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## PRESS RELEASE

# European insurers move to improve transparency for investors

***The Chief Financial Officers of several of Europe's leading insurers have today announced a joint initiative to improve the consistency and transparency of Embedded Value reporting.***

Embedded Value is a way of reporting the value of the life insurance business companies have with their customers. This information helps investors value insurance companies.

Until now, this supplementary information has varied by country and in some cases by company within a country. This has made it difficult for investors to compare relative performance.

The CFO Forum, representing the Chief Financial Officers of major European insurance companies, has decided to take an important step to improve this situation. Accordingly, it is today launching a set of principles that its members across Europe have agreed to adopt for, at the latest, accounts published in respect of the 2005 financial year. Many companies intend to adopt the new principles in advance of this.

The new *European Embedded Value Principles* include clear guidance on calculating or providing information on:

- a) The cost of options and guarantees
- b) The assumptions being made in respect of future investment returns and risk margins
- c) Disclosure of assumptions and key sensitivities
- d) New business margins

Commenting on the new Principles, Jos Streppel, Chairman of the CFO Forum and CFO of AEGON, said: "The launch of European Embedded Value marks a very important step forward for the European life assurance industry. We are determined to do everything we can to provide investors with financial information that is both transparent and consistent across the major companies. We believe this new approach represents a sound basis for the future of life assurance company reporting."