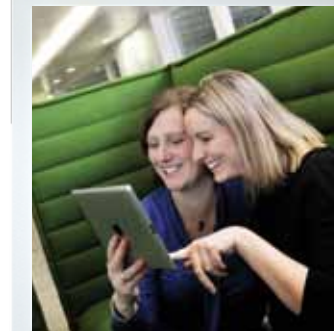




Business Report 2012



Introduction

Business Report 2012

①

Ageas emerged in 2009 as a new international brand focused exclusively on insurance. Successfully stabilised and in a good position to progress, the company now looks with confidence towards the future.

②

Today, we can be proud of the realisation of the goals we set ourselves four years ago: we are strongly capitalised, we are well balanced geographically, we have a diversified Life / Non-Life business and we have been consistently growing our business in Europe and Asia.

③

Through this Business Report 2012 we want to share with you some of our achievements in 2012 as well as our future ambitions for Ageas. But it's just a snapshot. If you want to find out more information, just go to ar.ageas.com for a more complete overview.

④

And if you want to stay in touch on a regular basis, please let us know by signing up at www.ageasclub.com. It couldn't be easier and it means you will automatically receive all of our press releases and invitations to meet our CEO and other members of the management team during the Ageas Club events.

Our values

are simple and link to our everyday actions

Passionate to deliver.

We do what we say and accept responsibility. We add value to customers, partners, employees and shareholders.

Teamwork.

We build strong relationships inside and outside the Group extending to employees, partners and other key stakeholders.

Focused on customers.

We listen to customers, build relationships and deliver pragmatic solutions that meet their changing needs.

Trusted.

We act with integrity at all times based on a fair and honest approach. We deliver on our commitments.

Local.

We know that each market is different and we are culturally sensitive to the need to adapt to the local market, embracing local cultures and positioning Ageas as part of the fabric of the community.

Entrepreneurial.

Internally we encourage creativity, innovation and an open minded spirit while understanding the risks we take.



Dear Shareholder,

The year 2012 was all about making choices for our company and we can look back with pride and satisfaction. We have delivered strong results across all insurance businesses and segments. We are financially sound and we have continued to make good progress towards our strategic objectives. Ageas has maintained a very robust capital position with a solvency ratio for our insurance operations consistently above 200%. But ultimately it's all about considering our options and doing the right thing at the right time regardless of whether this relates to the past, the present or the future.

A year with many breakthroughs. The actions we took last year reflect the choices we made as a Group.

We considered the best way to balance risk and return when investing our cash and explored different options. From the time that the new Group emerged we have chosen to invest EUR 900 million in new insurance activities; we have repaid EUR 800 million debt; by May 2013 we will have paid out a total shareholders' dividend of EUR 870 million; and we have returned some EUR 450 million to shareholders via the share buyback programmes launched in 2011 and 2012.

Our focus on insurance led to strong improvements in our net results across both Life and Non-Life resulting in a Group net profit of EUR 743 million in 2012. This is quite a contrast to 2011; a year remembered more for hefty impairments related to Greek bonds and equities. But, even discounting that anomaly, our results improved across ALL segments in our chosen territories of Europe and Asia. Our strong partnerships continue to make the difference. We saw increased inflows through our joint ventures in Thailand, China, Turkey and Luxembourg, all of whom enjoy dominant positions in their respective markets. The Portuguese insurance activities also performed well despite the difficult environment. Our record inflows

of EUR 21 billion come through multiple channels; and we broke through the EUR 20 billion barrier for the very first time. AG Insurance made significant efforts in terms of operational performance, cost containment and rebalancing of the investment portfolio to ensure that we retain our position as the market leader in Belgium. As you will read further on, we also want to increase our presence in Non-Life, to provide greater balance and diversification in our portfolio. We gave a clear signal to the market of our intent through the most recent acquisition of Groupama in the UK, and our decision last year to increase our stake in Aksigorta in Turkey.

Our 2012 combined ratio as a group is below 100% reflecting significant improvements in our operational

efficiency particularly in Continental Europe. With a return on equity of 8.7% at the end of the year, there is still a gap to be bridged to reach our target of 11% by 2015, but plans are being developed to achieve the targets we have set. At the same time, shareholders' equity increased more than 25%. These kinds of results inspire tremendous confidence in our company, the 13,300 employees and the further 15,000 people employed in non-consolidated entities, our 30 million customers around the world, our products and our partners. That confidence also spills over into how investors view Ageas from an investment standpoint. Our share price increased more than 85% in 2012, making it the best performing stock within the European insurance sector. And to signal our confidence

in the future and to recognize the strong performance of 2012, we want to reward our shareholders for their commitment to our company by proposing to the General Shareholders Meeting in April a dividend of EUR 1.20 per share, representing an increase of 50% year on year.

Choices relating to the past.
We also made some important choices with respect to the legacy issues.

Instead of persisting with lengthy judicial proceedings, we adopted a proactive approach that led to substantial progress in 2012. Early in 2012 we came to a valuable settlement with BNP Paribas with

regard to the CASHES and Tier 1 instruments. And in June 2012, we reached a significant out-of-court settlement that brought to an end all outstanding disputes between ABN AMRO, the Dutch state and Ageas. We believe that the negotiation of these settlements was in the best interests of the company and its stakeholders.

We also explored ways to further simplify our organisation. The simplification of the legal structure and the reverse split of ageas SA/NV shares at the beginning of August were major milestones. The decision to merge our two legal entities in order to create one single company was a logical and major step in the simplification process and has made our company more attractive to investors.



Choose your future. To quote the famous life coach Dr Shad Helmsetter: “If you have to take time to make a choice, take time. Then make the choice.”

That’s exactly what we did when we sat down to formulate our strategic plan for the next three years. We mapped out a clear path towards 2015, confident that the choices we make today are the right ones, based on past success, our inherent strengths as a Group and the opportunities we have identified to grow in the future.

During our Investor Day in London, we communicated to investors details of the way forward to 2015, aimed at reducing our dependence on investment income, increasing investments in high growth markets and reaping the benefit of a diversified product and distribution mix. This does not represent a radical strategic shift from where we are today, but an evolution based on what we have done and learned in

the past three years. Five clear strategic choices, four performance targets underpinned by six values. In a nutshell, we focus on our core business of insurance, work in partnerships across Europe and Asia with a multi-channel distribution approach, and strive for a portfolio that is well balanced between Life and Non-Life. In translating these five choices into targets, we are committed to rebalancing the insurance portfolio to a 60/40 split between Life and Non-Life, with 25% of capital deployed in emerging markets and a combined ratio structurally below 100%. All this should lead to return on equity of at least 11% by the end of 2015. Every element of this strategic plan was also communicated to all staff members in a series of internal road shows in order to ensure global and consistent awareness of our strategic perspectives at all levels.

This strategic plan will ensure we secure strong profitable growth for the company based on what we know we do well. We have taken important steps to transform our company in recent years and we

now want to take our dedication, expertise and customer focus to an ever-higher level in order to build an even better Ageas.

Our journey. As we look back, the past 12 months have been exciting and also eventful.

We have made important choices relating to the past, the present and where we see Ageas in the years ahead. But when asked whether we are completely satisfied? Or whether we plan to settle for the status quo rather than seizing the opportunity to grow? The answer is a resounding “no”. It is work in progress and there is always more to do. What matters, we believe, are the choices we make along the way.

Our company looks with confidence towards the future. And on behalf of the Board of Directors we would like to express our gratitude to our customers, partners, staff and of course our shareholders for

joining us on this journey. We have good reason to feel proud about 2012, but that’s now in the past. And what customers, partners and shareholders are most interested in is “what are you going to do for me TODAY and in the FUTURE?” We are moving forward with a clear conviction: you can wait for things to happen to you or you can make your own choices. Based on the past 12 months, you already know which we choose.

Thank you.

Jozef De Mey

Chairman Ageas

Bart De Smet

CEO Ageas



From left to right, top to bottom:
Lionel Perl, Shaoliang Jin,
Jan Zegering Hadders,
Ronny Brückner, Belén Romana,
Bart De Smet & Jozef De Mey,
Guy de Selliers de Moranville,
Roel Nieuwdorp, Bridget McIntyre,
Frank Arts

Ageas in a nutshell

Ageas is an international insurance company with a heritage spanning more than 180 years. Ranked among the top 20 insurance companies in Europe, Ageas offers a wide range of Life and Non-Life insurance products distributed via various distribution channels.

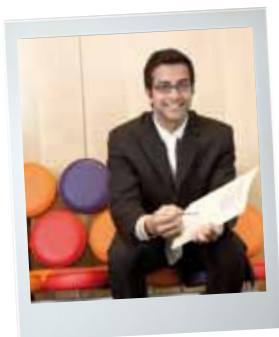
Where we are

Ageas operates in 12 markets across Europe and Asia. The group is market leader in its home market of Belgium, and holds leading positions in the UK, Portugal, Turkey and Luxembourg. In the UK, Ageas is also owner of several distributors of insurance products. In Asia, Ageas has a strong presence in Hong Kong, Malaysia, China, Thailand and India.

How we are organised

Ageas is divided into four geographical business units: Belgium, the UK, Continental Europe and Asia. These units have their own organisations in place to support their local operations and are responsible for day-to-day decision-making.

Ageas maintains competence hubs at the corporate, regional and business level allowing it to leverage knowledge and capabilities for the benefit of both Ageas and its partners.



Whom we work with

Ageas has a proven competence in developing partnerships. Ageas's partners are leaders in their markets and provide local know-how and access to customers. They benefit from Ageas's expertise in product development and distribution. Partnerships are based on a long-term alignment of interests and sustained value added contributions from each party. Often, Ageas's operating companies are joint ventures with distribution partners.

What we do

Ageas helps its customers to mitigate risks at every stage of their lives by providing them with property, casualty, life and pension insurance.

In 2012, 33% of Ageas's total inflow of EUR 21.3 billion came from Non-Life insurance, and 67% from Life Insurance.

Strong balance sheet

Ageas is well capitalised with a solvency ratio of 231% and a solid liquidity position of EUR 1.2 billion at the end of 2012.

Ageas adopts a conservative approach to risk underpinned by a sound risk management process. The group constantly re-assesses its portfolio to ensure that each of its activities meets strict criteria.

Ageas aims to obtain a return on equity in insurance in excess of 11%. The company has a policy of paying out 40% to 50% of the consolidated insurance net profit as dividend.

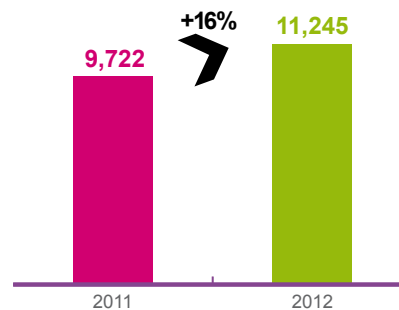
Our share

The Ageas share is listed on NYSE Euronext Brussels. Market capitalisation amounted to EUR 5.4 billion at the end of 2012.

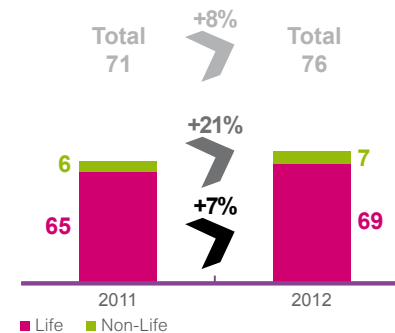


Key figures

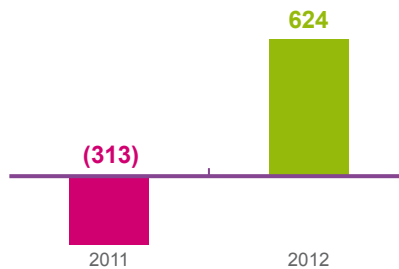
Insurance Gross inflows at Ageas's part In EUR million



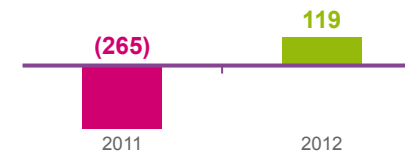
Technical Liabilities Life + Non-Life In EUR bn



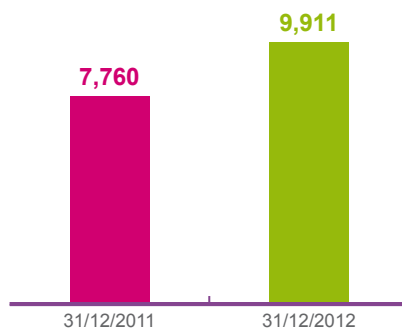
Net result Insurance In EUR million



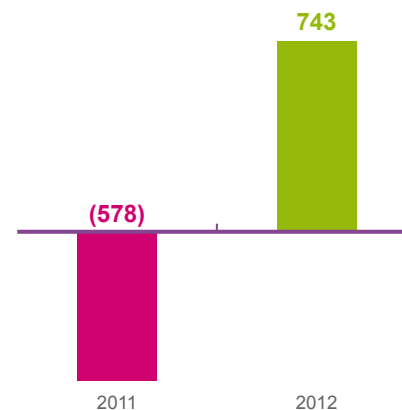
Net result General Account In EUR million



Ageas Shareholders' equity In EUR million



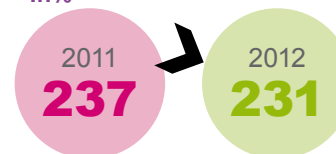
Net result Ageas In EUR million



Insurance solvency In%



Group solvency In%



Combined Ratio In%

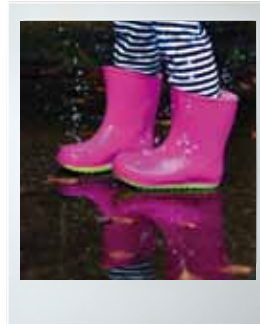


Targets 2015

	Target by end 2015	Position end 2012	Position end 2011
% Life / Non-Life inflows at Ageas's part	60/40	67/33	66/34
Combined Ratio	< 100%	99.1%	100.1%
Return on Equity of Insurance activities	11%	8.7%	- 5.5%
% capital in Emerging Markets	25%	12.1%	15.2%

value 1

Passionate to deliver.



We do what we say and accept responsibility.
We add value to **customers, partners,**
employees and **shareholders.**

Delivering great

service is like a bouquet of flowers.

Getting the product right for the customer is of course critical, but delivery is equally important and it doesn't happen by chance. This is all about getting it spot on at every touchpoint along the way including the claims process. If claims improve by 10% this will translate into a 7% difference in the Combined Ratio, an important key performance indicator and one of our most important strategic targets. Delivering great service is like a bouquet of flowers. It is the combination of many things that makes a bouquet particularly beautiful compared with a stand-

ard bunch of flowers: front office, back office, preventative measures including awareness campaigns and literature, segmentation, choice of providers, imaging and of course the most important factor of all – PEOPLE. Our people are passionate about delivering to the customer and it shows in the ratings. AG Insurance is the leader of the pack with the highest satisfaction scores among brokers and customers in terms of claims handling and products.

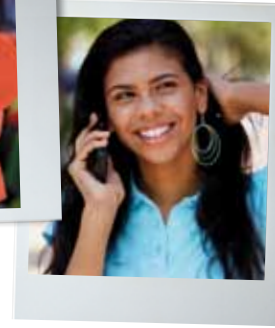
Edwin Klaps, Head of Business
Development AG Insurance, Belgium



value 2

Focused on customers.

We **listen** to customers, **build** relationships and **deliver** pragmatic solutions that meet their changing needs.



We constantly

have to demonstrate our ability

to adapt and deliver.

My job focuses very much on looking after the customer, ensuring that we meet their expectations in terms of service. Ultimately we are in a service business, and while cost savings are important, at the end of the day it is all about 'delighting the customer'. We take that process very seriously, measuring our performance through face to face surveys conducted every year with customers and distributors where we encourage their feedback. We stay close to our customers, recognising that service is a huge differentiator and means doing business with clients in the way they want. Customers drive our actions, our product offering and our timetable.

We constantly have to demonstrate our ability to adapt and deliver while working through the impact of regulatory changes, social and demographic changes and the influx of new competition and alternative business models. We will, for instance, focus a lot of our attention on the advancement of our point of sale capabilities, allowing the customer to complete their whole business with us at one time. The reward for doing the right thing is significant and operational excellence will be a key factor in helping us to reach the 11% ROE target as a group by 2015.

John Thompson, Chief Operating
Officer Ageas Hong Kong



value 3

Local

We know that each market is different and we are culturally sensitive to the **need to adapt to the local market, embracing local cultures and positioning**. Ageas is part of the fabric of the community.



We are an international company, but every market has its own unique local characteristics. Insurance is a local business and it is important to understand different cultures and the preferred ways of doing business. Working abroad really changes your view of the world. When I moved to Malaysia it was something very new for me. A good example of the cultural difference was the whole concept of the 'company song'. The first morning in my new job I was taken completely by surprise. But you get used to it and quickly learn to respect its significance. Now I just sing along! To be successful you also have to know

how the local market works. For instance, there is no country in the world where people spend more time on Facebook and have more Facebook friends than Malaysia. So internet should be an important part of strategy. Fifty per cent of Personal Accident insurance sales come through Maybank's direct channel and we are the number one insurance company in direct marketing campaigns, telemarketing and online car insurance. Understand all of this and you see where the opportunities are and what you need to do to be successful locally.

Robert Jan van Pelt, Executive Vice President, Head of Bancassurance, Maybank, Malaysia

A good example of the cultural
difference was the
whole concept of the
'company song'.



NEWS FROM

Belgium

in 2012

Ageas, through AG Insurance, is market leader in its home country:

3.7 million
customers

950,000
cars covered

1,300,000
homes covered

5,970
employees
(of which 1,965 are active in AG Real Estate)

Working with
4,000
independent brokers

Working with over
1,000
BNP Paribas Fortis branches

No.1
in Life

No.2
in Non-Life

Net profit 2012
EUR 324
million

Total inflows 2012
EUR 6.9 billion

Combined ratio 2012
99.5%

AG Real Estate (100% owned by AG Insurance) is the largest real estate group in Belgium

How are we doing? Just ask the customer

The best way to find out what people think about you is to ask them directly, and in Belgium, that's just what we did, and some 1,500 customers were only too happy to reply. In 2012, the TeleClaims team in Belgium carried out their sixth annual satisfaction survey of customers who had filed claims against a car or household insurance policy.

And the outcome was once again favourable. But more than that, the results not only highlighted what people think of the service they receive, it pointed out what TeleClaims needs to do in future to ensure that customer satisfaction continues to increase.

Overall satisfaction with claims handling by the Motor insurance line is 95%, which is higher than the national and European average and 10% higher than last year. Top Woning (household insurance) scores 85%. Furthermore, the bar has shifted because the present survey also asks what aspects would make the client very to extremely satisfied instead of just

satisfied. Also rated for the first time is customer satisfaction with legal assistance claims handled by Providis. Three out of four expressed satisfaction with the service, and with the professionalism and helpfulness of the Providis claims managers. And finally, since word of mouth is always important, 70% to 80% of respondents are prepared to recommend insurance via BNP Paribas Fortis to friends and family. But of course there is always room for improvement. For instance, clients want to know how long they will have to wait before their claim is settled. What customers want is surprisingly simple: clear, honest and complete communication, and if you can throw in evidence of proactivity as well, this is very well received.

The London Olympic Games, a Key Partnership in Action for AG Insurance

This international showcase was the ideal platform for AG Insurance to promote sports in general and to achieve tangible results through its partnerships with the Belgian Olympic and Interfederal Committee (BOIC) and the Belgian Paralympic Committee.

When deciding to partner with the BOIC and the Belgian Paralympic Committee back in 2010, there was a clear sharing of values and philosophy supporting what AG Insurance wanted to promote throughout the entire company and at its various commercial partners also. The atmosphere at the London Olympic Games provided any necessary proof that AG Insurance

had made the right choice in supporting the Belgian Olympic Team.

The London Olympic Games in the summer of 2012 also gave AG Insurance the opportunity to put its partnerships with the BOIC and the Belgian Paralympic Committee into action. An official partner since 2010, AG Insurance was able to support the Belgian Olympic team before and during the Games, providing four-years' financial backing to athletes in training as well as using the media to promote greater awareness of the brand. Advertisements with the tagline "AG Insurance, insurer and partner of the Belgian Olympic team" created a visual link between various Olympic sports and the AG Insurance logo with its characteristic green "wave". And the ads strengthened the already positive perception of this partnership, giving a healthy, sporty twist to AG Insurance's image.



AG Insurance's investment strategy contributes to the funding of the Belgian economy



The crisis in the eurozone has thrown up the same issue for all Life insurers: how best to earn investment income that will allow

insurers to remain profitable while meeting their long-term liabilities (often extending to 20-30 years or more)? And all of this in an environment with high uncertainty and low interest rates, an environment that looks unlikely to change soon. The search for yield means that businesses have had to adapt their portfolios to reflect the changed market environment. For AG Insurance the answer was to look close to home by investing more in Belgium and specifically in Belgian government bonds, by financing infrastructure and real estate projects and by investing in local growth companies. In doing so AG Insurance is also helping to support the Belgian economy and funds close to 5% of outstanding Belgian debt today.

AG Insurance manages a portfolio of almost EUR 60 billion, representing its commitment to its customers. The focus is always on making sure that this portfolio is invested in a way that will achieve the best returns without exposure to unnecessary risk. Its composition today is made up of more than 50% in government bonds, 30% of which

are Belgian. The company has been increasing its investments in local infrastructure projects such as schools, roads etc. and loans to social housing companies. On the one hand, banks are currently not very eager to fund these kinds of long-term loans, which has created an investment opportunity for long-term investors like life insurers. And, on the other hand, AG Insurance is already a key player in property management and development in Belgium through its subsidiary AG Real Estate, with more than EUR 5 billion invested in offices, shops, warehouses, urban development and public car parks. In 2012 AG Real Estate invested in "Schools of Tomorrow", a project involving the construction of 200 new schools in Flanders by 2016. Based on this experience, AG insurance intends to finance more public-private partnerships and it is currently working on the financing of roads, prisons, a public library etc.

Another important element of the investment programme is AG Insurance's EUR 65 million investment in the Gimv-XL fund,



a fund that provides finance to non-listed medium and large growth companies in Belgium. The objective is to achieve returns in line with or above equity markets without being exposed to the volatility of those markets.

But the investment plan is not restricted solely to Belgium.

Through its partnership with Natixis, infrastructure loans of EUR 2 billion will be made in Europe, mainly in France and Germany for projects involving transport (roads, railways), energy (gas and alternative energies such as wind/solar) and public-private partnerships (university, prisons, hospitals etc.).

AG Insurance will continue to look for opportunities to finance the “real economy” in the years ahead, not only to diversify and enhance the return on its investments for the benefit of its customers and shareholders, but also with a view to fulfilling its role as a socially responsible financial institution.



NEWS FROM
the **United Kingdom**
in 2012

7.7 million
customers

3.3 million
cars covered

2.3 million
homes covered

5,782
employees

Net profit 2012
EUR 108
million

Total inflows 2012
EUR 2.2 billion

Combined ratio 2012
99.8%

No.4
in Private Motor

Award Business Transformation
Deal of the Year
Award Gold Standard for Insurance
(achieved for 5 consecutive years)

Through **2,000 brokers**
and **14,000 IFA's**

Partnerships including
Tesco, Age UK, Toyota,
Post Office and John Lewis

No.5
in Non-Life

Acquisition of Groupama boosts position of Ageas UK



When Ageas acquired Groupama Insurance Company Limited (GICL) in the UK in 2012, Ageas consequently became the fifth largest UK Non-Life insurer (with a 5% market share), fourth largest Private Motor insurer (with a 12% market share), and fourth largest Personal lines insurer (with a 7% market share).

This acquisition also marked a significant next step towards creating a more balanced Life and Non-Life portfolio, an important strategic objective for the Group as a whole. Following on from the start of the partnership with Tesco Bank in 2010, and more recently the acquisitions of Kwik Fit Insurance

Services and Castle Cover, this acquisition also reflects the multi-channel, multi-brand distribution strategy of Ageas as a group. GICL offers a range of car, motorcycle, household, travel, personal accident and commercial insurance in the UK, strengthening Ageas's existing portfolio as well as adding new niche product areas. The acquisition of Groupama also brings with it important financial returns.

Ageas helps create a new generation of safer drivers

In the last few months of 2012, telematics hit the headlines in the UK with the Government considering this technology a component of a solution to combat increases in car insurance premiums, particularly for drivers under 25. Ageas has partnered with Ingenie to offer a unique Pay How You Drive product using the latest telematics technology to provide affordable insurance to younger drivers. The in-car black

box not only records when and where the car is being driven, but also how the driver accelerates, brakes and corners. This data is then transmitted to Ingenie via the mobile phone network and is run through a series of rating algorithms. Through the use of these algorithms, Ageas is able to change the driver's premiums on a quarterly basis to reflect how the customer drives. The safest drivers receive a discount, while those who regularly use excessive speed,

brake or corner badly will see their premiums rise.

One of the key aims of the Pay How You Drive proposition is to build a community of safe young drivers. Feedback on driving performance is provided every two weeks via a twitter style message. This encourages drivers to constantly improve their performance, compare themselves with other Pay How You Drive drivers and improve their overall road safety.

Telematics statistics

- A 20% drop in crashes involving young drivers.
- In general, telematics users have fewer serious accidents.
- Average claims from drivers using telematics can be 30% lower.



Ageas backs calls for minimum road safety standards in the UK

Ageas in the UK has thrown its weight behind the Road Safety Foundation's call for the UK Government to have minimum road safety standards as the centrepiece of any reform following the finance and ownership review of the major road network. A report by the Foundation and sponsored by Ageas concluded that there would be significant economic rewards from low-cost safety engineering, and that single carriageways are now six times riskier than motorways.

Commenting on the study, Barry Smith, currently COO of Ageas and former CEO of Ageas UK, said: "You cannot manage what you do not measure and that is why this type of effort is so important. We need tougher action on high



risk roads and minimum safety standards and any reforms must be part of a wider pack of measures that also address driver behaviour and vehicle safety."

Insurers currently pay out around EUR 12.5 billion each year to meet the cost of crash claims. It makes clear economic sense, but more than that it is a fact that simple attention to safety engineering details results in significant cuts in road deaths and serious injuries. In some cases the number of fatalities and serious accidents has more than halved in recent years on roads where action has been taken.





NEWS FROM

Continental Europe

in 2012

1,085
employees
in consolidated entities

Over
4 million
customers

Over
1.5 million
cars covered

Over
1.3 million
homes covered

No.1
in Life in Portugal

No.4
in Non-Life in Turkey

No.2
in Luxembourg
in the FOS market

Net profit 2012
EUR 64 million

Total inflows 2012
EUR 4.3 billion

Combined ratio 2012
93.4%

Presence in Luxembourg, Italy,
Turkey, France and Portugal

**Médias in Portugal
Superbrand Award**

Ageas celebrates first anniversary of partnership in Turkey

The partnership between Aksigorta and Ageas is more than meeting expectations. After just one short year, Aksigorta is already benefiting from Ageas's knowledge and international experience, and no time has been wasted in exploring ways of sharing that experience in a very practical sense. Aksigorta has embarked on several new projects that take advantage of the transfer of Ageas's specialist expertise in bancassurance, health, claims management and the agency business. Experts from Portugal, Italy, the UK and Belgium have shared their experiences and more than 20 workshops and visits have been organised over the past year. And this is translating into an improved performance. The first full year of co-operation clearly met expectations, culminating in the achievement of No.4 market position and profitable growth rates. Moving forward, Ageas will continue to strive for profitable growth while increasing the weight of bancassurance. The Turkish market remains very promising and Ageas has significantly



improved its underwriting performance. With knowledge sharing initiatives now gaining momentum, the expectation is that this will translate into a sustained or even higher performance going forward. Aksigorta operates through different channels with some 1,600 agents generating around 70% of gross written premiums alongside sales via some 50 brokers. On top of this, Akbank provides huge insurance distribution potential via its banking network. And there is everything to play for in this fast-growing, dynamic marketplace. Penetration rates of most insurance lines are low compared with other markets in Europe, so there is still plenty of room for growth. And this opportunity wasn't missed by the Belgian trade mission to Turkey in October 2012, spearheaded by HRH Prince Philippe of Belgium, who witnessed at first hand a prime example of successful collaboration – the Aksigorta joint venture between Sabanci and Ageas, showcased as an example of cooperation between Belgium and Turkey.



Celebrating the past and focusing on the future:

Ocidental Seguros 25 years on

Millenniumbcp Ageas in Portugal has always been viewed as a pioneer, having played a primary role in the development of bancassurance in the Portuguese Life and Non-Life market for more than a quarter of a century. And the story doesn't end there. Millenniumbcp

Ageas is also a significant exporter of expertise in bancassurance and healthcare to the rest of the Ageas group. The relationship with Millenniumbcp is a good example of a strong long-term partnership that has become even stronger as a result of the challenges it has faced during the economic crisis. One of the critical factors of this success story is the way the teams have managed to leverage the partnership and alignment with the bank for the benefit of the customer. So with its history beginning 25 years ago as Ocidental Seguros and its current relationship of over seven years with Ageas, the future looks bright for Millenniumbcp Ageas despite the difficult environment.



Luxembourg



Portugal



Italy



Turkey



France

Millenniumbcp Ageas is reinventing bancassurance

Motor bancassurance is an opportunity just waiting to happen in Portugal. And after an in-depth analysis of information in the database, the customer profile became a lot clearer. And so Móbis – a new brand of Motor insurance – was born in 2012. Research highlighted that bank variables such as credit score and bank tenure were key risk indicators for motor insurance and they therefore became important price variables in this new line. And with some 700,000 bank customers as leads just waiting to be explored and developed through CRM practices, and candidates for Móbis leads, the Motor bancassurance opportunity has every chance of being realized. The product development process involved in-depth market research in order to fine-tune covers, prices and the new concept and also to ensure that Móbis was accurately priced and profitable.

Móbis is supported by an advanced underwriting tool, which gathers online information on vehicles and claims history through licence plate numbers, allowing for more accurate premiums based on the customer's profile and type of vehicle. It is also a flexible tool, allowing premiums to be adjusted online in rapid response to market changes or specific demands.

Móbis is all about reinventing bancassurance, by providing a competitive product to selected bank customers and not selling blindly. Targeted leads and accurate underwriting tools to support sales increase the efficiency of branch sales, allowing faster and more profitable growth. Despite a slow start and the negative economic context, annual growth on Retail



O seguro dos bons condutores.

Bancassurance new sales was 45%, providing a strong platform to reach 2013 objectives.



NEWS FROM
Asia in 2012

Over
12 million
customers

No.7
in Life in **China**

No.2
in **Malaysia**

No.2
in Life in **Thailand**

No.7
in Non-Life in **Thailand**

No.5
Agency force in **Hong Kong**

Net profit 2012
EUR 128
million

Total inflows 2012
EUR 7.9 billion

Over
112,000
agents

389
employees
in consolidated entities

Over
18,000
employees in non-consolidated entities

**Presence in Hong Kong,
China, Thailand,
Malaysia and India**

The power of knowledge transfer at Ageas

What happens when you put 125 agency leaders, representing five key markets in Asia, in the same place at the same time? The answer is the creation of a unique platform for knowledge transfer within Ageas. The first cross-country, cross-company Agents Forum held in Asia brought together agency leaders from Ageas's four Asian joint ventures (Taiping Life in China, Muang Thai Life in Thailand, Etiqa Insurance and Takaful in Malaysia and IDBI Federal Life in India) plus people from Ageas Hong Kong. The goal was a simple one – to share ideas, best practices and ways to develop strategies, unlocking the potential in each of their agency channels. And behind these leaders, there is an army of over 100,000 agents across Asia.

Asia is increasingly important to Ageas as an engine for growth, contributing more than 20% of profit and with a lot of untapped potential

still to be explored. This initiative, focused on such an important distribution channel, brought together like-minded individuals with different but highly relevant experiences of five different markets in the Asian region. This kind of repository of information and expertise provides a real competitive advantage and is the foundation for knowledge sharing within Ageas.

Bancassurance leads the way in Thailand

The development of Bancassurance is an important focal point in Asia. Muang Thai Life (MTL) has grown from a predominantly agency-based Life insurance company in 2004 into a thriving multi-distribution operation, with bancassurance now the leading channel. It is ranked number one in Thailand in terms of market share of new business premiums.

This phenomenal growth has been achieved through meticulous planning and execution, as well as creativity and flexibility on the ground, to adapt and align with KASIKORNBANK's overall customer strategy and prevailing industry regulations. MTL insurance specialists deployed at the bank's branches have seen their roles evolve from selling during the earlier years of the partnership, to now providing support and coaching to their bank colleagues. The productivity of branch insurance sales staff

is closely tracked and managed against a backdrop of targets that are set in accordance with each branch's sales potential. And it is clear that training is critical. In 2012, some 88% of branch sales staff who were previously inactive underwent training and have since started selling actively.

Looking forward, MTL will expand target customer segments by broadening and deepening its penetration of KASIKORNBANK's relatively untapped private banking and mass market segments.



Thailand



Etiqua brand in Malaysia celebrates its fifth anniversary

Etiqua was the first Ageas joint venture in Asia, and is the number two player in the Malaysian market today. It leads the Islamic insurance sector (Takaful insurance) and aspires to become the undisputed national champion with the widest distribution footprint by 2015. It may be just five years old as an insurance brand, but in that time Etiqua has established itself with a brand awareness rate that is the envy of its competitors. It has built a brand that is synonymous with humanising insurance and takaful. It has created a new and unique culture that is completely different

from other companies in the financial industry.

Its efforts have not gone unnoticed in the industry. Etiqua has won more than 20 local and international awards, including the KLIFF award, Most Outstanding Takaful Company, four times in a row, Best Takaful Company from International Takaful Summit, and Best Takaful Institution from Asset Islamic Finance.

eTiqa



Malaysia



Hong-Kong

Ageas Hong Kong lights up the skyline

As well as its status as one of Asia's top financial centres, Hong Kong is famous for its picturesque Victoria Harbour, especially at nighttime. To leverage on the city's most famous view and enhance brand awareness, Ageas launched a new neon sign on Hong Kong's world famous skyline. And it is difficult to miss!

Ageas is the first company in Hong Kong to enjoy excellent twin exposures along the Victoria Harbour – admired by millions of residents and visitors annually – which are both eye-catching and distinctive. The two brand-new neon signs are centrally located along the waterfront: one on Hong Kong Island, and the other on the Kowloon side.



Taiping Life moves offices to new Taiping Finance Tower in Lujiazui Financial Centre, Shanghai

The Shanghai headquarters of Taiping Life Insurance Company Limited (TPL) recently moved to Taiping Finance Tower in the Lujiazui District, the financial centre of Shanghai.

Moving to a brand new office in the financial centre is a measure of the progress that TPL has made over the past decade. In that time the company has grown from a start-up to a first-tier insurance company with assets in excess of EUR 12.2 billion. TPL has been named one of the Top 500 Enterprises in China and one of the Top 500 Service Companies in China for six consecutive years, and has been awarded an “A-” default rating by Fitch Ratings for the second consecutive year.

Today, TPL is a strong company with some 25 million customers and a total amount insured of more than EUR 122 billion. Total assets have increased to EUR 19.5 billion. But more than that, its brand influence is on the rise. Taiping Life's relocation to the Taiping Finance



Tower follows earlier moves by Taiping Pension and Taiping Asset Management to the same building. By housing the headquarters of all Taiping Group subsidiaries in Shanghai at one location, the Group aims to realise its brand integration strategy of “One Customer, One Taiping”. At the same time, the shared location will achieve greater efficiency through a group-wide integration of resources.



value 4

Teamwork.

We build **strong relationships** inside and outside the Group extending to **employees, partners** and other **key stakeholders**.





When it comes to Teamwork, the end game is all about achieving better results. As a communications team we support a range of individual businesses and local brands, treating them as our customers. We appreciate the importance of working together with other colleagues around the world also. We share our experiences with one

another, promoting best practices – and it works very well. We represent different territories and we face different challenges, but ultimately we are ONE Ageas and news travels fast – so good coordination is critical. We also work alongside our brokers, partners and clients to deliver the right solutions, never forgetting that they have a choice. But teamwork is more than an internal exercise. We work with our peers

**We face
different challenges,**
but ultimately we are ONE Ageas.

in the industry when it makes sense to do so, often playing a lead role on important issues facing the sector. We are a strong modern brand with a reputation for insurance ex-

pertise, so our job is to deliver that together.

Paul Lynes, Director of
Communications, Ageas UK

Trusted.

value 5

We act with **integrity** at all times based on a **fair and honest approach**. We deliver on our **commitments**.

Ageas presented with Award for Best Financial Information in 2012 by the Belgian Association of Financial Analysts (ABAF/BVFA).

Every year, Belgian, Dutch and French analysts rate Belgian listed companies on four key items: annual report, press releases, investor relations and website. Based on these ratings, an overall award is presented to the company deemed to publish the best financial information.

In 2011, Ageas had already moved up the rankings, but the company went one stage further in 2012 by winning the prestigious Award for Best Financial Information. Ageas also picked up an award for best website. It came second in investor relations, second in press releases and fourth in the annual report category.



Trust comes on foot but leaves on horseback.

It is an incredible achievement because these awards don't just happen. It takes time to get your financial communications right. And as the saying goes: 'Trust comes on foot but leaves on horseback'. And we can clearly see that all the efforts undertaken by Ageas

over the past three years to raise the quality of financial communications to where they are today have been widely appreciated by analysts and investors. Ageas takes great care over the quality of its communications, which must be clear, accurate, accessible and respectful of

transparency requirements. And this is the way we work in the Investor Relations team. Step by step we earn trust and build up reputation. While there are still some shareholders who want to talk about the past, more and more people are interested in learning more about

the Ageas of today and the Ageas of tomorrow.

From left to right:
Frank Vandenborre, Veerle Verbessem,
Koen Devos and Joke Raaij



Looking back Choices of the past

In September 2009, Ageas, as a newly formed group, set a number of priorities, more specifically:

- Streamlining the insurance portfolio
- Selectively growing the business organically and via acquisitions
- Optimising operational performance

It also pledged to continue to proactively manage the legacy issues related to the financial turmoil in 2008 with a view to maximising long-term value in the interests of shareholders.

Over the past three years, Ageas has made significant progress towards the achievement of these objectives:

- **Streamlining the insurance portfolio:** activities in Russia, Ukraine, Germany, Turkey (Life), Luxembourg (Non-Life) and reinsurance have either been sold or closed down.

- **Selectively growing the business:** new partnerships in the UK, Turkey (Non-Life) and Italy have reinforced our respective market positions. We have extended our partnerships in Thailand and Luxembourg (Life) with an additional partner and inflows have grown by around 20% since 2008. In the same period the ratio of Life to Non-Life inflows has evolved from 80/20 to a more balanced 67/33. This is related, among other factors, to the successful launch of our partnership with Tesco in the UK in October 2010. The acquisition of Kwik Fit Insurance Services and Castle Cover has resulted in a solid position in Retail and an even more diversified revenue base for our UK activities. Lastly, the significant efforts made in

Asia together with our commercial partners, and our entry into the Turkish Non-Life market have substantially increased the proportion of inflows from emerging markets from 23% at end 2008 to 40% at the end of 2012.

• **Optimising operational performance:** in Non-Life the combined ratio improved from 102.5% at end 2009 to 99.1% at end of 2012, reflecting the corrective measures taken, and resulting in a much better performance especially by Motor. In Life, the operating performance has been under some pressure as a result of the relentless financial crisis in recent years. In response, Ageas has significantly de-risked its balance sheet away from Southern European countries. And despite the environment, Ageas has

maintained substantial and sustainable profit streams, benefiting from geographic diversification and a balanced product mix.

Substantial progress has been made with respect to the legacy issues, in particular through the CASHES transaction with BNP Paribas in early 2012, and thanks to the agreement with ABN AMRO and the Dutch State on the Dutch legal proceedings in June 2012. Other major milestones were the simplification of the legal structure and the reverse split of ageas SA/NV shares at the beginning of August.

Ageas has constantly sought to find a balance between risk and return when investing its cash. In the past few years EUR 900 million in cash has been spent on acquisitions, approximately EUR 870 million

has been paid out in dividends, and some EUR 450 million will be returned to shareholders via the buyback programmes announced in 2011 and 2012. At the same time, Ageas has repaid EUR 800 million of debt (EMTN programme), while maintaining a very strong capital position with a solvency ratio for its insurance operations constantly above 200%.



value 6

Entrepreneurial.

Internally we encourage **creativity**,
innovation and an **open minded spirit**
while understanding the risks we take.



Entrepreneurship is probably difficult to learn as most of its characteristics are deeply rooted in your DNA. The good news is that most of us have it even if we don't always see it in ourselves. It needs to be nurtured in the right context to enable it to grow. Personally, I feel that if you are naturally curious about new things and new experiences, you are not afraid to venture into unfamiliar territory; you bring energy to a situation and receive energy in return; and you are determined to succeed whatever the obstacles – you are an entrepreneur. As a woman, the ability to juggle, constantly adapt and re-prioritise comes with the demands of a family, children

and working life. When these same characteristics are applied to our professional lives, people are capable of achieving great things. At Ageas we work with different markets, different cultures, and with different strengths and weaknesses, but this opens us up to new ways of working and new ways of solving the same problem. That's exciting. Stepping into the unknown is very exhilarating, enabling you to make real progress, and I have seen so many examples of this at Ageas. It is in the nature of our company and the nature of our management to make things happen!

Anne Van den Bergh, Regional
Director Continental Europe

**You bring energy to a
situation and receive
energy in return.**



Looking forward

Choices for the future



FOCUS ON
INSURANCE



PARTNERSHIPS



EUROPE & ASIA



MULTI-CHANNEL
DISTRIBUTION



WELL BALANCED
PORTFOLIO
LIFE & NON-LIFE

Strategic choices and targets for the next three years

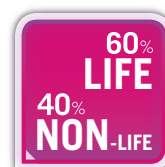
The difficult economic and financial climate will continue to be a reality for the foreseeable future. On-going low interest rates, significant regulatory changes within a limited period and slowing growth in mature markets have resulted in a number of challenges. In this context, Ageas has made five strategic choices, based on where we believe we can make most impact. These choices do not indicate a radical shift compared with the past, but are a response to these anticipated challenges.

Five strategic choices:

- Ageas will continue to focus on its insurance capabilities and insurance expertise
- Ageas wants to be where its customers want it to be in terms of channel mix
- Ageas remains committed to its commercial partners and their customers
- Ageas will continue to strive for a diversified product offering, divided between Life and Non-Life products
- Ageas wants to safeguard profit streams in its mature markets, while capturing and leveraging growth in the emerging Asian and European markets in which it is present today

These strategic choices should ensure we:

- increase the relative proportion of capital invested in high growth markets
- become less dependent on investment income
- reap the benefits of diversification in our product and distribution mix



What will success look like? Ageas has translated these choices into four financial targets, which it intends to meet before the end of 2015:

- further rebalancing of the insurance portfolio between Life and Non-Life towards a 60/40 split (from 67/33 at end 2012)
- sustained focus on Europe and Asia, with at least 25% of capital deployed in emerging markets (from 12.1% at end 2012)
- continued focus on operational excellence in Non-Life with the objective of structurally reducing the combined ratio to below 100% (99.1% at end 2012)
- return on equity of at least 11% for the insurance activities (from 8.7% at end 2012)

CEO Bart De Smet: *"The choices we are making for the future are logical in the current market environment and a natural continuance of our profile which has evolved over the past years. Our strong market positions and proven strengths and capabilities give us confidence that we can succeed in this three-year journey. We continue to believe that diversification is key and this transcends our geographic choice*

of Europe and Asia; our decision to work with a broad range of commercial partners, allowing us to benefit from the optimum distribution network in each country; and last but not least our product mix in Life and Non-Life. In this context, we aim to further strengthen our position in emerging markets and to adjust the balance between our underwriting income, fee income and investment income. A gradual

increase in the proportion of Non-Life activities relative to the whole will be instrumental in reaching this objective. Our commercial partners remain a critical element to the success of Ageas. I'm convinced that together with all my colleagues at Ageas, we can turn the choices made into a successful strategy and create long-term value for all our stakeholders."

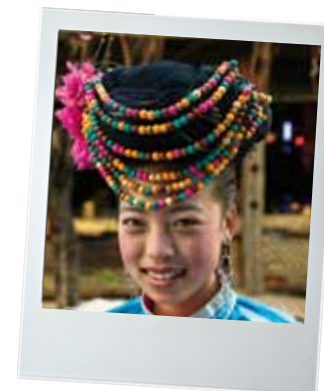
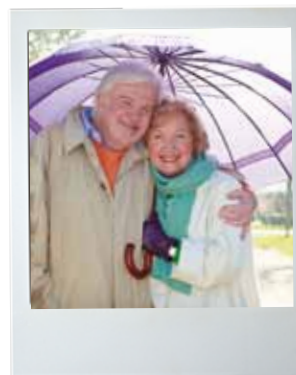
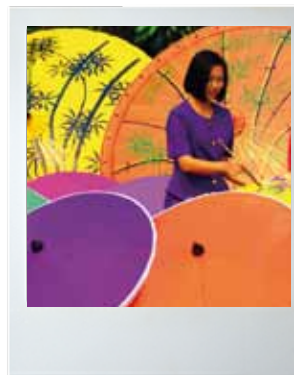
Passionate
Focused *to deliver.* **Entrepreneurial.**
on customers. **Teamwork.**
Trusted. **Local.**



To focus on **our** insurance capabilities

We offer insurance solutions to our customers, covering a large, complementary range of risk and insurance related services. We are focused exclusively on insurance and not distracted by other business activities. We constantly invest in our core insurance skills – pricing and segmenting risk, leveraging IT, managing assets, and developing talent and marketing.

And our primary objective is to ensure that our partners and customers in Europe and Asia benefit from those insurance skills and experience.



When I travel to countries like Turkey, Italy and Portugal the first question I normally get asked is: 'What is an actuary?' At least that is the case in many southern European countries where the profession is still relatively unknown. But in the insurance world the added value of actuaries is increasingly evident. For a start there is a growing interest in the whole area of risk management with topics like Solvency II high on the agenda. The perspective of the actuary is one that people increasingly want to hear. But that is only one part of a much bigger puzzle. With my experience in pricing, reserving, Solvency II and measuring economic capital, I help countries

to determine what their priorities should be. My role is also to harness and share best practices between countries, so that we can replicate our successes. For instance, the UK is at the forefront of developments in pricing, particularly price optimisation and black box motor insurance. I am now trying to transfer this expertise to Turkey, Italy and elsewhere. There is no 'one fits all' approach and every country is different. In Turkey the focus might be on developing motor pricing and reserves, while in Italy it might be the introduction of Solvency II and telematics motor insurance solutions.

Sjoerd Smeets, Non-Life Risk
Manager for Continental Europe

The first question
I normally get asked is:
'What is an actuary?'



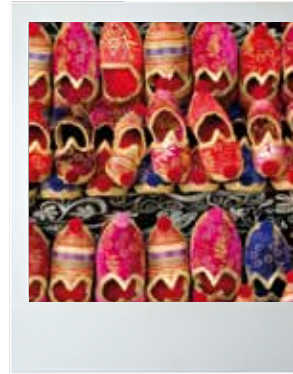


PARTNERSHIPS

To commit to **our** partners and their customers

Partnership is part of our DNA. We will continue to invest our expertise in partnerships, developing new partnerships and alliances with top local distributors. To be successful means we create a long term win-win scenario for both parties. We will contribute to each other's success by combining our respective areas of expertise for the benefit of the customer and

sharing in the risks and the rewards. Relying on strong and dynamic distribution partners that are well embedded in their respective markets is a cornerstone of our strategy, and gives us a head start in accessing new geographies and customer groups.



The Sabanci Group has always valued the bond with Belgium and the Belgian people very highly. The first example of our close cooperation came in 1987, when Sabanci and Bekaert embarked on a 50-50 partnership to form Beksa. This was a double first for Sabanci: it was both our first partnership with a foreign firm and our first 50-50 joint venture. This turned out to be a bona fide success story, and many other successful partnerships followed. In 2011 we concluded the Aksigorta partnership between Sabanci and Ageas, operating in a sector with huge growth potential in Turkey.

The core competency of the Sabanci Group is our ability to form harmonious partnerships with the right partners. A major part of this has been due to our objective, modern, and participative style of management. In our experience, partnerships can only work when both partners let go of their ego.

I would like to personally congratulate all the members of the leadership team for such a notable and efficient partnership, especially Zafer Bey, Mr Jozef De Mey, Haluk Bey, Mr Bart De Smet and Mr Steven Braekeveldt.

Ms Güler Sabanci,
CEO Sabanci Group, Turkey

The core competency of the
Sabanci Group is our ability to
form harmonious
partnerships with the right partners.

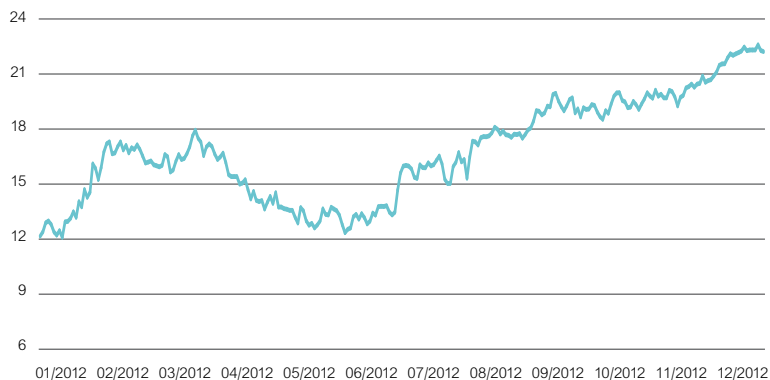


Our share

The year 2012 proved to be quite satisfying as far as Ageas's share price performance was concerned both in absolute as well as in relative value terms. In absolute terms, Ageas's shares rose from **EUR 12.0** at the end of 2011 to **EUR 22.2** at the end of 2012. Some **EUR 2.5 billion** was created in terms of shareholder equity value over the last trading year. And at the end of 2012, Ageas was among the ten largest Belgian companies based on its market capitalisation, which amounts to EUR 5.4 billion.

In relative terms, the shares also did very well. Ageas shares gained 85% during 2012, outperforming the EURO STOXX Insurance Index by 51%, and making Ageas the best performing company in this important benchmark index.

**Ageas Share Price
Evolution over 2012
In EUR**



The year began on a positive note with Ageas's shares closing 3.2% higher on the very first day of trading. The momentum continued with the share price benefiting in the first few weeks from the share buyback programme announced in the summer of 2011 and completed at the end of January 2012. Those 192,168,091 shares, corresponding to 7.3% of total shares outstanding with a value of EUR 250 million, were subsequently cancelled at the Annual General Meetings of Shareholders held in Brussels and Utrecht in April.

Immediately following the completion of the share buyback programme, another important milestone was achieved when **Ageas and Fortis Bank reached agreement on a partial settlement of the RPN(I) and the full call of Fortis Bank Tier 1 instruments**. The market reacted very favourably to this news with Ageas's shares closing 9.6% higher on the day of the announcement.

At the end of the first quarter Ageas hit the headlines again with the announcement of **another step in the plan to simplify its legal structure**, which was its proposal to merge ageas N.V. and ageas SA/NV and to effect a 10 to 1 reverse stock split. Following shareholder approval at the Extraordinary General Meetings of Shareholders in Brussels and Utrecht, the merger as well as the reverse stock split became effective in August.

Meanwhile Ageas and ABN AMRO reached a settlement in their legal dispute with regard to FCC (Fortis Capital Company) and the MCS (Mandatory Convertible Securities), **resulting in a one-off cash payment of EUR 400 million to Ageas by ABN AMRO**. In the four trading days after this was announced at the end of June, Ageas's shares rose 18.9%, implying that the investor community appreciated Ageas's ongoing efforts to **reduce its complexity as a group**.

The most significant news during the summer was the publication of the six-month figures. The market rewarded **Ageas with a 5.2% increase in the share price on top of the already impressive 7.6% gain just days earlier**. The announcement of the partnership with Natixis on corporate loans and **the EUR 200 million share buy-back** were the main drivers for investors. Since the start of the share buyback programme in August until the end of 2012, Ageas has repurchased 7 million shares for a total of EUR 137 million representing 2.9% of the total shares outstanding.

And last but not least, at the end of November Ageas completed the Groupama UK acquisition that has positioned Ageas as the fifth largest Non-Life insurer in the UK.

As investors reflect on what has been a strong performance by Ageas over the past year, a clear theme has begun to emerge, namely recognition of the company's

untapped potential. As one analyst observed: "We continue to buy Ageas". We like the attractive cash return and unrecognised value of non-operating items." Others reflect on the opportunities for growth: "The 2012 Investor Day demonstrated that there is ample opportunity for growth in Non-Life and we also see growth openings in Life."

So to sum up, 2012 was a good year for Ageas shares, which witnessed a positive response from investors to the company's proactive measures and financial performance.

ageas club

for retail shareholders

Formed in the spring of 2011, the club now has well over two thousand members, and the number keeps on growing. The club is open to anyone who has an interest in finding out more about our company. As a member you will be automatically informed of key news and important developments, and you will have an opportunity to meet other members of the Ageas Club through invitations to special events during the course of the year. And you will also have the opportunity to meet the CEO and other members of the senior management team.

Interested in finding out more? Please visit the Ageas Club Website **www.ageasclub.com** and register, free of charge, for our newsletter. We look forward to welcoming you.

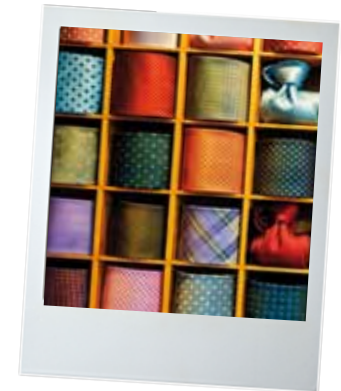
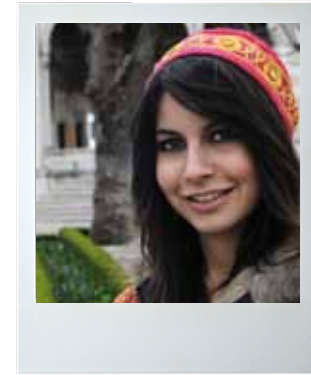




To capture growth in **mature and emerging markets in Europe and Asia**

We will continue to focus on a good diversification between mature and emerging markets, in Europe and Asia. Within our chosen territories we see plenty of room for further growth. We will continue to consolidate our market presence and will consider expansion into

new markets where this makes strategic sense. In each market in which we are active, we want to be a major player.





When I was asked to work in Thailand my immediate reaction was 'great' – I love spicy Thai food and this is my opportunity to eat it every day. But I soon realised that there was a lot more to Thailand than the cuisine and this market is a land of opportunity for Ageas. The results are there to see. Muang Thai has come from eighth position in 2004, when our partnership with the Lamsam family began, to number two in terms of total premium this year – a remarkable 30% annual growth rate. Looking forward we see continued growth in the 20% range, showing what is possible when you get the formula right: an excellent partner, under the very capable and astute leadership of CEO Khun Sara Lamsam, and an excellent team of

colleagues, in tandem with a strong brand and capital position combined with the value-added contributions that Ageas brings to the table. We have explored together every aspect of multi-channel distribution, moving from agency-based distribution to bancassurance and now adding retailassurance – and our work isn't done. The future looks bright, driven by opportunities emerging from an ageing society, growing awareness of insurance and tax incentives on savings. It is a great market to work in and one based on respect for people, which infiltrates the way business is conducted here.

Yip Kim Chee, Chief Actuary and
Senior Executive Vice President
Muang Thai Life, Thailand

**My immediate reaction
was 'great'.**

Condensed financial statements

Net result (in EUR mio)

	2011	2012
Net result Insurance	(313)	624
BY SEGMENT:		
- Belgium	(327)	324
- UK	86	108
- Continental Europe	(8)	64
- Asia	(64)	129
BY TYPE:		
- Life	(425)	430
- Non-Life	82	223
- Other	30	(28)
Net result General Account	(265)	119
Net result Ageas	(578)	743

Ageas confirms strong insurance results

Strong **Insurance results** across Life & Non-Life in all segments

Group net result both Insurance & General Account contributing

Shareholders' **equity** up **Solvency** strong

Proposed gross cash **dividend** of EUR 1.20 per share, up 50%

- Insurance net profit of **EUR 624 mio**
- **Inflows** at **EUR 21.3 bn** (+24%)
- Group **combined ratio** at **99.1%** (vs.100.1%)
- Life **Technical Liabilities** at **EUR 68.8 bn*** (+7%)

- Group net profit of **EUR 743 mio**
- General Account net result of **EUR 119 mio**

- Shareholders' equity at **EUR 42.75** per share
- Insurance **solvency** at **206%**, Group solvency at 231%
- **Net cash** position General Account at **EUR 1.2 bn**

* Consolidated entities only

Income statement

(in EUR mio)

	2011	2012
INCOME		
Net earned premiums	8,738.7	9,676.6
Interest, dividend and other investment income	3,093.3	3,055.7
Unrealised gain (loss) on Call option BNP Paribas shares	(214.0)	(161.0)
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I))/CASHES)	275.0	(273.1)
Result on sales and revaluations	135.6	434.3
Investment income related to unit-linked contracts	(581.5)	1,954.4
Share of result of associates	(146.5)	230.6
Fee and commission income	427.1	398.5
Other income	277.1	323.9
Total income	12,004.8	15,639.9
EXPENSES		
Insurance claims and benefits, net	(8,614.6)	(9,348.6)
Charges related to unit-linked contracts	642.8	(1,946.8)
Finance costs	(310.0)	(256.2)
Change in impairments	(1,615.9)	257.4
Change in provisions	(23.2)	(16.6)
Fee and commission expense	(1,163.4)	(1,266.9)
Staff expenses	(739.5)	(794.0)
Other expenses	(937.8)	(1,000.5)
Total expenses	(12,761.6)	(14,372.2)
Result before taxation	(756.8)	1,267.7
Income tax expenses	83.3	(338.9)
Net result for the period	(673.5)	928.8
Attributable to non-controlling interests	(95.3)	185.8
Net result attributable to shareholders	(578.2)	743.0
PER SHARE DATA (EUR)		
Basic earnings per share	(2.27)	3.13

Consolidated statement of financial position

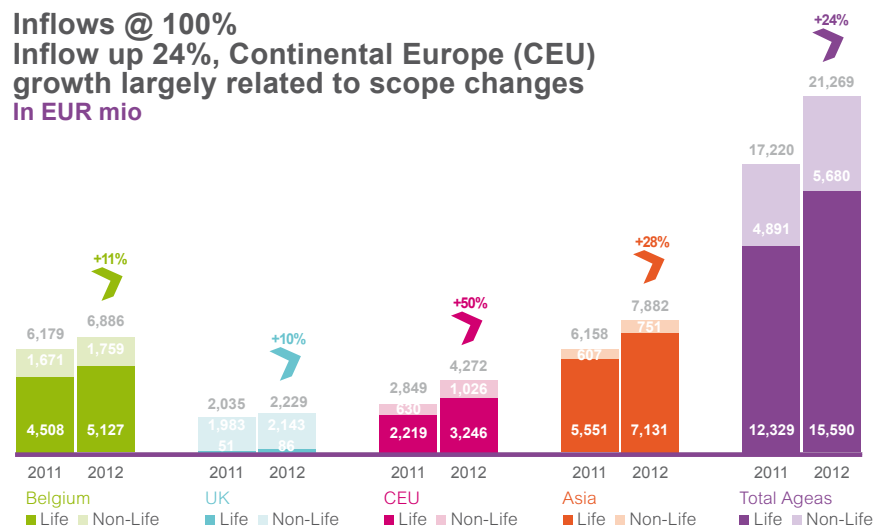
(in EUR mio)

	2011	2012
ASSETS		
Cash and cash equivalents	2,701.5	2,449.9
Financial investments	55,231.4	62,571.8
Investment property	2,045.7	2,415.5
Loans	5,683.4	6,288.4
Investments related to unit-linked contracts	12,771.4	13,683.9
Other	12,168.8	9,703.4
Total assets	90,602.2	97,112.9
LIABILITIES		
Liabilities arising from life insurance contracts	24,370.4	25,914.3
Liabilities arising from life investment contracts	27,201.5	29,100.7
Liabilities related to unit-linked contracts	12,823.8	13,767.0
Liabilities arising from non-life insurance contracts	6,203.9	7,536.3
Other	11,634.9	9,981.5
Total liabilities	82,234.5	86,326.8
Shareholders' equity	7,760.3	9,910.6
Non-controlling interests	607.4	875.5
Total equity	8,367.7	10,786.1
Total liabilities and equity	90,602.2	97,112.9



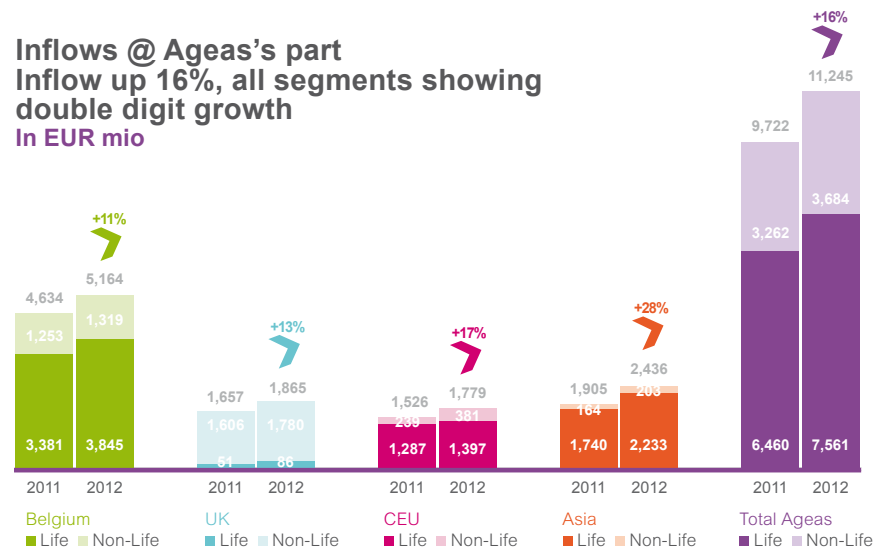
Inflows @ 100%

Inflow up 24%, Continental Europe (CEU) growth largely related to scope changes
In EUR mio



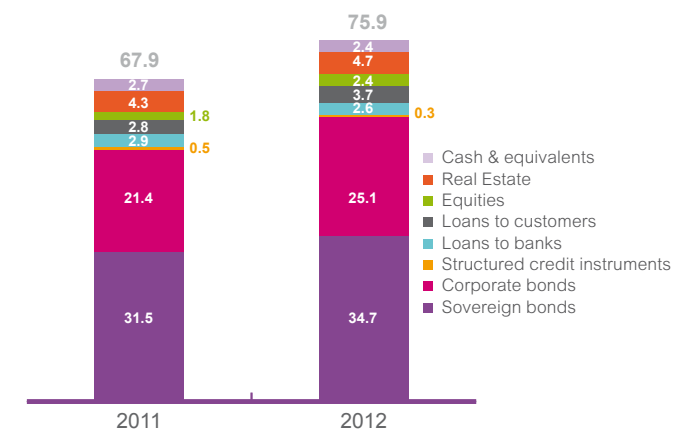
Inflows @ Ageas's part

Inflow up 16%, all segments showing double digit growth
In EUR mio



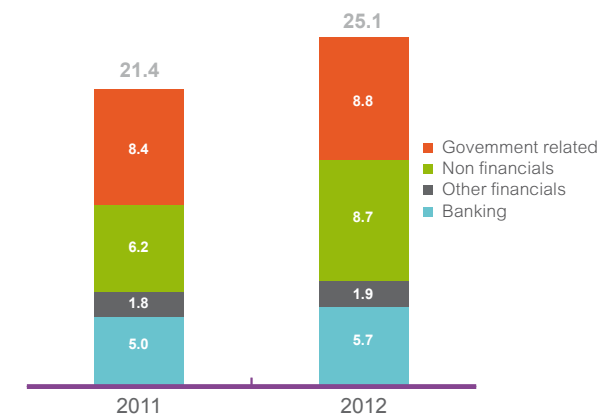
Investment portfolio

In EUR bn



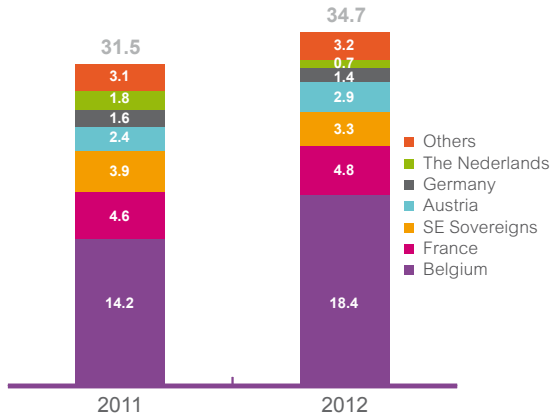
Corporate bond portfolio

In EUR bn



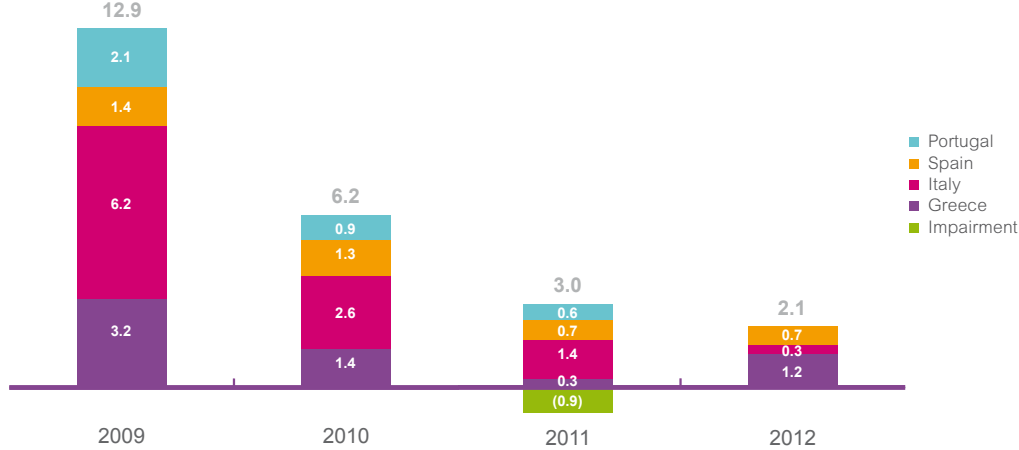
Sovereign bond portfolio

In EUR bn



Southern European Sovereigns

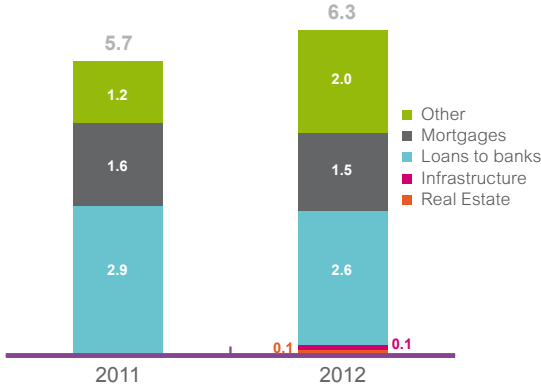
In EUR bn



Loans portfolio

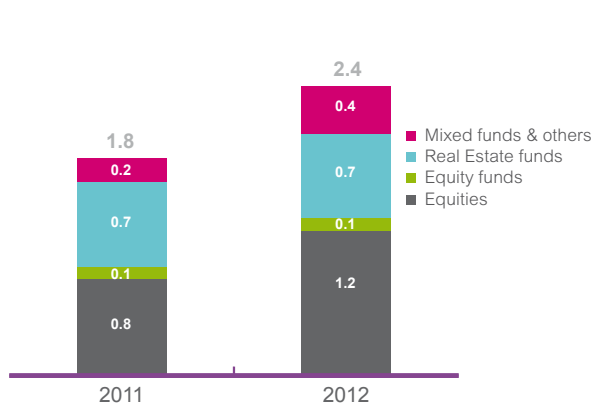
(customers + banks)

In EUR bn



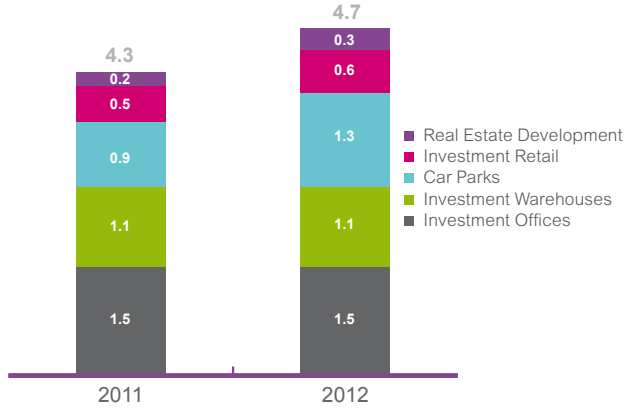
Equity portfolio

In EUR bn



Real Estate portfolio

In EUR bn



Margins Life in%

in% of average Life Technical Liabilities (excluding non consolidated partnerships)	2011	2012
BELGIUM		
Net underwriting margin	0.07%	0.07%
Investment margin	(0.71%)	0.84%
Operating margin	(0.64%)	0.91%
UK*		
CONTINENTAL EUROPE		
Net underwriting margin	0.20%	0.37%
Investment margin	(0.42%)	0.39%
Operating margin	(0.22%)	0.76%
ASIA		
Net underwriting margin	1.74%	2.06%
Investment margin	(0.43%)	(0.08%)
Operating margin	1.31%	1.98%

* The Life liabilities of UK are currently negative due to upfront costs taken into account at the start of the insurance contracts. As these costs exceed the liabilities, no margins are calculated.

Margins Non-Life in%

in% of Net Earned Premiums	2011	2012
BELGIUM		
Combined Ratio	101.1%	99.5%
Claims Ratio	64.3%	62.7%
Net Underwriting Ratio	(1.1%)	0.5%
Investment Ratio	4.3%	6.7%
Other Margin	(0.5%)	
Operating Margin	2.7%	7.2%
Reserves Ratio	200%	201%
UK		
Combined Ratio	99.9%	99.8%
Claims Ratio	74.6%	73.3%
Net Underwriting Ratio	0.1%	0.2%
Investment Ratio	3.4%	3.7%
Other Margin	1.4%	1.5%
Operating Margin	4.9%	5.5%
Reserves Ratio	154%	165%
CONTINENTAL EUROPE		
Combined Ratio	96.7%	93.4%
Claims Ratio	66.4%	63.6%
Net Underwriting Ratio	3.3%	6.6%
Investment Ratio	3.6%	4.2%
Other Margin	0.0%	(0.1%)
Operating Margin	7.0%	10.8%
Reserves Ratio	173%	175%

Ageas Share Price Evolution over the period 2009-2012

In EUR



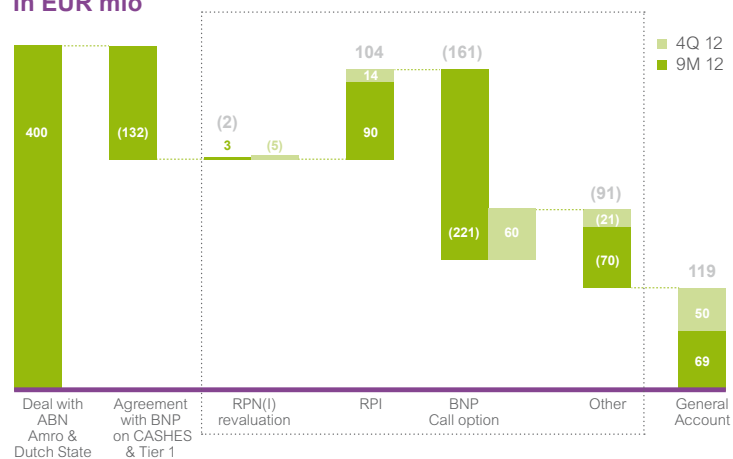
Net cash position General Account

in EUR mio

	2011	2012
Cash and cash equivalents	345	402
Investment margin	600	1,000
Operating margin	(257)	(187)
Net cash position	688	1,216

General Account: components of Net result

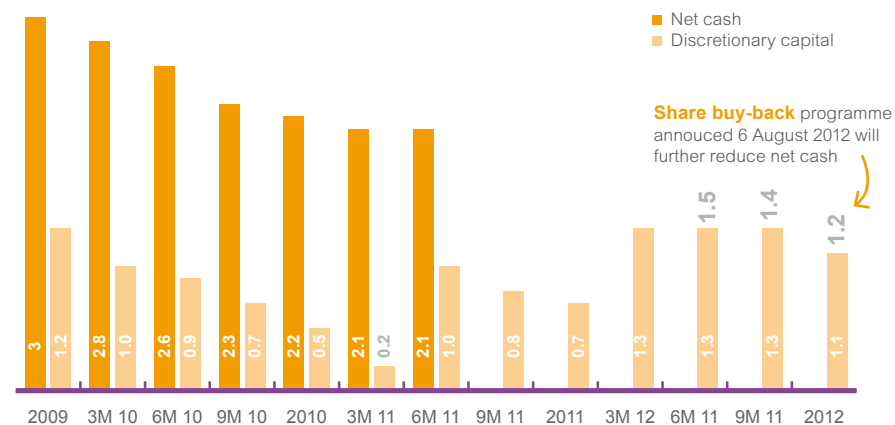
In EUR mio



EUR 209 mio FY 12 impact of legacies

Quarterly evolution net cash position*

In EUR bn

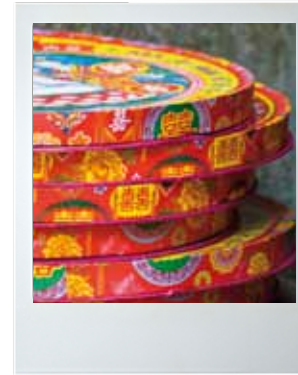


* Until 6M 11 known as discretionary capital

To be where **our** **customers** want us to be

We will also continue to focus on tailoring distribution to the demands of our customers. The customers will decide what, where, when and how to buy insurance. Ageas distributes products around the world through banks, independent financial advisors and brokers, agents, direct sales and affinity partners: whatever makes most sense for the customer. We will maintain a

diversified multi-channel mix and will consistently review and invest in new channels to keep pace with advances in technology, allowing our customers to interact with us in their chosen way. The key to success will be to understand what customers want and to deliver for them.



The name of the game is **flexibility.**

Put simply we want to be close to our customers. What they need and how they want it from their insurer is constantly changing. It is our job to anticipate their needs and ensure that we are in a position to adapt and morph into the kind of insurer our customers want us to be at every touchpoint and at every stage of the process. Our commitment to being multi-channel definitely helps us as it means we can offer a real choice to customers. If the customer wants to buy from a brand partner like Tesco, that's fine with us. If the customer wants to buy from a broker, that's also fine. The

name of the game is flexibility and being where the customers want us to be. The evolution of our product offering is also a reflection of what customers want. Motor insurance is a great example. We started in private motor insurance, and achieved success. We extended our offering to van insurance, again successfully. And most recently we have entered the fleet insurance market. None of this on a whim, but driven ultimately by our customers, their demands and needs.

Matthew Thomas, Director,
Strategy & Planning, Ageas UK



To have a diversified product offering

We believe that by dynamically managing the balance between Life and Non-Life, we are well positioned for profitable growth. We want to be able to offer those products that appeal most to the needs of the customers and where we believe we can make a difference.

As part of Vision 2015, one important area of focus will be the further diversification of our business mix between Life and Non-Life insurance.



In the current economic environment we see more opportunities in Europe in Non-Life, and by 2015 we want the relative proportion of Non-Life to have grown substantially. To achieve this, we believe we have the necessary skills and capabilities within the Ageas group. We also want to strengthen our Life product range with additional protection solutions for our customers.



The economic conditions in Europe had a major impact on Portugal very early on and this required a strong action plan to help the business navigate safely through the crisis. At Millenniumbcp Ageas we mapped out a clear plan focused on preserving the value of our franchise, on capturing the Non-Life opportunity in bancassurance, and on expanding our distribution capacity beyond our foundational boundaries. It was the natural thing to do in response to declining revenues in Life and typical of the resilient attitude of the people on the ground. The Portuguese team wasted no time in developing and executing the plan, and the business has consistently managed to outperform

in Non-Life. Starting from an 88/12 split between Life/Non-Life activities just two years ago to a 78/22 split today, we have achieved a better balance between Life and Non-Life, but we also know there is more to do. And we are moving forward in a very focused and disciplined way, concentrating in the short term on growth within our existing bancassurance model. The next step is to grow outside, expanding our market reach through new distribution channels and new partnerships in Portugal and eventually abroad.

Jan De Pooter, CEO Millenniumbcp
Ageas, Portugal

**It was the natural
thing to do**
in response to declining revenues.



Our people

People are at the heart of our business, they make the difference. Caring for our people is the responsibility of every single manager. Our leaders will lead by example, inspiring, motivating and investing in the 13,300 people they represent and on whom we depend for our success.



The way we are organised

The organisational structure is an integral part of the business model and a critical facilitator towards success. We believe insurance is a local business. Our organisational structure reflects this, empowering local management and keeping us close to the markets and our customers. This structure brings with it simplicity, clarity and accountability.

We give special attention in all domains to knowledge transfer across the Group to leverage our collective expertise and experience. In developing our businesses around the world, we are able to tap into a skills base that has been built up over many years in Europe and Asia. And the launch of our international mobility programme this year allows us to match available talent to the needs of our business around the world, leveraging the considerable in-house experience that exists within Ageas in support of our future business development.







We will make it happen.

The challenge now is to turn our ambitions into reality. We know what we need to do but the challenge is to translate this into the actions that help deliver the results. Our strategy towards 2015 will ensure we secure strong profitable growth for the company based on what we know we do well. We have taken important steps to transform our company in recent years and we now want to take our dedication, expertise and customer focus to an ever higher level to build an even better Ageas in the future.



Want to track our progress ?
Then please bookmark www.ageasclub.com
for more information on our company.



A year in brief

To Ageas, 2012 was all about making choices. Choices regarding the past. Choices on the ongoing activities and investments. And important choices about our future. Let's take a look back at what has been a busy and positive year for the company.

2012

January

- Ageas completes the EUR 250 million share buyback programme launched in August 2011 **(25 January)**
- Ageas and BNP Paribas reach agreement on settlement re Tier 1 instruments and CASHES/RPN(I) **(26 January)**



February

Ageas announces full year 2011 results: annual dividend maintained at EUR 0.08 per share despite group net loss as a result of significant impairment charges on Greek bonds **(20 February)**

September

- The first cross-country, cross-company Agency Leaders Forum, bringing together agency leaders from Ageas's four joint-venture companies as well as people from Ageas Hong Kong, is held in Indonesia in order to leverage the expertise that exists in Asia **(9-11 September)**
- Occidental Vida, part of Ageas's partnership in Portugal, celebrates its 25th anniversary **(19 September)**
- Ageas strengthens its Non-Life activities in the UK with the acquisition of Groupama Insurance Company Limited, propelling Ageas to fifth place in the UK's Non-Life insurance market **(20 September)**
- Annual Investor Day hosted in London, focusing on Non-Life activities. Ageas uses this event to elaborate on the company's main areas of focus for the next three years **(24-25 September)**



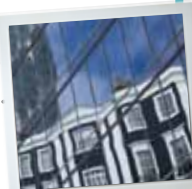
October

- Ageas wins the overall Award for Best Financial information, granted by the ABAF, the association of Belgian Financial Analysts **(16 October)**
- HRH Prince Philippe visits Aksigorta, Ageas's Turkish venture, and a prime example of successful collaboration between Ageas (Belgium) and Sabanci (Turkey) **(16 October)**



November

- Ageas publishes its third quarter results, marked by another strong performance in line with previous quarters **(7 November)**
- Ageas closes acquisition of Groupama Insurance Company Limited **(14 November)**



December

Ageas shares are the best performer on the EURO STOXX Insurance Index in 2012



March

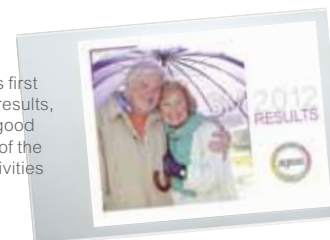
Ageas announces final step to simplify the company's legal structure through the merger of the Dutch and Belgian legal entities, ageas NV and ageas SA/NV. The company also announces a 10 to 1 reverse stock split (**29 March**)

April

Annual General Meetings of Shareholders take place in Brussels and Utrecht (**25-26 April**)

May

Ageas reports first quarter 2012 results, marked by a good performance of the insurance activities (**14 May**)



August

- Ageas posts strong half year results across all insurance segments (**6 August**)
- Ageas announces a second share buyback programme of EUR 200 million (**6 August**)
- Ageas announces its intention to invest up to EUR 3 billion in infrastructure loans as part of a plan to diversify its investment portfolio (**6 August**)
- Ageas completes legal merger and 10 to 1 reverse stock split (**7 August**)

July

AG Insurance, our Belgian insurance company, is partner to the Belgian Olympic Team



June

- Ageas hosts second Partnership Days in Istanbul bringing together some 120 commercial partners from the 12 countries in which Ageas operates (**11-12 June**)
- Ageas and ABN AMRO agree to settle legal dispute (**28 June**)
- Ageas receives full shareholder approval to simplify its legal structure and to execute the reverse stock split (**29 June**)



2013

January

Ageas creates a new COO position to reflect the importance it places on execution and delivery of the strategy (**8 January**)

Strategic
choices

5 4

6 Targets

Values

February

Ageas announces its full year results, reporting a group net profit of **EUR 743 million** in 2012. Ageas remains financially sound with a strong solvency ratio for the insurance operations above 200%. And at the same time, the company proposes a dividend of EUR 1.20 per share, representing an increase of 50% year on year (**20 February**)



ageas[®]

An abstract graphic consisting of numerous thin, curved lines in various colors including purple, pink, orange, yellow, green, and grey. These lines sweep across the page from the bottom left towards the top right, creating a sense of motion and energy.

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