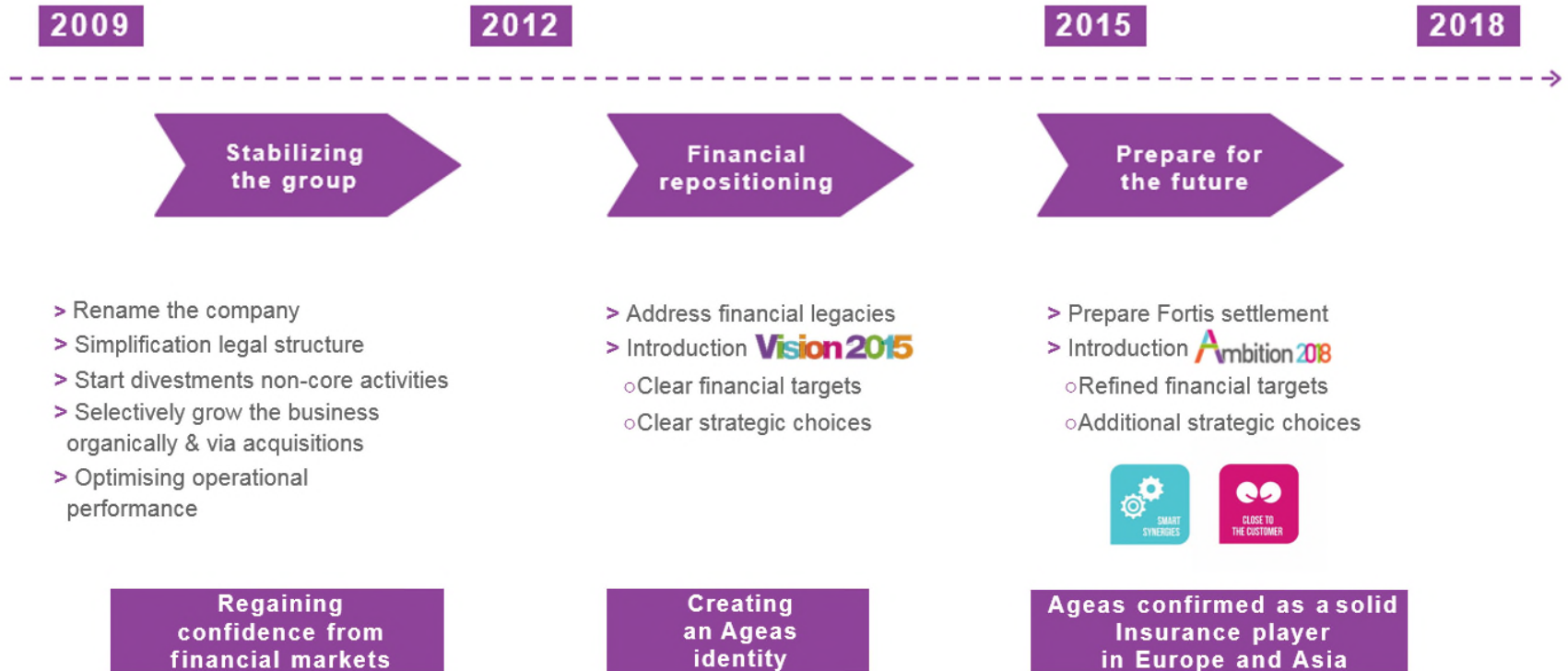


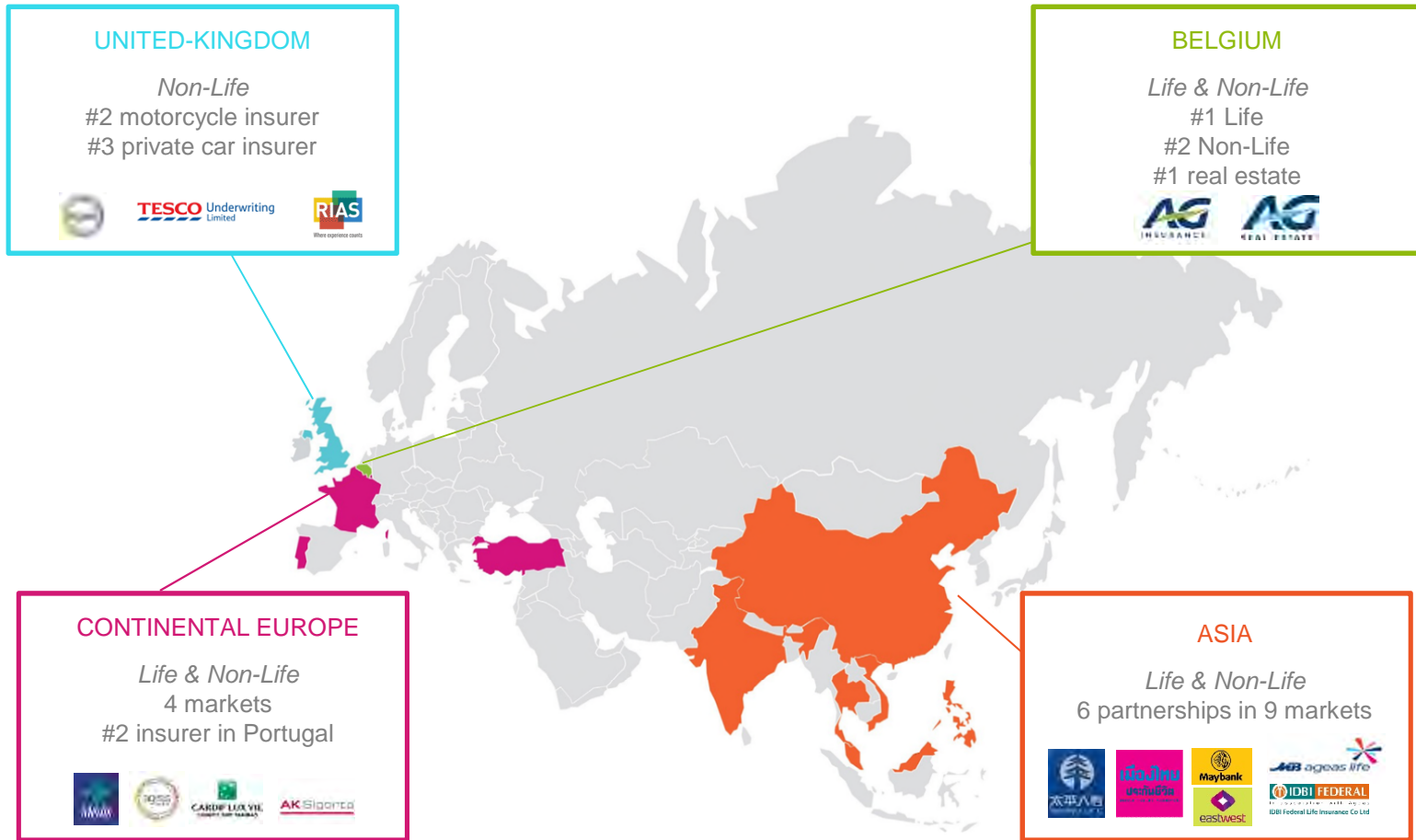
# VFB Happening 2018

24 March 2018

# A transformation journey to a solid insurance player in Europe and Asia



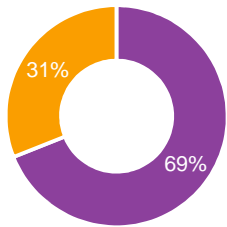
# An international Group with a focus on Europe and Asia



# A diversified portfolio of products

## Market leader positions in core countries

2017 GROSS INFLOWS BY PRODUCT AT AGEAS'S PART



■ Life ■ Non Life

### LIFE

Life business mostly guaranteed rate driven

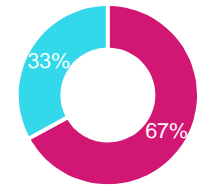
#1 Belgium  
#1 Thailand

#2 Luxembourg  
#5 Malaysia

#1 Portugal  
#6 China



2017 GROSS INFLOWS LIFE (consolidated entities)



■ Guaranteed ■ Unit-Linked

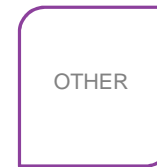
### NON-LIFE

Non-Life business mostly driven by Motor & Household

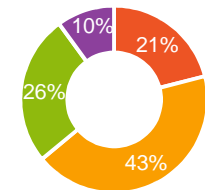
#2 Belgium  
#4 Thailand

#3 Private car UK  
#4 Turkey

#3 Portugal  
#2 Malaysia



2017 GROSS INFLOWS NON-LIFE (consolidated entities)

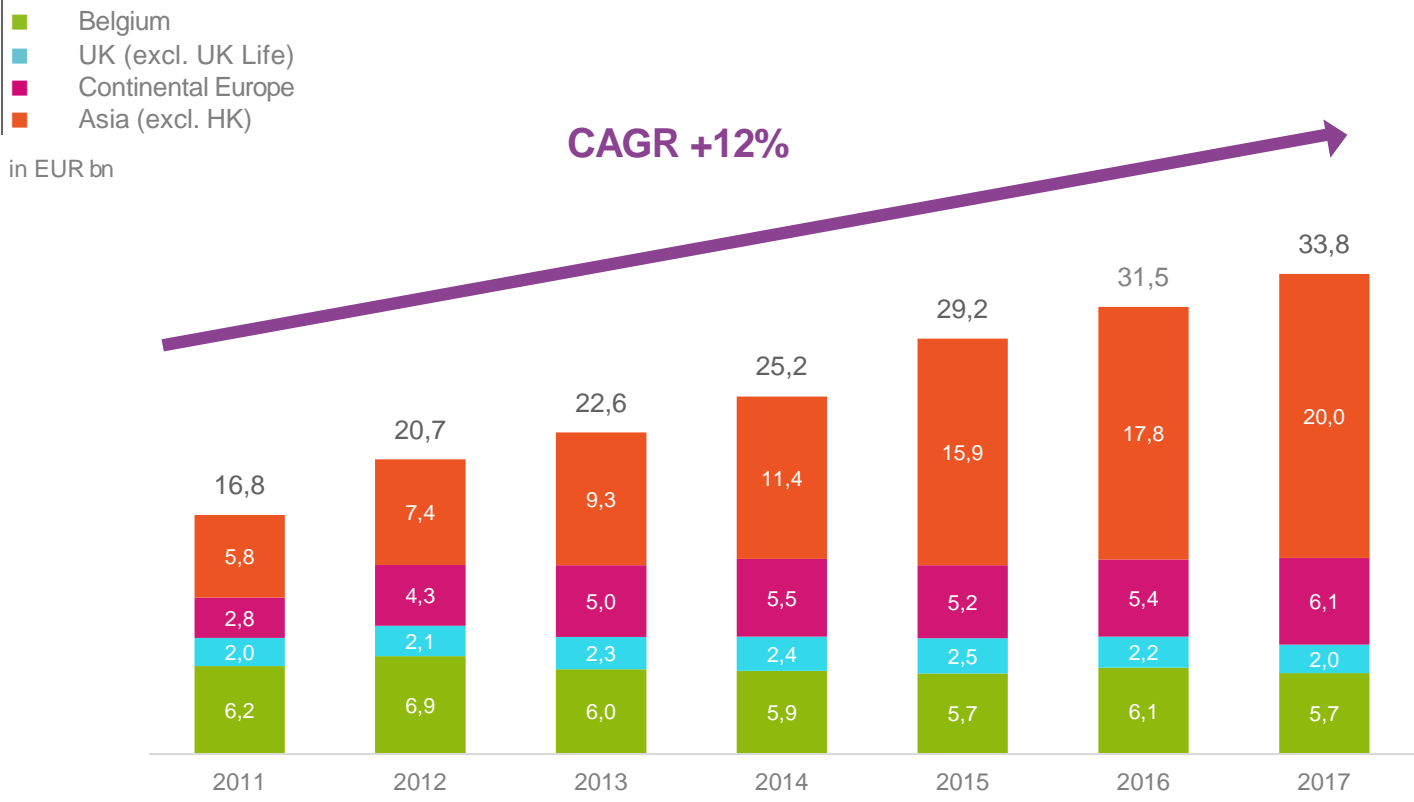


■ Accident & Health  
■ Motor  
■ Household  
■ Other Lines



# Consistent inflow growth

## Mostly driven by Asia and Continental Europe



All non-consolidated partnerships have been included at 100%



# Record result of EUR 960 mio in 2017

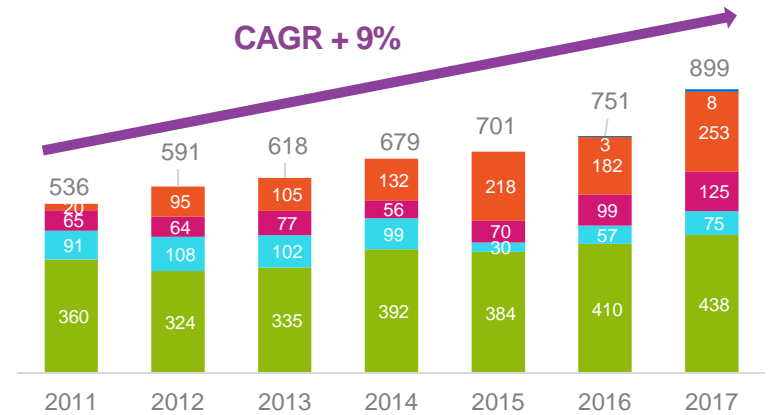
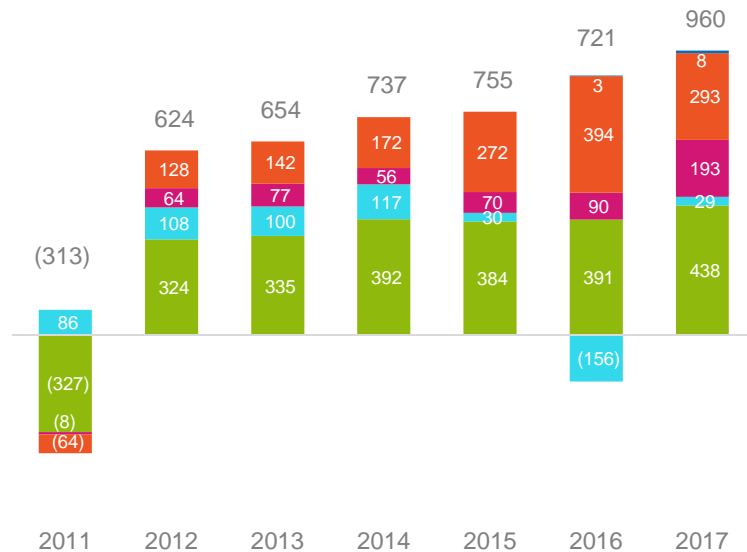
## Underlying insurance net profit capacity of EUR 750-850 mio

- Belgium
- UK
- Continental Europe
- Asia
- Reinsurance

In EUR mio

INSURANCE NET PROFIT  
As reported

INSURANCE NET PROFIT  
Underlying



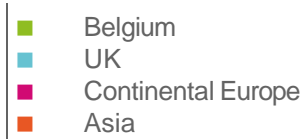
2011 Belgium and CEU corrected for Greek impairments  
 2011-2016 UK Net result UK Life / Asia excluding Net result Hong-Kong  
 2016 Belgium corrected for Terrorism events / UK corrected for closure Glasgow office, special risks & Ogden rate review / Asia corrected for

capital gains sale of Hong-Kong  
 2016: CEU corrected for integration costs Ageas Seguros  
 2017: UK corrected for Ogden / CEU corrected for Cargeas capital gains and integration costs Ageas Seguros

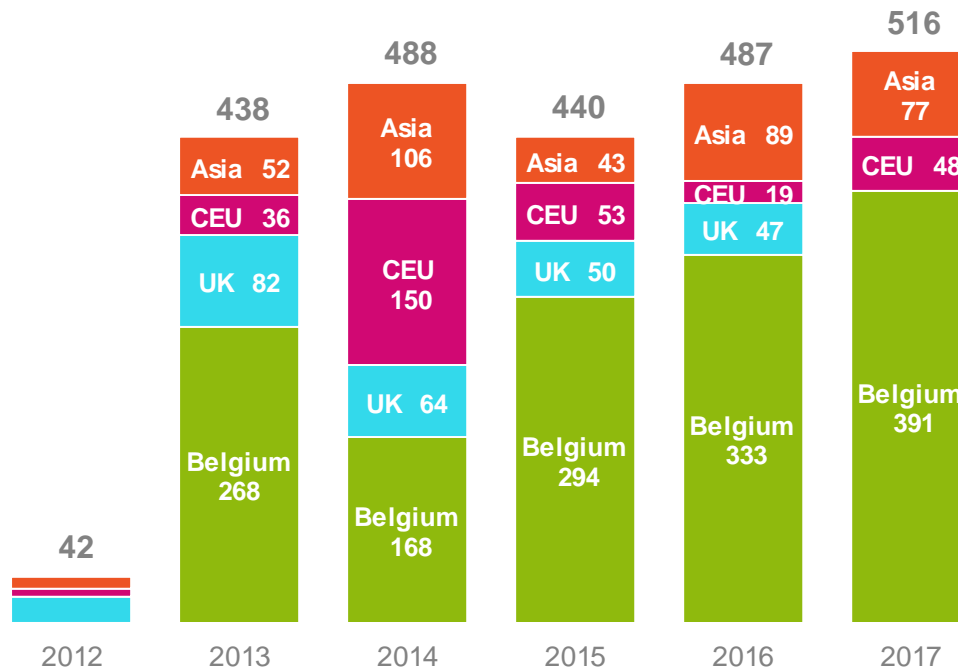


# Disciplined cash upstream from operating companies

## Upstream covering dividend and holding costs



in EUR mio



2013 Belgium excluding EUR 200 mio capital restructuring

2014 CEU excluding EUR 30 mio France & EUR 61 mio Portugal Capital restructuring and EUR 115 mio Portugal M&A



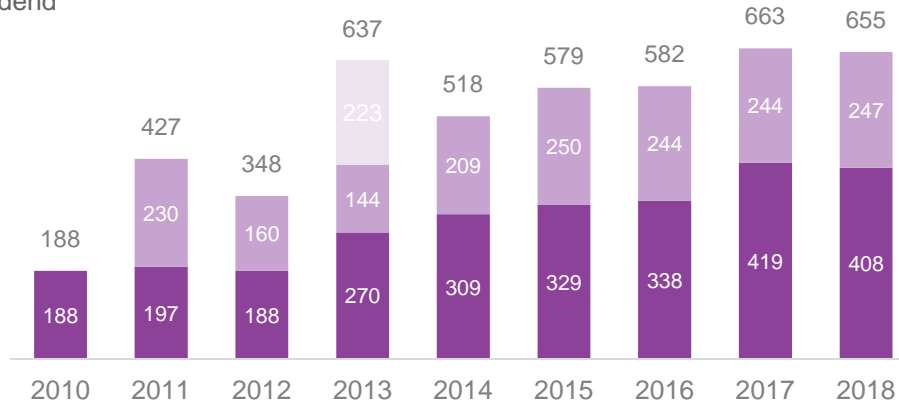
# Shareholders return

Ageas returned EUR 4.6 bn since '09, >50% of current market cap

## TOTAL RETURNED TO SHAREHOLDERS

- Capital Reduction
- Share buy-back executed
- Paid Dividend

in EUR mio



Proposed regular gross

**Cash dividend 2018**

of

**EUR 2.10**

up **24%**

## 7 share buy-back programmes

Target dividend payout ratio

**40-50%**

	2011	2012	2013	2014	2015	2016	2017	2018
Gross amount/share	0.80	0.80	1.20	1.40	1.55	1.65	1,70 +0.40	2.10
Payout ratio	50%	-	43%	47%	45%	45%	59%	42%
Dividend yield	3.7%	4.7%	4.6%	4.4%	5.0%	4.9%	5.3%	5.1%







## OUR STRATEGY: THE FINAL YEAR OF AMBITION 2018



# Ambition 2018

## 7 strategic choices



CLOSE TO  
THE CUSTOMER

- > Be close to our customers by leveraging technology and acting on improved customer insights



SMART  
SYNERGIES

- > Invest in smart synergies to facilitate innovation and the sharing of knowledge, data and skills across our businesses



FOCUS ON  
INSURANCE

- > Focus on our insurance capabilities by continuing to invest in core insurance skills



PARTNERSHIPS

- > Commit to our partners and their customers to strengthen relationships for the long term



EUROPE & ASIA

- > Expand in mature and growth markets in Europe and Asia



OMNI-CHANNEL

- > Create a positive customer experience across all channels through a seamless, integrated and consistent omni-channel distribution approach



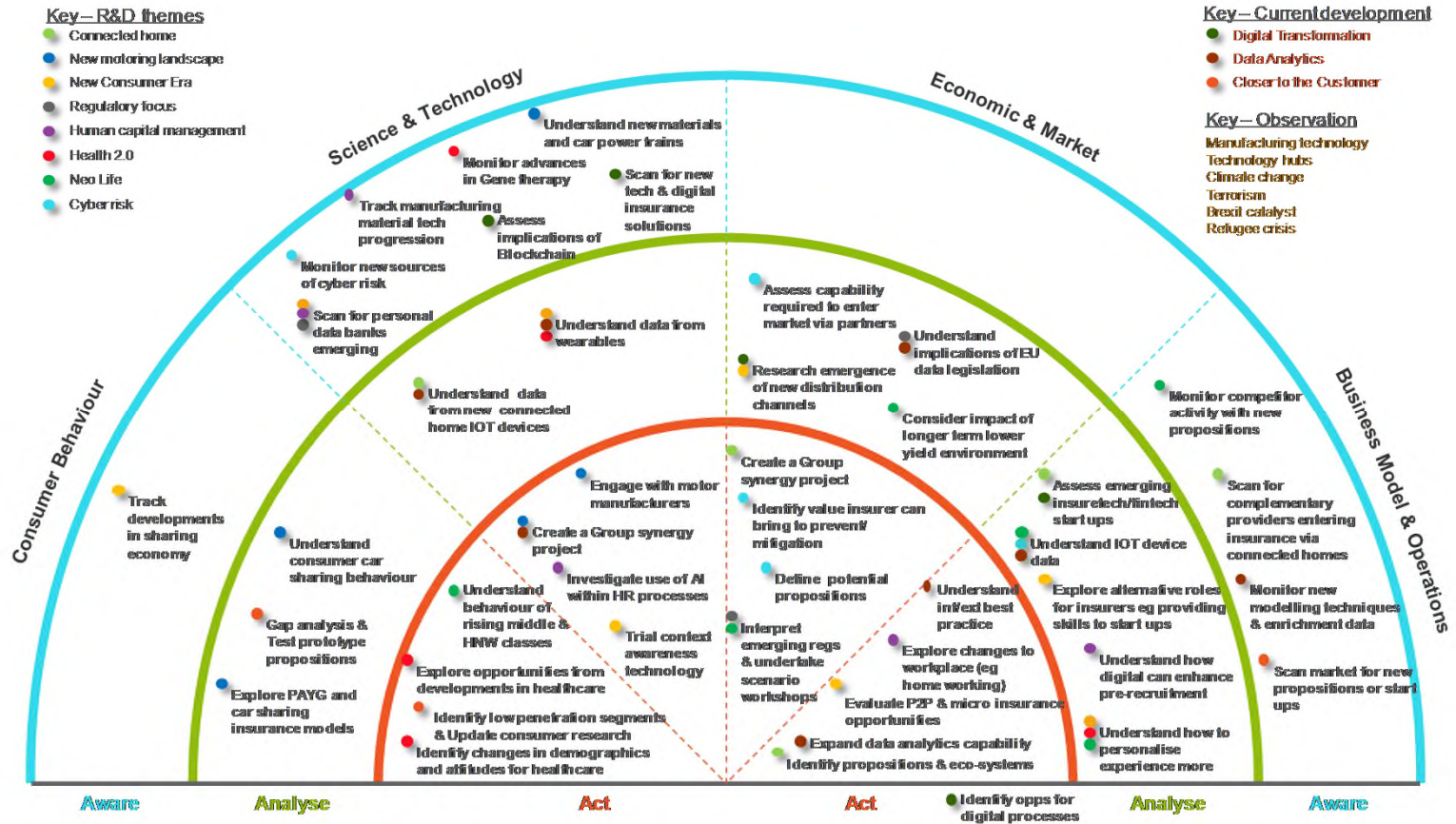
WELL DIVERSIFIED  
PORTFOLIO

- > Have a well-diversified product offering, targeting growth in Non-Life and core "protection" products in Life



# Ambition 2018 (and beyond)

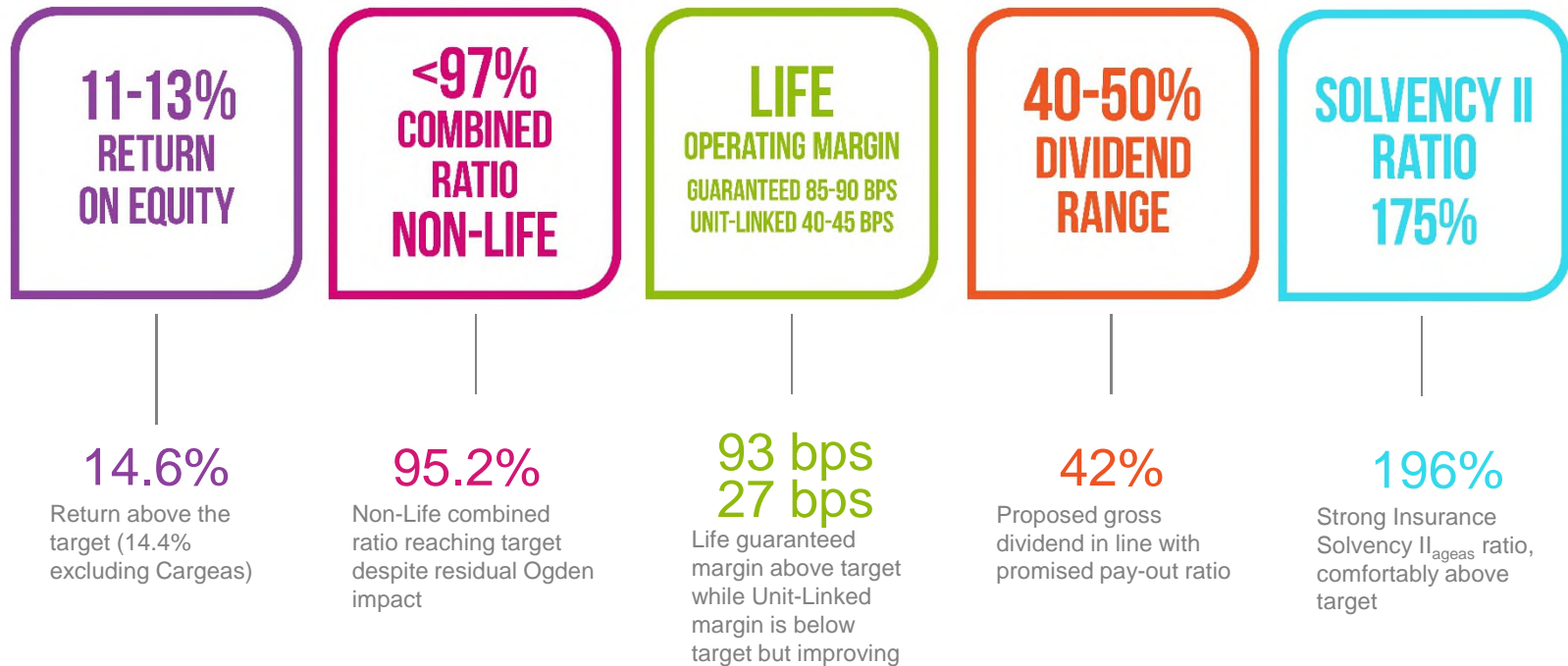
## Research activity tracked on "radar"



# Ambition 2018 : financial targets

All targets but one reached in 2017

2017 FIGURES

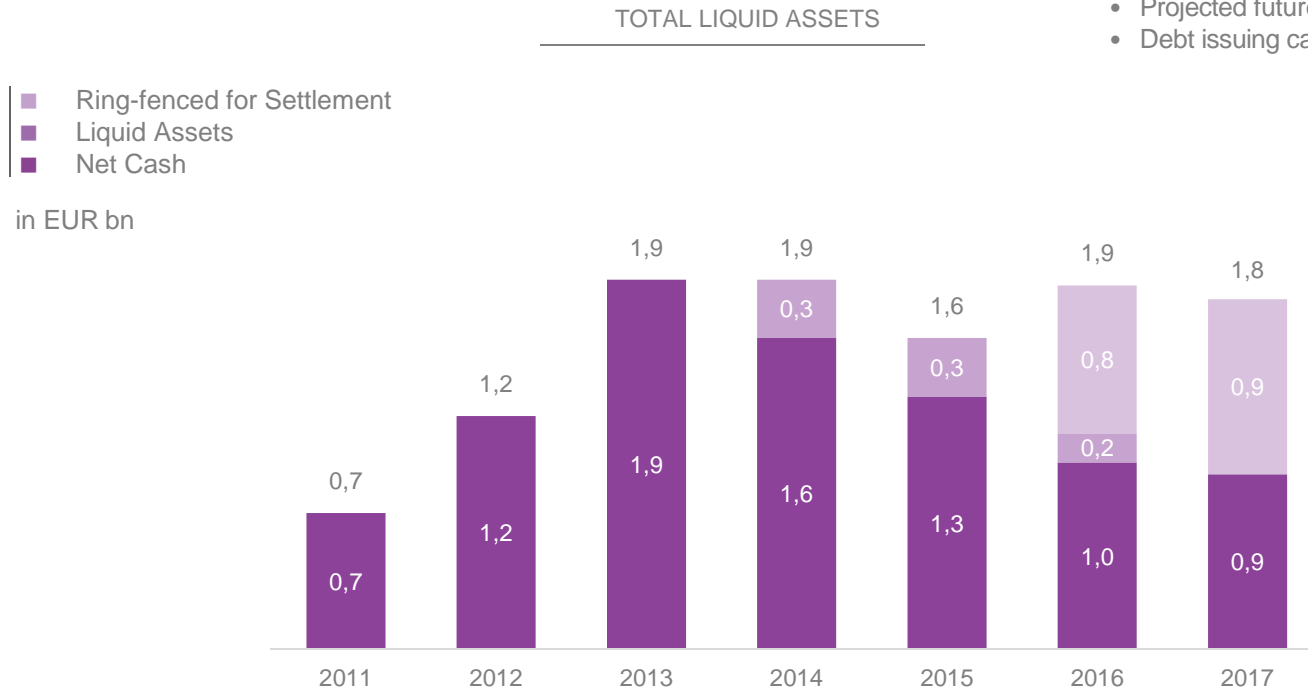


# M&A Strategy

Total Financing capacity estimated at around EUR 2 bn

## Financing in case of a compelling M&A transaction can come out of:

- Available Net Cash
- Projected future cash flows
- Debt issuing capacity



# M&A Strategy

## M&A Criteria

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### EXISTING MARKET

Priority to strengthen positions in existing markets

### NON-LIFE

Clear preference for Non-Life

### FAST GROWING EMERGING MARKETS

Further expansion in fast growing emerging markets while respecting financial targets and continuing to build on a successful partnership model

### BUSINESS GROWTH OPPORTUNITIES

Flexibility for opportunities where Ageas believes its expertise can create growth & improve the business



# M&A Strategy

## Put option AG Insurance

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BNP Paribas Fortis owns 25% + 1 share of AG Insurance and is granted a put option to resell its stake to Ageas in H1 2018

At 31/12/2017 the liability of the put option was € 1,449 M

AG Insurance and BNP Paribas Fortis also have a distribution agreement

### 4 POSSIBLE SCENARIOS

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		Distribution agreement renewed	
		YES	NO
BNP Paribas Put option exercised	YES	Status quo on distribution Ageas full owner of AG Insurance	Separation
	NO	Status quo on distribution & ownership	Unlikely since No strategic logic





## SOLVING LEGACIES





# Progress in solving legal legacies

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## Settlement between Ageas & claimants organisations

Announcement  
14/03/2016

- Ageas offers to pay **EUR 1.2 bn compensation** - **Cash impact of EUR 1,0 bn**
- No recognition of any wrongdoing by Ageas
- Commitment by eligible shareholders to abandon any ongoing civil proceeding & not to start any legal proceeding related to the events

Amsterdam Court's  
interim decision  
16/06/2017

- **Settlement not declared binding in current format**
- Court's main objections: unjustified difference between Active and Non-Active Claimants
- Court offers opportunity for amendments by 17/10/2017

Extension  
16/10/2017

- Court grants extension until 12/12/2017
- Ageas announced **EUR 100 mio final additional effort**

Revised Settlement  
12/12/2017

- Agreement reached on **revised Settlement** proposal

Next steps  
16 & 27/03/2018

- First **hearing** on **compensation models** of claimants organizations
- Second **hearing** on the **merits**

**Court's decision estimated mid 2018**



# Main adjustments

Aiming to address concerns of the Court while honouring prior commitments

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Additional EUR 100 million

Bringing total available budget to EUR 1.3 bn allowing for major improvements

Aiming to address major concerns of the Court

1. **Equal treatment of all eligible shareholders in terms of damages**  
No distinction between active & non-active claimants in terms of per share compensation & compensation add-on
2. **Solidarity in dilution risk & buyer protection**  
Solidarity in terms of dilution across active & non-active claimants  
Ring-fencing buyer compensation for excessive holder dilution through separate boxes for buyers & holders
3. **Clarity on scope of requested release**  
A clear & comprehensive list of events

Cost & effort based compensation for shareholder activism

Cost addition based on empirical evidence & taking into account existing agreements between various parties in terms of litigation funding

→ Resulting amended agreement **improves significantly** the proposition towards non-active claimants while materially **honouring prior commitments** to active claimants



# Settlement between Ageas & claimants organisations

## Confirmed & strengthened support from other relevant representatives

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Co-Petitioners acting for interest of all claimants

- **All organisations** participating to initial agreement: Deminor, Stichting FortisEffect, SICAF & VEB

Other **supporting** parties

- **Reconfirmed:** Mr. Arnauts, Mr. Lenssens & Archand
- **New support:** ConsumentenClaim

Main **opposing** parties

- Modrikamen: opposition related to list of events
- Patrinvest: opposition not (yet) reconfirmed

→ Widest possible support **maximizes** chances of success

# A simplified structure...

## Equal treatment of all eligible shareholders in terms of damages

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### All eligible shareholders

### Per share compensation

In EUR	Period 1	Period 2	Period 3
Buyers	0.47	1.07	0.31
Holders	0.23	0.51	0.15

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### All eligible shareholders

### Compensation add-on

EUR 0.5/share – max EUR 950 - calculated on highest # shares held between 28/02/07 cob & 14/10/08 cob

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### Cost addition for active claimants

### Cost addition

25% of per share compensation for buyer and/or holder

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### Be aware that

- All amounts **subject to potential dilution / increase** depending on number of Fortis shares that will ultimately be presented
- Proposed settlement not yet declared binding
- Ageas has **termination** right if amount represented by number of Fortis shares opting out exceeds **5%** of settlement amount
- Calculation module based on indicative amounts available [www.FORsettlement.com](http://www.FORsettlement.com)



# ...with higher compensation for all

## Pro forma comparison with previous settlement agreement

### Formerly non-active shareholders

In EUR	Period 1	Period 2	Period 3
Buyers	<del>0.38</del> 0.47	<del>0.85</del> 1.07	<del>0.25</del> 0.31
Holder	<del>0.19</del> 0.23	<del>0.43</del> 0.51	<del>0.13</del> 0.15

~~Claim form add-on: EUR 0.5/share – max EUR 200~~



Compensation add-on: EUR 0.5/share – max EUR 950

### Formerly active shareholders

for sake of comparison incl.  
25% Cost addition

In EUR	Period 1	Period 2	Period 3
Buyers	<del>0.56</del> 0.59	<del>1.28</del> 1.34	<del>0.38</del> 0.39
Holder	<del>0.28</del> 0.29	<del>0.64</del> 0.64	<del>0.19</del> 0.19

~~Retail add-on: EUR 0.5/share – max EUR 550~~



~~Claim form add-on: EUR 0.5/share – max EUR 400~~

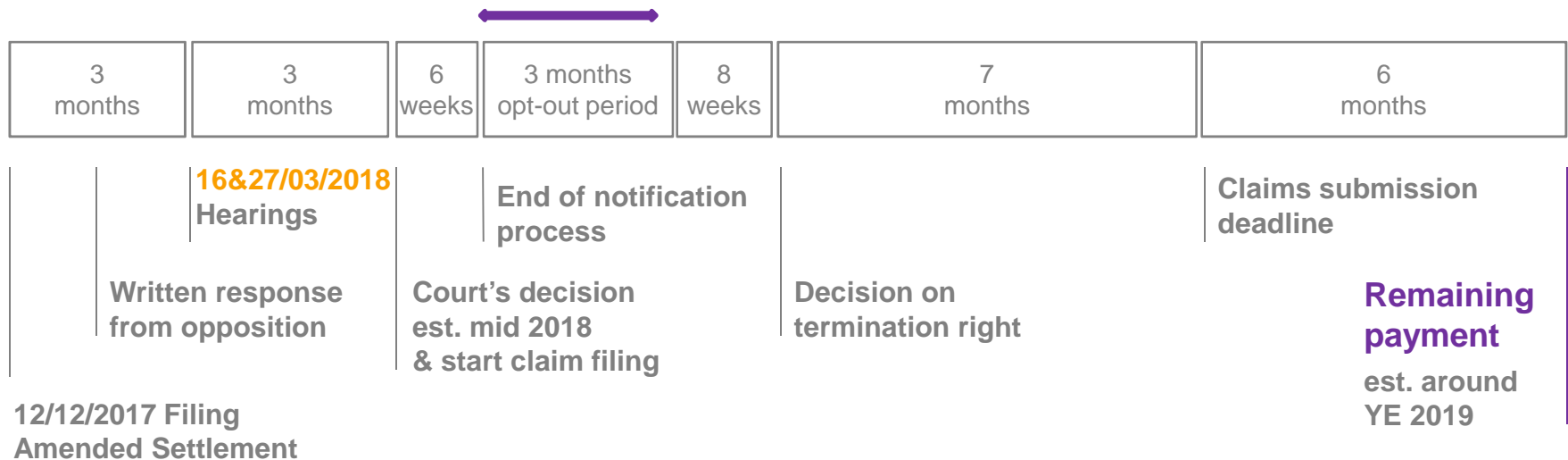
Compensation add-on: EUR 0.5/share – max EUR 950



# Indicative timeline subject to Court approval & administrative process

## Early payment for fast filers

### Early payment



- Notification process will ensure all eligible shareholders are **duly informed**
- During the opt-out period, early filers can already receive **70% of their compensation**
- Ageas has a **termination** right at the end of the opt-out period if the amount represented by the number of Fortis Shares opting out of the settlement exceeds **5%** of the settlement amount



## CONCLUSION



# Conclusion

## STRENGTHS OF THE BUSINESS MODEL

Balanced portfolio  
Markets/products/channels

Strong positions in **mature**  
European countries  
+  
Growth potential in Asian  
**emerging** markets

Proven expertise in growing  
through **partnerships**

## FINANCIAL DISCIPLINE AND PROGRESS ON SOLVING LEGACIES

**Strong capital position**  
(FY2017)

Shareholder's equity  
EUR 9.6 bn

Insurance Solvency II<sub>ageas</sub>  
196%

Group Solvency II<sub>ageas</sub>  
196%

**Resolution** of a large  
number of **legacies** from  
the past

Strong progress on legal issues:  
Revised Settlement agreement  
reached in 2017 – Court's  
decision expected mid 2018

## AMBITION FOR THE FUTURE

**Clear strategic priorities**  
to prepare the Group for the  
future

Innovation  
Growth markets  
New products

### 5 financial targets

- 11%-13% ROE
- 97% Combined ratio
- Life operating margin  
85-90 bps guaranteed  
40-45 bps unit-linked
- 40%-50% dividend range
- SII ratio 175%



Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Future actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in Ageas's core markets, (ii) performance of financial markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) increasing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the Economic and Monetary Union, (x) changes in the policies of central banks and/or foreign governments and (xi) general competitive factors, in each case on a global, regional and/or national basis. In addition, the financial information contained in this presentation, including the pro forma information contained herein, is unaudited and is provided for illustrative purposes only. It does not purport to be indicative of what the actual results of operations or financial condition of Ageas and its subsidiaries would have been had these events occurred or transactions been consummated on or as of the dates indicated, nor does it purport to be indicative of the results of operations or financial condition that may be achieved in the future.



Disclaimer



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## Investor Relations

