

UK performance summary

AEGON UK delivers profitable new business growth in 2008

AEGON N.V. has today reported on its financial performance for the fourth quarter of 2008, with details in the press release attached – and the attached link to a video commentary from AEGON CEO Alex Wynaendts.

Within this AEGON today reports strong business performance for its UK operations for the fourth quarter and for the full year 2008, despite challenging market conditions.

Increase in new life and pensions business

- New life and pensions business increased by 3% for the full year to £1,222m and by 5% for the fourth quarter to £289m.
- This level of new life and pensions business in the UK is the highest annual level AEGON has achieved to date, despite a very challenging year for financial markets.
- Growth was strongest in the core areas of annuities (new business increased by 21% over the year compared with 2007) and in group pensions, with more new schemes and increased level of contributions from members of existing pension schemes. Individual protection was also a key growth area with new business levels increasing by 10% to £52m over the year reflecting the focus on business protection.
- AEGON also increased its market share in the UK over the year, reaching 10% market share in the fourth quarter, achieving this milestone earlier than its 2010 target.

Increased profitability of new business

- Value of new business, the measure that reflects the value attributed to new business volumes and is a key measure of profitability, rose over the year by 18% to £186m compared with full year 2007. In the fourth quarter this figure rose by 25% to £51m. This reflects a trend towards higher margin business.
- Underlying earnings, which are driven by the ongoing levels of stockmarkets, fell by 39% to £113m over the year.

Commentary

AEGON UK chief executive Otto Thoresen says,

“AEGON UK has continued to deliver increased levels of profitable new business, despite very challenging market conditions. We are pleased with what we achieved last year, with growth in the core areas of group pensions, annuities and protection. Our diversified product range brings resilience to the potential for new business growth.

“At the same time moved forward with our development plans for our business. Our partnership with British Tennis will help us develop the AEGON brand within the UK market and I am looking forward to seeing the results of this exciting new initiative.

"The need for a strong and thriving long term savings industry in the UK is more pressing than ever before, and the long term opportunities for our business are attractive. AEGON UK is well placed to weather the current storm."

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