

AEGON NV
Form 6-K
December 21, 2017
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United States
Securities and Exchange Commission
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
Under the Securities Exchange Act of 1934
December 2017
Commission File No. 1-10882

AEGON N.V.

Aegonplein 50
2591 TV THE HAGUE
The Netherlands

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F Form 40-F

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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Aegon's condensed consolidated interim financial statements 3Q 2017, prepared in accordance with IFRS as issued by the International Accounting Standards Board (IFRS), are included as an appendix and incorporated herein by reference.

This document is based on Aegon's condensed consolidated interim financial statements 3Q 2017, prepared in accordance with IFRS as adopted by the EU (IFRS-EU), dated November 9, 2017 and has been enhanced with the impacts, to all periods reported, of deviations between IFRS and IFRS-EU of which the main item is reversing the hedge accounting impacts that are applied under the EU carve out version of IAS 39. This document has been prepared for incorporation by reference in Aegon's registration statement under the Securities Act of 1933 on Form F-3 filed on December 21, 2017.

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: December 21, 2017

By /s/ J.H.P.M. van Rossum
J.H.P.M. van Rossum
Head of Corporate Financial Center

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Condensed consolidated income statement

<i>EUR millions</i>	Notes	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Premium income	4	5,303	5,797	16,783	17,335
Investment income	5	1,682	1,852	5,547	5,860
Fee and commission income		617	602	1,869	1,801
Other revenues		1	1	6	4
Total revenues		7,603	8,253	24,205	25,001
Income from reinsurance ceded	6	893	994	3,638	2,676
Results from financial transactions	7	4,741	8,632	14,207	15,117
Other income	8	24	9	351	64
Total income		13,261	17,888	42,401	42,859
Benefits and expenses	9	12,526	17,373	40,123	42,097
Impairment charges / (reversals)	10	(4)	(6)	6	54
Interest charges and related fees		109	89	313	258
Other charges	11	38	-	42	682
Total charges		12,669	17,456	40,484	43,091
Share in profit / (loss) of joint ventures		47	44	120	103
Share in profit / (loss) of associates		2	2	7	2
Income / (loss) before tax		642	478	2,044	(128)
Income tax (expense) / benefit		(148)	(135)	(542)	(60)
Net income / (loss)		494	343	1,502	(188)
Net income / (loss) attributable to:					
Owners of Aegon N.V.		494	343	1,502	(188)
Non-controlling interests		-	-	-	-
Earnings per share (EUR per share)	19				
Basic earnings per common share		0.22	0.15	0.68	(0.14)
Basic earnings per common share B		0.01	-	0.02	-
Diluted earnings per common share		0.22	0.15	0.68	(0.14)
Diluted earnings per common share B		0.01	-	0.02	-

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Condensed consolidated statement of comprehensive income

<i>EUR millions</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Net income / (loss)	494	343	1,502	(188)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Changes in revaluation reserve real estate held for own use	5	-	5	2
Remeasurements of defined benefit plans	(24)	(212)	258	(1,304)
Income tax relating to items that will not be reclassified	5	33	(64)	336
Items that may be reclassified subsequently to profit or loss:				
Gains / (losses) on revaluation of available-for-sale investments	116	(526)	1,679	3,363
Gains / (losses) transferred to the income statement on disposal and impairment of available-for-sale investments	(114)	30	(1,237)	(2,115)
Changes in cash flow hedging reserve	(26)	(98)	(782)	729
Movement in foreign currency translation and net foreign investment hedging reserve	(547)	(297)	(1,845)	(920)
Equity movements of joint ventures	(1)	4	(7)	9
Equity movements of associates	(5)	3	(7)	4
Income tax relating to items that may be reclassified	8	163	183	(863)
Other	(3)	(4)	2	3
Total other comprehensive income / (loss) for the period	(586)	(903)	(1,814)	(758)
Total comprehensive income / (loss)	(92)	(561)	(313)	(946)
Total comprehensive income / (loss) attributable to:				
Owners of Aegon N.V.	(89)	(559)	(309)	(953)
Non-controlling interests	(3)	(1)	(4)	7

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Condensed consolidated statement of financial position

		Sept. 30, 2017	Dec. 31, 2016
<i>EUR millions</i>	Notes		
Assets			
Cash and cash equivalents		11,837	11,347
Assets held for sale	25	5,244	8,705
Investments	12	138,099	156,303
Investments for account of policyholders	13	192,352	203,610
Derivatives	15	6,310	8,318
Investments in joint ventures		1,716	1,614
Investments in associates		270	270
Reinsurance assets	14	19,546	11,208
Deferred expenses	17	10,288	11,423
Other assets and receivables		9,510	10,805
Intangible assets	18	1,682	1,820
Total assets		396,854	425,425
Equity and liabilities			
Shareholders' equity		19,842	20,520
Other equity instruments		3,786	3,797
Issued capital and reserves attributable to owners of Aegon N.V.		23,628	24,318
Non-controlling interests		20	23
Group equity		23,648	24,341
Subordinated borrowings		764	767
Trust pass-through securities		137	156
Insurance contracts	20	110,840	119,569
Insurance contracts for account of policyholders	21	118,803	120,929
Investment contracts	22	16,976	19,572
Investment contracts for account of policyholders	23	76,033	84,774
Derivatives	15	7,567	8,878
Borrowings	24	14,702	13,153
Liabilities held for sale	25	4,977	8,816
Other liabilities		22,407	24,470
Total liabilities		473,206	401,084
Total equity and liabilities		396,854	425,425

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Condensed consolidated statement of changes in equity

<i>EUR millions</i>	Share capital	Retained earnings	Revaluation reserves	Remeasurement of defined benefit plans	Other reserves	Other equity instruments	Issued equity capital reserves	Non-controlling interests	Total
Nine months ended September 30, 2017									
At beginning of year	8,193	7,419	5,381	(1,820)	1,347	3,797	24,318	23	24,341
Net income / (loss) recognized in the income statement	-	1,502	-	-	-	-	1,502	-	1,502
Other comprehensive income:									
Items that will not be reclassified to profit or loss:									
Changes in revaluation reserve real estate held for own use	-	-	5	-	-	-	5	-	5
Remeasurements of defined benefit plans	-	-	-	258	-	-	258	-	258
Income tax relating to items that will not be reclassified	-	-	(2)	(62)	-	-	(64)	-	(64)
Items that may be reclassified subsequently to profit or loss:									
Gains / (losses) on revaluation of available-for-sale investments	-	-	1,679	-	-	-	1,679	-	1,679
Gains / (losses) transferred to income statement on disposal	-	-	(1,237)	-	-	-	(1,237)	-	(1,237)

and impairment of available-for-sale investments									
Changes in cash flow hedging reserve	-	-	(782)	-	-	-	(782)	-	(782)
Movement in foreign currency translation and net foreign investment hedging reserves	-	-	(366)	84	(1,563)	-	(1,845)	-	(1,845)
Equity movements of joint ventures	-	-	-	-	(7)	-	(7)	-	(7)
Equity movements of associates	-	-	-	-	(7)	-	(7)	-	(7)
Income tax relating to items that may be reclassified	-	-	118	-	65	-	183	-	183
Other	-	5	-	-	-	-	5	(3)	2
Total other comprehensive income	-	5	(584)	280	(1,512)	-	(1,811)	(3)	(1,814)

Total comprehensive income / (loss) for 2017 - **1,507** **(584)** **280** **(1,512)** - **(309)** **(4)** **(313)**

Shares issued	3	-	-	-	-	-	3	-	3
Issuance and purchase of (treasury) shares	-	160	-	-	-	-	160	-	160
Dividends paid on common shares	(142)	(296)	-	-	-	-	(439)	-	(439)
Dividend withholding tax reduction	-	2	-	-	-	-	2	-	2
Coupons on non-cumulative subordinated notes	-	(21)	-	-	-	-	(21)	-	(21)
Coupons on perpetual securities	-	(78)	-	-	-	-	(78)	-	(78)
Incentive plans	-	3	-	-	-	(12)	(9)	-	(9)
At end of period	8,053	8,697	4,798	(1,540)	(165)	3,786	23,628	20	23,648

Nine months ended September 30, 2016

At beginning of year	8,387	7,832	6,471	(1,532)	1,283	3,800	26,241	9	26,250
Net income / (loss) recognized in the income statement	-	(188)	-	-	-	-	(188)	-	(188)

Other comprehensive income:

Items that will not be reclassified to profit or loss:

Changes in revaluation reserve real estate held for own use	-	-	2	-	-	-	2	-	2
Remeasurements of defined benefit plans	-	-	-	(1,304)	-	-	(1,304)	-	(1,304)
Income tax relating to items that will not be reclassified	-	-	(1)	337	-	-	336	-	336

Items that may be reclassified subsequently to profit or loss:

Gains / (losses) on revaluation of available-for-sale investments	-	-	3,363	-	-	-	3,363	-	3,363
Gains / (losses) transferred to income statement on disposal and impairment of available-for-sale investments	-	-	(2,115)	-	-	-	(2,115)	-	(2,115)
Changes in cash flow hedging reserve	-	-	729	-	-	-	729	-	729
Movement in foreign currency translation and net foreign investment hedging reserves	-	-	(251)	73	(742)	-	(920)	-	(920)
Equity movements of joint ventures	-	-	-	-	9	-	9	-	9
Equity movements of associates	-	-	-	-	4	-	4	-	4
Income tax relating to items that may be reclassified	-	-	(858)	-	(5)	-	(863)	-	(863)
Other	-	(3)	-	-	-	-	(3)	6	3
Total other comprehensive income	-	(3)	869	(895)	(735)	-	(764)	6	(758)

Total comprehensive income / (loss) for 2016	-	(192)	869	(895)	(735)	-	(953)	7	(946)
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Shares issued	1	-	-	-	-	-	1	-	1
Shares withdrawn	(10)	(372)	-	-	-	-	(382)	-	(382)
Issuance and purchase of (treasury) shares	-	90	-	-	-	-	90	-	90
	(186)	(305)	-	-	-	-	(491)	-	(491)

Dividends paid on common shares									
Coupons on non-cumulative subordinated notes	-	(21)	-	-	-	-	(21)	-	(21)
Coupons on perpetual securities	-	(79)	-	-	-	-	(79)	-	(79)
Incentive plans	-	(9)	-	-	-	(9)	(18)	-	(18)
At end of period	8,193	6,945	7,340	(2,427)	547	3,791	24,389	15	24,405

¹ For a breakdown of share capital please refer to note 19.

² Issued capital and reserves attributable to owners of Aegon N.V.

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Condensed consolidated cash flow statement

<i>EUR millions</i>	YTD 2017	YTD 2016
Cash flow from operating activities	138	3,228
Purchases and disposals of intangible assets	(7)	(15)
Purchases and disposals of equipment and other assets	(56)	(40)
Purchases and disposals of businesses and subsidiaries	(1,006)	(1,085)
Purchases, disposals and dividends joint ventures and associates	(10)	102
Cash flow from investing activities	(1,079)	(1,038)
Issuance of treasury shares	2	-
Purchase of treasury shares	-	(505)
Dividends paid	(294)	(305)
Issuances, repurchases and coupons of perpetuals	(103)	(105)
Issuances, repurchases and coupons of non-cumulative subordinated notes	(28)	(28)
Issuances and repayments of borrowings	2,258	618
Cash flow from financing activities	1,834	(325)
Net increase / (decrease) in cash and cash equivalents	892	1,865
Net cash and cash equivalents at January 1	11,347	9,593
Effects of changes in foreign exchange rates	(184)	(158)
Net cash and cash equivalents at end of period	12,054	11,300
Cash and cash equivalents	11,837	11,316
Cash and cash equivalents classified as Assets held for sale	269	-
Bank overdrafts classified as other liabilities	(52)	(16)
Net cash and cash equivalents	12,054	11,300

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[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 subsidiaries (Aegon or the Group) have life insurance and pensions operations in more than 20 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. Headquarters are located in The Hague, the Netherlands. The Group employs close to 30,000 people worldwide.

[1. Basis of presentation](#)

The condensed consolidated interim financial statements as at and for the period ended, September 30, 2017, have been prepared in accordance with IAS 34 Interim Financial Reporting , as issued by the International Accounting Standards Board (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 2016 consolidated financial statements of Aegon N.V. as included in Aegon s Annual Report on Form 20-F for 2016. Aegon s Annual Report on Form 20-F for 2016 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, 2017, were approved by the Supervisory Board on November 8, 2017, except for the effects of reversing the hedge accounting impacts that are applied under the EU carve out version of IAS 39 described in Note 1, as to which the date is December 21, 2017.

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.

Other than for SEC reporting purposes, Aegon prepares its condensed consolidated interim financial statements under International Financial Reporting Standards as adopted by the European Union, including the decisions Aegon made with regard to the options available under International Financial Reporting Standards as adopted by the EU

(IFRS-EU). IFRS-EU differs from IFRS in respect of certain paragraphs in IAS 39 – Financial Instruments: Recognition and Measurement – regarding hedge accounting for portfolio hedges of interest rate risk. Under IFRS-EU, Aegon applies fair value hedge accounting for portfolio hedges of interest rate risk (fair value macro hedges) in accordance with the EU – carve out – version of IAS 39. Under IFRS, hedge accounting for fair value macro hedges cannot be applied to mortgage loans and ineffectiveness arises whenever the revised estimate of the amount of cash flows in scheduled time buckets is either more or less than the original designated amount of that bucket.

This information is prepared by reversing the hedge accounting impacts that are applied under the EU – carve out – version of IAS 39. Financial information under IFRS accordingly does not take account of the possibility that had Aegon applied IFRS as its primary accounting framework it might have applied alternative hedge strategies where those alternative hedge strategies could have qualified for IFRS compliant hedge accounting. These decisions could have resulted in different shareholders – equity and net income amounts compared with those indicated in this condensed consolidated interim financial statements on Form 6-K.

A reconciliation between IFRS and IFRS-EU is included in the table below:

<i>EUR millions</i>	Net income			
	Shareholders	Equity	nine months ended	
	Sept. 30, 2017	Dec. 31, 2016	Sept. 30, 2017	Sept. 30, 2016
In accordance with IFRS	19,842	20,520	1,502	(188)
Adjustment of EU IAS 39 carve out	341	510	(168)	402
Tax effect of the adjustment	(75)	(117)	42	(98)
Effect of the adjustment after tax	266	393	(126)	304
In accordance with IFRS-EU	20,108	20,913	1,375	116

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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 Aegon's Annual Report on Form 20-F for 2016.

New IFRS accounting standards effective

The following standards, interpretations, amendments to standards and interpretations became effective in 2017, but have not yet been endorsed by the European Union:

IAS 7 Amendment Disclosure Initiative;

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses; and

Annual improvements 2014-2016 Cycle.

None of these revised standards and interpretations will significantly impact the financial position or the condensed consolidated interim financial statements.

For a complete overview of IFRS standards, published before January 1, 2017, that will be applied in future years, and were not early adopted by the Group, please refer to Aegon's Annual Report on Form 20-F for 2016.

Future adoption of IFRS accounting standards

In May 2017, the IASB has issued IFRS 17 Insurance Contracts. IFRS 17 will be mandatorily effective for annual reporting periods beginning on or after January 1, 2021. It aims to provide a more consistent accounting model for insurance contracts among entities issuing insurance contracts globally.

IFRS 17, together with IFRS 9 Financial Instruments, will fundamentally change the accounting in IFRS financial statements of insurance companies. Aegon has started its implementation project on both standards. Aegon expects the impact of these standards to be significant.

The endorsement process of the European Union of the new standard is expected to start in 2017. A final endorsement decision is not expected to be made in 2017.

Taxes

Taxes on income for the nine month period, ended September 30, 2017, are calculated using the tax rate that is estimated to be applicable to 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, 2016.

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Exchange rates

Assets and liabilities of foreign operations are translated to the presentation currency at the closing rates on the reporting 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, 2017	1	EUR	1.1822	0.8812
December 31, 2016	1	EUR	1.0548	0.8536

Weighted average exchange rates

			USD	GBP
Nine months ended September 30, 2017	1	EUR	1.1130	0.8722
Nine months ended September 30, 2016	1	EUR	1.1161	0.8019

[3. Segment information](#)[3.1 Income statement](#)

<i>EUR millions</i>	America	Netherlands	The United Kingdom	Central & Spain Eastern Europe	Portugal	Management	Holding and other Asset	Eliminations	Segment	Joint ventures and associates	Consolidated	
Three months ended September 30, 2017												
Underlying earnings before tax	376	132	25	16	4	14	30	(41)	(1)	556	19	575
Fair value items	142	59	(17)	-	-	1	-	8	-	193	(28)	165
	90	16	26	-	-	3	1	-	-	135	(2)	133

Realized gains / (losses) on investments												
Impairment charges	(1)	(4)	-	-	-	-	-	-	(5)	-	(5)	
Impairment reversals	7	2	-	-	-	-	-	-	9	-	9	
Other income / (charges)	(312)	98	-	-	-	(19)	(1)	-	(233)	-	(233)	
Run-off businesses	(3)	-	-	-	-	-	-	-	(3)	-	(3)	
Income / (loss) before tax	300	303	33	16	4	-	30	(33)	(1)	652	(10)	642
Income tax (expense) / benefit	(69)	(71)	(10)	(2)	(2)	(2)	(10)	9	-	(158)	10	(148)
Net income / (loss)	231	231	23	14	2	(2)	20	(25)	(1)	494	-	494
<i>Inter-segment underlying earnings</i>	<i>(21)</i>	<i>(25)</i>	<i>(20)</i>	<i>(2)</i>	<i>-</i>	<i>-</i>	<i>52</i>	<i>18</i>				
Revenues												
Life insurance gross premiums	1,783	364	2,275	103	46	199	-	2	(2)	4,769	(124)	4,645
Accident and health insurance	508	35	8	-	-	22	-	-	-	573	(3)	570
General insurance	-	35	-	53	25	-	-	-	-	113	(25)	88
Total gross premiums	2,291	434	2,283	156	71	220	-	2	(2)	5,455	(151)	5,303
Investment income	794	531	288	13	9	59	1	71	(69)	1,697	(15)	1,682
Fee and commission income	400	85	55	11	4	18	145	-	(53)	665	(48)	617
Other revenues	2	-	-	-	-	-	-	1	-	3	(2)	1
Total revenues	3,486	1,051	2,626	180	84	297	146	73	(124)	7,819	(216)	7,603
<i>Inter-segment revenues</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1</i>	<i>53</i>	<i>71</i>				

EUR millions	Central & Spain					Holding and other			Joint ventures and		Consolidated	
	Americas	Netherlands	United Kingdom	Eastern Europe	Portugal	Asset Management	Other	Eliminations	Segments	Associates		
Three months ended September 30, 2016												
Underlying earnings before tax												
	307	133	5	12	1	6	32	(36)	-	461	21	482
Fair value items	32	33	(4)	-	-	6	-	(3)	-	64	(29)	35
Realized gains / (losses) on investments	(31)	31	17	1	-	2	2	-	-	21	(3)	19
Impairment charges	(12)	(7)	-	-	-	-	-	-	-	(19)	-	(19)
Impairment reversals	24	1	-	-	-	-	-	-	-	25	-	25
Other income / (charges)	(109)	30	22	-	-	(5)	-	(9)	-	(72)	-	(72)
Run-off businesses	8	-	-	-	-	-	-	-	-	8	-	8
Income / (loss) before tax	218	221	39	14	1	9	34	(48)	-	489	(11)	478
Income tax (expense) / benefit	(82)	(48)	(9)	(3)	(2)	(4)	(11)	13	-	(146)	11	(135)
Net income / (loss)	136	173	30	11	(1)	6	23	(35)	-	343	-	343
<i>Inter-segment underlying earnings</i>	<i>(47)</i>	<i>(21)</i>	<i>(23)</i>	<i>(3)</i>	<i>-</i>	<i>19</i>	<i>56</i>	<i>20</i>				
Revenues												
Life insurance gross premiums	1,837	398	2,618	98	37	235	-	3	(21)	5,206	(113)	5,093
Accident and health insurance	556	31	9	-	1	24	-	(7)	3	616	(1)	615
General insurance	-	46	-	44	21	-	-	4	(4)	112	(21)	90
Total gross premiums	2,393	475	2,627	143	59	259	-	-	(22)	5,933	(136)	5,797

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Investment income	931	575	280	11	10	58	1	99	(99)	1,865	(13)	1,852
Fee and commission income	419	87	20	9	3	17	152	-	(57)	650	(48)	602
Other revenues	1	-	-	-	-	(1)	1	1	-	2	(1)	1
Total revenues	3,744	1,136	2,927	163	72	333	153	100	(179)	8,451	(198)	8,253
<i>Inter-segment revenues</i>	-	2	-	-	-	20	57	99				

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<i>millions</i>	The Americas	The Netherlands	Central & United Kingdom	Eastern Europe	Spain & Portugal	Management	Asset	and other	Eliminations	Segment eliminations	Joint ventures and associates	Consolidated
Underlying earnings before tax												
Operationally	1,029	385	93	53	10	37	99	(129)	-	1,578	45	1,623
Value items	89	20	(65)	-	-	1	-	38	-	83	(75)	8
Realized gains / (losses) on investments	119	163	32	2	-	2	3	-	-	321	(5)	316
Amortment charges	(12)	(15)	-	(2)	-	-	-	(3)	-	(33)	-	(45)
Amortment reversals	19	9	-	-	-	-	-	-	-	28	-	47
Income / (charges)	(86)	90	80	-	-	(19)	(2)	-	-	64	-	145
Off businesses	38	-	-	-	-	-	-	-	-	38	-	76
Income / (loss) before tax	1,197	651	140	52	10	22	101	(94)	-	2,080	(36)	2,044
Income tax (expense) / benefit	(325)	(149)	(55)	(7)	(6)	(28)	(32)	24	-	(578)	36	(542)
Income / (loss)	872	502	86	45	4	(7)	69	(70)	-	1,502	-	1,502
<i>segment underlying earnings</i>	<i>(58)</i>	<i>(84)</i>	<i>(67)</i>	<i>(9)</i>	<i>(1)</i>	<i>(2)</i>	<i>166</i>	<i>55</i>				
Revenues												
Insurance gross premiums	5,614	1,416	6,749	306	151	750	-	6	(7)	14,986	(451)	14,535
Accident and health insurance	1,630	175	24	1	83	77	-	-	-	1,990	(17)	1,973
Other insurance	-	112	-	163	74	-	-	1	(1)	349	(74)	275
Insurance gross premiums	7,245	1,704	6,773	470	308	827	-	6	(8)	17,325	(543)	16,782
Investment income	2,603	1,648	1,084	36	27	185	3	226	(223)	5,590	(43)	5,367
Management and commission income	1,202	260	177	30	11	48	445	-	(171)	2,002	(132)	1,870
Other revenues	4	-	-	-	3	-	-	3	-	10	(4)	6
Other revenues	11,054	3,612	8,035	537	349	1,059	448	236	(402)	24,927	(722)	24,205
<i>segment revenues</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2</i>	<i>171</i>	<i>228</i>				

<i>millions</i>	The Americas	The Netherlands	Central & United Kingdom	Eastern Europe	Spain & Portugal	Management	Asset	and other	Eliminations	Segment eliminations	Joint ventures and associates	Consolidated
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months ended September 30,

Underlying earnings before tax

Geographically	860	400	35	41	5	8	114	(107)	3	1,359	31	1,390
Value items	(295)	(638)	24	-	-	2	-	(126)	-	(1,034)	(50)	(1,084)
Realized gains / (losses) on investments	6	142	149	1	(2)	7	3	-	-	305	(6)	299
Amortment charges	(69)	(21)	-	2	-	(1)	-	(7)	1	(95)	-	(94)
Amortment reversals	34	9	-	-	-	-	-	-	(1)	42	-	41
Other income / (charges)	(74)	10	(658)	-	-	(5)	-	(6)	-	(734)	-	(734)
Off businesses	55	-	-	-	-	-	-	-	-	55	-	55
Income / (loss) before tax	517	(98)	(450)	44	3	10	117	(246)	3	(103)	(25)	(128)
Income tax (expense) / benefit	(115)	34	(1)	(8)	(7)	(13)	(37)	61	-	(86)	25	(61)
Income / (loss)	402	(64)	(451)	36	(4)	(3)	79	(185)	3	(188)	-	(189)
<i>Segment underlying earnings</i>	<i>(141)</i>	<i>(71)</i>	<i>(70)</i>	<i>(11)</i>	<i>-</i>	<i>56</i>	<i>175</i>	<i>64</i>				

Revenues

Insurance gross premiums	5,405	1,615	7,149	297	133	812	-	6	(63)	15,352	(386)	14,966
Patient and health insurance	1,656	182	28	1	73	80	-	-	-	2,019	(14)	1,995
Other insurance	-	229	-	134	69	-	-	4	(4)	433	(69)	364
Gross premiums	7,061	2,026	7,177	432	274	891	-	9	(66)	17,804	(469)	17,335
Investment income	2,747	1,648	1,265	34	29	170	3	304	(302)	5,898	(37)	5,596
Other and commission income	1,243	262	65	26	10	46	475	-	(181)	1,947	(146)	1,801
Other revenues	3	-	-	-	2	-	1	2	-	7	(3)	4
Revenues	11,054	3,936	8,508	492	315	1,108	478	316	(549)	25,656	(655)	25,001
<i>Segment revenues</i>	<i>-</i>	<i>2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>59</i>	<i>181</i>	<i>306</i>				

Impact from 2017 assumption changes and model updates

In 3Q 2017, a charge of EUR 198 million (3Q 2016: EUR 81 million charge) has been recorded in other income/ (charges) in respect of assumption changes and model updates. The impact is mainly attributable to Aegon's business in the Americas and the Netherlands. Assumption changes and model updates in the Americas led to a net negative impact of EUR 304 million and were mainly driven by a charge of EUR 252 million (USD 280 million) from the conversion of the largest block of universal life business to a new model. The model allows for modeling policyholder behavior and other assumptions on a policy by policy basis. Other assumption changes and model updates led to a charge of EUR 52 million (USD 58 million). In the Netherlands, assumption changes and model updates mainly relate to the guarantee provision.

3.2 Performance measure

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

Performance measure

A non-IFRS 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, updates to best estimate actuarial and economic assumptions and model updates or events that are considered outside the normal course of business.

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Aegon believes that its non-IFRS performance measure, underlying earnings before tax, provides meaningful supplemental 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.

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.

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 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 7-10%, 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 and the total return annuities and guarantees on variable annuities. 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, VA Europe (included in United Kingdom) and Japan are excluded from

underlying earnings before tax, and the long-term expected return for these guarantees is set at zero. In addition, fair value items include market related results on our loyalty bonus reserves in the United Kingdom. The value of these reserves are directly related to policyholder investments which value is directly impacted by movements in equity and bond markets.

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.

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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.

Other income or charges

Other income or charges includes: a) items which cannot be directly allocated to a specific line of business; b) the impact of actuarial and economic assumption and model updates used to support calculations of our liabilities for insurance and investment contracts sold to policyholders and related assets; and c) items that are outside the normal course of business, including restructuring charges. In the condensed consolidated interim financial statements, these restructuring charges are included in operating expenses. Actuarial assumption and model updates are recorded in Claims and Benefits in the IFRS income statement.

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. 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 (until April 1, 2017, please refer to note 28 Acquisitions/ divestments for more information on the divestment of this 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.

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3.3 Investments

Amounts included in the tables on investments are presented on an IFRS basis, which means that investments in joint ventures and associates are not consolidated on a proportionate basis. Instead, these investments are included on a single line using the equity method of accounting.

December 31, 2017	The Americas	The Netherlands	United Kingdom	Central & Eastern Europe	Spain & Portugal	Asia	Asset Management	Holdings and other activities	Eliminations	EUR
Investments										
Equities	567	774	4	51	5	1	2	59	-	
Financial assets	55,836	29,718	1,792	681	646	5,064	-	-	-	
Investments in real estate	8,744	30,059	-	296	61	6	-	-	-	
Investments general account	9,929	315	116	8	-	76	147	20	-	
Equities	674	1,380	-	4	15	-	-	-	-	
Investments in real estate	75,750	53,294	1,913	1,039	727	5,147	150	79	-	
Investments for account of policyholders	-	9,496	15,317	298	14	-	-	-	(6)	
Equities	3,191	13,424	9,528	225	9	-	-	-	-	
Investments in real estate	99,337	-	32,544	854	77	-	-	-	-	
Financial assets	576	3,091	3,688	14	1	-	-	-	-	
Investments in real estate	-	-	674	-	-	-	-	-	-	
Investments on balance sheet	103,104	26,011	61,751	1,392	100	-	-	-	(6)	
Investments in real estate										
Investments in joint ventures										
Investments in associates										
Investments in real estate										
Investments on balance sheet	178,854	79,305	63,664	2,431	827	5,147	150	79	(6)	
Investments in real estate	220,064	1,068	110,250	5,529	543	2,704	141,306	-	(849)	
Investments in real estate	398,918	80,373	173,915	7,959	1,371	7,850	141,455	79	(855)	
Investments in real estate										
Investments in real estate	61,360	-	1,910	723	651	5,120	146	20	-	
Investments in real estate	8,744	29,718	-	296	61	6	-	-	-	
Investments in real estate	108,077	27,805	61,081	1,408	100	21	4	59	(6)	
Investments in real estate	674	1,380	674	4	15	-	-	-	-	
Investments on balance sheet	178,854	79,305	63,664	2,431	827	5,147	150	79	(6)	
Investments in real estate										
Investments in real estate	4	971	-	-	501	124	115	1	-	
Investments in real estate	94	33	8	2	-	14	120	(1)	-	
Investments in real estate	35,372	16,315	8,632	365	210	2,395	322	29,284	(28,479)	
Investments on balance sheet	214,325	96,624	72,304	2,797	1,539	7,680	706	29,363	(28,485)	

	Holdings								EUR
	Americas	Netherlands	Central & United Kingdom	Eastern Europe	Spain & Portugal	Asia	Management	and other activities	Eliminations
December 31, 2016									
Investments	793	334	84	35	4	-	2	62	-
Securities	70,766	23,741	2,036	633	683	5,310	-	-	-
Financial assets	10,820	28,117	-	303	45	18	-	-	-
Investments in real estate	9,924	358	115	10	-	-	88	23	-
Investments general account	743	1,238	-	3	15	-	-	-	-
	93,046	53,788	2,236	983	747	5,328	90	85	-
Securities	-	9,689	15,503	295	13	-	-	-	(7)
Identified investment funds	4,779	15,434	9,847	235	10	-	-	-	-
Financial assets	102,534	-	36,600	879	64	-	-	-	-
Investments in real estate	27	2,862	4,150	9	1	-	-	-	-
Investments for account of policyholders	-	-	686	-	-	-	-	-	(7)
Investments on balance sheet	200,387	81,774	69,021	2,401	834	5,328	90	85	(7)
Balance sheet investments third parties	240,072	952	5,333	3,154	507	2,734	130,889	-	(864)
Revenue generating investments	440,458	82,725	74,354	5,556	1,342	8,061	130,979	85	(871)
Investments									
Available-for-sale	77,918	23,044	2,152	660	687	5,289	87	23	-
Financial assets at fair value through profit or loss	10,820	28,117	-	303	45	18	-	-	-
Investments in real estate	110,906	29,374	66,183	1,436	88	21	4	62	(7)
Investments on balance sheet	743	1,238	686	3	15	-	-	-	-
	200,387	81,774	69,021	2,401	834	5,328	90	85	(7)
Investments in joint ventures	7	877	-	-	495	134	99	-	-
Investments in associates	95	21	8	2	-	21	125	(1)	-
Other investments	31,003	15,260	12,718	293	170	3,122	293	30,715	(29,946)
Identified total assets	231,493	97,931	81,747	2,696	1,500	8,604	607	30,800	(29,952)

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4. Premium income and premiums paid to reinsurers

<i>EUR millions</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Premium income				
Life insurance	4,645	5,093	14,535	14,967
Non-life insurance	658	705	2,248	2,369
Total premium income	5,303	5,797	16,783	17,335
Accident and health insurance	570	615	1,972	2,005
General insurance	88	90	275	364
Non-life Insurance premium income	658	705	2,248	2,369
Premiums paid to reinsurers ¹				
Life insurance	562	707	2,375	2,110
Non-life insurance	52	61	171	192
Total premiums paid to reinsurers	614	769	2,547	2,303
Accident and health insurance	49	58	163	182
General insurance	3	3	9	10
Non-life Insurance paid to reinsurers	52	61	171	192

¹ Premiums paid to reinsurers are recorded within Benefits and expenses in the income statement - refer to note 9 - Benefits and expenses.

Premium income Life insurance includes EUR 1,253 million for 3Q 2017 and EUR 3,414 million for YTD 2017 (3Q 2016: EUR 1,590 million, YTD 2016 EUR 3,638 million) of premiums related to insurance policies upgraded to the retirement platform in the UK.

5. Investment income

<i>EUR millions</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Interest income	1,475	1,637	4,624	4,906
Dividend income	177	184	827	859
Rental income	29	31	96	95
Total investment income	1,682	1,852	5,547	5,860

Investment income related to general account	1,292	1,462	4,120	4,329
Investment income for account of policyholders	390	390	1,427	1,531
Total	1,682	1,852	5,547	5,860

6. Income from reinsurance ceded

The income from reinsurance ceded for the first nine-month period of 2017 increased by EUR 1.0 billion compared to the first nine-month period of 2016. This is mainly the result of the reinsurance transaction, related to the pay-out annuity and BOLI/COLI businesses in the US that took place in the second quarter of the year. Due to the transaction the liabilities for insurance contracts increased by EUR 0.9 billion resulting from loss recognition and then were ceded to a reinsurance company. The loss recognition is reflected in the benefits and expenses line (within claims and benefits) and is offset by an equal increase in the income from reinsurance ceded. As a result there is a nil net impact in the income statement. For more details on the divestment of the pay-out annuity and BOLI/COLI businesses refer to note 28 Acquisitions/divestments.

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7. Results from financial transactions

<i>EUR millions</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Net fair value change of general account financial investments at FVTPL other than derivatives	-	44	84	(21)
Realized gains /(losses) on financial investments	132	6	353	287
Gains /(losses) on investments in real estate	90	27	140	52
Net fair value change of derivatives	(129)	224	(1,291)	8
Net fair value change on for account of policyholder financial assets at FVTPL	4,641	8,315	14,908	14,776
Net fair value change on investments in real estate for account of policyholders	10	(2)	25	(27)
Net foreign currency gains /(losses)	(7)	8	(15)	32
Net fair value change on borrowings and other financial liabilities	3	11	4	9
Realized gains /(losses) on repurchased debt	1	-	-	1
Total	4,741	8,632	14,207	15,117

Net fair value change on for account of policyholder financial assets at FVTPL for the first nine-month period of 2017 remained stable compared to the first nine-month period of 2016, as favorable equity markets results were largely offset by losses from interest rates movements. The decrease of the net fair value change on for account of policyholder financial assets at FVTPL in 3Q 2017 compared to 3Q 2016 is mainly driven by equity markets and interest rate 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 9 Benefits and expenses.

8. Other income

Other income for the first nine-month period in 2017 of EUR 351 mln mainly related to a book gain of EUR 231 million (USD 250 million) from the divestment of the pay-out annuity and the BOLI/COLI businesses in the US recorded in the second quarter. Furthermore, a release of an expense reserve of EUR 82 million (GBP 71 million) was recorded that was embedded in the liabilities for insurance contracts following the completion of the Part VII transfer to Rothesay Life. In the third quarter EUR 17 million (GBP 14 million) related to the completion in the third quarter of the Part VII transfer of annuities reinsured to Legal & General in 2016 is included. For more details on the divestment of the pay-out annuity and the BOLI/COLI businesses and the completion of the Part VII transfer to Rothesay Life and Legal & General refer to note 28 Acquisitions/divestments.

9. Benefits and expenses

<i>EUR millions</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Claims and benefits	11,826	16,536	37,671	39,624
Employee expenses	520	549	1,679	1,704
Administration expenses	335	300	1,054	931
Deferred expenses	(234)	(281)	(755)	(915)
Amortization charges	79	268	474	752
Total	12,526	17,373	40,123	42,097

The following table provides an analysis of claims and benefits :

<i>EUR millions</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Benefits and claims paid life	5,748	6,161	17,471	16,285
Benefits and claims paid non-life	450	506	1,450	1,574
Change in valuation of liabilities for insurance contracts	5,505	7,143	16,303	15,592
Change in valuation of liabilities for investment contracts	(1,134)	1,236	(2,110)	1,631
Other	(3)	(24)	(26)	(39)
Policyholder claims and benefits	10,566	15,022	33,089	35,042
Premium paid to reinsurers	614	769	2,547	2,303
Profit sharing and rebates	5	29	17	39
Commissions	641	716	2,018	2,240
Total	11,826	16,536	37,671	39,624

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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 net fair value changes on for account of policyholder financial assets at fair value through P&L included in Results from financial transactions (note 7) of EUR 4,641 million for 3Q 2017 and EUR 14,908 million for YTD 2017 (3Q 2016: EUR 8,315 million, YTD 2016: EUR 14,776 million). In addition, the line "change in valuation of liabilities for insurance contracts" includes an increase of technical provisions for life insurance contracts of EUR 449 million for 3Q 2017 and EUR 94 million for YTD 2017 (3Q 2016: increase of EUR 447 million, YTD 2016: EUR 3,473 million).

10. Impairment charges/(reversals)

<i>EUR millions</i>	3Q 2017	3Q 2016	YTD 2017	YTD 2016
Impairment charges / (reversals) comprise:				
Impairment charges on financial assets, excluding receivables	5	20	33	99
Impairment reversals on financial assets, excluding receivables	(9)	(25)	(28)	(42)
Impairment charges / (reversals) on non-financial assets and receivables	-	(1)	1	(3)
Total	(4)	(6)	6	54
Impairment charges on financial assets, excluding receivables, from:				
Shares	2	-	2	1
Debt securities and money market instruments	-	8	11	47
Loans	3	7	17	20
Other	-	4	-	23
Investments in associates	-	-	3	7
Total	5	20	33	99
Impairment reversals on financial assets, excluding receivables, from:				
Debt securities and money market instruments	(4)	(22)	(15)	(30)
Loans	(4)	(2)	(11)	(11)
Other	(1)	(1)	(2)	(1)
Total	(9)	(25)	(28)	(42)

11. Other charges

Other charges for the first nine-month period in 2017 of EUR 42 million mainly relate to the impairment of the deferred transaction costs of EUR 36 million (GBP 32 million) recorded in the third quarter as a result of the sale of

Aegon Ireland plc, which is subject to customary regulatory approvals. For more details on the divestment of Aegon Ireland plc. refer to note 28 Acquisitions/divestments.

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12. Investments

<i>EUR millions</i>	Sept. 30, 2017	Dec. 31, 2016
Available-for-sale (AFS)	90,333	109,860
Loans	38,824	39,303
Financial assets at fair value through profit or loss (FVTPL)	6,869	5,142
Financial assets, for general account, excluding derivatives	136,027	154,304
Investments in real estate	2,072	1,999
Total investments for general account, excluding derivatives	138,099	156,303

Financial assets, for general account, excluding derivatives

<i>EUR millions</i>	AFS	FVTPL	Loans	Total
Shares	832	631	-	1,463
Debt securities	81,321	3,806	-	85,127
Money market and other short-term investments	7,067	412	-	7,479
Mortgages loans	-	-	33,245	33,245
Private loans	-	-	3,412	3,412
Deposits with financial institutions	-	-	145	145
Policy loans	-	-	1,929	1,929
Other	1,112	2,020	93	3,226
September 30, 2017	90,333	6,869	38,824	136,027
	AFS	FVTPL	Loans	Total
Shares	824	490	-	1,314
Debt securities	101,054	2,115	-	103,169
Money market and other short-term investments	6,776	317	-	7,093
Mortgages loans	-	-	33,696	33,696
Private loans	-	-	3,166	3,166
Deposits with financial institutions	-	-	129	129

Policy loans	-	-	2,207	2,207
Other	1,206	2,219	104	3,529
December 31, 2016	109,860	5,142	39,303	154,304

The decrease of EUR 18.5 billion in financial assets, for general account, excluding derivatives compared to December 31, 2016 is mainly driven by the disposal of debt securities related to the divestment of the pay-out annuity and BOLI/COLI businesses in the Americas and the investments relating to Aegon Ireland PLC., which were reclassified to held for sale. In addition, the balance is affected by currency translation adjustments.

13. Investments for account of policyholders

<i>EUR millions</i>	Sept. 30, 2017	Dec. 31, 2016
Shares	25,119	25,492
Debt securities	26,377	30,305
Money market and short-term investments	1,809	1,231
Deposits with financial institutions	2,488	2,951
Unconsolidated investment funds	132,812	140,077
Other	3,073	2,868
Total investments for account of policyholders at fair value through profit or loss, excluding derivatives	191,678	202,924
Investment in real estate	674	686
Total investments for account of policyholders	192,352	203,610

14. Reinsurance assets

Reinsurance assets increased by EUR 8.3 billion compared to December 31, 2016 mainly due to the reinsurance transaction, related to the pay-out annuity and BOLI/COLI businesses in the US that took place in the second quarter of the year. For more details on the divestment of these businesses refer to note 28 Acquisitions/divestments.

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15. Derivatives

The movements in fair value of derivatives on both the asset and liability side of the condensed consolidated statement of financial position mainly result from changes in interest rates and other market movements during the period, as well as purchases, disposals and maturities. The divestment of the pay-out annuity and BOLI/COLI businesses in the US contributed to the decrease of derivative assets with EUR 259 million compared to December 31, 2016.

16. 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:

Fair value hierarchy

<i>EUR millions</i>	Level I	Level II	Level III	Total
As at September 30, 2017				
Financial assets carried at fair value				
Available-for-sale investments				
Shares	161	156	515	832
Debt securities	26,418	53,285	1,618	81,321
Money markets and other short-term instruments	-	7,067	-	7,067
Other investments at fair value	-	393	720	1,112
Total Available-for-sale investments	26,579	60,901	2,853	90,333
Fair value through profit or loss				
Shares	306	101	224	631
Debt securities	1,795	1,969	43	3,806
Money markets and other short-term instruments	-	412	-	412
Other investments at fair value	1	754	1,265	2,020
Investments for account of policyholders ¹	115,334	74,683	1,662	191,678
Derivatives	79	6,196	36	6,310

Total Fair value through profit or loss	117,515	84,114	3,229	204,858
Total financial assets at fair value	144,095	145,015	6,082	295,191

Financial liabilities carried at fair value

Investment contracts for account of policyholders ²	-	37,493	186	37,678
Borrowings ³	-	550	-	550
Derivatives	30	5,644	1,893	7,567
Total financial liabilities at fair value	30	43,687	2,079	45,795

As at December 31, 2016**Financial assets carried at fair value****Available-for-sale investments**

Shares	119	312	393	824
Debt securities	29,386	69,702	1,966	101,054
Money markets and other short-term instruments	-	6,776	-	6,776
Other investments at fair value	-	453	754	1,206
Total Available-for-sale investments	29,504	77,243	3,112	109,860

Fair value through profit or loss

Shares	288	152	50	490
Debt securities	27	2,082	6	2,115
Money markets and other short-term instruments	-	317	-	317
Other investments at fair value	1	961	1,257	2,219
Investments for account of policyholders ¹	125,997	75,202	1,726	202,924
Derivatives	41	8,169	108	8,318
Total Fair value through profit or loss	126,355	86,883	3,146	216,384
Total financial assets at fair value	155,860	164,126	6,259	326,244

Financial liabilities carried at fair value

Investment contracts for account of policyholders ²	-	42,627	176	42,803
Borrowings ³	-	610	-	610
Derivatives	64	6,347	2,467	8,878
Total financial liabilities at fair value	64	49,584	2,643	52,290

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

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

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

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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 nine-month period ended September 30, 2017.

Fair value transfers

<i>EUR millions</i>	YTD 2017		Full Year 2016	
	Transfers Level I to Level II	Transfers Level II to Level I	Transfers Level I to Level II	Transfers Level II to Level I
Financial assets carried at fair value				
Available-for-sale investments				
Debt securities	1	-	5	69
Total	1	-	5	69
Fair value through profit or loss				
Shares	-	19	-	-
Investments for account of policyholders	-	13	3	(1)
Total	-	32	3	(1)
Total financial assets at fair value	1	33	8	68

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

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

													Total unrealized gains and losses for the period recorded in the P&L for instruments held at
	January 2017	Total gains / losses in income statement	Total gains / losses in OCI	Purchases	Sales	Settlements	Net exchange realization	Transfers from Level I and Level II	Transfers to Level I and Level II	Transfers to disposal groups	September 30, 2017	September 30, 2017	3
<i>EUR millions</i>													
Financial assets carried at fair value available-for-sale investments													
Shares	393	47	(41)	270	(89)	(35)	(30)	-	-	-	-	515	-
Debt securities	1,966	36	(8)	537	(151)	(578)	(172)	-	146	(159)	-	1,618	-
Other investments at fair value	754	(95)	13	169	(30)	(9)	(84)	-	1	-	-	720	-
	3,112												