

AEGON NV  
Form 6-K  
January 23, 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**

January 23, 2012

**AEGON N.V.**

**AEGONplein 50**

**2591 TV THE HAGUE**

**The Netherlands**

**Table of Contents**

AEGON's Embedded Value Report 2010 dated May 12, 2011, is included as an exhibit and incorporated herein by reference. The Embedded Value 2010 Report, as included in the exhibit, reflects some minor adjustments to the Embedded Value 2010 Report as referred to in our Report on Form 6-K furnished to the SEC on May 17, 2011.

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: January 23, 2012

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

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THE HAGUE, MAY 12, 2011

# EMBEDDED VALUE

## 2010

LIFE INSURANCE

PENSIONS

ASSET MANAGEMENT

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**Table of Contents****1. Highlights****1.1 Overview of embedded value life insurance and total embedded value**

A high level overview of embedded value life insurance and total embedded value is contained in table 1. More details on these values, the principles and assumptions used plus the sensitivity of these values to changes in underlying assumptions are included in this document and should be read carefully in connection with the information presented below. All figures in this document are presented on an after tax basis unless otherwise stated.

Table 1

<b>Embedded value</b>	Year-end 2010 EUR	Year-end 2009 EUR	%
<i>(amounts in millions unless stated otherwise, after tax)</i>			
<u>Life business</u>			
Adjusted net worth (ANW)	15,959	13,216	21
Free surplus (FS)	3,261	2,404	36
Required surplus (RS)	12,697	10,811	17
Value of in-force life business (ViF)	9,798	10,081	(3)
Present value future profits (PVFP)	13,570	13,035	4
Cost of capital (CoC)	(3,772)	(2,955)	(28)
<b>Embedded value life insurance (EVLI)</b>	<b>25,756</b>	<b>23,296</b>	<b>11</b>
<u>Other activities</u>			
IFRS book value	733	1,137	(36)
<b>Total embedded value before holding activities</b>	<b>26,489</b>	<b>24,434</b>	<b>8</b>
<u>Holding activities</u>			
Market value of debt, capital securities & other net liabilities	(7,598)	(6,663)	(14)
Present value holding expenses	(7,098)	(6,187)	(15)
	(500)	(477)	(5)
<b>Total embedded value (TEV)</b>	<b>18,891</b>	<b>17,770</b>	<b>6</b>
Value of preferred share capital	(1,170)	(1,301)	10
<b>Total embedded value (TEV) attributable to common shareholders</b>	<b>17,721</b>	<b>16,469</b>	<b>8</b>
TEV attributable to common shareholders per share (EUR)	10.38	9.65	8

The most important items impacting the change in embedded value life insurance during 2010 were<sup>1</sup>:

- ⊖ Embedded value operating return<sup>2</sup> of EUR 1.3 billion, consisting of EUR 767 million for in-force performance and EUR 555 million for new business value.
- ⊖ An investment variance of EUR 1.9 billion and an impact of EUR (1.3) billion from economic assumption changes due to lower interest rates particularly in the Netherlands.
- ⊖ Net capital movements from the life operations, impacting the EVLI by EUR (0.7) billion.
- ⊖ The strengthening of other currencies against the euro, particularly the US dollar, increasing the EVLI by EUR 1.2 billion.

<sup>1</sup> For a more detailed analysis, please refer to section 2.1.2 Movement analysis of embedded value life insurance .

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<sup>2</sup> For embedded value operating margins on a constant currency basis, please refer to addendum 2 *Movement analysis per region and product segment* .

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The value of other activities decreased to EUR 0.7 billion (see section 2.1 for details).

Debt, capital securities and other net liabilities, which includes the convertible core capital securities funded by the Dutch State, increased by EUR 0.9 billion, as a result of an increase in the market value of debt, more than offsetting the reduction in debt due to the repurchase of convertible core capital securities in 2010 (EUR 0.5 billion).

**1.2 New business**

A high level overview of the value of new business (VNB) generated by new business sold during the reporting period is contained below in tables 2 and 3. Throughout this report, the VNB is presented net of tax and after an allowance for the cost of carrying required capital on the internal surplus basis unless stated otherwise.

*Table 2*

<b>Value of new business</b>	<b>2010</b>	<b>2009</b>	<b>%</b>
	<b>EUR</b>		
<i>(amounts in millions)</i>		<b>EUR</b>	
<b>Gross value of new business</b>	<b>1,054</b>	<b>1,199</b>	<b>(12)</b>
Tax	(308)	(253)	(22)
Cost of capital	(190)	(178)	(7)
<b>Value of new business</b>	<b>555</b>	<b>767</b>	<b>(28)</b>

*Table 3*

<b>Value of new business</b>	<b>2010</b>	<b>2009</b>	<b>%</b>
	<b>EUR</b>	<b>EUR</b>	
<i>(amounts in millions, after tax)</i>			
Americas	230	293	(22)
The Netherlands	144	184	(22)
United Kingdom	65	170	(62)
New Markets	116	120	(3)
Asia	4	4	0
Central and Eastern Europe	49	46	7
Spain & France	51	82	(38)
Variable Annuities Europe	11	(11)	-
<b>Total</b>	<b>555</b>	<b>767</b>	<b>(28)</b>



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The VNB decreased 28% from 2009 (30% on a constant currency basis). The main reason for the decrease was the strategic shift away from spread business, in both the Americas and the UK. The Netherlands also experienced lower VNB as the margins on mortgage business decreased. New Markets share of AEGON's total VNB increased to 21% (from 16% in 2009).

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**Table of Contents****1.3 Summary of movement analysis**

Table 4

<b>Summary of movement analysis</b>	Total	Total
	2010	2009
<i>(amounts in EUR millions, after tax)</i>		
<b>Embedded value life insurance BoY</b>	<b>23,296</b>	<b>22,936</b>
Value of new business (VNB)	555	767
In-force performance	767	560
<b>Embedded value operating return</b>	<b>1,322</b>	<b>1,327</b>
Variance from long-term investment return	1,860	(396)
Change in economic assumptions	(1,332)	(607)
Currency exchange differences	1,192	(153)
Miscellaneous impacts	89	(222)
<b>Embedded value total return</b>	<b>3,131</b>	<b>(51)</b>
Capital movements	(672)	412
<b>Embedded value life insurance EoY</b>	<b>25,756</b>	<b>23,296</b>
Other activities	733	1,137
Holding activities	(7,598)	(6,663)
<b>Total embedded value</b>	<b>18,891</b>	<b>17,770</b>
<b>Embedded value operating margin <sup>(A)</sup></b>	<b>5.3%</b>	<b>5.8%</b>

<sup>(A)</sup> Embedded value operating margin is calculated on a constant currency basis. See addendum 2, tables 15 to 18 for details.

- ⚡ Embedded value operating return was at a similar level to 2009, with stronger in-force performance offsetting a lower level of new business value.
- ⚡ Favorable variances from the long-term investment return of EUR 1.9 billion were partially offset by a negative impact of EUR (1.3) billion from economic assumption changes, both largely caused by the impact in the Netherlands of lower interest rates, which had a positive impact on the derivatives hedging the guarantee reserves, and an offsetting negative impact due to increases in the value of liabilities.
- ⚡ There were net capital movements from the life operations, which impacted the EVLI by EUR (0.7) billion in 2010.
- ⚡ The strengthening of currencies against the euro, particularly the US dollar, increased the EVLI by EUR 1.2 billion.



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**1.4 Summary of reconciliation of free surplus in life insurance businesses**

*Table 5*

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