

AEGON NV  
Form 6-K  
November 12, 2015  
Table of Contents

**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 2015

**AEGON N.V.**

Aegonplein 50

2591 TV THE HAGUE

The Netherlands

**Table of Contents**

Aegon's condensed consolidated interim financial statements Q3 2015, dated November 12, 2015, are 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 12, 2015

By /s/ J.H.P.M. van Rossum  
J.H.P.M. van Rossum  
Executive Vice President  
Corporate Controller

**Table of Contents**

**Table of Contents**

**Table of contents**

|   |   |
|---|---|
| <u>Condensed consolidated income statement</u>                          | 2 |
| <u>Condensed consolidated statement of comprehensive income</u>         | 3 |
| <u>Condensed consolidated statement of financial position</u>           | 4 |
| <u>Condensed consolidated statement of changes in equity</u>            | 5 |
| <u>Condensed consolidated cash flow statement</u>                       | 6 |
| <u>Notes to the condensed consolidated interim financial statements</u> | 7 |
| Unaudited   | 1 |

**Table of Contents****Condensed consolidated income statement**

| <i>EUR millions</i>                         | Notes | Q3 2015      | Q3 2014      | YTD 2015      | YTD 2014      |
|---|-------|--------------|--------------|---------------|---------------|
| Premium income                              | 4     | 4,789        | 5,076        | 15,411        | 14,701        |
| Investment income                           | 5     | 2,012        | 1,998        | 6,372         | 6,086         |
| Fee and commission income                   |       | 623          | 619          | 1,831         | 1,572         |
| Other revenues                              |       | 1            | 2            | 10            | 5             |
| <b>Total revenues</b>                       |       | <b>7,425</b> | <b>7,695</b> | <b>23,624</b> | <b>22,364</b> |
| Income from reinsurance ceded               |       | 1,065        | 604          | 2,539         | 2,047         |
| Results from financial transactions         | 6     | (7,693)      | 1,038        | (4,968)       | 7,710         |
| Other income                                | 7     | 16           | 16           | 16            | 28            |
| <b>Total income</b>                         |       | <b>814</b>   | <b>9,353</b> | <b>21,212</b> | <b>32,149</b> |
| Benefits and expenses                       | 8     | 553          | 9,253        | 20,020        | 30,962        |
| Impairment charges / (reversals)            | 9     | 10           | (3)          | 17            | 13            |
| Interest charges and related fees           |       | 125          | 85           | 308           | 267           |
| Other charges                               | 10    | 751          | 28           | 761           | 34            |
| <b>Total charges</b>                        |       | <b>1,439</b> | <b>9,363</b> | <b>21,106</b> | <b>31,275</b> |
| Share in net result of joint ventures       |       | 51           | 23           | 112           | 42            |
| Share in net result of associates           |       | 3            | 6            | 6             | 23            |
| <b>Income / (loss) before tax</b>           |       | <b>(572)</b> | <b>19</b>    | <b>224</b>    | <b>938</b>    |
| Income tax (expense) / benefit              |       | 48           | 33           | (82)          | (151)         |
| <b>Net income / (loss)</b>                  |       | <b>(524)</b> | <b>52</b>    | <b>142</b>    | <b>787</b>    |
| <b>Net income / (loss) attributable to:</b> |       |              |              |               |               |
| Equity holders of Aegon N.V.                |       | (524)        | 52           | 141           | 787           |
| Non-controlling interests                   |       | -            | -            | -             | -             |
| <b>Earnings per share (EUR per share)</b>   | 17    |              |              |               |               |
| Basic earnings per common share             |       | (0.26)       | 0.01         | 0.02          | 0.32          |
| Basic earnings per common share B           |       | (0.01)       | -            | -             | 0.01          |
| Diluted earnings per common share           |       | (0.26)       | 0.01         | 0.02          | 0.32          |
| Diluted earnings per common share B         |       | (0.01)       | -            | -             | 0.01          |

**Table of Contents****Condensed consolidated statement of comprehensive income**

| <i>EUR millions</i>   | Q3 2015      | Q3 2014      | YTD 2015   | YTD 2014     |
|---|--------------|--------------|------------|--------------|
| Net income / (loss)   | (524)        | 52           | 142        | 787          |
| <b>Other comprehensive income:</b>  |              |              |            |              |
| <b>Items that will not be reclassified to profit or loss:</b>   |              |              |            |              |
| Changes in revaluation reserve real estate held for own use   | 1            | 3            | 5          | 1            |
| Remeasurements of defined benefit plans   | (11)         | (279)        | 256        | (722)        |
| Income tax relating to items that will not be reclassified  | 19           | 69           | (62)       | 194          |
| <b>Items that may be reclassified subsequently to profit or loss:</b>   |              |              |            |              |
| Gains / (losses) on revaluation of available-for-sale investments   | 418          | 1,154        | (1,107)    | 4,466        |
| (Gains) / losses transferred to the income statement on disposal and impairment of available-for-sale investments | (45)         | (104)        | (325)      | (423)        |
| Changes in cash flow hedging reserve  | 504          | 249          | 541        | 629          |
| Movement in foreign currency translation and net foreign investment hedging reserve                               | (200)        | 995          | 1,077      | 1,168        |
| Equity movements of joint ventures  | (1)          | (8)          | (3)        | 4            |
| Equity movements of associates  | -            | -            | -          | 7            |
| Disposal of group assets  | (550)        | -            | (550)      | -            |
| Income tax relating to items that may be reclassified   | (280)        | (264)        | 380        | (1,253)      |
| Other   | 5            | 2            | 9          | (3)          |
| Other comprehensive income for the period   | (139)        | 1,816        | 221        | 4,068        |
| <b>Total comprehensive income / (loss)</b>  | <b>(663)</b> | <b>1,868</b> | <b>362</b> | <b>4,855</b> |
| <b>Total comprehensive income / (loss) attributable to:</b>   |              |              |            |              |
| Equity holders of Aegon N.V.  | (662)        | 1,868        | 363        | 4,856        |
| Non-controlling interests   | (1)          | -            | (1)        | (1)          |

Unaudited

3

**Table of Contents****Condensed consolidated statement of financial position**

| <i>EUR millions</i>   | Notes | Sept. 30,<br>2015 | Dec. 31,<br>2014 |
|---|-------|-------------------|------------------|
| <b>Assets</b>   |       |                   |                  |
| Intangible assets   | 11    | 1,986             | 2,073            |
| Investments   | 12    | 160,830           | 153,653          |
| Investments for account of policyholders  | 13    | 193,562           | 191,467          |
| Derivatives   | 14    | 22,676            | 28,014           |
| Investments in joint ventures   |       | 1,578             | 1,468            |
| Investments in associates   |       | 233               | 140              |
| Reinsurance assets  |       | 10,234            | 9,593            |
| Deferred expenses   | 16    | 12,047            | 10,373           |
| Assets held for sale  | 19    | -                 | 9,881            |
| Other assets and receivables  |       | 8,218             | 7,628            |
| Cash and cash equivalents   |       | 9,524             | 10,610           |
| <b>Total assets</b>   |       | <b>420,890</b>    | <b>424,902</b>   |
| <b>Equity and liabilities</b>   |       |                   |                  |
| Shareholders' equity  |       | 24,094            | 24,293           |
| Other equity instruments  |       | 3,801             | 3,827            |
| <b>Issued capital and reserves attributable to equity holders of Aegon N.V.</b> |       | <b>27,895</b>     | <b>28,120</b>    |
| Non-controlling interests   |       | 8                 | 9                |
| <b>Group equity</b>   |       | <b>27,904</b>     | <b>28,129</b>    |
| Trust pass-through securities   |       | 155               | 143              |
| Subordinated borrowings   |       | 756               | 747              |
| Insurance contracts   |       | 121,093           | 111,927          |
| Insurance contracts for account of policyholders                                |       | 106,799           | 102,250          |
| Investment contracts  |       | 17,173            | 15,359           |
| Investment contracts for account of policyholders                               |       | 89,155            | 91,849           |
| Derivatives   | 14    | 20,143            | 26,048           |
| Borrowings  | 18    | 12,910            | 14,158           |
| Liabilities held for sale   | 19    | -                 | 7,810            |
| Other liabilities   |       | 24,803            | 26,481           |
| <b>Total liabilities</b>  |       | <b>392,986</b>    | <b>396,772</b>   |
| <b>Total equity and liabilities</b>   |       | <b>420,890</b>    | <b>424,902</b>   |

**Table of Contents****Condensed consolidated statement of changes in equity**

| <i>EUR millions</i>   | Share capital <sup>1</sup> | Retained earnings | Revaluation reserves | Remeasurement of defined benefit plans | Other reserves | Other equity instruments | Issued capital and reserves <sup>2</sup> | Non-controlling interests | Total         |
|---|----------------------------|-------------------|----------------------|--|----------------|--------------------------|--|---------------------------|---------------|
| <b>Nine months ended September 30, 2015</b>   |                            |                   |                      |  |                |                          |  |                           |               |
| At beginning of year  | 8,597                      | 9,076             | 8,308                | (1,611)                                | (77)           | 3,827                    | 28,120                                   | 9                         | 28,129        |
| Net income / (loss) recognized in the income statement  | -                          | 141               | -                    | -                                      | -              | -                        | 141                                      | -                         | 142           |
| <b>Other comprehensive income:</b>  |                            |                   |                      |  |                |                          |  |                           |               |
| <i>Items that will not be reclassified to profit or loss:</i>   |                            |                   |                      |  |                |                          |  |                           |               |
| Changes in revaluation reserve real estate held for own use   | -                          | -                 | 5                    | -                                      | -              | -                        | 5  | -                         | 5             |
| Remeasurements of defined benefit plans   | -                          | -                 | -                    | 256                                    | -              | -                        | 256                                      | -                         | 256           |
| Income tax relating to items that will not be reclassified  | -                          | -                 | (1)                  | (62)                                   | -              | -                        | (62)                                     | -                         | (62)          |
| <i>Items that may be reclassified subsequently to profit or loss:</i>   |                            |                   |                      |  |                |                          |  |                           |               |
| Gains / (losses) on revaluation of available-for-sale investments   | -                          | -                 | (1,107)              | -                                      | -              | -                        | (1,107)                                  | -                         | (1,107)       |
| (Gains) / losses transferred to income statement on disposal and impairment of available-for-sale investments | -                          | -                 | (325)                | -                                      | -              | -                        | (325)                                    | -                         | (325)         |
| Changes in cash flow hedging reserve  | -                          | -                 | 541                  | -                                      | -              | -                        | 541                                      | -                         | 541           |
| Movement in foreign currency translation and net foreign investment hedging reserves                          | -                          | -                 | -                    | (68)                                   | 1,145          | -                        | 1,077                                    | -                         | 1,077         |
| Equity movements of joint ventures  | -                          | -                 | -                    | -                                      | (3)            | -                        | (3)                                      | -                         | (3)           |
| Disposal of group assets  | -                          | -                 | (473)                | -                                      | (77)           | -                        | (550)                                    | -                         | (550)         |
| Income tax relating to items that may be reclassified   | -                          | -                 | 416                  | -                                      | (36)           | -                        | 380                                      | -                         | 380           |
| Other   | -                          | 10                | -                    | -                                      | -              | -                        | 10                                       | (1)                       | 9             |
| <b>Total other comprehensive income</b>   | -                          | <b>10</b>         | <b>(944)</b>         | <b>126</b>                             | <b>1,029</b>   | -                        | <b>222</b>                               | <b>(1)</b>                | <b>221</b>    |
| <b>Total comprehensive income / (loss) for 2015</b>   | -                          | <b>151</b>        | <b>(944)</b>         | <b>126</b>                             | <b>1,029</b>   | -                        | <b>363</b>                               | <b>(1)</b>                | <b>362</b>    |
| Shares issued and withdrawn   | 1                          | -                 | -                    | -                                      | -              | -                        | 1  | -                         | 1             |
| Issuance and purchase of treasury shares  | -                          | 51                | -                    | -                                      | -              | -                        | 51                                       | -                         | 51            |
| Dividends paid on common shares   | (211)                      | (292)             | -                    | -                                      | -              | -                        | (503)                                    | -                         | (503)         |
| Coupons on non-cumulative subordinated notes  | -                          | (21)              | -                    | -                                      | -              | -                        | (21)                                     | -                         | (21)          |
| Coupons on perpetual securities   | -                          | (83)              | -                    | -                                      | -              | -                        | (83)                                     | -                         | (83)          |
| Share options and incentive plans   | -                          | (7)               | -                    | -                                      | -              | (26)                     | (33)                                     | -                         | (33)          |
| <b>At end of period</b>   | <b>8,387</b>               | <b>8,876</b>      | <b>7,364</b>         | <b>(1,485)</b>                         | <b>952</b>     | <b>3,801</b>             | <b>27,895</b>                            | <b>8</b>                  | <b>27,904</b> |
| <b>Nine months ended September 30, 2014</b>   |                            |                   |                      |  |                |                          |  |                           |               |
| At beginning of year  | 8,701                      | 8,361             | 3,023                | (706)                                  | (1,778)        | 5,015                    | 22,616                                   | 10                        | 22,626        |
| Net income / (loss) recognized in the income statement  | -                          | 787               | -                    | -                                      | -              | -                        | 787                                      | -                         | 787           |
| <b>Other comprehensive income:</b>  |                            |                   |                      |  |                |                          |  |                           |               |





**Table of Contents****Condensed consolidated cash flow statement**

| <i>EUR millions</i>   | Q3 2015        | Q3 2014      |
|---|----------------|--------------|
| <b>Cash flow from operating activities</b>  | <b>142</b>     | <b>2,476</b> |
| Purchases and disposals of intangible assets                                      | (33)           | (20)         |
| Purchases and disposals of equipment and other assets                             | (62)           | (39)         |
| Purchases, disposals and dividends of subsidiaries, associates and joint ventures | 840            | 77           |
| <b>Cash flow from investing activities</b>  | <b>744</b>     | <b>18</b>    |
| Issuance and purchase of treasury shares  | (167)          | (147)        |
| Dividends paid  | (292)          | (266)        |
| Issuances, repurchases and coupons of perpetuals                                  | (111)          | (1,305)      |
| Issuances, repurchases and coupons of non-cumulative subordinated notes           | (28)           | (23)         |
| Issuances and repayments of borrowings  | (1,538)        | 2,355        |
| <b>Cash flow from financing activities</b>  | <b>(2,136)</b> | <b>613</b>   |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                     | <b>(1,250)</b> | <b>3,108</b> |
| Net cash and cash equivalents at January 1  | 10,607         | 5,652        |
| Effects of changes in foreign exchange rates                                      | 158            | 177          |
| <b>Net cash and cash equivalents at end of period</b>                             | <b>9,516</b>   | <b>8,937</b> |
| Cash and cash equivalents   | 9,524          | 9,024        |
| Bank overdrafts classified as other liabilities                                   | (8)            | (87)         |
| <b>Net cash and cash equivalents</b>  | <b>9,516</b>   | <b>8,937</b> |

---

**Table of Contents**

## Notes to the condensed consolidated interim financial statements

Amounts in EUR millions, unless otherwise stated

Aegon N.V., incorporated and domiciled in the Netherlands, is a public limited liability company organized under Dutch law and recorded in the Commercial Register of The Hague under number 27076669 and with its registered address at Aegonplein 50, 2591 TV, The Hague, the Netherlands. Aegon N.V. serves as the holding company for the Aegon Group and has listings of its common shares in Amsterdam and New York.

Aegon N.V. (or the Company) and its consolidated subsidiaries (Aegon or the Group) have life insurance and pensions operations in over twenty-five countries in the Americas, Europe and Asia and are also active in savings and asset management operations, accident and health insurance, general insurance and to a limited extent banking operations. Its headquarters are located in The Hague, the Netherlands. The Group employs approximately 28,000 people worldwide.

### 1. Basis of presentation

The condensed consolidated interim financial statements as at, and for the period ended, September 30, 2015, have been prepared in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union (hereafter *IFRS*). They do 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 2014 consolidated financial statements of Aegon N.V. as included in Aegon's Annual Report for 2014. Aegon's Annual Report for 2014 is available on its website (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. Certain amounts in prior periods may have been reclassified to conform to the current year presentation. These reclassifications had no effect on net income, shareholders' equity or earnings per share.

The condensed consolidated interim financial statements as at, and for the period ended, September 30, 2015, were approved by the Executive Board on November 11, 2015.

The condensed consolidated interim financial statements are presented in euro (EUR) and all values are rounded to the nearest million unless otherwise stated. The consequence is that the rounded amounts may not add up to the rounded total in all cases.

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 2014 consolidated financial statements.

#### *New IFRS accounting standards effective*

The following standards, interpretations, amendments to standards and interpretations became effective in 2015:

- t IAS 19 *Employee Benefits* – Amendment *Employee Contributions*;
- t Annual improvements 2010-2012 Cycle; and
- t Annual improvements 2011-2013 Cycle.

None of these revised standards and interpretations had a significant effect on the condensed consolidated interim financial statements as at and for the period ended September 30, 2015.

## Edgar Filing: AEGON NV - Form 6-K

For a complete overview of IFRS standards, published before January 1, 2015, that will be applied in future years, and were not early adopted by the Group, please refer to Aegon's Annual Report for 2014.

Unaudited

7

**Table of Contents**

*Taxes*

Taxes on income for the nine-month period, ending September 30, 2015, are accrued using the tax rate that would be applicable to expected total annual earnings.

*Judgments and critical accounting estimates*

Preparing the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions, including the likelihood, timing or amount of future transactions or events, that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from the estimates made.

In preparing the condensed consolidated interim financial statements, significant judgments made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were not significantly different than those that were applied to the consolidated financial statements as at and for the year ended December 31, 2014.

*Actuarial assumption updates*

Assumptions are reviewed and updated periodically, typically in the third quarter, based on historical experience and observable market data, including market transactions such as acquisitions and reinsurance transactions.

During the third quarter of 2015, Aegon implemented assumption updates resulting in a net EUR 5 million gain to income before tax. Charges arising from assumption updates included in underlying earnings before tax amounted to EUR 96 million.

- t A charge for actuarial assumption updates in the Americas Life & Protection business amounted to EUR 17 million, and was primarily related to updated mortality assumptions of active lives and updated lapse assumptions.
- t Actuarial assumption updates in the Americas Investments & Retirement business resulted in a charge of EUR 79 million and was primarily related to expense assumption updates related to fixed and variable annuity contracts.

In fair value items a favorable amount of EUR 101 million has been recorded primarily reflecting an update of the risk free yield curve to determine Aegon's liabilities for certain variable annuity contracts as well as economic scenario updates for both fixed and variable annuity contracts.

*Exchange rates*

Assets and liabilities are translated at the closing rates on the balance sheet date. Income, expenses and capital transactions (such as dividends) are translated at average exchange rates or at the prevailing rates on the transaction date, if more appropriate. The following exchange rates are applied for the condensed consolidated interim financial statements:

Closing exchange rates

|                    |   |     | USD    | GBP    |
|--------------------|---|-----|--------|--------|
| September 30, 2015 | 1 | EUR | 1.1163 | 0.7369 |

Edgar Filing: AEGON NV - Form 6-K

|                   |   |     |        |        |
|-------------------|---|-----|--------|--------|
| December 31, 2014 | 1 | EUR | 1.2101 | 0.7760 |
|-------------------|---|-----|--------|--------|

Weighted average exchange rates

|  |  |  |     |     |
|--|--|--|-----|-----|
|  |  |  | USD | GBP |
|--|--|--|-----|-----|

|                                      |   |     |        |        |
|--------------------------------------|---|-----|--------|--------|
| Nine months ended September 30, 2015 | 1 | EUR | 1.1150 | 0.7272 |
|--------------------------------------|---|-----|--------|--------|

|                                      |   |     |        |        |
|--------------------------------------|---|-----|--------|--------|
| Nine months ended September 30, 2014 | 1 | EUR | 1.3554 | 0.8120 |
|--------------------------------------|---|-----|--------|--------|

---

**Table of Contents**

**3. Segment information**

Aegon conducts its operations through five primary reporting segments:

1. Aegon Americas: covers business units in the United States, Canada, Brazil and Mexico, including any of the units' activities located outside these countries;
2. Aegon the Netherlands: covers businesses operating in the Netherlands;
3. Aegon UK: covers businesses operating in the United Kingdom;
4. New Markets: covers businesses operating in Central & Eastern Europe; Asia, Spain and Portugal, as well as Aegon's variable annuities activities in Europe and Aegon Asset Management that are aggregated as one reportable segment due to their respective size;
5. Holding and other activities: includes financing, employee and other administrative expenses of holding companies.

These segments are based on the business as presented in internal reports that are regularly reviewed by the Executive Board which is regarded as the chief operating decision maker.

Aegon's segment information is prepared by consolidating on a proportionate basis Aegon's joint ventures and associated companies.

*Performance Measure*

A performance measure of reporting segments utilized by the Company is underlying earnings before tax. Underlying earnings before tax reflects Aegon's profit from underlying business operations and excludes components that relate to accounting mismatches that are dependent on market volatility or relate to events that are considered outside the normal course of business.

Aegon believes that its performance measure underlying earnings before tax provides meaningful information about the underlying results of Aegon's business, including insight into the financial measures that Aegon's senior management uses in managing the business. Among other things, Aegon's senior management is compensated based in part on Aegon's results against targets using underlying earnings before tax. While many other insurers in Aegon's peer group present substantially similar performance measures, the performance measures presented in this document may nevertheless differ from the performance measures presented by other insurers. There is no standardized meaning to these measures under IFRS or any other recognized set of accounting standards.

The reconciliation from underlying earnings before tax to income before tax, being the most comparable IFRS measure, is presented in the tables in this note.

The items that are excluded from underlying earnings before tax as described further below are: fair value items, realized gain or losses on investments, impairment charges/reversals, other income or charges, run-off businesses and share in earnings of joint ventures and associates.

As of Q3 2015, management decided to change the measurement of underlying earnings before tax by including the impact of model updates as part of Other income/(charges) rather than as part of underlying earnings before tax. The models are used to support calculations of our liabilities for insurance and investment contracts sold to policyholders and related assets. Model updates could result in either a strengthening of reserves or a release of reserves held to cover for insurance or investment contracts in force and the related treatment of deferred acquisition costs or costs of value of business acquired. The reason for this change in measurement is that management believes that these model updates are expected to be non-recurring.

Unaudited

9

---

**Table of Contents**

As a result, presentation as part of Other income/(charges) would provide better insight to users of Aegon's financial statements in the actual performance from its underlying business operations. In Q3 2015 an amount of EUR (209) million has been recorded in Other income/(charges). The impact of this change in measurement on full year 2014 would have been an increase in Aegon Group consolidated underlying earnings before tax of EUR 82 million and a decrease in Other income/(charges) for the same amount for segment reporting purposes. The impact is split between the Americas (EUR 57 million) and New Markets (EUR 26 million). The presentation of the items in the IFRS income statement will remain unchanged and continue to be part of the line Policyholder claims and benefits.

*Fair value items*

Fair value items include the over- or underperformance of investments and guarantees held at fair value for which the expected long-term return is included in underlying earnings before tax. Changes to these long-term return assumptions are also included in the fair value items.

In addition, hedge ineffectiveness on hedge transactions, fair value changes on economic hedges without natural offset in earnings and for which no hedge accounting is applied and fair value movements on real estate are included under fair value items.

Certain assets held by Aegon Americas, Aegon the Netherlands and Aegon UK are carried at fair value and managed on a total return basis, with no offsetting changes in the valuation of related liabilities. These include assets such as investments in hedge funds, private equities, real estate (limited partnerships), convertible bonds and structured products. Underlying earnings before tax exclude any over- or underperformance compared to management's long-term expected return on assets. Based on current holdings and asset returns, the long-term expected return on an annual basis is 8-10%, depending on asset class, including cash income and market value changes. The expected earnings from these asset classes are net of deferred policy acquisition costs (DPAC) where applicable.

In addition, certain products offered by Aegon Americas contain guarantees and are reported on a fair value basis, including the segregated funds offered by Aegon Canada and the total return annuities and guarantees on variable annuities of Aegon USA. The earnings on these products are impacted by movements in equity markets and risk-free interest rates. Short-term developments in the financial markets may therefore cause volatility in earnings. Included in underlying earnings before tax is a long-term expected return on these products and excluded is any over- or underperformance compared to management's expected return.

The fair value movements of certain guarantees and the fair value change of derivatives that hedge certain risks on these guarantees of Aegon the Netherlands and Variable Annuities Europe (included in New Markets) are excluded from underlying earnings before tax, and the long-term expected return for these guarantees is set at zero.

Holding and other activities include certain issued bonds that are held at fair value through profit or loss (FVTPL). The interest rate risk on these bonds is hedged using swaps. The fair value movement resulting from changes in Aegon's credit spread used in the valuation of these bonds are excluded from underlying earnings before tax and reported under fair value items.

*Realized gains or losses on investments*

Includes realized gains and losses on available-for-sale investments, mortgage loans and other loan portfolios.

*Impairment charges/reversals*

Impairment charges include impairments on available-for-sale debt securities, shares including the effect of deferred policyholder acquisition costs, mortgage loans and other loan portfolios at amortized cost, joint ventures and associates. Impairment reversals include reversals on available-for-sale debt securities.



**Table of Contents**

*Other income or charges*

Other income or charges is used to report any items which cannot be directly allocated to a specific line of business. Also items that are outside the normal course of business are reported under this heading. As of Q3 2015, the impact of model updates used to support calculations of our liabilities for insurance and investment contracts sold to policyholders and related assets are reported under this caption as well (refer to page 9).

Other charges may include restructuring charges that are considered other charges for segment reporting purposes because they are outside the normal course of business. In the condensed consolidated interim financial statements, these charges are included in operating expenses.

*Run-off businesses*

Includes underlying results of business units where management has decided to exit the market and to run-off the existing block of business. Currently, this line includes results related to the run-off of the institutional spread-based business, structured settlements blocks of business, bank-owned and corporate-owned life insurance (BOLI/COLI) business, and the sale of the life reinsurance business in the United States. Aegon has other blocks of business for which sales have been discontinued and of which the earnings are included in underlying earnings before tax.

*Share in earnings of joint ventures and associates*

Earnings from Aegon's joint ventures in the Netherlands, Mexico, Spain, Portugal, China and Japan and Aegon's associates in India, Brazil, the Netherlands, United Kingdom, Mexico and France are reported on an underlying earnings before tax basis.

Unaudited

11

**Table of Contents**

## 3.1 Income statement

| <i>EUR millions</i>                                  | Americas     | The Netherlands | United Kingdom | New Markets  | Holding and other activities | Eliminations | Segment Total | Joint ventures and associates eliminations | Consolidated |
|--|--------------|-----------------|----------------|--------------|------------------------------|--------------|---------------|--|--------------|
| <i>Three months ended September 30, 2015</i>         |              |                 |                |              |                              |              |               |  |              |
| <b>Underlying earnings before tax geographically</b> | <b>243</b>   | <b>135</b>      | <b>27</b>      | <b>69</b>    | <b>(41)</b>                  | <b>2</b>     | <b>436</b>    | <b>24</b>                                  | <b>460</b>   |
| Fair value items                                     | (146)        | (1)             | 34             | 7            | 3                            | -            | (103)         | (29)                                       | (132)        |
| Realized gains / (losses) on investments             | 2            | 32              | 1              | 1            | -                            | -            | 36            | (2)  | 33           |
| Impairment charges                                   | (11)         | (6)             | -              | (1)          | -                            | -            | (18)          | -  | (18)         |
| Impairment reversals                                 | 6            | 1               | -              | -            | -                            | -            | 6             | -  | 6            |
| Other income / (charges)                             | (909)        | -               | 3              | (43)         | -                            | -            | (950)         | -  | (950)        |
| Run-off businesses                                   | 28           | -               | -              | -            | -                            | -            | 28            | -  | 28           |
| <b>Income / (loss) before tax</b>                    | <b>(789)</b> | <b>160</b>      | <b>65</b>      | <b>34</b>    | <b>(38)</b>                  | <b>2</b>     | <b>(565)</b>  | <b>(7)</b>                                 | <b>(572)</b> |
| Income tax (expense) / benefit                       | 73           | (34)            | (4)            | (8)          | 13                           | -            | 41            | 7  | 48           |
| <b>Net income / (loss)</b>                           | <b>(716)</b> | <b>126</b>      | <b>62</b>      | <b>26</b>    | <b>(25)</b>                  | <b>2</b>     | <b>(524)</b>  | <b>-</b>                                   | <b>(524)</b> |
| <i>Inter-segment underlying earnings</i>             | <i>(51)</i>  | <i>(14)</i>     | <i>(19)</i>    | <i>83</i>    | <i>1</i>                     |              |               |  |              |
| <b>Revenues</b>                                      |              |                 |                |              |                              |              |               |  |              |
| Life insurance gross premiums                        | 1,759        | 343             | 1,367          | 644          | 1                            | (27)         | 4,086         | (106)                                      | 3,980        |
| Accident and health insurance                        | 571          | 32              | 12             | 51           | 1                            | (1)          | 666           | (1)  | 664          |
| General insurance                                    | -            | 102             | -              | 59           | 1                            | -            | 163           | (19)                                       | 144          |
| <b>Total gross premiums</b>                          | <b>2,330</b> | <b>477</b>      | <b>1,378</b>   | <b>754</b>   | <b>3</b>                     | <b>(28)</b>  | <b>4,915</b>  | <b>(126)</b>                               | <b>4,789</b> |
| Investment income                                    | 935          | 533             | 481            | 74           | 94                           | (93)         | 2,023         | (11)                                       | 2,012        |
| Fee and commission income                            | 438          | 88              | 12             | 200          | -                            | (67)         | 672           | (49)                                       | 623          |
| Other revenues                                       | 1            | -               | -              | (1)          | 1                            | -            | -             | 1  | 1            |
| <b>Total revenues</b>                                | <b>3,704</b> | <b>1,099</b>    | <b>1,871</b>   | <b>1,027</b> | <b>98</b>                    | <b>(188)</b> | <b>7,610</b>  | <b>(185)</b>                               | <b>7,425</b> |
| <i>Inter-segment revenues</i>                        | <i>6</i>     | <i>1</i>        | <i>-</i>       | <i>87</i>    | <i>95</i>                    |              |               |  |              |

| <i>EUR millions</i>                                  | Americas    | The Netherlands | United Kingdom | New Markets | Holding and other activities | Eliminations | Segment Total | Joint ventures and associates eliminations | Consolidated |
|--|-------------|-----------------|----------------|-------------|------------------------------|--------------|---------------|--|--------------|
| <i>Three months ended September 30, 2014</i>         |             |                 |                |             |                              |              |               |  |              |
| <b>Underlying earnings before tax geographically</b> | <b>134</b>  | <b>127</b>      | <b>28</b>      | <b>40</b>   | <b>(37)</b>                  | <b>-</b>     | <b>291</b>    | <b>4</b>                                   | <b>295</b>   |
| Fair value items                                     | (159)       | (101)           | -              | -           | (36)                         | -            | (296)         | (7)  | (304)        |
| Realized gains / (losses) on investments             | 14          | 52              | 10             | 8           | -                            | -            | 85            | (1)  | 84           |
| Impairment charges                                   | (4)         | (5)             | -              | (14)        | -                            | -            | (23)          | -  | (23)         |
| Impairment reversals                                 | 25          | 3               | -              | -           | -                            | -            | 28            | -  | 28           |
| Other income / (charges)                             | (27)        | (6)             | (10)           | 14          | (1)                          | -            | (29)          | -  | (29)         |
| Run-off businesses                                   | (31)        | -               | -              | -           | -                            | -            | (31)          | -  | (31)         |
| <b>Income / (loss) before tax</b>                    | <b>(48)</b> | <b>70</b>       | <b>27</b>      | <b>48</b>   | <b>(74)</b>                  | <b>-</b>     | <b>23</b>     | <b>(4)</b>                                 | <b>19</b>    |
| Income tax (expense) / benefit                       | 52          | (26)            | (2)            | (12)        | 17                           | -            | 29            | 4  | 33           |
| <b>Net income / (loss)</b>                           | <b>4</b>    | <b>44</b>       | <b>25</b>      | <b>35</b>   | <b>(57)</b>                  | <b>-</b>     | <b>52</b>     | <b>-</b>                                   | <b>52</b>    |
| <i>Inter-segment underlying earnings</i>             | <i>(44)</i> | <i>(14)</i>     | <i>(15)</i>    | <i>69</i>   | <i>4</i>                     |              |               |  |              |

Edgar Filing: AEGON NV - Form 6-K

| <b>Revenues</b>               |              |              |              |            |           |              |              |              |              |
|-------------------------------|--------------|--------------|--------------|------------|-----------|--------------|--------------|--------------|--------------|
| Life insurance gross premiums | 1,580        | 1,204        | 1,243        | 443        | -         | (18)         | 4,452        | (89)         | 4,363        |
| Accident and health insurance | 485          | 34           | 14           | 37         | 1         | (1)          | 570          | (1)          | 569          |
| General insurance             | -            | 107          | -            | 52         | -         | -            | 160          | (16)         | 144          |
| <b>Total gross premiums</b>   | <b>2,065</b> | <b>1,345</b> | <b>1,257</b> | <b>533</b> | <b>2</b>  | <b>(19)</b>  | <b>5,181</b> | <b>(105)</b> | <b>5,076</b> |
| Investment income             | 823          | 637          | 487          | 61         | 79        | (79)         | 2,009        | (11)         | 1,998        |
| Fee and commission income     | 454          | 81           | 11           | 159        | -         | (58)         | 647          | (28)         | 619          |
| Other revenues                | 1            | -            | -            | -          | 2         | -            | 3            | -            | 2            |
| <b>Total revenues</b>         | <b>3,343</b> | <b>2,062</b> | <b>1,755</b> | <b>753</b> | <b>83</b> | <b>(156)</b> | <b>7,840</b> | <b>(145)</b> | <b>7,695</b> |
| <i>Inter-segment revenues</i> | 3            | -            | -            | 73         | 80        |              |              |              |              |

**Table of Contents**

| <i>EUR millions</i>                                  | Americas      | The Netherlands | United Kingdom | New Markets  | Holding and other activities | Eliminations | Segment Total | Joint ventures and associates eliminations | Consolidated  |
|--|---------------|-----------------|----------------|--------------|------------------------------|--------------|---------------|--|---------------|
| <i>Nine months ended September 30, 2015</i>          |               |                 |                |              |                              |              |               |  |               |
| <b>Underlying earnings before tax geographically</b> | <b>891</b>    | <b>402</b>      | <b>100</b>     | <b>183</b>   | <b>(123)</b>                 | <b>2</b>     | <b>1,453</b>  | <b>27</b>                                  | <b>1,480</b>  |
| Fair value items                                     | (525)         | 34              | 4              | (1)          | (66)                         | -            | (554)         | (45)                                       | (599)         |
| Realized gains / (losses) on investments             | (52)          | 273             | 57             | 10           | -                            | -            | 288           | (7)  | 281           |
| Impairment charges                                   | (32)          | (17)            | -              | (2)          | -                            | -            | (50)          | -  | (50)          |
| Impairment reversals                                 | 32            | 3               | -              | -            | -                            | -            | 35            | -  | 35            |
| Other income / (charges)                             | (909)         | (22)            | 13             | (43)         | -                            | -            | (961)         | -  | (961)         |
| Run-off businesses                                   | 38            | -               | -              | -            | -                            | -            | 38            | -  | 38            |
| <b>Income / (loss) before tax</b>                    | <b>(558)</b>  | <b>674</b>      | <b>174</b>     | <b>148</b>   | <b>(190)</b>                 | <b>2</b>     | <b>249</b>    | <b>(25)</b>                                | <b>224</b>    |
| Income tax (expense) / benefit                       | 69            | (153)           | (20)           | (54)         | 50                           | -            | (107)         | 25   | (82)          |
| <b>Net income / (loss)</b>                           | <b>(490)</b>  | <b>521</b>      | <b>154</b>     | <b>94</b>    | <b>(139)</b>                 | <b>2</b>     | <b>142</b>    | <b>-</b>                                   | <b>142</b>    |
| <i>Inter-segment underlying earnings</i>             | <i>(161)</i>  | <i>(41)</i>     | <i>(52)</i>    | <i>246</i>   | <i>8</i>                     |              |               |  |               |
| <b>Revenues</b>                                      |               |                 |                |              |                              |              |               |  |               |
| Life insurance gross premiums                        | 5,202         | 1,757           | 4,257          | 2,016        | 3                            | (78)         | 13,156        | (325)                                      | 12,831        |
| Accident and health insurance                        | 1,706         | 198             | 37             | 146          | 4                            | (4)          | 2,087         | (13)                                       | 2,074         |
| General insurance                                    | -             | 381             | -              | 181          | 1                            | -            | 564           | (58)                                       | 506           |
| <b>Total gross premiums</b>                          | <b>6,908</b>  | <b>2,335</b>    | <b>4,293</b>   | <b>2,344</b> | <b>9</b>                     | <b>(83)</b>  | <b>15,807</b> | <b>(396)</b>                               | <b>15,411</b> |
| Investment income                                    | 2,760         | 1,719           | 1,715          | 215          | 286                          | (285)        | 6,410         | (38)                                       | 6,372         |
| Fee and commission income                            | 1,287         | 261             | 33             | 603          | -                            | (205)        | 1,979         | (149)                                      | 1,831         |
| Other revenues                                       | 8             | -               | -              | 3            | 2                            | -            | 14            | (4)  | 10            |
| <b>Total revenues</b>                                | <b>10,964</b> | <b>4,315</b>    | <b>6,042</b>   | <b>3,166</b> | <b>297</b>                   | <b>(573)</b> | <b>24,210</b> | <b>(587)</b>                               | <b>23,624</b> |
| <i>Inter-segment revenues</i>                        | <i>18</i>     | <i>2</i>        | <i>-</i>       | <i>263</i>   | <i>290</i>                   |              |               |  |               |

| <i>EUR millions</i>                                  | Americas     | The Netherlands | United Kingdom | New Markets | Holding and other activities | Eliminations | Segment Total | Joint ventures and associates eliminations | Consolidated |
|--|--------------|-----------------|----------------|-------------|------------------------------|--------------|---------------|--|--------------|
| <i>Nine months ended September 30, 2014</i>          |              |                 |                |             |                              |              |               |  |              |
| <b>Underlying earnings before tax geographically</b> | <b>767</b>   | <b>386</b>      | <b>86</b>      | <b>163</b>  | <b>(100)</b>                 | <b>-</b>     | <b>1,303</b>  | <b>(4)</b>                                 | <b>1,299</b> |
| Fair value items                                     | (326)        | (268)           | (16)           | 8           | (73)                         | -            | (675)         | (2)  | (677)        |
| Realized gains / (losses) on investments             | 74           | 183             | 123            | 12          | -                            | -            | 392           | (2)  | 390          |
| Impairment charges                                   | (17)         | (14)            | -              | (38)        | -                            | -            | (69)          | -  | (69)         |
| Impairment reversals                                 | 56           | 7               | -              | -           | -                            | -            | 63            | -  | 63           |
| Other income / (charges)                             | (35)         | (14)            | (12)           | 13          | (2)                          | -            | (49)          | (1)  | (50)         |
| Run-off businesses                                   | (18)         | -               | -              | -           | -                            | -            | (18)          | -  | (18)         |
| <b>Income / (loss) before tax</b>                    | <b>502</b>   | <b>281</b>      | <b>181</b>     | <b>157</b>  | <b>(174)</b>                 | <b>-</b>     | <b>947</b>    | <b>(9)</b>                                 | <b>938</b>   |
| Income tax (expense) / benefit                       | (62)         | (62)            | (38)           | (44)        | 46                           | -            | (160)         | 9  | (151)        |
| <b>Net income / (loss)</b>                           | <b>440</b>   | <b>219</b>      | <b>143</b>     | <b>113</b>  | <b>(128)</b>                 | <b>-</b>     | <b>787</b>    | <b>-</b>                                   | <b>787</b>   |
| <i>Inter-segment underlying earnings</i>             | <i>(128)</i> | <i>(43)</i>     | <i>(43)</i>    | <i>199</i>  | <i>15</i>                    |              |               |  |              |
| <b>Revenues</b>                                      |              |                 |                |             |                              |              |               |  |              |
| Life insurance gross premiums                        | 4,606        | 3,243           | 3,634          | 1,302       | 1                            | (54)         | 12,732        | (262)                                      | 12,470       |
| Accident and health insurance                        | 1,356        | 203             | 43             | 128         | 4                            | (4)          | 1,730         | (10)                                       | 1,720        |
| General insurance                                    | -            | 397             | -              | 167         | -                            | -            | 564           | (53)                                       | 511          |

Edgar Filing: AEGON NV - Form 6-K

|                               |              |              |              |              |            |              |               |              |               |
|-------------------------------|--------------|--------------|--------------|--------------|------------|--------------|---------------|--------------|---------------|
| <b>Total gross premiums</b>   | <b>5,962</b> | <b>3,843</b> | <b>3,677</b> | <b>1,596</b> | <b>5</b>   | <b>(58)</b>  | <b>15,026</b> | <b>(325)</b> | <b>14,701</b> |
| Investment income             | 2,424        | 1,957        | 1,560        | 175          | 237        | (235)        | 6,118         | (32)         | 6,086         |
| Fee and commission income     | 1,095        | 238          | 31           | 449          | -          | (171)        | 1,642         | (70)         | 1,572         |
| Other revenues                | 1            | -            | -            | 2            | 4          | -            | 7             | (1)          | 5             |
| <b>Total revenues</b>         | <b>9,482</b> | <b>6,038</b> | <b>5,268</b> | <b>2,221</b> | <b>246</b> | <b>(463)</b> | <b>22,792</b> | <b>(428)</b> | <b>22,364</b> |
| <i>Inter-segment revenues</i> | <i>11</i>    | <i>-</i>     | <i>-</i>     | <i>213</i>   | <i>239</i> |              |               |              |               |

Unaudited

13

**Table of Contents**

## 3.2 Investments geographically

Amounts included in the tables on investments geographically are presented on an IFRS basis.

| Americas<br>USD millions | United<br>Kingdom<br>GBP millions | September 30, 2015                                    | EUR millions (unless otherwise stated) |                    |                   |                |                                  |                 | Total<br>EUR   |
|--------------------------|-----------------------------------|---|--|--------------------|-------------------|----------------|----------------------------------|-----------------|----------------|
|                          |                                   |   | Americas                               | The<br>Netherlands | United<br>Kingdom | New<br>Markets | Holding &<br>other<br>activities | Eliminations    |                |
|                          |                                   | <b>Investments</b>                                    |  |                    |                   |                |                                  |                 |                |
| 683                      | 108                               | Shares  | 612                                    | 161                | 147               | 46             | 112                              | -               | 1,077          |
| 73,153                   | 9,710                             | Debt securities                                       | 65,531                                 | 23,839             | 13,177            | 5,361          | -                                | -               | 107,908        |
| 10,748                   | -                                 | Loans   | 9,628                                  | 28,040             | -                 | 446            | 86                               | -               | 38,201         |
| 12,124                   | 218                               | Other financial assets                                | 10,861                                 | 340                | 296               | 35             | 148                              | -               | 11,680         |
| 905                      | -                                 | Investments in real estate                            | 811                                    | 1,150              | -                 | 2              | -                                | -               | 1,963          |
| <b>97,613</b>            | <b>10,036</b>                     | <b>Investments general account</b>                    | <b>87,444</b>                          | <b>53,530</b>      | <b>13,619</b>     | <b>5,891</b>   | <b>346</b>                       | -               | <b>160,830</b> |
| -                        | 12,283                            | Shares  | -                                      | 8,648              | 16,669            | 258            | -                                | (8)             | 25,567         |
| 5,543                    | 9,151                             | Debt securities                                       | 4,965                                  | 17,454             | 12,419            | 208            | -                                | -               | 35,046         |
| 102,009                  | 22,018                            | Unconsolidated investment funds                       | 91,381                                 | -                  | 29,879            | 6,484          | -                                | -               | 127,744        |
| 23                       | 2,683                             | Other financial assets                                | 21                                     | 368                | 3,641             | 19             | -                                | -               | 4,049          |
| -                        | 852                               | Investments in real estate                            | -                                      | -                  | 1,156             | -              | -                                | -               | 1,156          |
| <b>107,575</b>           | <b>46,987</b>                     | <b>Investments for account of policyholders</b>       | <b>96,368</b>                          | <b>26,470</b>      | <b>63,763</b>     | <b>6,970</b>   | -                                | <b>(8)</b>      | <b>193,562</b> |
| <b>205,188</b>           | <b>57,023</b>                     | <b>Investments on balance sheet</b>                   | <b>183,811</b>                         | <b>80,000</b>      | <b>77,383</b>     | <b>12,860</b>  | <b>346</b>                       | <b>(8)</b>      | <b>354,392</b> |
| <b>169,093</b>           | <b>552</b>                        | <b>Off balance sheet investments third parties</b>    | <b>151,476</b>                         | <b>863</b>         | <b>749</b>        | <b>127,977</b> | -                                | -               | <b>281,066</b> |
| <b>374,282</b>           | <b>57,575</b>                     | <b>Total revenue generating investments</b>           | <b>335,288</b>                         | <b>80,864</b>      | <b>78,132</b>     | <b>140,837</b> | <b>346</b>                       | <b>(8)</b>      | <b>635,458</b> |
|                          |                                   | <b>Investments</b>                                    |  |                    |                   |                |                                  |                 |                |
| 81,255                   | 9,828                             | Available-for-sale                                    | 72,790                                 | 22,951             | 13,336            | 5,367          | 18                               | -               | 114,462        |
| 10,748                   | -                                 | Loans   | 9,628                                  | 28,040             | -                 | 446            | 86                               | -               | 38,201         |
| 112,280                  | 46,344                            | Financial assets at fair value through profit or loss | 100,582                                | 27,859             | 62,890            | 7,044          | 242                              | (8)             | 198,610        |
| 905                      | 852                               | Investments in real estate                            | 811                                    | 1,150              | 1,156             | 2              | -                                | -               | 3,119          |
| <b>205,188</b>           | <b>57,023</b>                     | <b>Total investments on balance sheet</b>             | <b>183,811</b>                         | <b>80,000</b>      | <b>77,383</b>     | <b>12,860</b>  | <b>346</b>                       | <b>(8)</b>      | <b>354,392</b> |
| 9                        | -                                 | Investments in joint ventures                         | 8                                      | 834                | -                 | 734            | 2                                | -               | 1,578          |
| 81                       | 6                                 | Investments in associates                             | 72                                     | 21                 | 9                 | 131            | -                                | -               | 233            |
| 29,753                   | 4,906                             | Other assets  | 26,653                                 | 27,593             | 6,658             | 4,040          | 35,201                           | (35,460)        | 64,686         |
| <b>235,031</b>           | <b>61,936</b>                     | <b>Consolidated total assets</b>                      | <b>210,545</b>                         | <b>108,448</b>     | <b>84,049</b>     | <b>17,766</b>  | <b>35,550</b>                    | <b>(35,468)</b> | <b>420,890</b> |

| Americas<br>USD millions | United<br>Kingdom<br>GBP millions | December 31, 2014                  | EUR millions (unless otherwise stated) |                    |                   |                |                                  |              | Total<br>EUR   |
|--------------------------|-----------------------------------|------------------------------------|--|--------------------|-------------------|----------------|----------------------------------|--------------|----------------|
|                          |                                   |                                    | Americas                               | The<br>Netherlands | United<br>Kingdom | New<br>Markets | Holding &<br>other<br>activities | Eliminations |                |
|                          |                                   | <b>Investments</b>                 |  |                    |                   |                |                                  |              |                |
| 770                      | 150                               | Shares                             | 636                                    | 161                | 193               | 28             | 105                              | (1)          | 1,122          |
| 76,393                   | 9,832                             | Debt securities                    | 63,130                                 | 23,250             | 12,670            | 4,274          | -                                | -            | 103,324        |
| 11,117                   | -                                 | Loans                              | 9,187                                  | 27,052             | -                 | 487            | 11                               | -            | 36,738         |
| 11,914                   | 267                               | Other financial assets             | 9,845                                  | 366                | 344               | 16             | 107                              | -            | 10,678         |
| 873                      | -                                 | Investments in real estate         | 721                                    | 1,069              | -                 | 2              | -                                | -            | 1,792          |
| <b>101,067</b>           | <b>10,249</b>                     | <b>Investments general account</b> | <b>83,519</b>                          | <b>51,898</b>      | <b>13,208</b>     | <b>4,806</b>   | <b>224</b>                       | <b>(1)</b>   | <b>153,653</b> |
| -                        | 13,287                            | Shares                             | -                                      | 9,487              | 17,122            | 420            | -                                | (10)         | 27,019         |
| 5,549                    | 10,026                            | Debt securities                    | 4,585                                  | 19,320             | 12,920            | 244            | -                                | -            | 37,070         |
| 104,704                  | 22,769                            | Unconsolidated investment funds    | 86,525                                 | -                  | 29,341            | 6,293          | -                                | -            | 122,159        |
| 34                       | 2,851                             | Other financial assets             | 28                                     | 401                | 3,674             | 13             | -                                | -            | 4,117          |
| -                        | 855                               | Investments in real estate         | -                                      | -                  | 1,101             | -              | -                                | -            | 1,101          |

Edgar Filing: AEGON NV - Form 6-K

|         |        |   |         |         |        |        |        |          |         |
|---------|--------|---|---------|---------|--------|--------|--------|----------|---------|
| 110,287 | 49,788 | Investments for account of policyholders              | 91,138  | 29,209  | 64,159 | 6,971  | -      | (10)     | 191,467 |
| 211,353 | 60,037 | Investments on balance sheet                          | 174,658 | 81,106  | 77,367 | 11,777 | 224    | (11)     | 345,121 |
| 168,561 | 443    | Off balance sheet investments third parties           | 139,295 | 868     | 570    | 72,474 | -      | -        | 213,208 |
| 379,914 | 60,479 | Total revenue generating investments                  | 313,953 | 81,974  | 77,937 | 84,251 | 224    | (11)     | 558,328 |
|         |        | <b>Investments</b>                                    |         |         |        |        |        |          |         |
| 84,527  | 9,998  | Available-for-sale                                    | 69,851  | 23,197  | 12,884 | 4,284  | 12     | -        | 110,229 |
| 11,117  | -      | Loans   | 9,187   | 27,052  | -      | 487    | 11     | -        | 36,738  |
|         |        | Financial assets at fair value through profit or loss |         |         |        |        |        |          |         |
| 114,836 | 49,184 | loss  | 94,898  | 29,788  | 63,381 | 7,005  | 200    | (11)     | 195,261 |
| 873     | 855    | Investments in real estate                            | 721     | 1,069   | 1,101  | 2      | -      | -        | 2,893   |
| 211,353 | 60,037 | <b>Total investments on balance sheet</b>             | 174,658 | 81,106  | 77,367 | 11,777 | 224    | (11)     | 345,121 |
|         |        | <b>Investments in joint ventures</b>                  |         |         |        |        |        |          |         |
| 11      | -      | Investments in joint ventures                         | 9       | 789     | -      | 670    | 1      | -        | 1,468   |
| 110     | 18     | Investments in associates                             | 91      | 19      | 24     | 6      | -      | -        | 140     |
| 39,994  | 4,740  | Other assets  | 33,050  | 34,737  | 6,108  | 4,067  | 36,785 | (36,574) | 78,172  |
| 251,468 | 64,795 | <b>Consolidated total assets</b>                      | 207,808 | 116,652 | 83,498 | 16,519 | 37,010 | (36,586) | 424,902 |

14

Unaudited

**Table of Contents**

## 4. Premium income and premiums paid to reinsurers

| <i>EUR millions</i>             | Q3 2015      | Q3 2014      | YTD 2015      | YTD 2014      |
|---------------------------------|--------------|--------------|---------------|---------------|
| <b>Gross</b>                    |              |              |               |               |
| Life                            | 3,980        | 4,363        | 12,831        | 12,470        |
| Non-Life                        | 808          | 713          | 2,580         | 2,231         |
| <b>Total</b>                    | <b>4,789</b> | <b>5,076</b> | <b>15,411</b> | <b>14,701</b> |
| <b>Reinsurance <sup>1</sup></b> |              |              |               |               |
| Life                            | 663          | 571          | 1,960         | 1,890         |
| Non-Life                        | 72           | 75           | 211           | 227           |
| <b>Total</b>                    | <b>735</b>   | <b>646</b>   | <b>2,171</b>  | <b>2,117</b>  |

<sup>1</sup> Premiums paid to reinsurers are recorded within Benefits and expenses in the income statement.

## 5. Investment income

| <i>EUR millions</i>                            | Q3 2015      | Q3 2014      | YTD 2015     | YTD 2014     |
|--|--------------|--------------|--------------|--------------|
| Interest income                                | 1,787        | 1,673        | 5,325        | 5,052        |
| Dividend income                                | 187          | 298          | 940          | 939          |
| Rental income                                  | 38           | 27           | 106          | 94           |
| <b>Total investment income</b>                 | <b>2,012</b> | <b>1,998</b> | <b>6,372</b> | <b>6,086</b> |
| Investment income related to general account   | 1,547        | 1,426        | 4,579        | 4,226        |
| Investment income for account of policyholders | 465          | 572          | 1,793        | 1,859        |
| <b>Total</b>                                   | <b>2,012</b> | <b>1,998</b> | <b>6,372</b> | <b>6,086</b> |

## 6. Results from financial transactions

| <i>EUR millions</i>  | Q3 2015        | Q3 2014      | YTD 2015       | YTD 2014     |
|--|----------------|--------------|----------------|--------------|
| Net fair value change of general account financial investments at FVTPL other than derivatives | (99)           | 35           | (51)           | 196          |
| Realized gains /(losses) on financial investments  | 22             | 86           | 290            | 394          |
| Gains /(losses) on investments in real estate  | 99             | (5)          | 116            | (19)         |
| Net fair value change of derivatives   | 623            | 342          | 6              | 678          |
| Net fair value change on for account of policyholder financial assets at FVTPL                 | (8,367)        | 562          | (5,356)        | 6,430        |
| Net fair value change on investments in real estate for account of policyholders               | 38             | 14           | 51             | 42           |
| Net foreign currency gains /(losses)   | (3)            | (6)          | (31)           | (18)         |
| Net fair value change on borrowings and other financial liabilities                            | (6)            | 11           | 6              | 7            |
| Realized gains /(losses) on repurchased debt   | -              | (1)          | 1              | 2            |
| <b>Total</b>   | <b>(7,693)</b> | <b>1,038</b> | <b>(4,968)</b> | <b>7,710</b> |

The decrease of the net fair value change on for account of policyholder financial assets at FVTPL in Q3 2015 compared to Q3 2014 is mainly driven by interest rates and equity markets movements. Net fair value change on for accounts of policyholder financial assets at FVTPL is offset by amounts in the Claims and benefits line reported in note 8 - Benefits and expenses.



7. Other income

Other income of EUR 16 million in the third quarter 2015 relates to the sale of the 25.1% share in platform provider and discretionary fund manager Seven Investment Management (7IM) and the sale of Clark Consulting. These transactions have led to a book gain of EUR 16 million. Refer to note 21 Acquisitions / divestments.

Unaudited

15

**Table of Contents**

## 8. Benefits and expenses

| <i>EUR millions</i>     | Q3 2015    | Q3 2014      | YTD 2015      | YTD 2014      |
|-------------------------|------------|--------------|---------------|---------------|
| Claims and benefits     | (84)       | 8,669        | 17,783        | 29,007        |
| Employee expenses       | 568        | 508          | 1,693         | 1,490         |
| Administration expenses | 305        | 286          | 917           | 838           |
| Deferred expenses       | (368)      | (392)        | (1,163)       | (1,048)       |
| Amortization charges    | 132        | 181          | 789           | 674           |
| <b>Total</b>            | <b>553</b> | <b>9,253</b> | <b>20,020</b> | <b>30,962</b> |

The following table provides an analysis of the claims and benefits:

| <i>EUR millions</i>   | Q3 2015        | Q3 2014      | YTD 2015      | YTD 2014      |
|---|----------------|--------------|---------------|---------------|
| Benefits and claims paid life                               | 3,925          | 3,959        | 15,323        | 11,723        |
| Benefits and claims paid non-life                           | 561            | 436          | 1,597         | 1,282         |
| Change in valuation of liabilities for insurance contracts  | (2,107)        | 2,776        | 2,614         | 11,055        |
| Change in valuation of liabilities for investment contracts | (4,014)        | 99           | (6,455)       | 664           |
| Other   | 7              | (7)          | (3)           | (26)          |
| <b>Policyholder claims and benefits</b>                     | <b>(1,629)</b> | <b>7,263</b> | <b>13,076</b> | <b>24,699</b> |
| Premium paid to reinsurers                                  | 735            | 646          | 2,171         | 2,117         |
| Profit sharing and rebates                                  | 9              | 6            | 25            | 20            |
| Commissions   | 801            | 754          | 2,511         | 2,171         |
| <b>Total</b>  | <b>(84)</b>    | <b>8,669</b> | <b>17,783</b> | <b>29,007</b> |

The lines Change in valuation of liabilities for insurance contracts and Change in valuation of liabilities for investment contracts reflect changes in technical provisions resulting from fair value changes on for account of policyholder financial assets included in Results from financial transactions (note 6) of EUR 8,367 negative (2014 Q3: EUR 562 positive). In addition, the line Change in valuation of liabilities for insurance contracts includes changes in technical provisions for life insurance contracts of EUR 2,633 positive (2014 Q3: EUR 2,602 positive).

## 9. Impairment charges/(reversals)

| <i>EUR millions</i>  | Q3 2015   | Q3 2014    | YTD 2015  | YTD 2014  |
|--|-----------|------------|-----------|-----------|
| <b>Impairment charges / (reversals) comprise:</b>                            |           |            |           |           |
| Impairment charges on financial assets, excluding receivables <sup>1</sup>   | 19        | 26         | 54        | 75        |
| Impairment reversals on financial assets, excluding receivables <sup>1</sup> | (6)       | (28)       | (35)      | (63)      |
| Impairment charges / (reversals) on non-financial assets and receivables     | (2)       | (1)        | (2)       | 1         |
| <b>Total</b>   | <b>10</b> | <b>(3)</b> | <b>17</b> | <b>13</b> |
| <b>Impairment charges on financial assets, excluding receivables, from:</b>  |           |            |           |           |
| Shares   | 2         | 2          | 4         | 4         |
| Debt securities and money market instruments                                 | 7         | 3          | 24        | 14        |

Edgar Filing: AEGON NV - Form 6-K

|   |            |             |             |             |
|---|------------|-------------|-------------|-------------|
| Loans   | 11         | 21          | 26          | 56          |
| <b>Total</b>  | <b>19</b>  | <b>26</b>   | <b>54</b>   | <b>75</b>   |
| <b>Impairment reversals on financial assets, excluding receivables, from:</b> |            |             |             |             |
| Debt securities and money market instruments                                  | (5)        | (25)        | (30)        | (54)        |
| Loans   | (1)        | (3)         | (5)         | (9)         |
| <b>Total</b>  | <b>(6)</b> | <b>(28)</b> | <b>(35)</b> | <b>(63)</b> |

<sup>1</sup> Impairment charges / (reversals) on financial assets, excluding receivables, are excluded from underlying earnings before tax for segment reporting (refer to note 3).

**Table of Contents****10. Other charges**

Other charges of EUR 751 million in the third quarter 2015 relate to the book loss on the sale of Aegon's Canadian life insurance business. For the sale of Canada refer to note 21 Acquisitions / divestments.

**11. Intangible assets**

| <i>EUR millions</i>            | Sept. 30, 2015 | Dec. 31, 2014 |
|--------------------------------|----------------|---------------|
| Goodwill                       | 226            | 216           |
| VOBA                           | 1,635          | 1,546         |
| Future servicing rights        | 52             | 255           |
| Software                       | 58             | 50            |
| Other                          | 15             | 5             |
| <b>Total intangible assets</b> | <b>1,986</b>   | <b>2,073</b>  |

Intangible assets, except for goodwill, are predominantly impacted by periodic amortization of balances and changes in exchange rates. Future servicing rights reduced compared to December 31, 2014 following the sale of Clark Consulting in the third quarter of 2015.

**12. Investments**

| <i>EUR millions</i>   | Sept. 30, 2015 | Dec. 31, 2014  |
|---|----------------|----------------|
| Available-for-sale (AFS)  | 114,462        | 110,229        |
| Loans   | 38,201         | 36,738         |
| Financial assets at fair value through profit or loss (FVTPL)       | 6,203          | 4,895          |
| <b>Financial assets, for general account, excluding derivatives</b> | <b>158,867</b> | <b>151,862</b> |
| Investments in real estate  | 1,963          | 1,792          |
| <b>Total investments for general account, excluding derivatives</b> | <b>160,830</b> | <b>153,653</b> |

**Financial assets, for general account, excluding derivatives**

| <i>EUR millions</i>                           | AFS            | FVTPL        | Loans         | Total          |
|---|----------------|--------------|---------------|----------------|
| Shares  | 608            | 469          | -             | 1,077          |
| Debt securities                               | 105,210        | 2,698        | -             | 107,908        |
| Money market and other short-term investments | 7,352          | 619          | -             | 7,971          |
| Mortgages loans                               | -              | -            | 32,976        | 32,976         |
| Private loans                                 | -              | -            | 2,752         | 2,752          |
| Deposits with financial institutions          | -              | -            | 115           | 115            |
| Policy loans                                  | -              | -            | 2,146         | 2,146          |
| Other   | 1,292          | 2,417        | 211           | 3,920          |
| <b>September 30, 2015</b>                     | <b>114,462</b> | <b>6,203</b> | <b>38,201</b> | <b>158,867</b> |

Edgar Filing: AEGON NV - Form 6-K

|   | AFS            | FVTPL        | Loans         | Total          |
|---|----------------|--------------|---------------|----------------|
| Shares  | 623            | 499          | -             | 1,122          |
| Debt securities                               | 101,498        | 1,826        | -             | 103,324        |
| Money market and other short-term investments | 6,799          | 500          | -             | 7,299          |
| Mortgages loans                               | -              | -            | 32,164        | 32,164         |
| Private loans                                 | -              | -            | 2,058         | 2,058          |
| Deposits with financial institutions          | -              | -            | 349           | 349            |
| Policy loans                                  | -              | -            | 2,028         | 2,028          |
| Other   | 1,310          | 2,070        | 139           | 3,519          |
| <b>December 31, 2014</b>                      | <b>110,229</b> | <b>4,895</b> | <b>36,738</b> | <b>151,862</b> |

Unaudited

17

**Table of Contents**

## 13. Investments for account of policyholders

| <i>EUR millions</i>   | Sept. 30, 2015 | Dec. 31, 2014  |
|---|----------------|----------------|
| Shares  | 25,567         | 27,019         |
| Debt securities   | 35,046         | 37,070         |
| Money market and short-term investments   | 1,723          | 795            |
| Deposits with financial institutions  | 1,957          | 2,908          |
| Unconsolidated investment funds   | 127,744        | 122,159        |
| Other   | 369            | 415            |
| <b>Total investments for account of policyholders at fair value through profit or loss, excluding derivatives</b> | <b>192,407</b> | <b>190,366</b> |
| Investment in real estate   | 1,156          | 1,101          |
| <b>Total investments for account of policyholders</b>   | <b>193,562</b> | <b>191,467</b> |

## 14. Derivatives

The movements in derivative balances mainly result from changes in interest rates and other market movements during the period.

## 15. Fair value

The following tables provide an analysis of financial instruments recorded at fair value on a recurring basis by level of the fair value hierarchy:

| <b>Fair value hierarchy</b>                           |               |               |              |                |
|---|---------------|---------------|--------------|----------------|
| <i>EUR millions</i>                                   | Level I       | Level II      | Level III    | Total          |
| <b>As at September 30, 2015</b>                       |               |               |              |                |
| <b>Financial assets carried at fair value</b>         |               |               |              |                |
| <b>Available-for-sale investments</b>                 |               |               |              |                |
| Shares  | 16            | 303           | 289          | 608            |
| Debt securities                                       | 28,665        | 72,450        | 4,095        | 105,210        |
| Money markets and other short-term instruments        | -             | 7,352         | -            | 7,352          |
| Other investments at fair value                       | 30            | 343           | 919          | 1,292          |
| <b>Total Available-for-sale investments</b>           | <b>28,711</b> | <b>80,448</b> | <b>5,303</b> | <b>114,462</b> |
| <b>Fair value through profit or loss</b>              |               |               |              |                |
| Shares  | 229           | 240           | -            | 469            |
| Debt securities                                       | 16            | 2,673         | 8            | 2,698          |
| Money markets and other short-term instruments        | 130           | 489           | -            | 619            |
| Other investments at fair value                       | 1             | 1,223         | 1,193        | 2,417          |
| Investments for account of policyholders <sup>1</sup> | 116,488       | 74,182        | 1,736        | 192,407        |

Edgar Filing: AEGON NV - Form 6-K

|  |                |                |              |                |
|--|----------------|----------------|--------------|----------------|
| Derivatives  | 33             | 22,415         | 229          | 22,676         |
| <b>Total Fair value through profit or loss</b>                 | <b>116,898</b> | <b>101,222</b> | <b>3,167</b> | <b>221,287</b> |
| <b>Total financial assets at fair value</b>                    | <b>145,608</b> | <b>181,671</b> | <b>8,470</b> | <b>335,749</b> |
| <b>Financial liabilities carried at fair value</b>             |                |                |              |                |
| Investment contracts for account of policyholders <sup>2</sup> | 16,123         | 22,876         | 116          | 39,115         |
| Borrowings <sup>3</sup>  | -              | 606            | -            | 606            |
| Derivatives  | 7              | 17,483         | 2,652        | 20,143         |
| <b>Total financial liabilities at fair value</b>               | <b>16,131</b>  | <b>40,965</b>  | <b>2,768</b> | <b>59,864</b>  |

18

Unaudited

**Table of Contents****Fair value hierarchy**

| <i>EUR millions</i>  | Level I        | Level II       | Level III    | Total          |
|--|----------------|----------------|--------------|----------------|
| <b>As at December 31, 2014</b>   |                |                |              |                |
| <b>Financial assets carried at fair value Available-for-sale investments</b> |                |                |              |                |
| Shares   | 26             | 316            | 280          | 623            |
| Debt securities  | 27,491         | 70,203         | 3,803        | 101,497        |
| Money markets and other short-term instruments                               | -              | 6,799          | -            | 6,799          |
| Other investments at fair value  | 31             | 345            | 934          | 1,310          |
| <b>Total Available-for-sale investments</b>                                  | <b>27,548</b>  | <b>77,662</b>  | <b>5,018</b> | <b>110,229</b> |
| <b>Fair value through profit or loss</b>                                     |                |                |              |                |
| Shares   | 217            | 282            | -            | 499            |
| Debt securities  | 48             | 1,761          | 17           | 1,826          |
| Money markets and other short-term instruments                               | 95             | 405            | -            | 500            |
| Other investments at fair value  | 1              | 832            | 1,237        | 2,070          |
| Investments for account of policyholders <sup>1</sup>                        | 114,490        | 73,919         | 1,956        | 190,366        |
| Derivatives  | 52             | 27,642         | 320          | 28,014         |
| <b>Total Fair value through profit or loss</b>                               | <b>114,903</b> | <b>104,842</b> | <b>3,530</b> | <b>223,275</b> |
| <b>Total financial assets at fair value</b>                                  | <b>142,451</b> | <b>182,504</b> | <b>8,548</b> | <b>333,503</b> |
| <b>Financial liabilities carried at fair value</b>                           |                |                |              |                |
| Investment contracts for account of policyholders <sup>2</sup>               | 15,371         | 22,683         | 165          | 38,220         |
| Borrowings <sup>3</sup>  | -              | 571            | -            | 571            |
| Derivatives  | 31             | 23,007         | 3,010        | 26,048         |
| <b>Total financial liabilities at fair value</b>                             | <b>15,403</b>  | <b>46,261</b>  | <b>3,175</b> | <b>64,839</b>  |

<sup>1</sup> The investments for account of policyholders included in the table above represents only those investments carried at fair value through profit or loss.

<sup>2</sup> The investment contracts for account of policyholders included in the table above represents only those investment contracts carried at fair value.

<sup>3</sup> Total borrowings on the statement of financial position contain borrowings carried at amortized cost that are not included in the above schedule.

**Significant transfers between Level I, Level II and Level III**

Aegon's policy is to record transfers of assets and liabilities between Level I, Level II and Level III at their fair values as of the beginning of each reporting period.

The table below shows transfers between Level I and II for financial assets and financial liabilities recorded at fair value on a recurring basis during the period ended September 30, 2015.



Edgar Filing: AEGON NV - Form 6-K

Fair value transfers

EUR millions

|  | YTD 2015                            |                                     | Full Year 2014                      |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | Transfers<br>Level I to<br>Level II | Transfers<br>Level II to<br>Level I | Transfers<br>Level I to<br>Level II | Transfers<br>Level II to<br>Level I |
| <b>Financial assets carried at fair value Available-for-sale investments</b> |                                     |                                     |                                     |                                     |
| Debt securities  | 15                                  | 141                                 | -                                   | 45                                  |
| <b>Total</b>   | <b>15</b>                           | <b>141</b>                          | <b>-</b>                            | <b>45</b>                           |
| <b>Fair value through profit or loss</b>                                     |                                     |                                     |                                     |                                     |
| Shares   | -                                   | 38                                  | -                                   | -                                   |
| Investments for account of policyholders                                     | -                                   | 204                                 | 163                                 | 1                                   |
| <b>Total</b>   | <b>-</b>                            | <b>242</b>                          | <b>163</b>                          | <b>1</b>                            |
| <b>Total financial assets at fair value</b>                                  | <b>15</b>                           | <b>383</b>                          | <b>163</b>                          | <b>46</b>                           |

Transfers are identified based on transaction volume and frequency, which are indicative of an active market.

Unaudited

19

**Table of Contents**

*Movements in Level III financial instruments measured at fair value*

The following table summarizes the change of all assets and liabilities measured at estimated fair value on a recurring basis using significant unobservable inputs ( Level III ), including realized and unrealized gains (losses) of all assets and liabilities and unrealized gains (losses) of all assets and liabilities still held at the end of the respective period.

**Roll forward of Level III financial instruments**

| EUR millions   | January 1, 2015 | Total gains / losses in income statement <sup>1</sup> | Total gains / losses in OCI | Purchases  | Sales        | Settlements  | Net exchange differences | Reclassification | Transfers from Level I and Level II |                      | September 30, 2015 | Total unrealized gains and losses for the period recorded in the P&L for instruments September 30, 2015 <sup>3</sup> |                                 |
|--|-----------------|---|-----------------------------|------------|--------------|--------------|--------------------------|------------------|-------------------------------------|----------------------|--------------------|--|---------------------------------|
|  |                 |   |                             |            |              |              |                          |                  | Level I and Level II                | Level I and Level II |                    | September 30, 2015   | September 30, 2015 <sup>3</sup> |
| <b>Financial assets carried at fair value available-for-sale investments</b> |                 |   |                             |            |              |              |                          |                  |                                     |                      |                    |  |                                 |
| Shares   | 280             | 21  | 22                          | 51         | (64)         | (33)         | 12                       | -                | -                                   | -                    | 289                | -  | -                               |
| Debt securities  | 3,803           | (4)   | 37                          | 687        | (270)        | (145)        | 160                      | -                | 169                                 | (343)                | 4,095              | -  | -                               |
| Other investments at fair value  | 934             | (137)   | 25                          | 100        | (64)         | (16)         | 76                       | -                | -                                   | -                    | 919                | -  | -                               |
|  | <b>5,018</b>    | <b>(121)</b>  | <b>84</b>                   | <b>838</b> | <b>(398)</b> | <b>(194)</b> | <b>248</b>               | -                | <b>169</b>                          | <b>(343)</b>         | <b>5,303</b>       | -  | -                               |
| <b>Fair value through profit or loss</b>                                     |                 |   |                             |            |              |              |                          |                  |                                     |                      |                    |  |                                 |
| Debt securities  | 17              | -   | -                           | -          | -            | -            | 1                        | -                | -                                   | (9)                  | 8                  | 1  | 1                               |
| Other investments at fair value  | 1,237           | (13)  | -                           | 109        | (328)        | -            | 104                      | -                | 211                                 | (127)                | 1,193              | (9)  | (9)                             |
| Investments for account of policyholders                                     | 1,956           | 99  | -                           | 347        | (657)        | -            | 29                       | -                | -                                   | (38)                 | 1,736              | 79   | 79                              |
| Derivatives  | 320             | (164)   | -                           | 12         | 48           | -            | 14                       | -                | -                                   | -                    | 229                | (181)  | (181)                           |
|  | <b>3,530</b>    | <b>(78)</b>   | -                           | <b>468</b> | <b>(937)</b> | -            | <b>148</b>               | -                | <b>211</b>                          | <b>(174)</b>         | <b>3,167</b>       | <b>(110)</b>   | <b>(110)</b>                    |
| <b>Financial liabilities carried at fair value</b>                           |                 |   |                             |            |              |              |                          |                  |                                     |                      |                    |  |                                 |
| Investment contracts for account of policyholders                            | 165             | (2)   | -                           | 4          | (57)         | -            | 11                       | -                | -                                   | (5)                  | 116                | (3)  | (3)                             |
| Derivatives  | 3,010           | (460)   | -                           | -          | 5            | -            | 97                       | -                | -                                   | -                    | 2,652              | (459)  | (459)                           |
|  | <b>3,175</b>    | <b>(462)</b>  | -                           | <b>4</b>   | <b>(51)</b>  | -            | <b>108</b>               | -                | -                                   | <b>(5)</b>           | <b>2,768</b>       | <b>(462)</b>   | <b>(462)</b>                    |

| EUR millions   | January 1, 2014 | Total gains / losses in income statement <sup>1</sup> | Total gains / losses in OCI | Purchases | Sales | Settlements | Net exchange differences | Reclassification | Transfers from Level I and Level II |                      | September 30, 2014 | Total unrealized gains and losses for the period recorded in the P&L for instruments September 30, 2014 <sup>3</sup> |                                 |
|--|-----------------|---|-----------------------------|-----------|-------|-------------|--------------------------|------------------|-------------------------------------|----------------------|--------------------|--|---------------------------------|
|  |                 |   |                             |           |       |             |                          |                  | Level I and Level II                | Level I and Level II |                    | September 30, 2014   | September 30, 2014 <sup>3</sup> |
| <b>Financial assets carried at fair value available-for-sale</b> |                 |   |                             |           |       |             |                          |                  |                                     |                      |                    |  |                                 |

Edgar Filing: AEGON NV - Form 6-K

**investments**

|                                 |              |             |           |              |              |              |            |   |            |              |              |   |
|---------------------------------|--------------|-------------|-----------|--------------|--------------|--------------|------------|---|------------|--------------|--------------|---|
| Shares                          | 322          | 45          | (16)      | 54           | (141)        | -            | 11         | - | -          | (1)          | 275          | - |
| Debt securities                 | 3,162        | 23          | 82        | 904          | (290)        | (158)        | 146        | - | 227        | (548)        | 3,549        | - |
| Other investments at fair value | 826          | (81)        | (12)      | 100          | (40)         | (7)          | 73         | - | 17         | -            | 876          | - |
|                                 | <b>4,310</b> | <b>(13)</b> | <b>54</b> | <b>1,058</b> | <b>(470)</b> | <b>(165)</b> | <b>230</b> | - | <b>244</b> | <b>(549)</b> | <b>4,700</b> | - |

**Fair value through profit or loss**

|  |              |            |   |            |              |            |            |            |            |              |              |           |
|--|--------------|------------|---|------------|--------------|------------|------------|------------|------------|--------------|--------------|-----------|
| Debt securities                          | 17           | (1)        | - | -          | -            | (9)        | 1          | -          | 1          | -            | 10           | -         |
| Other investments at fair value          | 1,217        | 43         | - | 26         | (201)        | -          | 103        | -          | 80         | (55)         | 1,212        | 50        |
| Investments for account of policyholders | 1,989        | 119        | - | 460        | (505)        | -          | 29         | -          | 116        | (174)        | 2,035        | 109       |
| Derivatives                              | 328          | (41)       | - | -          | (16)         | -          | 10         | (4)        | -          | -            | 278          | (61)      |
|  | <b>3,552</b> | <b>121</b> | - | <b>486</b> | <b>(722)</b> | <b>(9)</b> | <b>143</b> | <b>(4)</b> | <b>197</b> | <b>(230)</b> | <b>3,534</b> | <b>99</b> |

**Financial liabilities carried at fair value**

|   |              |            |   |   |             |   |           |            |   |   |              |            |
|---|--------------|------------|---|---|-------------|---|-----------|------------|---|---|--------------|------------|
| Investment contracts for account of policyholders | 114          | 3          | - | - | -           | - | 11        | -          | - | - | 128          | 3          |
| Derivatives                                       | 1,431        | 714        | - | - | (41)        | - | 40        | (4)        | - | - | 2,140        | 723        |
|   | <b>1,545</b> | <b>717</b> | - | - | <b>(41)</b> | - | <b>51</b> | <b>(4)</b> | - | - | <b>2,267</b> | <b>726</b> |

<sup>1</sup> Includes impairments and movements related to fair value hedges. Gains and losses are recorded in the line item results from financial transactions of the income statement.

<sup>2</sup> Total gains and losses are recorded in line items Gains/ (losses) on revaluation of available-for-sale investments and (Gains)/ losses transferred to the income statement on disposal and impairment of available-for-sale investment of the statement of other comprehensive income.

<sup>3</sup> Total gains / (losses) for the period during which the financial instrument was in Level III.

During the first nine months of 2015, Aegon transferred certain financial instruments from Level II to Level III of the fair value hierarchy. The reason for the change in level was that the market liquidity for these securities decreased, which led to a change in market observability of prices. Prior to transfer, the fair value for the Level II securities was determined using observable market transactions or corroborated broker quotes respectively for the same or similar instruments. The amount of assets and liabilities transferred to Level III was EUR 380 million (full year 2014: EUR 485 million). Since the transfer, all such assets have been valued using valuation models incorporating significant non market-observable inputs or uncorroborated broker quotes.

Similarly, during the first nine months of 2015, Aegon transferred EUR 522 million (full year 2014: EUR 712 million) of financial instruments from Level III to other levels of the fair value hierarchy. The change in level was mainly the result of a return of activity in the market for these securities and that for these securities the fair value could be determined using observable market transactions or corroborated broker quotes for the same or similar instruments.

**Table of Contents**

The table below presents information about the significant unobservable inputs used for recurring fair value measurements for certain Level III financial instruments.

**Overview of significant unobservable inputs**

| <i>EUR millions</i>  | Carrying amount<br>September 30,<br>2015 | Valuation technique <sup>1</sup> | Significant unobservable input <sup>2</sup> | Range (weighted average) |
|--|--|----------------------------------|---|--------------------------|
| <b>Financial assets carried at fair value available-for-sale investments</b> |  |                                  |   |                          |
| Shares   | 133                                      | Net asset value                  | n.a.  | n.a.                     |
|  | 156                                      | Other                            | n.a.  | n.a.                     |
|  | <b>289</b>                               |                                  |   |                          |
| Debt securities  |  |                                  |   |                          |
|  | 3,588                                    | Broker quote                     | n.a.  | n.a.                     |
|  | 214                                      | Discounted cash flow             | Credit spread                               | 1.75% - 4.11% (2.80%)    |
|  | 294                                      | Other                            | n.a.  | n.a.                     |
|  | <b>4,095</b>                             |                                  |   |                          |
| Other investments at fair value  |  |                                  |   |                          |
| Tax credit investments   | 781                                      | Discounted cash flow             | Discount rate                               | 8.13%                    |
| Investment funds   | 95                                       | Net asset value                  | n.a.  | n.a.                     |
| Other  | 43                                       | Other                            | n.a.  | n.a.                     |
|  | <b>919</b>                               |                                  |   |                          |
| <b>September 30, 2015</b>  |  |                                  |   |                          |
| <b>Fair value through profit or loss</b>                                     |  |                                  |   |                          |
| Debt securities  | 8  | Other                            | n.a.  | n.a.                     |
|  | <b>8</b>                                 |                                  |   |                          |
| Other investments at fair value  |  |                                  |   |                          |
| Investment funds   | 1,186                                    | Net asset value                  | n.a.  | n.a.                     |
| Other  | 7  | Other                            | n.a.  | n.a.                     |
|  | <b>1,193</b>                             |                                  |   |                          |
| Derivatives <sup>3</sup>   |  |                                  |   |                          |
| Longevity swap   | 101                                      | Discounted cash flow             | Mortality                                   | n.a.                     |
| Other  | 8  | Other                            | n.a.  | n.a.                     |
|  | <b>109</b>                               |                                  |   |                          |
| <b>September 30, 2015</b>  |  |                                  |   |                          |
| <b>Financial liabilities carried at fair value</b>                           |  |                                  |   |                          |
| Derivatives  |  |                                  |   |                          |
| Embedded derivatives in insurance contracts                                  | 2,569                                    | Discounted cash flow             | Credit spread                               | 0.35% - 0.40% (0.37%)    |
| Other  | 83                                       | Other                            | n.a.  | n.a.                     |
| <b>Total financial liabilities at fair value</b>                             | <b>2,652</b>                             |                                  |   |                          |

<sup>1</sup> Other in the table above (column Valuation technique) includes investments for which the fair value is uncorroborated and no broker quote is received.

## Edgar Filing: AEGON NV - Form 6-K

2 Not applicable (n.a.) has been included when no significant unobservable assumption has been identified and used.

3 Investments for account of policyholders are excluded from the table above and from the disclosure regarding reasonably possible alternative assumptions. Policyholder assets, and their returns, belong to policyholders and do not impact Aegon's net income or equity. The effect on total assets is offset by the effect on total liabilities. Derivatives exclude derivatives for account of policyholders amounting to EUR 121 million.

The description of Aegon's methods of determining fair value is included in the consolidated financial statements for 2014. For reference purposes, the valuation techniques included in the table above are described in more detail on the following pages.

### *Shares*

When available, Aegon uses quoted market prices in active markets to determine the fair value of its investments in shares. Fair values for unquoted shares are estimated using observations of the price/earnings or price/cash flow ratios of quoted companies considered comparable to the companies being valued. Valuations are adjusted to account for company-specific issues and the lack of liquidity inherent in an unquoted investment. Adjustments for illiquidity are generally based on available market evidence. In addition, a variety of other factors are reviewed by management, including, but not limited to, current operating performance, changes in market outlook and the third-party financing environment.

Unaudited

21

---

**Table of Contents**

Available-for-sale shares include shares in a Federal Home Loan Bank (FHLB) for an amount of EUR 120 million (December 31, 2014: EUR 107 million) that are measured at par, which are reported as part of Other in the column Valuation technique. A FHLB has implicit financial support from the United States government. The redemption value of the shares is fixed at par and they can only be redeemed by the FHLB.

*Debt securities*

Aegon's portfolio of debt securities can be subdivided in Residential mortgage-backed securities (RMBS), Commercial mortgage-backed securities (CMBS), Asset-backed securities (ABS), Corporate bonds and Sovereign debt. Below relevant details in the valuation methodology for these specific types of debt securities are described.

Valuations of RMBS, CMBS and ABS are monitored and reviewed on a monthly basis. Valuations per asset type are based on a pricing hierarchy which uses a waterfall approach that starts with market prices from indices and follows with third-party pricing services or brokers. The pricing hierarchy is dependent on the possibilities of corroboration of the market prices. If no market prices are available, Aegon uses internal models to determine fair value. Significant inputs included in the internal models are generally determined based on relative value analyses, which incorporate comparisons to instruments with similar collateral and risk profiles. Market standard models may be used to model the specific collateral composition and cash flow structure of each transaction.

Valuations of corporate bonds are monitored and reviewed on a monthly basis. The pricing hierarchy is dependent on the possibility of corroboration of market prices when available. If no market prices are available, valuations are determined by a discounted cash flow methodology using an internally calculated yield. The yield is comprised of a credit spread over a given benchmark. In all cases, the benchmark is an observable input. The credit spread contains both observable and unobservable inputs. Aegon starts by taking an observable credit spread from a similar bond of the given issuer, and then adjusts this spread based on unobservable inputs. These unobservable inputs may include subordination, liquidity and maturity differences. The weighted average credit spread used in valuation of corporate bonds has increased to 2.80% (December 31, 2014: 2.67%).

If available, Aegon uses quoted market prices in active markets to determine the fair value of its sovereign debt investments. If Aegon cannot make use of quoted market prices, market prices from indices or quotes from third-party pricing services or brokers are used.

*Tax credit investments*

The fair value of tax credit investments is determined by using a discounted cash flow valuation technique. This valuation technique takes into consideration projections of future capital contributions and distributions, as well as future tax credits and the tax benefits of future operating losses. The present value of these cash flows is calculated by applying a discount rate. In general, the discount rate is determined based on the cash outflows for the investments and the cash inflows from the tax credits/tax benefits (and the timing of those cash flows). These inputs are unobservable in the market place. The discount rate used in valuation of tax credit investments has decreased to 8.13% (December 31, 2014: 8.5%).

*Investment funds*

Investment funds include real estate funds, private equity funds and hedge funds. The fair values of investments held in non-quoted investment funds are determined by management after taking into consideration information provided by the fund managers. Aegon reviews the valuations each month and performs analytical procedures and trending analyses to ensure the fair values are appropriate.

---

**Table of Contents***Derivatives*

Where quoted market prices are not available, other valuation techniques, such as option pricing or stochastic modeling, are applied. The valuation techniques incorporate all factors that a typical market participant would consider and are based on observable market data when available. Models are validated before they are used and calibrated to ensure that outputs reflect actual experience and comparable market prices.

Fair values for exchange-traded derivatives, principally futures and certain options, are based on quoted market prices in active markets. Fair values for over-the-counter (OTC) derivatives represent amounts estimated to be received from or paid to a third party in settlement of these instruments. These derivatives are valued using pricing models based on the net present value of estimated future cash flows, directly observed prices from exchange-traded derivatives, other OTC trades, or external pricing services. Most valuations are derived from swap and volatility matrices, which are constructed for applicable indices and currencies using current market data from many industry standard sources. Option pricing is based on industry standard valuation models and current market levels, where applicable. The pricing of complex or illiquid instruments is based on internal models or an independent third party. For long-dated illiquid contracts, extrapolation methods are applied to observed market data in order to estimate inputs and assumptions that are not directly observable. To value OTC derivatives, management uses observed market information, other trades in the market and dealer prices.

Some OTC derivatives are so-called longevity derivatives. The payout of longevity derivatives is linked to publicly available mortality tables. The derivatives are measured using the present value of the best estimate of expected payouts of the derivative plus a risk margin. The best estimate of expected payouts is determined using best estimate of mortality developments. Aegon determined the risk margin by stressing the best estimate mortality developments to quantify the risk and applying a cost-of-capital methodology. The most significant unobservable input for these derivatives is the (projected) mortality development.

Aegon normally mitigates counterparty credit risk in derivative contracts by entering into collateral agreements where practical and in ISDA master netting agreements for each of the Group's legal entities to facilitate Aegon's right to offset credit risk exposure. Changes in the fair value of derivatives attributable to changes in counterparty credit risk were not significant.

*Embedded derivatives in insurance contracts including guarantees*

All bifurcated guarantees for minimum benefits in insurance and investment contracts are carried at fair value. These guarantees include guaranteed minimum withdrawal benefits (GMWB) in the United States, United Kingdom and Japan which are offered on some variable annuity products and are also assumed from a ceding company; minimum investment return guarantees on insurance products offered in the Netherlands, including group pension and traditional products; variable annuities sold in Europe and Japan.

Since the price of these guarantees is not quoted in any market, the fair values of these guarantees are based on discounted cash flows calculated as the present value of future expected payments to policyholders less the present value of assessed rider fees attributable to the guarantees. Given the complexity and long-term nature of these guarantees which are unlike instruments available in financial markets, their fair values are determined by using stochastic models under a variety of market return scenarios. A variety of factors are considered including credit spread, expected market rates of return, equity and interest rate volatility, correlations of market returns, discount rates and actuarial assumptions. The most significant unobservable factor is credit spread. The credit spread used in the valuations of embedded derivatives in insurance contracts increased to 0.37% (December 31, 2014: 0.30%).

**Table of Contents**

The expected returns are based on risk-free rates. Aegon added a premium to reflect the credit spread as required. The credit spread is set by using the credit default swap (CDS) spreads of a reference portfolio of life insurance companies (including Aegon), adjusted to reflect the subordination of senior debt holders at the holding company level to the position of policyholders at the operating company level (who have priority in payments to other creditors). Aegon's assumptions are set by region to reflect differences in the valuation of the guarantee embedded in the insurance contracts.

Since many of the assumptions are unobservable and are considered to be significant inputs to the liability valuation, the liability included in future policy benefits has been reflected within Level III of the fair value hierarchy.

*Effect of reasonably possible alternative assumptions*

The effect of changes in unobservable inputs on fair value measurement as reported in the 2014 consolidated financial statements of Aegon has not changed significantly as per September 30, 2015.

**Fair value information about financial instruments not measured at fair value**

The following table presents the carrying values and estimated fair values of financial assets and liabilities, excluding financial instruments which are carried at fair value on a recurring basis.

**Fair value information about financial instruments not measured at fair value**

| <i>EUR millions</i>                                    | Carrying amount<br>September 30, 2015 | Total estimated fair value<br>September 30, 2015 | Carrying amount<br>December 31, 2014 | Total estimated fair value<br>December 31, 2014 |
|--|---------------------------------------|--|--------------------------------------|---|
| <b>Assets</b>  |                                       |  |                                      |   |
| Mortgage loans - held at amortized cost                | 32,976                                | 37,870   | 32,164                               | 36,692  |
| Private loans - held at amortized cost                 | 2,752                                 | 3,059  | 2,058                                | 2,454   |
| Other loans - held at amortized cost                   | 2,473                                 | 2,473  | 2,516                                | 2,516   |
| <b>Liabilities</b>                                     |                                       |  |                                      |   |
| Trust pass-through securities - held at amortized cost | 155                                   | 140  | 143                                  | 139   |
| Subordinated borrowings - held at amortized cost       | 756                                   | 797  | 747                                  | 828   |
| Borrowings held at amortized cost                      | 12,304                                | 12,650   | 13,588                               | 14,056  |
| Investment contracts - held at amortized cost          | 16,691                                | 17,208   | 14,985                               | 15,492  |

**Financial instruments for which carrying value approximates fair value**

Certain financial instruments that are not carried at fair value are carried at amounts that approximate fair value, due to their short-term nature and generally negligible credit risk. These instruments include cash and cash equivalents, short-term receivables and accrued interest receivable, short-term liabilities, and accrued liabilities. These instruments are not included in the table above.

**16. Deferred expenses**



Edgar Filing: AEGON NV - Form 6-K

EUR millions

Sept. 30, 2015

Dec. 31, 2014

|   |               |               |
|---|---------------|---------------|
| DPAC for insurance contracts and investment contracts with discretionary participation features | 11,165        | 9,523         |
| Deferred cost of reinsurance  | 429           | 441           |
| Deferred transaction costs for investment management services                                   | 453           | 409           |
| <b>Total deferred expenses</b>  | <b>12,047</b> | <b>10,373</b> |

24

Unaudited

**Table of Contents**

## 17. Share capital

| <i>EUR millions</i>              | Sept. 30, 2015 | Dec. 31, 2014 |
|----------------------------------|----------------|---------------|
| Share capital - par value        | 328            | 327           |
| Share premium                    | 8,059          | 8,270         |
| <b>Total share capital</b>       | <b>8,387</b>   | <b>8,597</b>  |
| <b>Share capital - par value</b> |                |               |
| Balance at January 1             | 327            | 325           |
| Issuance                         | 1              | -             |
| Share dividend                   | -              | 2             |
| <b>Balance</b>                   | <b>328</b>     | <b>327</b>    |
| <b>Share premium</b>             |                |               |
| Balance at January 1             | 8,270          | 8,375         |
| Share dividend                   | (211)          | (106)         |
| <b>Balance</b>                   | <b>8,059</b>   | <b>8,270</b>  |

*Basic and diluted earnings per share*

| <i>EUR millions</i>  | Q3 2015 | Q3 2014 | YTD 2015 | YTD 2014 |
|--|---------|---------|----------|----------|
| <b>Earnings per share (EUR per share)</b>                            |         |         |          |          |
| Basic earnings per common share                                      | (0.26)  | 0.01    | 0.02     | 0.32     |
| Basic earnings per common share B                                    | (0.01)  | -       | -        | 0.01     |
| Diluted earnings per common share                                    | (0.26)  | 0.01    | 0.02     | 0.32     |
| Diluted earnings per common share B                                  | (0.01)  | -       | -        | 0.01     |
| <b>Earnings per share calculation</b>                                |         |         |          |          |
| Net income / (loss) attributable to equity holders of Aegon N.V.     | (524)   | 52      | 141      | 787      |
| Coupons on other equity instruments                                  | (36)    | (36)    | (104)    | (119)    |
| Earnings attributable to common shares and common shares B           | (561)   | 16      | 37       | 668      |
| Earnings attributable to common shareholders                         | (557)   | 16      | 37       | 663      |
| Earnings attributable to common shareholders B                       | (4)     | -       | -        | 5        |
| Weighted average number of common shares outstanding (in millions)   | 2,104   | 2,098   | 2,099    | 2,094    |
| Weighted average number of common shares B outstanding (in millions) | 585     | 581     | 583      | 580      |

Diluted earnings per share is calculated by adjusting the average number of shares outstanding for share options. During the nine months ended September 30, 2015 and during 2014, the average share price did not exceed the exercise price of these options. As a result, diluted earnings per share do not differ from basic earnings per share.

*Interim dividend 2015*

The interim dividend 2015 was paid in cash or stock at the election of the shareholder. The cash dividend amounted to EUR 0.12 per common share, the stock dividend amounted to one new Aegon common share for every 45 common shares held. Dividend paid on common shares B

## Edgar Filing: AEGON NV - Form 6-K

amounted to 1/40th of the dividend paid on common shares. 43% of shareholders elected to receive the stock dividend. The remaining 57% opted for cash dividend. The average share price calculated on this basis amounted to EUR 5.40. The stock dividend and the cash dividend are approximately equal in value. To neutralize the dilutive effect of the 2015 interim dividend paid in shares, Aegon executed a share buyback program to repurchase 20,136,673 common shares. Between September 16, 2015, and October 13, 2015, these common shares were repurchased at an average price of EUR 5.2777 per share. These shares will be held as treasury shares and will be used to cover future stock dividends.

At September 30, 2015, Aegon had repurchased 11,578,544 common shares at an average price of EUR 5.1825. The liability for the repurchase of the remaining 8,558,129 shares, valued at the closing share price of EUR 5.1350 at September 30, 2015, amounted to EUR 44 million.

Unaudited

25

**Table of Contents****18. Borrowings**

| <i>EUR millions</i>     | Sept. 30, 2015 | Dec. 31, 2014 |
|-------------------------|----------------|---------------|
| Capital funding         | 2,452          | 2,338         |
| Operational funding     | 10,458         | 11,821        |
| <b>Total borrowings</b> | <b>12,910</b>  | <b>14,158</b> |

Included in borrowings is EUR 606 million relating to borrowings measured at fair value (December 31, 2014: EUR 571 million).

*Operational funding*

During the first nine months of 2015, Aegon redeemed EUR 1,500 million ECB LTRO with a floating coupon. In first nine months of 2015, Aegon also repurchased the mortgages from Saecure 7 and Saecure 11 for EUR 1,378 million. On February 26, 2015, Aegon borrowed EUR 1,000 million under a new ECB LTRO program with a short-term life with a coupon of 0.05% (5bp).

**19. Assets and liabilities held for sale***Canada*

On October 15, 2014, Aegon reached an agreement to sell its Canadian operations for a total consideration of CAD 600 million (EUR 428 million). The transaction was closed on July 31, 2015 after obtaining regulatory approval. At September 30, 2015, the Canadian operations of Aegon are no longer classified as assets and liabilities held for sale.

The Canadian operations were included in the Americas segment (note 3). For more information refer to note 21. Acquisitions / divestments.

*La Mondiale Participations*

La Mondiale Participations was classified as assets and liabilities held for sale per December 31, 2014. On March 3, 2015, Aegon completed the sale and therefore La Mondiale Participations is no longer reported as assets and liabilities held for sale.

Both the Canadian operations and La Mondiale Participations were sold and are no longer classified as assets and liabilities held for sale. As a result no unrealized gains relating to assets and liabilities held for sale are included in other comprehensive income, as of September 30, 2015 (December 31, 2014: EUR 477 million).

**20. Commitments and contingencies**

On January 13, 2015, the Dutch court approved a request filed jointly by Aegon and Stichting Belangenbehartiging Pensioengerechtigden van de Vervoer- en Havenbedrijven (BPHV) to remove restrictions on the capital of the harbour workers' former pension fund Optas. On April 21, 2015 the appeal period expired, after which Aegon made the agreed payment to BPHV of EUR 80 million and the restrictions on the capital were removed. In addition Aegon will contribute up to EUR 20 million to help mitigate the effect of an announced reduction in the tax-free pension allowance in the Netherlands.

There have been no other material changes in contingent assets and liabilities as reported in the 2014 consolidated financial statements of Aegon.

**21. Acquisitions / divestments***Acquisitions*

## Edgar Filing: AEGON NV - Form 6-K

On June 4, 2015 Aegon completed a strategic asset management partnership with La Banque Postale. Under the terms of the agreement, Aegon has acquired a 25% stake in La Banque Postale Asset Management (LBPAM) for a consideration of EUR 117 million.

**Table of Contents**

On September 25, 2015, Aegon announced that it has acquired Mercer's US defined contribution record-keeping business. As a result of the acquisition, the number of retirement plan participants serviced by Transamerica will increase by 917,000. Assets under administration (AUA) will increase by USD 71 billion (EUR 64 billion). The transaction is expected to close in the fourth quarter of 2015, subject to regulatory approval.

*Divestments*

On March 3, 2015, Aegon completed the sale of its 35% share in La Mondiale Participations following the granting of approval by the French Competition Authority (Autorité de la Concurrence). The agreement to sell Aegon's stake in La Mondiale Participations to La Mondiale for EUR 350 million was announced on November 24, 2014. Proceeds from the sale were added to Aegon's excess capital buffer, and increased the group's Insurance Group Directive (IGD) solvency ratio by over 4 percentage points at the time of the sale.

On July 31, 2015, Aegon completed the sale of its Canadian life insurance business following regulatory approval. The agreement to sell Aegon's Canadian life insurance business for an amount of CAD 600 million (EUR 428 million) was announced on October 16, 2014. The transaction results in a book loss of CAD 1,054 million (EUR 751 million) recorded at September 30, 2015. Aegon has earmarked the proceeds of this transaction for the redemption of the USD 500 million 4.625% senior bond, due December 2015.

The results of the Canadian operations reflect amounts previously recorded in Other Comprehensive Income that were reclassified into the income statement including CAD 178 million (EUR 127 million) release of the foreign currency translation reserve, CAD (72) million (EUR (51) million) release of the net foreign investment hedging reserve and CAD 668 million (EUR 476 million) for the release of the available for sale reserve. The net cash proceeds were CAD 543 million (EUR 387 million) consisting of CAD 600 million (EUR 428 million) cash received and the cash and cash equivalents included in the sale of CAD 57 million (EUR 41 million). Expenses related to the transaction, including cost of sale, amount to CAD 11 million (EUR 8 million).

The table below presents the statement of financial position of the Canadian life insurance business at the moment of the completion of the sale.

**Statement of financial position**July 31,  
2015*EUR millions*

|   |              |
|---|--------------|
| <b>Assets</b>                                     |              |
| Intangible assets                                 | 198          |
| Investments                                       | 5,506        |
| Investments for account of policyholders          | 1,459        |
| Reinsurance assets                                | 989          |
| Deferred expenses                                 | 832          |
| Other assets and receivables                      | 270          |
| Cash and cash equivalents                         | 40           |
| <b>Total assets</b>                               | <b>9,293</b> |
| Insurance contracts                               | 5,008        |
| Insurance contracts for account of policyholders  | 1,341        |
| Investment contracts                              | 56           |
| Investment contracts for account of policyholders | 118          |
| Derivatives                                       | 33           |
| Other liabilities                                 | 1,056        |
| <b>Total liabilities</b>                          | <b>7,612</b> |

On September 7, 2015, Aegon completed the sale of its 25.1% share in platform provider and discretionary fund manager Seven Investment Management (7IM) for GBP 19 million (EUR 26 million). This transaction has led to a net gain of GBP 7 million (EUR 10 million). 7IM was recorded as an associate in the books of Aegon.

## Edgar Filing: AEGON NV - Form 6-K

On September 1, 2015, Aegon completed the sale of Clark Consulting following regulatory approval. The agreement to sell Clark Consulting for USD 177.5 million (EUR 160 million) was announced on July 10, 2015 and resulted in a gain of USD 8 million (EUR 7 million).

Unaudited

27

**Table of Contents**

## To: The Supervisory Board and the Executive Board of Aegon N.V.

### Review report

#### Introduction

We have reviewed the accompanying condensed consolidated interim financial statements for the nine-month period ended September 30, 2015, of Aegon N.V., The Hague, as set out on pages 2 to 27, which comprises the condensed consolidated statement of financial position as at September 30, 2015, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and the selected notes for the nine-month period then ended. We have not reviewed the condensed consolidated income statement, the condensed consolidated statement of comprehensive income and the condensed consolidated statement of changes in equity for the three-month period ended as at September 30, 2015. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

#### Scope

We conducted our review in accordance with Dutch law including standard 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the nine-month period ended September 30, 2015, are not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting as adopted by the European Union.

Amsterdam, November 11, 2015

PricewaterhouseCoopers Accountants N.V.

Original has been signed by

R. Dekkers RA



**Table of Contents****Disclaimers**

## Cautionary note regarding non-IFRS measures

This document includes the following non-IFRS financial measures: underlying earnings before tax, income tax and income before tax. These non-IFRS measures are calculated by consolidating on a proportionate basis Aegon's joint ventures and associated companies. The reconciliation of these measures to the most comparable IFRS measure is provided in note 3 Segment information of Aegon's Condensed Consolidated Interim Financial Statements. Aegon believes that these non-IFRS measures, together with the IFRS information, provide meaningful information about the underlying operating results of Aegon's business including insight into the financial measures that senior management uses in managing the business.

## Currency exchange rates

This document contains certain information about Aegon's results, financial condition and revenue generating investments presented in USD for the Americas and GBP for the United Kingdom, because those businesses operate and are managed primarily in those currencies. None of this information is a substitute for or superior to financial information about Aegon presented in EUR, which is the currency of Aegon's primary financial statements.

## Forward-looking statements

The statements contained in this document that are not historical facts are forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995. The following are words that identify such forward-looking statements: aim, believe, estimate, target, intend, may, expect, anticipate, predict, project, counting on, plan, continue, want, forecast, goal, should, would, is confident, will, and similar expressions as they relate to Aegon. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Aegon undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which merely reflect company expectations at the time of writing. Actual results may differ materially from expectations conveyed in forward-looking statements due to changes caused by various risks and uncertainties. Such risks and uncertainties include but are not limited to the following:

- t Changes in general economic conditions, particularly in the United States, the Netherlands and the United Kingdom;
- t Changes in the performance of financial markets, including emerging markets, such as with regard to:
  - The frequency and severity of defaults by issuers in Aegon's fixed income investment portfolios;
  - The effects of corporate bankruptcies and/or accounting restatements on the financial markets and the resulting decline in the value of equity and debt securities Aegon holds; and
  - The effects of declining creditworthiness of certain private sector securities and the resulting decline in the value of sovereign exposure that Aegon holds;
- t Changes in the performance of Aegon's investment portfolio and decline in ratings of Aegon's counterparties;
- t Consequences of a potential (partial) break-up of the euro;
- t The frequency and severity of insured loss events;
- t Changes affecting longevity, mortality, morbidity, persistence and other factors that may impact the profitability of Aegon's insurance products;
- t Reinsurers to whom Aegon has ceded significant underwriting risks may fail to meet their obligations;
- t Changes affecting interest rate levels and continuing low or rapidly changing interest rate levels;
- t Changes affecting currency exchange rates, in particular the EUR/USD and EUR/GBP exchange rates;
- t Changes in the availability of, and costs associated with, liquidity sources such as bank and capital markets funding, as well as conditions in the credit markets in general such as changes in borrower and counterparty creditworthiness;
- t Increasing levels of competition in the United States, the Netherlands, the United Kingdom and emerging markets;
- t Changes in laws and regulations, particularly those affecting Aegon's operations, ability to hire and retain key personnel, the products Aegon sells, and the attractiveness of certain products to its consumers;
- t Regulatory changes relating to the insurance industry in the jurisdictions in which Aegon operates;
- t Changes in customer behavior and public opinion in general related to, among other things, the type of products also Aegon sells, including legal, regulatory or commercial necessity to meet changing customer expectations;
- t Acts of God, acts of terrorism, acts of war and pandemics;
- t Changes in the policies of central banks and/or governments;
- t Lowering of one or more of Aegon's debt ratings issued by recognized rating organizations and the adverse impact such action may have on Aegon's ability to raise capital and on its liquidity and financial condition;
- t Lowering of one or more of insurer financial strength ratings of Aegon's insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability and liquidity of its insurance subsidiaries;
- t The effect of the European Union's Solvency II requirements and other regulations in other jurisdictions affecting the capital Aegon is required to maintain;
- t Litigation or regulatory action that could require Aegon to pay significant damages or change the way Aegon does business;
- t As Aegon's operations support complex transactions and are highly dependent on the proper functioning of information technology, a computer system failure or security breach may disrupt Aegon's business, damage its reputation and adversely affect its results of operations, financial condition and cash flows;

## Edgar Filing: AEGON NV - Form 6-K

- t Customer responsiveness to both new products and distribution channels;
- t Competitive, legal, regulatory, or tax changes that affect profitability, the distribution cost of or demand for Aegon's products;
- t Changes in accounting regulations and policies or a change by Aegon in applying such regulations and policies, voluntarily or otherwise, may affect Aegon's reported results and shareholders' equity;
- t The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Aegon's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- t Catastrophic events, either manmade or by nature, could result in material losses and significantly interrupt Aegon's business; and
- t Aegon's failure to achieve anticipated levels of earnings or operational efficiencies as well as other cost saving and excess capital and leverage ratio management initiatives.

Further details of potential risks and uncertainties affecting Aegon are described in its filings with the Netherlands Authority for the Financial Markets and the US Securities and Exchange Commission, including the Annual Report. These forward-looking statements speak only as of the date of this document. Except as required by any applicable law or regulation, Aegon expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Aegon's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Unaudited

29

**Table of Contents**

## Corporate and shareholder information

### Headquarters

Aegon N.V.

P.O. Box 85

2501 CB The Hague

The Netherlands

Telephone + 31 (0) 70 344 32 10  
[aegon.com](http://aegon.com)

Group Corporate Communications & Investor Relations

### Media relations

Telephone + 31 (0) 70 344 89 56

E-mail [gcc@aegon.com](mailto:gcc@aegon.com)

### Investor relations

Telephone + 31 (0) 70 344 83 05

E-mail or 877 548 96 68 - toll free, USA only

[ir@aegon.com](mailto:ir@aegon.com)

Publication dates quarterly results 2015 and 2016

|                   |                             |
|-------------------|-----------------------------|
| February 19, 2016 | Results fourth quarter 2015 |
| May 12, 2016      | Results first quarter 2016  |
| August 11, 2016   | Results second quarter 2016 |
| November 10, 2016 | Results third quarter 2016  |

Aegon's Q3 2015 press release and Financial Supplement are available on [aegon.com](http://aegon.com).

## About Aegon

Aegon's roots go back 170 years to the first half of the nineteenth century. Since then, Aegon has grown into an international company, with businesses in more than 20 countries in the Americas, Europe and Asia. Today, Aegon is one of the world's leading financial services organizations, providing life insurance, pensions and asset management. Aegon's purpose is to help people take responsibility for their financial future. More information: [aegon.com](http://aegon.com).