particular in healthcare. He is chairman of "Stichting Koningin Wilhelmina Fonds voor de Nederlandse Kankerbestrijding", chairman of the Supervisory Board of 's Heeren Loo, chairman of the Supervisory Board of "Stichting Gelre Ziekenhuizen", chairman of "Stichting Opleidingsfonds voor Vitaliteit en Veroudering" and chairman of the Supervisory Board of Rabobank Apeldoorn en Omgeving.



P.J. Idenburg (1942) has been a member of the Vereniging since 1989 and joined the Executive Committee in 1996. Mr. Idenburg is executive coach. His previous positions include that of deputy director-general at the Ministry of

Economic Affairs, a member of the Group Board of Van Leer Packaging Worldwide and professor at the Twente University and the Delft University of Technology.



J.J. Nooitgedagt (1953)) has been a member of the Vereniging and its Executive Committee since 2009. Mr. Nooitgedagt is a member of the Executive Board of AEGON N.V. Until 2009, he was chairman of the Executive Board of Ernst & Young

Netherlands and Belgium.



H.P. Spruijt (1949) has been a member of the Vereniging since 2005 and joined the Executive Committee in 2008. Mr. Spruijt was a member of the Executive Board of Reed Elsevier N.V. Until December 2010, he was chairman

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



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

Secretary to the executive committee



T.H.M. Schijf (1944), has been secretary to the executive committee since 2004.



H.A. Doek (1947) has been a member of the Vereniging since 2008. He was a member of the partnership Loyens & Loeff and until June 2011, a member of the Senate of the Dutch Parliament.

Mr. Doek holds several executive and supervisory positions. He is vice-chairman of the Supervisory Board of the Dutch Open Air Museum in Arnhem, chairman of the Supervisory Boards of “Stichting Het Geldersch Landschap” and “Stichting Geldersche Kasteelen”, a member of the Supervisory Board of the East Netherlands Development Agency, vice-chairman of “Stichting NJO” (Dutch Orchestra and Ensemble Academy) and a member of the board of “Stichting Introdans”.

Other members as at December 31, 2011



J.M. Boll (1942) has been a member of the Vereniging since 1996. He was a member of the Executive Committee from 1998 until 2008. Mr. Boll is a member of the Council of State.



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



B.F. Dessing (1948) became a member of the Vereniging in 2011. Until 2007, Mr. Dessing was chairman of Cooperatie Univé-VGZ-IZA-Trias (UVIT). At present, he holds several executive and supervisory

positions. He is a member of the Supervisory Board of the Pension Fund of De Nederlandsche Bank, a member of the Supervisory Board of the Netherlands Broadcasting Foundation (NOS), a member of the Advisory Board of the Dutch Healthcare Authority, a member of the Supervisory Board of St. Antonius Hospital in Nieuwegein and a member of the Audit Committee of the Netherlands Court of Audit.



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

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



M.E. van Lier Lels (1959) has been a member of the Vereniging since 2009. Since 2005, she holds several supervisory and executive positions. She is a member of the Supervisory Boards of Koninklijke KPN N.V., USG People N.V.,

TKH Group N.V., Maersk B.V., Reed Elsevier N.V. and Ecorys Nederland B.V. Furthermore she is a member of the Council for Environment and Infrastructure, a member of the Advisory Council for Scientific and Technology Policy, a member of the Netherlands Bureau for Economic Policy Analysis (CPB) and chairman of the Supervisory Council of the Netherlands Society for Nature and Environment. Until 2005 she was director of operations of the Schiphol Group.



H. Muller (1942) has been a member of the Vereniging since 2005. Mr. Muller has retired. Previously, he was a board member and treasurer of FNV (Federation of Dutch Trade Unions). Mr. Muller is a member of the board of Stichting

Beheer SNS Reaal and holds several other executive and supervisory positions.



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

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



E.M. Sent (1967) became a member of the Vereniging in 2010. Since 2004, she has been a professor of Economic Theory and Economic Policy at the Radboud University Nijmegen and, as of June 2011, she has been a member of the

Senate of the Dutch Parliament. Before that, she was a Research Fellow of the Netherlands Institute for Advanced Study (NIAS) in Wassenaar and an Assistant/Associate Professor at the University of Notre Dame in Indiana, USA. Furthermore, she is a member of the Council for Social Development, a member of the Supervisory Council of “Plan Nederland”, a member of the Advisory Council of “De Groene Zaak”, a member of the Editorial Council of “Academische Boekengids”, Me Judice and FM Quarterly and editor and a member of the Board of Trustees of the Journal of Institutional Economics.



H.A. van der Til (1956) became a member of the Vereniging in 2010. From October 2008, until his retirement in January 2012, he held, in the rank of Major General of the Marines, several positions at the staff of the Commander of

the Armed Forces at the Ministry of Defence in The Hague. Before that he held several operational and staff management positions at home and abroad in the Marine Corps, the Command of the Naval Military Forces in Den Helder, NATO in Afghanistan and the Ministry of Defence in The Hague.

OBJECTIVES

Primary objective

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

Secondary objective

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

In 2008, the study of the Vereniging focussed on possibilities for the improvement of ageing in a vigorous and healthy way. On November 11, 2008, the study resulted in the start-up by the Vereniging of the Leyden Academy on Vitality and Ageing (LAVA). LAVA cooperates with Leiden University Medical Centre and is presided over by Mr. R.G.J. Westendorp, professor at the Department of Gerontology and Geriatrics of Leiden University, and Mrs. M.A.E. van der Waal.

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

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

HISTORY

Origin of Vereniging AEGON

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

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

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

- Recapitalization Agreement 2002

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

value was raised to that of the common shares.

As a result of these transactions, the Vereniging's ownership interest in AEGON N.V.'s common shares decreased from approximately 37% to approximately 12% and its beneficial ownership interest in AEGON N.V.'s voting shares decreased to approximately 33%. Thus the voting rights of the Vereniging decreased from approximately 52% to approximately 33%.

The Recapitalization Agreement included provisions for the continuation of the option rights scheme at this lower level of voting rights. The Vereniging also indicated that it was prepared, subject to the implementation of certain changes in corporate governance at AEGON N.V., to further reduce its voting rights in the near future to approximately 23.6%, a figure that corresponds to the capital paid in by the Vereniging.

- Amendment of Articles of Association 2003

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

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

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

15% interest in AEGON N.V., a tender offer for AEGON N.V. shares or a proposal for a business combination by any person or group of persons, whether individually or as a group, other than in a transaction approved by the Executive Board and the Supervisory Board of AEGON N.V. If, at its sole discretion, the Vereniging determines that a special cause has occurred, the Vereniging will notify the General Meeting of Shareholders of AEGON N.V. and retain its right to exercise the full voting power of 25/12 per preferred share for a maximum period of six months.

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

- Execution of option rights

In the years 2003 to 2011, the Vereniging exercised its option rights to acquire class B preferred shares at par value to correct a dilution of voting rights caused by AEGON N.V.'s issuance of stock dividends and new common shares, and treasury share sales. As a result, the voting rights which Vereniging AEGON is able to exercise in the event of a special cause remained at approximately 33% throughout that period.

- Current ownership interest and voting rights

On December 31, 2011, the Vereniging held a total of 171,974,055 common shares, 211,680,000 class A preferred shares and 110,072,000 class B preferred shares.

Consequently, as at that date, the Vereniging AEGON ownership interest in AEGON N.V. common shares amounted to roughly 9%.

The Vereniging's voting rights in normal circumstances on common shares and preferred shares A and B amounted to approximately 22.40%, based on the number of outstanding and voting shares (excluding common shares held in treasury by AEGON N.V.), as at December 31, 2011 (as at December 31, 2010, this was approximately 22.76%). In the event of a special cause, the Vereniging's voting rights would increase for a maximum period of six months to the full number of votes, approximately 33% as at December 31, 2011 (as at December 31, 2010, this was also approximately 33%).

Amendment of Articles of Association 2005

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

Financing of Vereniging AEGON

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

On February 9, 2010, Vereniging AEGON arranged a new three-year credit facility with a consortium of banks. This facility replaced the 2005 facility. The new facility was maximized at EUR 1,250,000,000. The maturity can be extended until 2014.

Senior Loan State of the Netherlands

On December 1, 2008, the Vereniging entered into an agreement with the State of the Netherlands and AEGON N.V. in order to provide AEGON N.V. with EUR 3,000,000,000 in additional core capital. For this purpose, the State granted Vereniging AEGON a Senior Loan of EUR 3,000,000,000, which was used to acquire 750 million Convertible Core Capital Securities at a rate of EUR 4 each.

This loan was repaid in four instalments, the first on December 1, 2009 and the last on June 15, 2011, in each case with the simultaneous return by Vereniging AEGON to AEGON N.V. of the corresponding convertible securities.

Vereniging AEGON participated in this structure in accordance with its objects under its Articles of Association, which are to serve the interests of AEGON N.V. in a balanced way. With regard to this financing structure, Vereniging AEGON was not exposed to any financial risk. All revenues and expenses of these financial instruments accrued to and 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 that was established in 2008 and of which Vereniging AEGON is the sole shareholder. In 2008, Vereniging AEGON provided LAVA B.V. with EUR 1,000,000 in paid-up share capital. In each of the following years the Vereniging provided LAVA B.V. again with EUR 1,000,000 by means of share premium on the existing paid-up share capital.

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

REPORT OF THE EXECUTIVE COMMITTEE

Developments in 2011

Ownership interest in AEGON N.V. and voting rights

On March 1, 2011, AEGON N.V. issued 173,605,000 new common shares to institutional investors. As a result, the ownership interest of Vereniging AEGON in common shares AEGON N.V. was diluted from approximately 9.9% to roughly 9%.

In order to prevent dilution of voting rights at the General Meeting of Shareholders of AEGON N.V. in the event of a special cause, on March 15, 2011, the Vereniging exercised its option rights to acquire the required class B preferred shares at par value.

The Vereniging's voting rights in normal circumstances on common and preferred shares A and B amount to approximately 22.40%, based on the number of outstanding and voting shares (excluding common shares held in treasury by AEGON N.V.), as at December 31, 2011 (as at December 31, 2010, this was approximately 22.76%). In the event of a special cause, the Vereniging's voting rights would increase for a maximum period of six months to the full number of votes, approximately 33 % as of December 31, 2011 (as at December 31, 2010, this was also approximately 33%).

On December 31, 2011, the Vereniging held a total of 171,974,055 common shares (on December 31, 2010, this was also 171,974,055), 211,680,000 class A preferred shares (on December 31, 2010, this was also 211,680,000) and 110,072,000 class B preferred shares (on December 31, 2010, this was 69,030,000).

Exercising voting and dividend rights

As in previous years, the Vereniging met its objectives in 2011 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 12, 2011.

AEGON N.V. did not distribute a final dividend for the year 2010, nor did it remit an interim dividend for 2011. However, a preferred dividend for the year 2010 was received in 2011.

Members and Executive Committee

As at December 31, 2011, the General Meeting of Members of the Vereniging consisted of seventeen members, fifteen of whom are not related to AEGON N.V.. They are neither current nor former employees of AEGON N.V. or its associated companies, nor current or former members of the Supervisory Board or the Executive Board of AEGON N.V.. The two other members are members of the Executive Board of AEGON N.V..

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

During the year under review, the members Mrs. Mulock Houwer and Mr. Bosma stepped down. Mr. Dessing was elected as a member.

Remuneration

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

In 2011, 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 2011, the members received a fee of EUR 7,000 per year and EUR 1,000 per meeting attended.

For their activities as members of its Supervisory Board, LAVA B.V. paid Mr. Van den Goorbergh

(chairman) a fixed fee of EUR 7,000, and Mr. Idenburg and Mr. Westerburgen a fixed fee of EUR 5,000 each.

Senior Loan State of the Netherlands

As at December 31, 2010, the debt that Vereniging AEGON owes to the State of the Netherlands amounted to EUR 1,500,000,000 and, correspondingly, Vereniging AEGON held 375 million Convertible Core Capital Securities with the same aggregate value.

On March 15, 2011, AEGON N.V. used the EUR 903,000,000 in proceeds from its equity rights issue to repurchase 187.5 million AEGON N.V. Convertible Core Capital Securities. On behalf of Vereniging AEGON, AEGON N.V. applied the proceeds thereof towards repayment of EUR 750,000,000 of the Senior Loan owed to the State of the Netherlands.

On June 15, 2011, the remainder of the debt owed to the State of the Netherlands of EUR 750,000,000 was repaid. At the same time, AEGON N.V. repurchased the corresponding remaining AEGON N.V. Convertible Core Capital Securities.

Financing of the Vereniging

On February 9, 2010, Vereniging AEGON concluded a new credit facility with a consortium of banks for a period of three years. The new facility was maximized at EUR 1,250,000,000. In 2011, as a result of repayments, the facility decreased to EUR 1,232,000,000. The facility matures on February 9, 2013, but can be extended for one year.

Leyden Academy on Vitality and Ageing

During 2011, the Leyden Academy further evolved. It has now been active for three years and it may be concluded that it has made a good start. Its infrastructure has been created, a knowledge centre was established, offering courses to a variety of students, and a start was made with stimulating public debate on human ageing and changing societal relationships. In addition

to its educational programme, also a research programme was initiated and an international network set up, from which productive cooperation evolved.

By the end of 2011, the Leyden Academy presented an expanded strategic plan for the years 2012-2016.

The plan gained the approval of the Supervisory Board of Leyden Academy on Vitality and Ageing B.V. and was endorsed by the Executive Committee and the General Meeting of Members of Vereniging AEGON.

Stichting Opleidingsfonds voor Vitaliteit en Veroudering (the Vitality and Ageing Fund), established in 2010, aims to encourage scientific education and research programmes in the field of vitality, ageing and geriatrics, as well as to support, financially or otherwise, students, enabling them to follow vocational courses in this field. Under the presidency of Mr. H.J.E. Bruins Slot, the Stichting has further defined its strategy. Not only potential (financial) partners will be addressed and funds raised for scholarships for students, but also efforts will be made to fortify the support and sympathy for Leyden Academy.

Also in 2011, the Vereniging provided LAVA B.V. with a EUR 1,000,000 grant. This was effected by means of share premium on the existing paid-up share capital.

As of December 31, 2011 the Board of Directors of LAVA B.V. consists of Mr. R.G.J. Westendorp (chairman) and Mrs. M.A.E. van der Waal. The Supervisory Board, as of December 31, 2011, consists of Mr. W.M. van den Goorbergh (chairman), Mr. P.J. Idenburg and Mr. J.W.B. Westerburgen and Mrs. M. de Visser.

Financial Statements 2011

Under the accounting policies, the AEGON N.V. common shares held by the Vereniging are carried at market value, while the preferred shares and Convertible Core Capital Securities are carried at purchase price and face value, respectively.

The value of the shareholding, excluding the Convertible Core Capital Securities, amounted to EUR 2,677,609,000 as at December 31, 2011 (as at December 31, 2010, this was EUR 2,921,011,000).

Unrealized gains and losses for the financial year are recognized in the statement of income and expenditure. Consequently, an unrealized loss of EUR 253,662,000 was recognized in the statement of income and expenditure for the financial year 2011.

The result for 2011 was a loss of EUR 247,784,000 (2010: a profit of EUR 15,743,000). The result for 2011 was significantly affected by the decrease of the market value of the common shares

The Executive Committee recommends that the General Meeting of Members adopts the 2011 financial statements and endorses the Executive Committee's management in 2011.

The Hague, April 5, 2012

On behalf of the Executive Committee

W.M. van den Goorbergh, Chairman

BALANCE SHEET AT DECEMBER 31

(after appropriation of the result)

| | 2011 | 2010 |
|--|------------------|------------------|
| Fixed assets | | |
| <i>Financial fixed assets</i> | | |
| Participation quoted stock | 533,291 | 786,953 |
| Participation unquoted stock | 2,144,318 | 2,134,058 |
| Convertible Core Capital Securities AEGON N.V.* | - | 750,000 |
| Participating interest in Leyden Academy on Vitality and Ageing B.V. | 801 | 851 |
| | 2,678,410 | 3,671,862 |
| Current assets | | |
| Convertible Core Capital Securities AEGON N.V.* | - | 750,000 |
| Prepayments and accrued income | 64,738 | 69,925 |
| Liquid assets | 521 | 440 |
| | 65,259 | 820,365 |
| Total assets | 2,743,669 | 4,492,227 |
| Capital and reserves | 1,676,147 | 1,923,931 |
| Long-term liabilities | | |
| Credit facility consortium of banks | 1,046,500 | 1,051,000 |
| Senior Loan State of the Netherlands* | - | 750,000 |
| | 1,046,500 | 1,801,000 |
| Current liabilities | | |
| Senior Loan State of the Netherlands* | - | 750,000 |
| Other liabilities | 21,022 | 17,296 |
| | 21,022 | 767,296 |
| Total liabilities | 2,743,669 | 4,492,227 |

* The 'Convertible Core Capital Securities' issued by AEGON N.V. were accounted for as assets and the corresponding 'Senior Loan' granted by the State of the Netherlands ('the State') as a liability. These financial instruments were related to the strengthening of the core capital of AEGON N.V.. Vereniging AEGON, in respect of these financial instruments, was not exposed to any risk, as all economic risks and rewards accrued to and were borne by AEGON N.V. and the State. Because of the unique nature of the transaction, and to provide insight into the structure and the legal position of Vereniging AEGON, both financial instruments were carried at face value in the balance sheet of Vereniging AEGON.

STATEMENT OF INCOME AND EXPENDITURE

| Income | 2011 | 2010 |
|--|------------------|----------------|
| Dividend on preferred shares | 58,912 | 58,687 |
| Premium and interest Convertible Core Capital Securities* | 750,000 | 62,834 |
| Unrealized profit on common shares | - | 6,191 |
| Total income | 808,912 | 127,712 |
| | | |
| Expenses | | |
| Unrealized loss on common shares | 253,662 | - |
| Premium and interest Senior Loan State of the Netherlands* | 750,000 | 62,834 |
| Financial expenses | 51,385 | 47,257 |
| Expenses | 599 | 740 |
| Total expenses | 1,055,646 | 110,831 |
| | | |
| Result participating interest | (1,050) | (1,138) |
| | | |
| Result | (247,784) | 15,743 |

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

CASH FLOW STATEMENT

Cash flow from operating and investing activities

| | 2011 | 2010 |
|--|--------------|---------------|
| Dividend received on preferred shares | 58,687 | 90,428 |
| Interest received | 5 | 9 |
| Payment on AEGON N.V. preferred shares | (10,260) | - |
| Paid-up share premium Leyden Academy on Vitality and Ageing B.V. | (1,000) | (1,000) |
| Financial expenses paid | (42,298) | (65,361) |
| Expenses paid | (653) | (1,055) |
| | 4,481 | 23,021 |

Cash flow from financing activities

| | | |
|---|----------------|-----------------|
| Repayment of credit facilities | (4,500) | (22,248) |
| Deposits Leyden Academy on Vitality and Ageing B.V. | 100 | (350) |
| | (4,400) | (22,598) |

Movement in liquid assets

| | |
|-----------|------------|
| 81 | 423 |
|-----------|------------|

The cash flow statement has been prepared using the direct method. A credit facility has been accounted for under cash flow from financing activities. The principal sum of this credit facility is set periodically. For further information please refer to the chapter called "Credit facility consortium of banks" on page 24.

NOTES TO THE FINANCIAL STATEMENTS

Introduction

To the extent that the Supervisory Board of AEGON N.V. does not use the profit of the year for strengthening capital or creating reserves, an annual dividend is paid on the average paid-in capital of 322 million preferred shares in AEGON N.V. at a rate which is equal to the European Central Bank refinancing rate on the first business day of the year on the Euronext Amsterdam stock exchange plus 1.75 percentage points. The dividend on the preferred shares for the current year was set at 2.75% (last year this was also 2.75%).

As at December 31, 2011, Vereniging AEGON owns approximately 172 million AEGON N.V. common shares.

The Vereniging has financial fixed assets of approximately EUR 2.68 billion (based on the closing price of the AEGON N.V. common shares on the Euronext Amsterdam stock exchange on December 31, 2011 of EUR 3.101) and outstanding debts of approximately EUR 1.05 billion, for which bank facilities have been arranged until February 9, 2013 (unless extended by one year).

NOTES TO THE BALANCE SHEET

Accounting policies

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

FIXED ASSETS

Financial fixed assets

Participation quoted stock

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

The market value of the common shares as at December 31, 2011, is EUR 533,291,000 (EUR 3.101 per share). At December 31, 2010, the value was EUR 786,953,000 (EUR 4.576 per share). The cost of the common shares as at December 31, 2011, was EUR 2,437,324,000 (EUR 14.17 per share).

Movements in common shares:

| | 2011 | | 2010 | |
|--------------------------------------|--------------------|----------------|--------------------|----------------|
| | Number | Value | Number | Value |
| Balance as at January 1 | 171,974,055 | 786,953 | 171,974,055 | 780,762 |
| Revaluation, realized and unrealized | - | (253,662) | - | 6,191 |
| Balance as at December 31 | 171,974,055 | 533,291 | 171,974,055 | 786,953 |

Participation unquoted stock

This item is the holding of AEGON N.V. preferred shares. The preferred shares are carried at purchase price. The expected dividend on the preferred shares, on an annual basis, is equal to the European Central Bank refinancing rate on the first trading day on the Euronext Amsterdam stock exchange of the year, to which the dividend relates plus 1.75 percentage points. For 2011, a dividend of 2.75% is expected (2010 was also 2.75%). The expected dividend is included in accrued income.

Movements in preferred shares:

| | 2011 | | 2010 | |
|----------------------------------|--------------------|------------------|--------------------|------------------|
| | Number | Value | Number | Value |
| Balance as at January 1 | 280,710,000 | 2,134,058 | 280,710,000 | 2,134,058 |
| Purchases | 41,042,000 | 10,260 | - | - |
| Balance as at December 31 | 321,752,000 | 2,144,318 | 280,710,000 | 2,134,058 |

The latter balance concerns:

| | 2011 | | 2010 | |
|----------------------------------|--------------------|------------------|--------------------|------------------|
| | Number | Value | Number | Value |
| Class A preferred shares | 211,680,000 | 2,116,800 | 211,680,000 | 2,116,800 |
| Class B preferred shares | 110,072,000 | 27,518 | 69,030,000 | 17,258 |
| Balance as at December 31 | 321,752,000 | 2,144,318 | 280,710,000 | 2,134,058 |

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

Convertible Core Capital Securities AEGON N.V.

This item refers to 187.5 million convertible (registered) securities that AEGON N.V. issued to Vereniging AEGON at the issue price of EUR 4 each.

Movements in Convertible Core Capital Securities:

| | 2011 | | 2010 | |
|----------------------------------|-------------|----------|--------------------|----------------|
| | Number | Value | Number | Value |
| Balance as at January 1 | 187,500,000 | 750,000 | 500,000,000 | 2,000,000 |
| Repurchased and repaid | 187,500,000 | 750,000 | 125,000,000 | 500,000 |
| To be repurchased March 15, 2011 | - | - | 187,500,000 | 750,000 |
| Balance as at December 31 | - | - | 187,500,000 | 750,000 |

Before drawing up the 2010 financial statements, it was disclosed that on March 15, 2011, 187.5 million Convertible Core Capital Securities would be repurchased. Therefore, they are accounted for under current assets. At that time, no information was available on the repurchase of the remaining Convertible Core Capital Securities. On June 15, 2011, AEGON N.V. repurchased and repaid those remaining convertible securities.

The convertible securities related to the strengthening of the core capital of AEGON N.V. by the State. Vereniging AEGON participated in the transaction within the context of its objectives under its Articles of Association, which are to serve the direct and indirect interests of AEGON N.V. in a balanced manner. Vereniging AEGON acted as an agent.

Therefore, the Vereniging was not exposed to any risk, since the State was entitled to all redemptions and payments of interest on the convertible securities according to the terms of the Senior Loan granted by the State, and since Vereniging AEGON had no obligations to the State if AEGON N.V. failed to pay redemptions and/or interest. All economic risks and rewards of these financial instruments accrued to and were borne by AEGON N.V. and the State.

Because of the unique nature of the transaction, and in order to provide enhanced insight into the structure and legal position of Vereniging AEGON, the convertible securities were carried at face value in the balance sheet of Vereniging AEGON. In this respect, the Vereniging departed from Dutch GAAP in the interest of enhanced insight.

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

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

| | 2011 | 2010 |
|-------------------------------|-------------|-------------|
| Balance as at January 1 | 851 | 989 |
| Paid-up share premium | 1,000 | 1,000 |
| Result participating interest | (1,050) | (1,138) |
| Balans per 31 december | 801 | 851 |

Leyden Academy on Vitality and Ageing B.V. commenced its activities in 2008, which tie in with the Vereniging's secondary objective, involving subjects such as the ageing of the population and maintaining one's vitality when growing older. In September 2009, it started the Executive Course, and the Master Course started in September 2010.

CURRENT ASSETS

Convertible Core Capital Securities AEGON N.V.

| | 2011 | 2010 |
|---|-------------|----------------|
| To be repurchased convertible securities by AEGON N.V. | - | 750,000 |

This item referred to 187.5 million Convertible Core Capital Securities AEGON N.V. that were repurchased on March 15, 2011.

On June 15, 2011, AEGON N.V. repurchased and repaid the remaining 187.5 million convertible securities, accounted for under fixed assets in 2010.

Prepayments and accrued income

Receivables are recorded at true value and subsequently valued at amortized cost. True value and amortized cost are equal to face value.

| | 2011 | 2010 |
|-----------------------------|---------------|---------------|
| Expected preferred dividend | 58,911 | 58,687 |
| Prepaid upfront fee | 5,827 | 11,238 |
| | 64,738 | 69,925 |

To obtain the new credit facility, Vereniging AEGON has paid an upfront fee of EUR 16,235,000. This fee will be recognized pro rata in the statement of income and expenditure over the course of the three-year term. A sum of EUR 415,000 has a term of more than one year.

Liquid assets

The credit agreement allows dividends on preferred shares only to be applied to pay interest and redemptions on the credit facility. These receipts are allocated for this purpose at a blocked account with the Royal Bank of Scotland N.V. At the end of 2011, a EUR 5,000 balance remains (2010: EUR 21,000) which is not at free disposal.

Capital and reserves

| | 2011 | 2010 |
|-------------------------------|------------------|------------------|
| Balance as at January 1 | 1,923,931 | 1,908,188 |
| Result financial year | (247,784) | 15,743 |
| Balance as at December | 1,676,147 | 1,923,931 |

Long-term liabilities

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

| | 2011 | 2010 |
|--|------------------|------------------|
| Credit facility consortium of banks | 1,046,500 | 1,051,000 |

The Vereniging has arranged a credit facility with a consortium of banks led by the Royal Bank of Scotland plc. This credit facility consists of a “Facility A” (with a maximum of EUR 1,032,000,000) and a “Facility B” (with a maximum of EUR 200,000,000). Both facilities mature on February 9, 2013 (but may be extended until February 8, 2014). The interest rate agreed upon for these facilities is based on Euribor rates, with an interest surcharge that depends on the solvency (credit rating) of AEGON N.V..

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

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

| | 2011 | 2010 |
|---|----------|----------------|
| Senior Loan State of the Netherlands | - | 750,000 |

Before drawing up the financial statements 2010, it was disclosed that on March 15, 2011, EUR 750 million would be repaid. Therefore, this part of the Senior Loan is accounted for under current liabilities. At that time, no information was available on the redemption of the remaining part, also amounting to EUR 750 million. On June 15, 2011, this remaining part of the Senior Loan was repaid.

In order to strengthen the core capital of AEGON N.V., the State had granted a Senior Loan to Vereniging AEGON to finance the convertible securities. The terms and conditions of the Senior Loan reflected those of the convertible securities. Reference is made to the notes to the “Convertible Core Capital Securities”. In respect of the Senior Loan this implied, among other things, that the terms and conditions applicable to the redemption and payment of interest were identical to those that applied to redemption and payment of interest on convertible securities, and that under no circumstances any redemption or payment of interest would be due to the State beyond those redemptions or payments of interest collected from AEGON N.V. on the convertible securities. Therefore, AEGON N.V. was obliged to make all payments directly to the State.

The Senior Loan, like the convertible securities, was carried at face value. In this respect, the Vereniging departed from Dutch GAAP in the interest of enhanced insight.

To secure its obligations towards the State, Vereniging AEGON pledged the convertible securities to the State.

Current liabilities

Senior Loan State of the Netherlands

| | 2011 | 2010 |
|--|------|---------|
| To be redeemed March 15, 2011, by AEGON N.V. | - | 750,000 |

This item referred to the part of the Senior Loan State of the Netherlands that, owing to the repurchase of 187.5 million AEGON N.V. Convertible Core Capital Securities, was repaid on March 15, 2011.

On June 15, 2011, the remaining part of the Senior Loan, also amounting to EUR 750 million, was repaid. This part of the Senior Loan is accounted for under long-term liabilities.

Other liabilities

| | 2011 | 2010 |
|---|---------------|---------------|
| Deposits Leyden Academy on Vitality and Ageing B.V. | 600 | 500 |
| Accrued interest | 20,063 | 16,370 |
| Fees consortium of banks | 298 | 310 |
| Overig | 61 | 116 |
| Total | 21,022 | 17,296 |

Contingent assets and liabilities

The fee payable to AEGON N.V. in respect of the Support Services Agreement remains at EUR 236,000 per year.

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

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

INCOME

Dividend on common shares

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

Dividend on preferred shares

The dividend on preferred shares consists of the European Central Bank refinancing rate on the first trading day of the year on the Euronext Amsterdam stock exchange, plus 1.75 percentage points.

For 2011, this percentage was 2.75% (2010 was also 2.75%). The dividend is attributed to the year to which the dividend relates.

Unrealized profit on common shares

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

EXPENDITURE

Unrealized loss on common shares

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

| | 2011 | 2010 |
|--|----------------|---------------|
| Premium and interest Senior Loan State of the Netherlands | 750,000 | 62,834 |

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

Senior Loan granted by the State and Convertible Core Capital Securities AEGON N.V.

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

Financial expenses

The financial expenses were as follows:

| | 2011 | 2010 |
|--|---------------|---------------|
| Interest paid | 44,017 | 39,492 |
| Commissions paid to financial institutions | 1,961 | 2,777 |
| Upfront fee credit facility | 5,412 | 4,997 |
| Other interest revenue | (5) | (9) |
| | 51,385 | 47,257 |

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

| | 2011 | 2010 |
|--|-------------|-------------|
| Expenses | | |
| The expenses were as follows: | | |
| Costs of executive committee and members | 247 | 265 |
| Costs of visit to AEGON branch office abroad | - | 40 |
| Costs of secondary objective | - | 75 |
| Costs of support services AEGON N.V | 236 | 236 |
| Costs of secretary's office | 33 | 39 |
| Accounting costs | 46 | 47 |
| Auditor's costs | 28 | 28 |
| Other costs | 9 | 10 |
| | 599 | 740 |

The costs of executive committee and members include EUR 155,000 (2010 was EUR 151,000) incurred by the Vereniging in the financial year for the remuneration of the members of the Executive Committee, pursuant to Section 2: 383(1), Book 2 of the Dutch Civil Code.

Visits to AEGON branch offices take place once every two years.

The costs related to the secondary objective reflect the financial contribution to the Alzheimercentrum VUmc Amsterdam which ended in 2010.

For further information on AEGON N.V., reference is made to the AEGON N.V. financial statements for 2011.

The Hague, April 5, 2012

The Executive Committee

W.M. van den Goorbergh, *chairman*

J.W.B. Westerburgen, *vice-chairman*

H.J.E. Bruins Slot

P.J. Idenburg

J.J. Nooitgedagt

H.P. Spruijt

A.R. Wynaendts

INDEPENDENT AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements 2011 of Vereniging AEGON, The Hague, which comprise the balance sheet as at December 31, 2011, 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, 2011 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

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

The Hague, April 5, 2012

Ernst & Young Accountants LLP

Signed by H. Hollander

