

AEGON NV
Form 6-K
November 08, 2012

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 2012

AEGON N.V.

AEGONplein 50

2591 TV THE HAGUE

The Netherlands

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AEGON's press release, dated November 8, 2012, is 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 8, 2012

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

The Hague November 8, 2012

AEGON delivers strong earnings growth and increased value of new business

Higher earnings driven by growth, lower expenses and favorable currency movements

Underlying earnings increase to EUR 472 million, including a positive effect of EUR 17 million as one-time provision releases were partly offset by the negative effect of assumption updates

Net income of EUR 374 million driven by higher underlying earnings, lower impairments and the non-recurrence of charges in the comparable quarter last year partly offset by higher taxes

Return on equity increases to 7.7%, and 8.6% excluding run-off businesses

Sales stable higher accident & health sales offset by lower deposits

New life sales level at EUR 405 million; strong sales in the US offset by NL, UK and Spain

Accident & health sales increase 24% to EUR 190 million driven by growth in the Americas

Deposits decline 10% to EUR 9.4 billion, reflecting lower stable value deposits

Market consistent value of new business increases strongly to EUR 173 million as a result of product repricing and improved margins

Continued strong capital position and cash flows

Capital base ratio of 75.0%, in line with target of at least 75% by year-end 2012

IGD^{a)} solvency ratio increases to 222%

Operational free cash flow of EUR 448 million, excluding market impact of EUR (407) million

Statement of Alex Wynaendts, CEO

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During the third quarter, we were again able to capture the benefits of AEGON's strategic priorities, resulting in solid earnings growth, improved profitability of sales, lower expenses and a continued strong capital position. Our franchise remains healthy, as evidenced by the particularly high level of At-Retirement and pension sales. At the same time, we are making essential investments to reshape our businesses in both our established and developing markets to respond effectively to the changing conditions and new realities. Although there are signs of gradually improving market conditions, there remains considerable uncertainty in the general economic environment. Consequently, we believe it is prudent and necessary to maintain a sufficient financial buffer while at the same time adhering to our strict risk and pricing discipline. The steps we are taking across our organization to get closer to our end customers, combined with the strength of our current position, give us full confidence in the prospects for our business going forward.

Key performance indicators

<i>amounts in EUR millions</i> ^{b)}	Notes	Q3 2012	Q2 2012	%	Q3 2011	%	YTD 2012	YTD 2011	%
Underlying earnings before tax	1	472	443	7	361	31	1,340	1,176	14
Net income	2	374	254	47	60		1,149	791	45
Sales	3	1,550	1,604	(3)	1,620	(4)	4,912	4,292	14
Market consistent value of new business	4	173	117	48	93	86	415	351	18
Return on equity	5	7.7%	6.8%	13	6.8%	13	7.0%	7.4%	(5)

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STRATEGIC HIGHLIGHTS

Aegon launches a new online banking platform in the Netherlands

Workplace Savings platform launched in the United Kingdom

**Aegon regains its place in the Dow Jones Sustainability European Index
Aegon's ambition**

Aegon's aim to be a leader in all of its chosen markets by 2015 is supported by four strategic objectives: Optimize Portfolio, Enhance Customer Loyalty, Deliver Operational Excellence and Empower Employees. These key objectives have been embedded in all Aegon businesses. They provide the strategic framework for the company's ambition to become the most-recommended life insurance and pension provider by customers and intermediaries, as well as the most-preferred employer in the sector.

Continued economic uncertainty has increased the opportunities for Aegon in pursuing its clear purpose of helping people take responsibility for their financial future. To capture these opportunities, Aegon will accelerate the development of new business models by investing in innovative, technology-driven distribution channels, to connect better and more frequently with customers, improve service levels and increase retention rates. Aegon's accelerated investments in technology will also better support intermediaries adapt to the changing distribution environment.

In recent years, Aegon has implemented a broad restructuring program to sharpen its focus on its core lines of business, significantly reduce its overall cost base, and create greater efficiencies across the organization. This has resulted in a better balance between spread-based and fee-generating business, a substantially improved risk-return profile, the divestment of non-core businesses, a lower cost base, and an improved capital base ratio.

Optimize portfolio

At the end of September, Aegon launched a new online bank in the Netherlands, called Knab. This innovative new platform gives customers increased insight into their financial situation and uses state-of-the-art technology to provide easier lifetime financial planning. Knab also allows the company to interact with customers in real-time and to use client feedback to ensure that all offered solutions meet customer needs.

In the United Kingdom, to capture opportunities in the At-Retirement market, Aegon launched its new platform proposition called Aegon Retirement Choices in November 2011. The company recently added its Workplace Savings proposition to the platform with the unique feature of allowing customers to remain on the platform as an individual customer throughout retirement. Pension reform and the Retail Distribution Review will transform pension products and services and how they are distributed. Aegon's platform offers a compelling solution to advisers, employers, and their employees. Positive market response has helped the company secure a number of strategic distribution agreements, reaffirming Aegon's leading role in the pensions and At-Retirement market.

On October 1, 2012, Aegon Asset Management closed the transaction to sell its minority stake in Prisma Capital Partners, a provider of hedge fund solutions, to KKR for a total consideration of EUR 100 million. Prisma's contribution to underlying earnings totaled EUR 8 million for the first nine months of 2012.

Aegon expects that the consolidation of Spanish savings banks will lead to exiting one or more of its joint ventures in Spain. Following the announced merger between Banca Cívica and CaixaBank, Aegon reached an agreement to end the life, health and pension partnership with Banca Cívica and to sell its 50% interest in the joint venture to CaixaBank for a total consideration of EUR 190 million. The transaction was closed on October 11, 2012 and will result in a book gain of EUR 35 million before tax which will be accounted for in the fourth quarter of 2012. Aegon's share in underlying earnings before tax of the joint venture totaled EUR 13 million for the first nine months of 2012.

Deliver operational excellence

In the Netherlands, Aegon is on track with reorganizing its business to be more agile and better positioned to respond to changing conditions and opportunities in the Dutch market. The reorganization program, and other initiatives, will result in reducing the cost base for Aegon the Netherlands by EUR 100 million, compared to the cost base for 2010. The cost savings aim to offset pressure on underlying earnings from increased longevity provisioning and a declining life insurance back-book. Up to and including the third quarter, Aegon has implemented costs savings of EUR 80 million.

Aegon retained its place in the Dow Jones Sustainability World Index for 2012-2013, and regained its position in the European index after a one-year absence. This was due to a significant improvement in the company's overall sustainability rating. Aegon has made substantial progress in several key areas. In particular, the company has improved its approach to human resources, brand and customer relationship management. The introduction of a company-wide framework governing pay and remuneration, as well as the further progress of Aegon's talent management program also strengthened overall performance. In addition to the DJSI, Aegon is included in the FTSE4Good Index, and was recently admitted to Vigeo's Advanced Sustainability Performance Index for euro zone companies.

Financial overview ⁽¹⁾

<i>EUR millions</i>	Notes	Q3 2012	Q2 2012	%	Q3 2011	%	YTD 2012	YTD 2011	%
Underlying earnings before tax									
Americas		344	339	1	307	12	975	957	2
The Netherlands		82	71	15	68	21	232	223	4
United Kingdom		26	25	4	9	189	80	31	158
New markets		70	64	9	46	52	222	184	21
Holding and other		(50)	(56)	11	(69)	28	(169)	(219)	23
Underlying earnings before tax		472	443	7	361	31	1,340	1,176	14
Fair value items		(126)	101		(288)	56	131	(396)	
Realized gains / (losses) on investments		128	85	51	102	25	258	397	(35)
Impairment charges		(35)	(42)	17	(132)	73	(118)	(294)	60
Other income / (charges)		3	(254)		(54)		(268)	(73)	
Run-off businesses		12	6	100	(5)		16	27	(41)
Income before tax		454	339	34	(16)		1,359	837	62
Income tax		(80)	(85)	6	76		(210)	(46)	
Net income		374	254	47	60		1,149	791	45
Net income / (loss) attributable to:									
Equity holders of Aegon N.V.		373	254	47	60		1,148	790	45
Non-controlling interests		1					1	1	
Net underlying earnings		369	337	9	308	20	1,034	980	6
Commissions and expenses		1,382	1,570	(12)	1,575	(12)	4,351	4,588	(5)
of which operating expenses	11	798	814	(2)	886	(10)	2,393	2,570	(7)