

AEGON NV
Form 6-K
May 10, 2012
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Securities and Exchange Commission

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

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

May 2012

AEGON N.V.

AEGONplein 50

2591 TV THE HAGUE

The Netherlands

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AEGON s condensed consolidated interim financial statements Q1 2012, is included as an exhibit 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: May 10, 2012

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

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THE HAGUE, MAY 10, 2012

CONDENSED CONSOLIDATED

INTERIM FINANCIAL STATEMENTS

Q1 2012

LIFE INSURANCE

PENSIONS

ASSET MANAGEMENT

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Table of Contents**CONDENSED CONSOLIDATED INCOME STATEMENT**

| <i>EUR millions (except per share data)</i> | Notes | Q1 2012 | Q1 2011 |
|--|-------|---------------|---------------|
| Premium income | 4 | 5,851 | 6,277 |
| Investment income | 5 | 2,076 | 2,111 |
| Fee and commission income | | 465 | 460 |
| Other revenues | | 2 | 2 |
| Total revenues | | 8,394 | 8,850 |
| Income from reinsurance ceded | 6 | 953 | 430 |
| Results from financial transactions | 7 | 7,565 | 1,113 |
| Other income | 8 | | 37 |
| Total income | | 16,912 | 10,430 |
| Benefits and expenses | 9 | 16,164 | 9,859 |
| Impairment charges / (reversals) | 10 | 46 | 64 |
| Interest charges and related fees | | 132 | 111 |
| Other charges | 11 | 18 | 28 |
| Total charges | | 16,360 | 10,062 |
| Share in net result of associates | | 11 | 5 |
| Income before tax | | 563 | 373 |
| Income tax (expense) / benefit | | (42) | (46) |
| Net income | | 521 | 327 |
| Net income attributable to: | | | |
| Equity holders of AEGON N.V. | | 521 | 327 |
| Non-controlling interests | | | |
| Earnings and dividend per share (EUR per share) | | | |
| Earnings per share ¹ | | 0.25 | (0.05) |
| Earnings per share, excluding premium on convertible core capital securities | | 0.25 | 0.16 |
| Diluted earnings per share ^{1, 2} | | 0.25 | (0.05) |
| Dividend per common share | | | |
| Earnings per common share calculation | | | |
| Net income | | 521 | 327 |
| Preferred dividend | | | |
| Coupons on other equity instruments | | (47) | (44) |
| Coupons and premium on convertible core capital securities | | | (375) |
| Earnings attributable to common shareholders | | 474 | (92) |
| Weighted average number of common shares outstanding | | 1,880 | 1,765 |

¹ After deduction of preferred dividend, coupons on other equity instruments and coupons and premium on core capital securities.

² In Q1 2011, the potential conversion of the convertible core capital securities is taken into account in the calculation of diluted earnings per share if this would have a dilutive effect (i.e. diluted earnings per share would be lower than the earnings after potential attribution to convertible core capital securities).

Unaudited

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Table of Contents**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| <i>EUR millions</i> | Q1 2012 | Q1 2011 |
|---|------------|--------------|
| Net income | 521 | 327 |
| Other comprehensive income: | | |
| Gains / (losses) on revaluation of available-for-sale investments | 453 | (200) |
| (Gains) / losses transferred to the income statement on disposal and impairment of available-for-sale investments | (34) | (61) |
| Changes in revaluation reserve real estate held for own use | | (1) |
| Changes in cash flow hedging reserve | (330) | (87) |
| Movement in foreign currency translation and net foreign investment hedging reserve | (305) | (888) |
| Equity movements of associates | 17 | (8) |
| Aggregate tax effect of items recognized in other comprehensive income | 13 | 100 |
| Other | 2 | 1 |
| Other comprehensive income for the period | (184) | (1,144) |
| Total comprehensive income | 337 | (817) |
| Total comprehensive income attributable to: | | |
| Equity holders of AEGON N.V. | 337 | (817) |
| Non-controlling interests | | |

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Table of Contents**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| <i>EUR millions</i> | Notes | Mar. 31, 2012 | Dec. 31, 2011 |
|---|-------|------------------|------------------|
| ASSETS | | | |
| Intangible assets | 12 | 3,225 | 3,285 |
| Investments | 13 | 140,770 | 144,079 |
| Investments for account of policyholders | 14 | 149,501 | 142,529 |
| Derivatives | 15 | 15,361 | 15,504 |
| Investments in associates | | 774 | 742 |
| Reinsurance assets | 16 | 10,977 | 11,517 |
| Deferred expenses and rebates | 17 | 11,580 | 11,633 |
| Other assets and receivables | | 8,859 | 8,184 |
| Cash and cash equivalents | | 8,671 | 8,104 |
| Total assets | | 349,718 | 345,577 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' equity | | 21,283 | 21,000 |
| Other equity instruments | 19 | 4,998 | 4,720 |
| Issued capital and reserves attributable to equity holders of AEGON N.V. | | 26,281 | 25,720 |
| Non-controlling interests | | 14 | 14 |
| Group equity | | 26,295 | 25,734 |
| Trust pass-through securities | | 151 | 159 |
| Subordinated borrowings | 20 | 58 | 18 |
| Insurance contracts | | 103,774 | 105,175 |
| Insurance contracts for account of policyholders | | 76,972 | 73,425 |
| Investment contracts | | 19,323 | 20,847 |
| Investment contracts for account of policyholders | | 74,659 | 71,433 |
| Derivatives | 15 | 12,581 | 12,728 |
| Borrowings | 21 | 11,199 | 10,141 |
| Other liabilities | | 24,706 | 25,917 |
| Total liabilities | | 323,423 | 319,843 |
| Total equity and liabilities | | 349,718 | 345,577 |

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Table of Contents**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| EUR millions | Share capital ¹ | Retained earnings | Revaluation reserves | Other reserves | Convertible core capital securities | Other equity instruments | Issued capital and reserves ² | Non-controlling interests | Total |
|---|----------------------------|-------------------|----------------------|----------------|-------------------------------------|--------------------------|--|---------------------------|---------------|
| Three months ended March 31, 2012 | | | | | | | | | |
| At beginning of year | 9,097 | 9,403 | 3,464 | (964) | | 4,720 | 25,720 | 14 | 25,734 |
| Net income recognized in the income statement | | 521 | | | | | 521 | | 521 |
| Other comprehensive income: | | | | | | | | | |
| Gains / (losses) on revaluation of available-for-sale investments | | | 453 | | | | 453 | | 453 |
| (Gains) / losses transferred to income statement on disposal and impairment of available-for-sale investments | | | (34) | | | | (34) | | (34) |
| Changes in cash flow hedging reserve | | | (330) | | | | (330) | | (330) |
| Movement in foreign currency translation and net foreign investment hedging reserves | | | | (305) | | | (305) | | (305) |
| Equity movements of associates | | | | 17 | | | 17 | | 17 |
| Aggregate tax effect of items recognized in other comprehensive income | | | (4) | 19 | | (2) | 13 | | 13 |
| Transfers from / to other headings | | (17) | 17 | | | | | | |
| Other | | 2 | | | | | 2 | | 2 |
| Total other comprehensive income | | (15) | 102 | (269) | | (2) | (184) | | (184) |
| Total comprehensive income / (loss) for 2012 | | 506 | 102 | (269) | | (2) | 337 | | 337 |
| Issuance of non-cumulative subordinated notes | | | | | | 271 | 271 | | 271 |
| Coupons on non-cumulative subordinated notes | | (3) | | | | | (3) | | (3) |
| Coupons on perpetual securities | | (44) | | | | | (44) | | (44) |
| Cost of issuance of non-cumulative subordinated notes (net of tax) | | (9) | | | | | (9) | | (9) |
| Share options and incentive plans | | | | | | 9 | 9 | | 9 |
| At end of period | 9,097 | 9,853 | 3,566 | (1,233) | | 4,998 | 26,281 | 14 | 26,295 |
| Three months ended March 31, 2011 | | | | | | | | | |
| At beginning of year | 8,184 | 9,529 | 958 | (1,343) | 1,500 | 4,704 | 23,532 | 11 | 23,543 |
| | | 327 | | | | | 327 | | 327 |

| | | | | | | | | | |
|---|--------------|--------------|--------------|----------------|------------|--------------|----------------|-----------|----------------|
| Net income / (loss) recognized in the income statement | | | | | | | | | |
| Other comprehensive income: | | | | | | | | | |
| Gains / (losses) on revaluation of available-for-sale investments | | | (200) | | | | (200) | | (200) |
| (Gains) / losses transferred to income statement on disposal and impairment of available-for-sale investments | | | (61) | | | | (61) | | (61) |
| Changes in revaluation reserve real estate held for own use | | | (1) | | | | (1) | | (1) |
| Changes in cash flow hedging reserve | | | (87) | | | | (87) | | (87) |
| Movement in foreign currency translation and net foreign investment hedging reserves | | | (888) | | | | (888) | | (888) |
| Equity movements of associates | | | (8) | | | | (8) | | (8) |
| Aggregate tax effect of items recognized in other comprehensive income | | | 56 | 44 | | | 100 | | 100 |
| Other | 1 | | | | | | 1 | | 1 |
| Total other comprehensive income | | 1 | (293) | (852) | | | (1,144) | | (1,144) |
| Total comprehensive income / (loss) for 2011 | 328 | (293) | (852) | | | | (817) | | (817) |
| Shares issued | 913 | | | | | | 913 | | 913 |
| Repayment convertible core capital securities | | | | | (750) | | (750) | | (750) |
| Coupons on perpetual securities | | (44) | | | | | (44) | | (44) |
| Coupons and premium on convertible core capital securities | | (375) | | | | | (375) | | (375) |
| Share options and incentive plans | | | | | 2 | | 2 | | 2 |
| Cost of issuance of shares (net of tax) | | (14) | | | | | (14) | | (14) |
| At end of period | 9,097 | 9,424 | 665 | (2,195) | 750 | 4,706 | 22,447 | 11 | 22,458 |

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

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

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| <i>EUR millions</i> | Q1 2012 | Q1 2011 |
|---|--------------|--------------|
| Cash flow from operating activities | (732) | (900) |
| Purchases and disposals of intangible assets | (11) | (3) |
| Purchases and disposals of equipment and other assets | (13) | (14) |
| Purchases, disposals and dividends of subsidiaries and associates | (7) | (4) |
| Cash flow from investing activities | (31) | (21) |
| Issuance and purchase of share capital | | 913 |
| Dividends paid | | |
| Issuances, repurchases and coupons of convertible core capital securities | | (1,125) |
| Issuances, repurchases and coupons of perpetuals | (58) | (59) |
| Issuances, repurchases and coupons of non-cumulative subordinated notes | 266 | |
| Issuances and repayments of (subordinated) borrowings | 1,315 | 267 |
| Cash flow from financing activities | 1,523 | (4) |
| Net increase / (decrease) in cash and cash equivalents | 760 | (925) |
| Net cash and cash equivalents at January 1 | 7,826 | 5,174 |
| Effects of changes in exchange rate | (17) | (31) |
| Net cash and cash equivalents at end of period | 8,569 | 4,218 |
| | Mar. 31, | Mar. 31, |
| | 2012 | 2011 |
| Cash and cash equivalents | 8,671 | 4,286 |
| Bank overdrafts | (102) | (68) |
| Net cash and cash equivalents | 8,569 | 4,218 |

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Notes to the condensed consolidated interim financial statements

Amounts in EUR millions, unless otherwise stated

1. Basis of presentation

The condensed consolidated interim financial statements as at, and for the first quarter ended, March 31, 2012, have been prepared in accordance with IAS 34 Interim financial reporting as adopted by the European Union (EU) as issued by the International Accounting Standards Board (IASB). It does not include all of the information required for a full set of financial statements prepared in accordance with IFRS and should therefore be read together with the 2011 consolidated financial statements of AEGON N.V. as included in AEGON's Annual Report for 2011. AEGON's Annual Report for 2011 is available on its website (www.aegon.com).

The condensed consolidated interim financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of investment properties and those financial instruments (including derivatives) and financial liabilities that have been measured at fair value. The condensed consolidated interim financial statements for the first quarter of 2012 were approved by the Executive Board on May 8, 2012.

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 2011 consolidated financial statements, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board as adopted by the European Union, except for the following accounting policy for compound instruments:

Non-cumulative subordinated notes, issued on February 7, 2012, are identified as a compound instrument due to the nature of this financial instrument. For these non-cumulative subordinated notes, issued in US dollars, AEGON has an unconditional right to avoid delivering cash or another financial asset to settle the coupon payments. The redemption of the principal is however not at the discretion of AEGON and therefore AEGON has a contractual obligation to settle the redemption in cash or another financial asset or through the exchange of financial assets and liabilities at potentially unfavorable conditions for AEGON. Compound instruments are separated into liability components and equity components. The liability component for the non-cumulative subordinated notes is equal to the present value of the redemption amount and subsequently carried at amortized cost using the effective interest rate method. The liability component is derecognized when the Group's obligation under the contract expires, is discharged or is cancelled. The equity component is assigned the residual amount after deducting the liability component from the fair value of the instrument as a whole. The equity component in US dollars is translated into euro using the historical transaction exchange rates.

Incremental external costs that are directly attributable to the issuing or buying back of the non-cumulative subordinated notes are recognized proportionate to the equity component and liability component, net of tax.

Coupon payments and other distributions to holders of the non-cumulative subordinated notes are recognized directly in equity, net of tax. A liability for non-cumulative dividends payable is not recognized until the coupon has been declared and approved.

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The following standards, interpretations, amendments to standards and interpretations became effective in 2012:

Amendment to IFRS 1 First time adoption - Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters;

Amendment to IFRS 7 Disclosures - Transfers of Financial Assets;

IAS 12 Income Taxes Recovery of Tax Assets.

None of these new or revised standards and interpretations had a significant effect on the condensed consolidated interim financial statements for the period ended March 31, 2012.

Taxes on income for the Q1 2012 interim period are accrued using the tax rate that would be applicable to expected total annual earnings.

Critical accounting estimates

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

Exchange rates

The following exchange rates are applied for the condensed consolidated interim financial statements:

Closing exchange rates

| | | | USD | GBP |
|---------------------------------|---|-----|--------|--------|
| March 31, 2012 | 1 | EUR | 1.3317 | 0.8335 |
| December 31, 2011 | 1 | EUR | 1.2982 | 0.8353 |
| Weighted average exchange rates | | | | |

| | | | USD | GBP |
|---------|---|-----|--------|--------|
| Q1 2012 | 1 | EUR | 1.3101 | 0.8335 |
| Q1 2011 | 1 | EUR | 1.3663 | 0.8523 |

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Table of Contents**3. Segment information****3.1 Income statement**

| <i>EUR millions</i> | Americas | The Netherlands | United Kingdom | New Markets | Holding and other activities | Eliminations | Non-IFRS Total | Associates eliminations | Total IFRS based |
|--|--------------|-----------------|----------------|-------------|------------------------------|--------------|----------------|-------------------------|------------------|
| Three months ended March 31, 2012 | | | | | | | | | |
| Underlying earnings before tax geographically | 292 | 79 | 29 | 88 | (61) | (2) | 425 | (3) | 422 |
| Fair value items | 64 | 42 | (2) | 7 | 45 | | 156 | | 156 |
| Realized gains / (losses) on investments | 9 | 34 | | 2 | | | 45 | | 45 |
| Impairment charges | (36) | (3) | | (4) | (4) | | (47) | | (47) |
| Impairment reversals | 6 | | | | | | 6 | | 6 |
| Other income / (charges) | (1) | (3) | 6 | (18) | (1) | | (17) | | (17) |
| Run-off businesses | (2) | | | | | | (2) | | (2) |
| Income before tax | 332 | 149 | 33 | 75 | (21) | (2) | 566 | (3) | 563 |
| Income tax (expense) / benefit | (53) | (8) | 13 | (27) | 30 | | (45) | 3 | (42) |
| Net income | 279 | 141 | 46 | 48 | 9 | (2) | 521 | | 521 |
| <i>Inter-segment underlying earnings</i> | (46) | (12) | (16) | 71 | 3 | | | | |
| Revenues | | | | | | | | | |
| Life insurance gross premiums | 1,581 | 1,772 | 1,415 | 408 | | (18) | 5,158 | (93) | 5,065 |
| Accident and health insurance | 444 | 109 | | 62 | 1 | (1) | 615 | | 615 |
| General insurance | | 134 | | 37 | | | 171 | | 171 |
| Total gross premiums | 2,025 | 2,015 | 1,415 | 507 | 1 | (19) | 5,944 | (93) | 5,851 |
| Investment income | 890 | 552 | 562 | 86 | 89 | (87) | 2,092 | (16) | 2,076 |
| Fee and commission income | 285 | 86 | 31 | 128 | | (65) | 465 | | 465 |
| Other revenues | | | | 1 | 1 | | 2 | | 2 |
| Total revenues | 3,200 | 2,653 | 2,008 | 722 | 91 | (171) | | | |