



Annual Report 2020

Vereniging Aegon

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This is a translation of the Dutch text of the 2020 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, 2020



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 currently holds several executive and supervisory positions.



E. Friese
(1962)

became a member of Vereniging Aegon and its Executive Committee in 2020. Mr Friese is chairman of the Executive Board of Aegon N.V.



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 as its vice-chair in 2018. She was director of Operations for the Schiphol Group until 2005. Ms Van Lier Lels has held various supervisory and executive positions. She is a member of the Supervisory Boards of RELX PLC, NS (Dutch Railways), Dura Vermeer, and PostNL, and chair 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 (Dutch National Forestry Service). His previous positions include that of secretary-general at the former Ministry of Agriculture, Nature and Food Quality (LNV). He currently 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 and its Executive Committee since 2015. Mr De Serière is of counsel to 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 is also 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. Mr Van der Steen is a Supervisory Board member and advisor. He is chairman of the Supervisory Boards of BinckBank N.V., Princess Sportsgear & Travel B.V., and Coöperatie DELA, vice-chairman of Amsterdam RAI B.V., Executive Board member of Stadhold Insurances Luxemburg S.A., and he is an ambassador for the Royal Concertgebouw Orchestra in Amsterdam. Until 2014, Mr Van der Steen held various international positions at Aon Corporation and was chairman of the Board of Aon Groep Nederland B.V. until 2006. He previously worked at ING Bank.

Secretaris van het Bestuur



J.S. van der Woude
(1963)

has been secretary to the Executive Committee since 2019.

Other members as at December 31, 2020



B.F. Dessing
(1948)

has been a member of Vereniging Aegon since 2011. Until 2007, Mr Dessing was chairman

of the Executive Board of Coöperatie Univé-VGZ-IZA-Trias (UVIT). He currently holds several executive and supervisory positions, including on the Supervisory Boards of SPF Beheer B.V., ACTA Holding B.V., and Leyden Academy on Vitality and Ageing B.V., and as chairman of Stichting Nederlandse Hart Registratie.



H.J. Machielsens
(1960)

has been a member of Vereniging Aegon since 2017. Until 2012, Mr Machielsens was Chief

Financial Officer of Eneco N.V. He currently holds several executive and supervisory positions, including as chairman of the Board of the Nedlloyd Pension Fund, a member of the Supervisory Board of the Pension Fund for the Dutch Wholesale Industry, chairman of the Supervisory Board of the Pension Fund for the Leisure Industry, non-executive director of De Nationale APF, and a member of the Supervisory Board of the Royal Dutch Lifesaving Society.



P.C.G. Glas
(1956)

has been a member of Vereniging Aegon since 2019. In 2019, Mr Glas was appointed Government

Commissioner for the National Delta Programme. He was previously chairman of the board of De Dommel Water Authority for 15 years, and national chairman of the Association of Dutch Regional Water Authorities for 6 years. Until 2019, he was also a member of the Supervisory Board of NWB Bank.



P.L. Meurs
(1953)

has been a member of Vereniging Aegon since 2012. Ms Meurs is professor of Healthcare Governance at

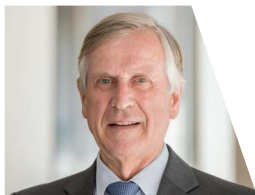
Erasmus University Rotterdam. She also holds several other executive and supervisory positions, particularly in the field of healthcare. She is an associate member of the Dutch Safety Board, and a member of the Supervisory Boards of the University of Amsterdam, ArtEZ, College of Fine Arts, and mental health care provider Parnassia. Since January 1, 2019, she has also been chair of the Supervisory Board of the Prins Bernard Culture Fund. She was a member of the Senate of the Dutch Parliament until February 1, 2013, and chair of the Board of ZonMw (the Dutch Organization for Health Research and Development) until August 2015. From January 1, 2015 until June 1, 2019, she chaired the Council for Health and Society. Until May 2020, she was a member of the Supervisory Board of the Amsterdam University Medical Center.



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 the Netherlands Organisation for Applied Scientific Research (TNO) in Delft. Previously, she was a member of the Plant Sciences Board at Wageningen University and Research Centre, managing director of Praktijkonderzoek Plant en Omgeving B.V., managing director of the Rijkskwaliteitsinstituut voor Land- en Tuinbouwproducten (Food Safety Research), all based in Wageningen. Until July 1, 2018, she was also a member of the Supervisory Board of Rabobank Vallei en Rijn. She is currently a member of the Supervisory Boards of the Dutch Diabetes Fund and HAN University of Applied Sciences.



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 currently holds several executive and supervisory positions, including on the Supervisory Boards of TD Bank N.V and STC - KNRM B.V.



N.A. Mourits

(1947)

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

was the managing director of NVA, the Dutch association of insurance intermediaries and financial services providers. Mr Mourits was previously managing director of the Department of Municipal Taxes in Amsterdam and of the Sluis-, Brug- en Havengelddienst (later renamed Binnenwaterbeheer Amsterdam). He is a member of the Arbitration Boards for the Legal Profession, Notarial Profession, and the BOVAG.



E.M. Sent

(1967)

has been a member of Vereniging Aegon since 2010. She has been 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. Previously, 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 currently a member of the Supervisory Boards of Karakter and Introdans, and 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 also became vice-chair of the Supervisory Board of Univé Coöperatie, and chair of the Supervisory Board of Univé Schade N.V. She has been a non-executive board member of the Aavishkaar Group (AVSM), an India-based impact investor, since January 2020, and of ORTEC B.V. since March 2020.



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 on January 1, 2012, in his capacity as Major General of the Marines, he held 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. Previously, 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 256 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 stakeholders. Influences that could threaten Aegon N.V.'s continuity, independence, or identity in conflict with those 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 objectives

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 research and promotion of vitality and healthy ageing. Leyden Academy on Vitality and Ageing has, since its inception in 2008, developed into a leading centre in the field of ageing-related themes (www.leydenacademy.nl).

In 2020, the Vereniging also committed itself to supporting a social program concerned with poverty issues for a period of three years. The 'Van Schulden naar Kansen' initiative aims to help households structurally get out of a situation of poverty, caused by problematic debts, by increasing their financial self-sufficiency.

History

Origin of Vereniging Aegon

Vereniging Aegon is an association under Dutch law. Until 1983, it was known as Vereniging AGO.

The Vereniging was established in 1978 when AGO Onderlinge Levensverzekeringmaatschappij was demutualized and as a result Vereniging AGO became the sole shareholder in AGO Holding N.V.

When AGO and Ennia merged in 1983, Vereniging AGO transferred all of its shares in AGO Holding N.V. to listed company Ennia N.V. (renamed Aegon N.V.) in exchange for new common and preferred shares in Aegon N.V.

This was also when Vereniging AGO was renamed Vereniging Aegon.

At the time of the merger between AGO and Ennia, the Vereniging acquired a substantial number of common shares and all preferred shares in Aegon N.V., and hence acquired a majority of the voting rights in Aegon N.V.

Under the 1983 Merger Agreement, the Vereniging was also granted a call option, i.e. the right to subscribe to newly issued preferred shares to maintain its majority position in the event of a threatened dilution of its voting rights as a result of a new issue of common shares.

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

From the merger in 1983 until the mid-1990s, the Vereniging held around 40% of the issued common shares and all preferred shares in Aegon N.V.

As a result, the Vereniging owned around 54% of the total voting rights in Aegon N.V.

From 1996 until 2001, Aegon N.V. was involved in a number of major acquisitions, which it financed partly with its own shares. In accordance with its objectives, the Vereniging supported Aegon N.V. with these acquisitions by selling part of its common shares to Aegon N.V. The resulting dilution was primarily compensated for by the Vereniging exercising its call option to acquire newly issued preferred shares. Additionally, the Vereniging borrowed funds from a consortium of banks to replenish its reduced common share interest in Aegon N.V.

In 2002 the Vereniging and Aegon N.V. entered into a recapitalization agreement, which led to a substantial reduction of the Vereniging's bank debt and also reduced its common share interest.

Aegon N.V. adjusted its capital structure in 2003, converting the existing preferred shares into preferred shares A and introducing a new class of shares called preferred shares B. To prevent dilution of the Vereniging's voting rights in Aegon N.V., the 1983 Merger Agreement was adjusted: the existing call option to acquire preferred shares was amended into call option rights to acquire preferred shares B. As a result of the 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, Aegon N.V.'s capital was restructured in order to simplify its capital structure and maintain a high-quality capital base under the new EU solvency requirements (Solvency II). In that context, all preferred shares were converted partly into cash and partly into common shares and common shares B. The restructuring enabled the Vereniging to substantially reduce its bank debt.

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

The Voting Rights Agreement and the 1983 Merger Agreement were also amended in 2013. The amended Voting Rights Agreement provided that under normal circumstances - in the absence of a 'special cause' - the Vereniging's voting rights would be limited to one vote for every forty common shares B. In the event of a 'special cause', the Vereniging would 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 to the 1983 Merger Agreement concerned the call option. The Vereniging received a call option on common shares B to enable it to keep its full voting rights at the agreed 32.64%. The call option is exercisable whenever the Vereniging's full voting rights fall below 32.64%, regardless of the cause of the decreasing percentage.

The Vereniging has regularly entered into purchase and sales transactions with Aegon N.V. to keep its voting rights at 32.64%. Since 2019 the Vereniging's common share interest in Aegon N.V. has increased as a result of its choice to receive the dividends partly in shares.

Recent developments in Vereniging Aegon's share interest

In 2020 the Vereniging acquired 2.4 million common shares in Aegon N.V. and, on balance, sold 0.8 million common shares B.

Developments in Aegon N.V. shareholding

Number of shares	Common	Common B
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
Per December 31, 2020	291,145,638	558,910,640

Leyden Academy on Vitality and Ageing

Leyden Academy on Vitality and Ageing B.V. is a private limited liability company incorporated in 2008 at the Vereniging's initiative. The Vereniging is also its sole shareholder. In 2008, the Vereniging provided Leyden Academy 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 to Leyden Academy in the form of share premium on the shares previously issued.

Leyden Academy's purpose is to promote and improve the quality of life of elderly people. To achieve this, Leyden Academy provides educational programs, conducts research, and initiates developments in the field of vitality and ageing. Leyden Academy does not focus solely on conducting research, but it also in particular wants to assimilate and critically evaluate knowledge and insights, and communicate these through educational services, consultations, and its public service function.

Leyden Academy works together with Leiden University Medical Center, Leiden University, the Jo Visser Fund, ZonMW, and several government agencies.

For more information about the Leyden Academy on Vitality and Ageing, please visit the website at www.leydenacademy.nl.

Vereniging Aegon's website

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

Report of the Executive Committee

Developments in 2020

Shareholding and voting rights as at December 31, 2020

During the reporting year, the Vereniging increased its common share interest in Aegon N.V. by choosing to have the 2020 interim dividend paid partly in shares. At December 31, 2020, the Vereniging held about 291 million common shares (December 31, 2019: about 289 million common shares).

In May 2020, in order to prevent its voting rights from being diluted, the Vereniging acquired approximately 2.2 million common shares B. In December 2020, it sold approximately 3 million common shares B to Aegon N.V. The purchase and sale of common shares B took place in order to consolidate the Vereniging's full voting rights at Aegon N.V.'s general meeting of shareholders at the agreed 32.64%.

As at December 31, 2020, the Vereniging's voting rights on common shares and common shares B exercisable under normal circumstances amounted to approximately 14.82% (December 31, 2019: approximately 14.74%), based on the number of voting shares outstanding (not counting the common shares held in treasury by Aegon N.V.).

In the event of a 'special cause', the Vereniging will have a maximum of six months in which to exercise all of its voting rights, which as at December 31, 2020, stood at 32.64% (December 31, 2019: also 32.64%).

Exercising voting and dividend rights

In 2020, as in previous years, the Vereniging met its objectives as defined in its Articles by holding shares in Aegon N.V. and exercising the rights attached to those shares, in particular its voting rights.

In accordance with a resolution to that effect adopted by the Annual General Meeting of Members, the Vereniging exercised its voting rights at Aegon N.V.'s Annual General Meeting of Shareholders held on May 15, 2020.

In April 2020, Aegon N.V. announced that it would not be paying a final dividend for 2019. Additionally, in August 2020, the company announced that it would reduce its interim dividend to EUR 0.06. In September 2020, Aegon N.V. paid an interim dividend

of EUR 0.06 per common share and EUR 0.0015 per common share B for 2020. The Vereniging chose to receive these dividends partly in cash and partly in shares. A stock dividend was paid on 95,272,000 common shares.

Financing of Vereniging Aegon

On March 26, 2018, the Vereniging agreed on an extension of the term of the remainder of a credit facility of EUR 241,000,000 previously provided by a consortium of lenders led by ING Bank. As at December 31, 2019, the total remaining debt under the credit facility amounted to EUR 100,000,000 at par value. On April 17, 2020, the facility was terminated and the Vereniging took out a new five-year private loan from Vereniging OOM/Aegon in the amount of EUR 100,000,000. The Vereniging provided no collateral for the loan.

Members and Executive Committee

At December 31, 2020, the Vereniging's General Meeting of Members comprised seventeen members. Fifteen of its members, i.e. members A, are independent from Aegon N.V. They are not, and have never been, employees of Aegon N.V. or any of its affiliated group companies, or members of Aegon N.V.'s Supervisory Board or Executive Board. The other two members, members B, are members of Aegon N.V.'s Executive Board.

During the year, Ms Meurs and Messrs Kalden, Meuter and Mourits stepped down as members A in accordance with the retirement schedule. They were all re-admitted for a period of four years in April 2020, except for Mr Kalden, who was available for an one-year term. Mr Kalden was re-admitted as a member A and appointed as an Executive Committee member A until the General Meeting of Members to be held in April 2021.

In December 2020, the General Meeting of Members admitted Mr L.J. Hijmans van den Bergh as a new member A, appointing him as an Executive Committee member A with effect from January 1, 2021. In the course of 2021, Mr Hijmans van den Bergh will be appointed as chairman of the Vereniging to succeed Mr Van den Goorbergh, who expressed his wish to step down as chairman in 2021.

During the year, Mr H.A. Doek stood down as a member A. We are grateful to Mr Doek for his contribution to the Vereniging and for helping us achieve our objectives in the past 12 years.

At December 31, 2020, the Vereniging's Executive Committee comprised seven members, five of whom were members A, including the chair and vice-chair, who are not and have never been affiliated with Aegon Group. The members B are members of Aegon N.V.'s Executive Board.

Aegon N.V.'s former CEO, Mr A.R. Wynaendts, stepped down as an Executive Committee member B. After his appointment as CEO of Aegon N.V., Mr E. Friese was admitted as a new member B to the General Meeting of Members and was also appointed as an Executive Committee member B. We are very grateful to Mr Wynaendts for his commitment and huge dedication to the Vereniging and its objectives.

Remuneration

The Executive Committee members 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.

For 2020, The Executive Committee chair received a fee of EUR 40,000 (from 2004 until 2019: EUR 28,500), and the vice-chair a fee of EUR 30,000 (from 2004 until 2019: EUR 23,000).

Each of the other Executive Committee members received a fee of EUR 25,000 (from 2004 until 2019: EUR 20,000).

In 2020, 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 fee of EUR 7,000 and Mr Dessing a fee of EUR 5,000.

Leyden Academy on Vitality and Ageing

In 2020, the Vereniging made EUR 1,500,000 (2019: EUR 1,500,000) available to Leyden Academy. This was effectuated by means of share premium payments on the shares already issued.

As at December 31, 2020, the general manager of Leyden Academy on Vitality and Ageing was T.A. Abma.

As at December 31, 2020, its Supervisory Board comprised W.M. van den Goorbergh (chairman), B.F. Dessing, M.J. Janssen, M. de Visser, and J.W.B. Westerburgen.

For more information about Leyden Academy on Vitality and Ageing, please visit the website at www.leydenacademy.nl.

2020 Financial Statements

In 2020, dividend income declined significantly (down 79.4%) due to Aegon N.V.'s decision not to pay a final dividend for 2019 in response to a call by the Dutch Central Bank and EIOPA (European Insurance and Occupational Pensions Authority) to show restraint on dividend payments because of the COVID-19 outbreak. The decline was also driven by Aegon N.V.'s decision to revise the interim dividend downwards to EUR 0.06 per common share.

Under its accounting policies, the Vereniging carries its common shares in Aegon N.V. at fair value on its balance sheet.

As at December 31, 2020, the value of its share interest in Aegon N.V. was EUR 987,058,000, with the common shares B valued at 1/40th of the market value of a common share as at that date. As at December 31, 2019, the value was EUR 1,231,063,000.

The changes in market value arising during the financial year are recognized in the statement of income and expenditure. Accordingly, in 2020 a decrease in the amount of EUR 238,014,000 was recognized in the statement of income and expenditure for the common shares and EUR 11,593,000 for the common shares B.

In 2020, the Vereniging recorded a loss of EUR 236,789,000 (2019: profit of EUR 82,382,000), driven by the EUR 249,607,000 reduction in value of its share interest in Aegon N.V. (2019: EUR 488,000) and lower dividend income of EUR 18,165,000 (2019: EUR 88,068,000), offset by lower finance expenses (down EUR 1,124,000).

As at December 31, 2020, its solvency ratio (equity/balance sheet total) was equal to 89.8% (2019: 91.7%) The Vereniging therefore expects to be able to meet its obligations in the long term.

The Executive Committee recommends that the General Meeting of Members adopts the 2020 financial statements and releases the members of the Executive Committee from liability for their duties performed during 2020.

Risk paragraph

The main objective of the Vereniging is to exercise the voting rights attached to the shares it holds in Aegon N.V.

The Vereniging relies on dividend payments by Aegon N.V. for its income. If Aegon N.V. were to decide not to pay any dividends for a number of years, then the Vereniging would have to sell shares in Aegon N.V. Currently, the Vereniging has sufficient cash available to meet its obligations over the next two years.

The Vereniging has in recent years significantly reduced its external funding. Going forward, its policy is to allow only a limited amount in external funding. The existing EUR 100 million loan agreement provides the option of obtaining up to EUR 50 million in additional funding if that should be necessary. The Vereniging did not create any pledge over its share interest with a view to obtaining the current funding.

Preview of 2021

Since March 2020, the outbreak of COVID-19 has had a huge impact on the Netherlands and the rest of the world. After deciding not to pay a final dividend for 2019, Aegon N.V. resumed its interim dividend payments on September 18, 2020. It is difficult to predict what the impact of the COVID-19 pandemic will be in 2021. However, the Vereniging has enough cash available to be able to meet its ongoing obligations over the next two years.

In September 2020, the Vereniging chose to have the interim dividend for 2020 paid partly in cash and partly in shares. In the coming years, the Vereniging also expects to largely opt for stock dividends, taking into account the liquidity needs in connection with the ongoing obligations.

Finance expenses are likely to stabilize at a level of about EUR 2 million in 2021, due to the refinancing with a five-year loan from Vereniging OOM/Aegon in 2020.

In 2020 the Vereniging decided to support 'Van Schulden naar Kansen', program of Aegon the Netherlands, aimed at fighting poverty. The Vereniging's commitment involves a maximum of EUR 1 million per year for a period of three years.

General information with regard to the entity and the related company

The Vereniging employed no staff in 2020 (2019: none).

The Vereniging is the sole shareholder in one company.

The Hague, April 9, 2021

On behalf of the Executive Committee,

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

Financial Statements

Balance sheet at December 31

(after profit or loss appropriation)
(amounts x EUR 1,000)

	2020	2019
Fixed assets		
<i>Financial fixed assets</i>		
Shares Aegon N.V. (listed stock)	941,856	1,174,154
Shares B Aegon N.V. (unlisted stock)	45,202	56,909
Participation interest in Leyden Academy on Vitality and Ageing B.V.	1,634	1,583
	988,692	1,232,646
Current assets		
Liquid assets	11,450	4,095
Total assets	1,000,142	1,236,741
Capital and reserves	897,921	1,134,710
Long-term liabilities		
Credit facility consortium of lenders	-	99,904
Private loan	100,000	-
Current liabilities		
Other liabilities, accruals and deferred income	2,221	2,127
Total liabilities	1,000,142	1,236,741

Statement of income and expenditure

(amounts x EUR 1,000)

	2020	2019
Income		
Dividend on Aegon N.V. common shares in cash and in shares	17,322	83,771
Dividend on Aegon N.V. common shares B in cash	843	4,297
Total income	18,165	88,068
Expenses		
Change in value Aegon N.V. common shares	238,014	350
Change in value Aegon N.V. common shares B	11,593	138
Financing costs	2,167	3,291
Expenses	1,731	669
Total expenses	253,505	4,448
Result participation interest	(1,449)	(1,238)
Result	(236,789)	82,382

Cash flow statement

(amounts x EUR 1,000)

	2020	2019
Cash flow from operating and investing activities		
Cash dividend received on Aegon N.V. common shares	11,606	48,273
Cash dividend received on Aegon N.V. common shares B	843	4,297
Dividend tax received/withheld on Aegon N.V. common shares B	-	300
Proceeds received on sale of Aegon N.V. common shares B	229	1,384
	12,678	54,254
Payment for Aegon N.V. common shares B	(115)	(186)
Paid-up share premium Leyden Academy on Vitality and Ageing B.V.	(1,500)	(1,500)
Finance costs paid	(2,023)	(2,882)
Expenses paid	(1,735)	(746)
	7,305	48,940
Cash flow from financing activities		
Repayment under credit facilities	(100,000)	(45,000)
Private loan	100,000	-
Deposits Leyden Academy on Vitality and Ageing B.V.	50	100
	7,355	4,040
Movement in liquid assets		

The cash flow statement has been prepared according to the direct method. A credit facility is accounted for under cash flow from financing activities, the principal amount of which is re-set periodically. For a more detailed explanation, 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's financial fixed assets are valued at approximately EUR 1 billion (with common shares and common shares B measured at the closing price on Euronext Amsterdam as at December 31, 2020: EUR 3.235 and 1/40th, respectively). At the same time, the Vereniging has a debt of EUR 100 million (face value) with a term of 5 years ending on April 17, 2025.

At December 31, 2020, the Vereniging held approximately 291 million common shares in Aegon N.V. and approximately 559 million common shares B.

Its wholly owned subsidiary Leyden Academy on Vitality and Ageing B.V. has not been consolidated in the financial statements because of its minor financial impact.

Continuity

Since March 2020, the outbreak of COVID-19 has had a huge impact on the Netherlands and the rest of the world. On April 3, 2020, Aegon N.V. decided not to pay a final dividend for 2019 and instead to add the profit for 2019 to its reserves in response to calls from the regulatory authorities, i.e. the Dutch Central Bank and EIOPA. What the impact of the pandemic will be in 2021 is difficult to estimate. At this point, the Vereniging's cash position is strong enough to meet all of its ongoing obligations.

Notes to the balance sheet

Accounting policies

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

The valuation of assets and liabilities and determination of profit or loss are based on historical costs. Unless stated otherwise in the accounting policy specific to a balance-sheet item, assets and liabilities are valued at cost.

Fixed assets

Financial fixed assets

Shares Aegon N.V. (listed)

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

Movements in common shares
(amounts x EUR 1,000)

	2020		2019	
	Number	Amount	Number	Amount
Balance as at January 1	288,702,769	1,174,154	279,236,609	1,139,006
Distribution of stock dividend	2,442,869	5,716	9,466,160	35,498
Revaluation financial year	-	(238,014)	-	(350)
Balance as at December 31	291,145,638	941,856	288,702,769	1,174,154

The market value of the common shares as at December 31, 2020, was EUR 941,856,000 (EUR 3.235 per share). As at December 31, 2019, the market value was EUR 1,174,154,000 (EUR 4.067 per share).

Shares B Aegon N.V. (unlisted)

This item comprises Aegon N.V. common shares B acquired from purchases and the conversion of Aegon N.V. preferred shares in 2013. Common shares B are not listed.

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

	2020		2019	
	Number	Amount	Number	Amount
Balance as at January 1	559,712,240	56,909	571,165,680	58,245
Purchases	2,154,000	115	1,773,680	186
Sales	(2,955,600)	(229)	(13,227,120)	(1,384)
Revaluation financial year	-	(11,593)	-	(138)
Balance as at December 31	558,910,640	45,202	559,712,240	56,909

In May 2020, approximately 2.2 million Aegon N.V. common shares B were acquired in order to prevent the dilution of voting rights. After the distribution of interim dividends in September 2020, when it acquired 2.4 million common shares, the Vereniging sold some 3 million common shares B to consolidate its full voting rights at the agreed 32.64%.

Aegon N.V. common shares B carry financial rights equalling 1/40th of an Aegon N.V. common share. On that basis, common shares B are carried at 1/40th of the market value of a common share. As at December 31, 2020, the derivative market value of common shares B was EUR 45,202,000 (EUR 0.080875 per share). As at December 31, 2019, the derivative market value was EUR 56,909,000 (EUR 0.101675 per share).

All other rights attached to common shares B are the same as those for common shares. Under the voting rights arrangement, voting rights are restricted to one vote for every forty common shares B. In the event of a special cause, the Vereniging may decide to exercise its full voting rights, i.e. one vote per common share B. However, its full voting rights will never exceed 32.64% of the voting rights attached to shares issued in Aegon N.V.'s capital, as long as the Vereniging has a less than 32.64% commercial interest in Aegon N.V.

In order to prevent dilution of its voting rights in the event of a 'special cause' (full voting rights), the Vereniging may exercise its option to acquire additional common shares B.

The option of exercising its 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 other reliable valuation method for the full voting rights.

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

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

	2020	2019
Balance as at January 1	1,583	1,321
Paid-up share premium	1,500	1,500
Result participating interest	3,083 (1,449)	2,821 (1,238)
Balance as at December 31	1,634	1,583

Leyden Academy on Vitality and Ageing B.V. commenced its activities in 2008. These activities are conducted for the purpose of achieving the Vereniging's secondary objective of focusing on trends and challenges in the field of ageing and vitality. Because of its relatively minor financial relevance, the subsidiary has not been consolidated in the financial statements.

Current assets

(amounts x EUR 1,000)

	2020	2019
Liquid assets	11,450	4,095

All liquid assets are freely available.

Capital and reserves

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

	2020	2019
Balance as at January 1	1,134,710	1,052,328
Result financial year	(236,789)	82,382
Balance as at December 31	897,921	1,134,710

Appropriation of the result of income and expenditure for the 2019 financial year

The financial statements 2019 were adopted by the General Meeting of Members on April 29, 2020. The General Meeting of Members approved the appropriation of the result as proposed by the Executive Committee.

Proposed appropriation of the result for the 2020 financial year

The Executive Committee proposes that the General Meeting of Members takes the loss for the 2020 financial year to equity of the Vereniging. This proposal is reflected in the financial statements.

Long-term liabilities

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

	2020	2019
Credit facility consortium of lenders	-	99,904

In 2016, the Vereniging obtained new funding from a syndicate of lenders led by ING Bank involving a maximum amount of EUR 445 million. The new credit facility consisted of a Facility A (originally EUR 300 million), a Facility B (EUR 100 million), and a Facility C (EUR 45 million maximum).

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

The entire credit facility was fully repaid and terminated on April 17, 2020. The interest payments under the credit facility were based on the Euribor rates plus a mark-up based on Aegon N.V.'s senior debt ratings. In 2020 and 2019, the mark-ups were 2% (Facilities A and C) and 2.15% (Facility B).

To obtain the credit facility in 2016, the Vereniging paid an upfront fee. It also paid an upfront fee when the term of the facility was extended in 2018. These fees are recognized pro rata in the statement of income and expenditure over the remaining term of the facility. The prepaid amount of EUR 96,000 as at December 31, 2019, was recognized in the statement of income and expenditure in 2020.

Under Dutch Accounting Standards 254.201 and 254.202, liabilities must be initially recognized at fair value, and subsequently recognized at amortized cost.

Transaction costs directly attributable to the acquisition of liabilities must be accounted for on initial recognition. Accordingly, the upfront fee was deducted from the valuation of the credit facility.

	2020	2019
Private loan	100,000	-

On April 17, 2020, the remainder of the credit facility was refinanced by means of a 5-year private loan granted by Vereniging OOM/Aegon. The loan carries interest at a rate of 1.95% per annum throughout its term.

None of the Vereniging's assets were encumbered with any rights as security for the loan. The loan agreement includes the usual terms and conditions, including a restriction on the disposal of assets and a restriction on the acquisition of additional debt, unless Vereniging OOM/Aegon grants written permission.

Current liabilities

(amounts x EUR 1,000)

Other liabilities, accruals and deferred income

	2020	2019
Deposits Leyden Academy on Vitality and Ageing B.V.	750	700
Accrued interest private loan Vereniging OOM/Aegon	1,398	-
Accrued interest Facility B	-	1,335
Fees consortium of lenders	-	14
Other liabilities	73	78
Total	2,221	2,127

Contingent assets and liabilities

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

The Vereniging is committed to financial support its wholly owned subsidiary Leyden Academy on Vitality and Ageing B.V. Commitments of up to EUR 1.5 million per year were made for the period from 2020 up to and including 2025. These commitments will take the form of share premium payments.

The Vereniging also decided to support an initiative of Aegon the Netherlands, 'Van Schulden Naar Kansen', with a maximum amount of EUR 1 million per year for 2020 up to and including 2022. If the initiative is successful, the financial support may be extended.

Notes to the statement of income and expenditure

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

Income

Dividends on Aegon N.V. common shares

Dividends on common shares comprise dividends received during the financial year. A dividend of EUR 0.06 per share (2019: EUR 0.30) was distributed, with some of it being paid in shares in 2019 and 2020.

Dividends on Aegon N.V. common shares B

Dividends on common shares B comprise dividends received during the financial year. The cash dividend amounted to EUR 0.0015 per share (2019: EUR 0.0075).

Aegon N.V.'s dividend policy was affected by the COVID-19 pandemic and led to an 80% fall in dividends received on common shares and common shares B.

Changes in value of Aegon N.V. common shares

The change in value of common shares comprised a change in the market value of Aegon N.V. common shares during the year. In 2020 their value declined by EUR 0.832 per share (2019: by EUR 0.012 per share), resulting in a loss of EUR 240,200,000 (2019: loss of EUR 3,351,000).

Common shares received as part of interim dividends showed an increase in value of EUR 0.895 per share, resulting in a EUR 2,186,000 gain. This left a net value loss of EUR 238,014,000.

The market value of Aegon N.V. common shares hit a low in March 2020, trading at EUR 1.556. This was driven mainly by the outbreak of the COVID-19 pandemic, which created a very negative market sentiment. Market sentiment recovered substantially in the course of the year, as reflected in a closing price of EUR 3.235 on December 31, 2020. Nonetheless, the shares lost 20.5% of their value compared to their closing price of EUR 4.067 on December 31, 2019.

Changes in value of Aegon N.V. common shares B

The change in value of common shares B comprised a change in the derivative market value (1/40th of a common share) of Aegon N.V. common shares B during the financial year. The decrease in value in 2020 was EUR 0.0206 per common share B (2019: a decrease of EUR 0.0003 per common share B), resulting in a loss of EUR 11,521,000 (2019: loss of EUR 173,000).

In order to prevent its full voting rights at Aegon N.V.'s General Meeting of Shareholders from exceeding the agreed 32.64%, the Vereniging sold common shares B in 2020, at a loss of EUR 72,000 compared to their value at December 31, 2019. The total net value loss was EUR 11,593,000.

Expenses

	2020	2019
Financing expenses		
The financial expenses were as follows (amounts x EUR 1,000)		
Interest paid on private loan	1,384	-
Interest paid under credit facility	639	2,683
Negative interest paid on cash buffer	23	5
Commissions fees paid to financial institutions	25	164
Amortization upfront fee credit facility	96	439
	2,167	3,291

On April 17, 2020, the credit facility was refinanced by means of a EUR 100 million private loan issued by Vereniging OOM/Aegon. The loan carries interest at a rate of 1.95% per annum throughout its 5-year term.

Until April 17, 2020, an amount of EUR 100 million had been drawn down (2019: average of EUR 125 million), at an average rate of interest of 2.15% (2019: 2.15%).

No use was made of Facility C during the year. An amount of EUR 20 million had been available until March 7, 2020, and the maximum commission fee was paid. More or less the maximum commission fee was also paid in 2019, with an average drawdown of 0.75 million during that year.

In order to extend the credit facility in 2018, a non-recurring upfront fee was paid to the consortium of lenders. This fee is recognized pro rata in the statement of income and expenditure over the remaining term of the facility. Because the facility was refinanced on April 17, 2020, the remainder was taken to the result.

	2020	2019
Expenses		
The expenses were as follows (amounts x EUR 1,000)		
Executive Committee's and members' expenses	290	252
Cost of work visits to Aegon office	4	-
VSNK support	1,000	-
Cost of Aegon N.V. support services	266	266
Secretary's expenses	37	34
Accounting costs	47	39
Auditor's fees	36	35
Legal fees	44	34
Other expenses	7	9
	1,731	669

The Executive Committee's and members' expenses include EUR 195,000 (2019: EUR 151,500) in remuneration paid by the Vereniging to the Executive Committee members during the year, pursuant to Section 2:383 (1) of the Dutch Civil Code.

Visits to Aegon branch offices take place once every two years. No working visits were made in 2020 due to the COVID-19 pandemic. In light of how the pandemic has been evolving, a work visit has provisionally been scheduled for 2022.

On December 24, 2020, the Vereniging signed an agreement to support 'Van Schulden naar Kansen' program, pledging a maximum amount of EUR 1 million per year for the period from 2020 until 2022, subject to strict terms and conditions.

The costs of Aegon N.V. support services originate from the Service Level Agreement, which was last amended on March 6, 2014.

For more information about Aegon N.V., please refer to its financial statements 2020 and the company's website at www.aegon.com.

Post-balance-sheet events

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

The Hague, the Netherlands, April 9, 2021

The Executive Committee

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

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

E. Friese

L.J. Hijmans van den Bergh

C.J. Kalden

M.J. Rider

V.P.G. de Serière

J.W.Th. van der Steen

Other information

Rules in the Articles of Association on profit or loss appropriation

Vereniging Aegon's Articles of Association include no provisions on profit or loss appropriation.

Independent Auditor's Report

To: the Executive Committee of Vereniging Aegon

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 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, 2020 and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The balance sheet as at December 31, 2020;
- The statement of income and expenditure for 2020;
- The cash flow statement for 2020;
- 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.

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 scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- 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.

Rotterdam, April 9, 2021

Ernst & Young Accountants LLP

signed by A.A. Heij

