

AEGON NV
Form 6-K
November 10, 2011
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Securities and Exchange Commission

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d/16 of
the Securities Exchange Act of 1934

November 2011

AEGON N.V.

AEGONplein 50

2591 TV THE HAGUE

The Netherlands

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AEGON's condensed consolidated interim financial statements Q3 2011, is included as appendix and incorporated herein by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AEGON N.V.
(Registrant)

Date: November 10, 2011

By /s/ E. Legendijk
E. Legendijk
Executive Vice President and General Counsel

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	Notes	Q3 2011	Q3 2010	Ytd 2011	Ytd 2010
Premium income	4	4,306	4,893	15,084	16,320
Investment income	5	1,914	2,352	6,124	6,730
Fee and commission income	6	96	427	984	1,268
Other revenues		1	2	5	3
Total revenues		6,317	7,674	22,197	24,321
Income from reinsurance ceded	7	976	488	1,883	1,394
Results from financial transactions	8	(8,105)	10,140	(6,060)	11,454
Other income	9	-	-	34	34
Total income		(812)	18,302	18,054	37,203
Benefits and expenses	10	(1,053)	17,393	16,565	34,833
Impairment charges / (reversals)	11	137	108	307	384
Interest charges and related fees		133	136	361	331
Other charges	12	(5)	7	16	123
Total charges		(788)	17,644	17,249	35,671
Share in net result of associates		8	11	25	30
Income / (loss) before tax		(16)	669	830	1,562
Income tax (expense) / benefit		76	(12)	(39)	(120)
Net income / (loss)		60	657	791	1,442
Net income / (loss) attributable to:					
Equity holders of AEGON N.V.		60	657	790	1,441
Non-controlling interests		-	-	1	1
Earnings and dividend per share (EUR per share)					
Earnings per share ¹		0.01	0.32	(0.08)	0.67
Earnings per share, excluding premium on convertible core capital securities		0.01	0.35	0.33	0.70
Diluted earnings per share ^{1,2}		0.01	0.32	(0.08)	0.67
Earnings per share after potential attribution to convertible core capital securities ^{1,3}		-	0.30	-	0.62
Diluted earnings per share after conversion of convertible core capital securities ^{1,2}		-	0.28	-	0.55
Dividend per common share		-	-	-	-
Net income / (loss) per common share calculation					
Net income / (loss)		60	657	790	1,441
Preferred dividend		-	-	(59)	(90)
Coupons on perpetuals		(45)	(46)	(132)	(142)
Coupons and premium on convertible core capital securities		-	(63)	(750)	(63)
Earnings attributable to common shareholders		15	548	(151)	1,146

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Potential coupon on convertible core capital securities	-	(32)	-	(95)
Earnings after potential attribution to convertible core capital securities	15	516	(151)	1,051
Weighted average number of common shares outstanding	1,880	1,707	1,842	1,707
Weighted average number of common shares outstanding, after conversion of convertible core capital securities	-	2,165	-	2,193

¹ After deduction of preferred dividend, coupons on perpetuals and coupons and premium on core capital securities.

² The potential conversion of the convertible core capital securities is taken into account in the calculation of diluted earnings per share if this would have a dilutive effect (i.e. diluted earnings per share would be lower than the earnings after potential attribution to convertible core capital securities).

³ Reflect basic earnings per share. For Q3 2011, basic earnings per share is EUR 0.01

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<i>EUR millions</i>	Q3 2011	Q3 2010	Ytd 2011	Ytd 2010
Net income / (loss)	60	657	791	1,442
Other comprehensive income:				
Gains / (losses) on revaluation of available-for-sale investments	1,483	2,724	1,848	6,001
(Gains) / losses transferred to the income statement on disposal and impairment of available-for-sale investments	(119)	(93)	(338)	(235)
Changes in revaluation reserve real estate held for own use	3	(2)	3	4
Changes in cash flow hedging reserve	910	(66)	907	253
Movement in foreign currency translation and net foreign investment hedging reserve	1,032	(1,511)	(141)	723
Equity movements of associates	(1)	2	(8)	10
Disposal of group assets	-	-	-	(22)
Aggregate tax effect of items recognized in other comprehensive income	(734)	(748)	(790)	(1,985)
Other	10	(4)	4	(11)
Other comprehensive income for the period	2,584	302	1,485	4,738
Total comprehensive income	2,644	959	2,276	6,180
Total comprehensive income attributable to:				
Equity holders of AEGON N.V.	2,643	961	2,275	6,179
Non-controlling interests	1	(2)	1	1

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<i>EUR millions</i>	Notes	Sept. 30, 2011	Dec. 31, 2010
ASSETS			
Intangible assets	13	3,564	4,359
Investments	14	143,006	143,188
Investments for account of policyholders	15	139,599	146,237
Derivatives	16	14,483	6,251
Investments in associates		747	733
Reinsurance assets	17	8,497	5,580
Deferred expenses and rebates	18	11,204	11,948
Other assets and receivables		9,399	8,776
Cash and cash equivalents		7,322	5,231
Total assets		337,821	332,303
EQUITY AND LIABILITIES			
Shareholders' equity		19,443	17,210
Convertible core capital securities	20	-	1,500
Other equity instruments		4,716	4,704
Issued capital and reserves attributable to equity holders of AEGON N.V.		24,159	23,414
Non-controlling interests		12	11
Group equity		24,171	23,425
Trust pass-through securities		154	143
Subordinated borrowings		18	-
Insurance contracts		102,765	100,506
Insurance contracts for account of policyholders		74,934	77,650
Investment contracts		20,904	23,237
Investment contracts for account of policyholders		66,816	69,527
Derivatives	16	12,112	5,971
Borrowings	21	9,811	8,518
Other liabilities		26,136	23,326
Total liabilities		313,650	308,878
Total equity and liabilities		337,821	332,303

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EUR millions	Share capital ¹	Retained earnings	Revaluation reserves	Other reserves	Convertible core capital securities	Other equity instruments	Issued capital and reserves ²	Non-controlling interests	Total
Nine months ended September 30, 2011									
At beginning of year	8,184	9,421	958	(1,353)	1,500	4,704	23,414	11	23,425
Net income recognized in the income statement	-	790	-	-	-	-	790	1	791
Other comprehensive income:									
Gains / (losses) on revaluation of available-for-sale investments	-	-	1,848	-	-	-	1,848	-	1,848
(Gains) / losses transferred to income statement on disposal and impairment of available-for-sale investments	-	-	(338)	-	-	-	(338)	-	(338)
Changes in revaluation reserve real estate held for own use	-	-	3	-	-	-	3	-	3
Changes in cash flow hedging reserve	-	-	907	-	-	-	907	-	907
Movement in foreign currency translation and net foreign investment hedging reserves	-	-	-	(141)	-	-	(141)	-	(141)
Equity movements of associates	-	-	-	(8)	-	-	(8)	-	(8)
Aggregate tax effect of items recognized in other comprehensive income	-	-	(793)	3	-	-	(790)	-	(790)
Other	-	4	-	-	-	-	4	-	4
Total other comprehensive income	-	4	1,627	(146)	-	-	1,485	-	1,485
Total comprehensive income for 2011	-	794	1,627	(146)	-	-	2,275	1	2,276
Shares issued	913	-	-	-	-	-	913	-	913
Repurchase of convertible core capital securities	-	-	-	-	(1,500)	-	(1,500)	-	(1,500)
Preferred dividend	-	(59)	-	-	-	-	(59)	-	(59)
Coupons on perpetuals	-	(132)	-	-	-	-	(132)	-	(132)
Coupons and premium on convertible core capital securities	-	(750)	-	-	-	-	(750)	-	(750)
Share options and incentive plans	-	-	-	-	-	12	12	-	12
Other	-	(14)	-	-	-	-	(14)	-	(14)
At end of period	9,097	9,260	2,585	(1,499)	-	4,716	24,159	12	24,171
Nine months ended September 30, 2010									
At beginning of year	8,184	7,995	(1,709)	(2,306)	2,000	4,709	18,873	10	18,883
Net income / (loss) recognized in the income statement	-	1,441	-	-	-	-	1,441	1	1,442
Other comprehensive income:									
Gains / (losses) on revaluation of available-for-sale investments	-	-	6,001	-	-	-	6,001	-	6,001
(Gains) / losses transferred to income statement on disposal and impairment of available-for-sale investments	-	-	(235)	-	-	-	(235)	-	(235)
Changes in revaluation reserve real estate held for own use	-	-	4	-	-	-	4	-	4
Changes in cash flow hedging reserve	-	-	253	-	-	-	253	-	253

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Movement in foreign currency translation and net foreign investment hedging reserves	-	-	-	723	-	-	723	-	723
Equity movements of associates	-	-	-	10	-	-	10	-	10
Disposal of group assets	-	-	(22)	-	-	-	(22)	-	(22)
Aggregate tax effect of items recognized in other comprehensive income	-	-	(1,956)	(29)	-	-	(1,985)	-	(1,985)
Other	-	(11)	-	-	-	-	(11)	-	(11)
Total other comprehensive income	-	(11)	4,045	704	-	-	4,738	-	4,738
Total comprehensive income / (loss) for 2010	-	1,430	4,045	704	-	-	6,179	1	6,180
Shares issued	-	-	-	-	-	-	-	-	-
Repayment convertible core capital securities	-	-	-	-	(500)	-	(500)	-	(500)
Preferred dividend	-	(90)	-	-	-	-	(90)	-	(90)
Coupons on perpetual securities	-	(142)	-	-	-	-	(142)	-	(142)
Coupons and premium on convertible core capital securities	-	(63)	-	-	-	-	(63)	-	(63)
Share options and incentive plans	-	-	-	-	-	(6)	(6)	-	(6)
At end of period	8,184	9,130	2,336	(1,602)	1,500	4,703	24,251	11	24,262

¹ For a breakdown of share capital please refer to note 18.

² Issued capital and reserves attributable to equity holders of AEGON N.V.

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<i>EUR millions</i>	Ytd 2011	Ytd 2010
Cash flow from operating activities	1,795	3,100
Purchases and disposals of intangible assets	(11)	(14)
Purchases and disposals of equipment and other assets	(39)	(76)
Purchases, disposals and dividends of subsidiaries and associates	620	(184)
Cash flow from investing activities	570	(274)
Issuance and purchase of share capital	913	-
Dividends paid	(59)	(90)
Issuances, repurchases and coupons of convertible core capital securities	(2,250)	(563)
Issuances, repurchases and coupons of perpetuals	(176)	(190)
Issuances and repayments on borrowings	1,241	1,362
Cash flow from financing activities	(331)	519
Net increase / (decrease) in cash and cash equivalents	2,034	3,345
Net cash and cash equivalents at January 1	5,174	4,013
Effects of changes in exchange rate	12	44
Net cash and cash equivalents at end of period	7,220	7,402
	Sept. 30, 2011	Sept. 30, 2010
Cash and cash equivalents	7,322	7,778
Bank overdrafts	(102)	(376)
Net cash and cash equivalents	7,220	7,402

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Notes to the condensed consolidated interim financial statements

Amounts in EUR millions, unless otherwise stated

1. Basis of presentation

The condensed consolidated interim financial statements as at, and for the third quarter ended, September 30, 2011, have been prepared in accordance with IAS 34 Interim financial reporting as adopted by the European Union (EU) as issued by the International Accounting Standards Board (IASB). It does not include all of the information required for a full set of financial statements prepared in accordance with IFRS and should therefore be read together with the 2010 consolidated financial statements of AEGON N.V. as included in AEGON's Annual Report for 2010. AEGON's Annual Report for 2010 is available on its website (www.aegon.com).

The condensed consolidated interim financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investment properties and those financial instruments (including derivatives) and financial liabilities that have been measured at fair value. The condensed consolidated interim financial statements were approved by the Executive Board on November 9, 2011.

The published figures in these condensed consolidated interim financial statements are unaudited.

2. Significant accounting policies

All accounting policies and methods of computation applied in the condensed consolidated interim financial statements are the same as those applied in the 2010 consolidated financial statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as adopted by the European Union.

Taxes on income for the first nine months of 2011 interim period are accrued using the tax rate that would be applicable to expected total annual earnings.

The following standards, interpretations, amendments to standards and interpretations became effective in 2011:

- ⌚ Amendment to IAS 24 - Related party disclosures.

- ⌚ Amendment to IFRS 1 - First time adoption.

- ⌚ Amendment to IFRIC 14 - Prepayments of a minimum funding requirement.

- ⌚ Amendment to IAS 32 - Classification of Rights Issues.

• IFRIC 19 - Extinguishing financial liabilities with equity instruments.

• Improvements to IFRS (2010).

None of these new or revised standards and interpretations had a significant effect on the condensed consolidated interim financial statements for the period ended September 30, 2011.

AEGON has not early adopted any other standards, interpretations or amendments, which have been issued but are not yet effective.

Critical accounting estimates

Certain amounts recorded in the condensed consolidated interim financial statements reflect estimates and assumptions made by management. Actual results may differ from the estimates made.

Assumptions changes

A change in long term economic assumptions related to lower interest rates in the United States had a negative impact on earnings of EUR 169 million reflecting DAC write-off and reserve strengthening. AEGON has lowered its long term assumption for 10 year US Treasury yields by 50 bps to 4.75% (graded uniformly from current yields over the next five years) and lowered the 90 day rate to 0.2% for the next two years followed by a three year grade to 3%. In addition, AEGON has lowered its assumed return for separate account bond fund returns by 200 bps to 4% over the next five years, followed by a return of 6% thereafter. The bond fund return is a gross assumption from which asset management and policy fees are deducted to determine the policyholder return.

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Exchange rates

The following exchange rates are applied for the condensed consolidated interim financial statements: Income statement items: average rate 1 EUR = USD 1.4056 (2010: USD 1.3154); 1 EUR = GBP 0.8702 (2010: GBP 0.8572). Balance sheet items: closing rate 1 EUR = USD 1.3417 (2010: USD 1.3362); 1 EUR = GBP 0.8613 (2010: GBP 0.8608).

Table of Contents**3. Segment information****3.1 Income statement****Three months ended September 30, 2011**

<i>EUR millions</i>	Holding								
	Americas	The Netherlands	United Kingdom	New Markets	and other activities	Eliminations	Non-IFRS Total	Associates eliminations	Total IFRS based
<i>Three months ended September 30, 2011</i>									
Underlying earnings before tax									
geographically	310	68	9	43	(72)	3	361	(1)	360
Fair value items	(275)	25	(8)	(16)	(14)	-	(288)	-	(288)
Realized gains / (losses) on investments	40	59	3	-	-	-	102	-	102
Impairment charges	(85)	(5)	(22)	(29)	-	-	(141)	1	(140)
Impairment reversals	9	-	-	-	-	-	9	-	9
Other income / (charges)	4	(61)	5	(2)	-	-	(54)	-	(54)
Run-off businesses	(5)	-	-	-	-	-	(5)	-	(5)
Income before tax	(2)	86	(13)	(4)	(86)	3	(16)	-	(16)
Income tax (expense) / benefit	72	(23)	13	(9)	23	-	76	-	76
Net income	70	63	-	(13)	(63)	3	60	-	60
<i>Inter-segment underlying earnings</i>	(28)	(23)	(18)	58	11				
Revenues									
Life insurance gross premiums	1,523	480	1,474	285	-	-	3,762	(87)	3,675
Accident and health insurance	442	37	-	15	-	-	494	-	494
General insurance	-	99	-	38	-	-	137	-	137
Total gross premiums	1,965	616	1,474	338	-	-	4,393	(87)	4,306
Investment income	878	526	458	64	68	(66)	1,928	(14)	1,914
Fee and commission income	(76)	77	35	111	-	(51)	96	-	96
Other revenues	-	-	-	1	-	-	1	-	1
Total revenues	2,767	1,219	1,967	514	68	(117)	6,418	(101)	6,317
<i>Inter-segment revenues</i>	1	-	1	51	64				

Three months ended September 30, 2010

<i>EUR millions</i>	Holding								
	Americas	The Netherlands	United Kingdom	New Markets	and other activities	Eliminations	Non-IFRS Total	Associates eliminations	Total IFRS based
<i>Three months ended September 30, 2010</i>									
Underlying earnings before tax geographically									
Fair value items	355	97	28	55	(82)	(1)	452	(3)	449
Realized gains / (losses) on investments	87	184	2	(9)	(60)	-	204	-	204
Impairment charges	92	35	-	2	-	-	129	-	129
Impairment reversals	(102)	(4)	(3)	-	-	-	(109)	-	(109)
Other income / (charges)	17	-	-	-	-	-	17	-	17
Run-off businesses	(1)	-	15	(5)	(23)	-	(14)	-	(14)
Income before tax	441	312	42	43	(165)	(1)	672	(3)	669
Income tax (expense) / benefit	(7)	-	-	-	-	-	(7)	-	(7)
Net income	480	237	53	30	(142)	(1)	657	-	657
<i>Inter-segment underlying earnings</i>	(38)	(3)	(17)	51	7				
Revenues									
Life insurance gross premiums	1,850	400	1,796	294	-	-	4,340	(99)	4,241
Accident and health insurance	467	34	-	14	-	-	515	-	515
General insurance	-	98	-	39	-	-			