



3M

2013  
RESULTS





Executive summary

Annexes

Equity / Solvency

Insurance Activities

Investment portfolio

General Account

General Information

# Main messages 3M 13 results

## Ageas announces positive start to the year

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**Insurance results** broadly in line with last year

- Insurance net profit of **EUR 157 mio**
- **Inflows** at **EUR 6.8 bn** (+20%)
- Group **combined ratio** at **99.5%** (vs.101.9%)
- Life **Technical Liabilities** at **EUR 69.5 bn\*** (+1%)

Both Insurance & General Account contributing to **Group net result**

- Group net profit of **EUR 293 mio**
- General Account net result of **EUR 136 mio**
- Including accounting impact transactions on **RPI & Call Option**

Shareholders' **equity** & **Solvency** relatively stable

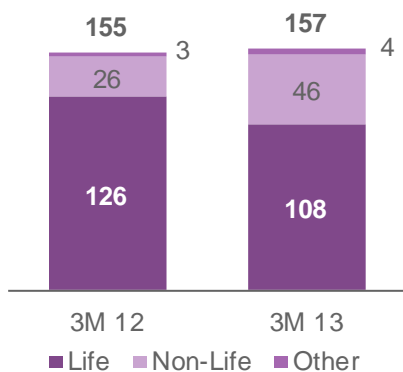
- Shareholders' equity at **EUR 42.74** per share
- Insurance **solvency** at **203%**, Group solvency at 229%
- **Net cash** position General Account at **EUR 1.1 bn**

\* Consolidated entities only, compared to FY 2012

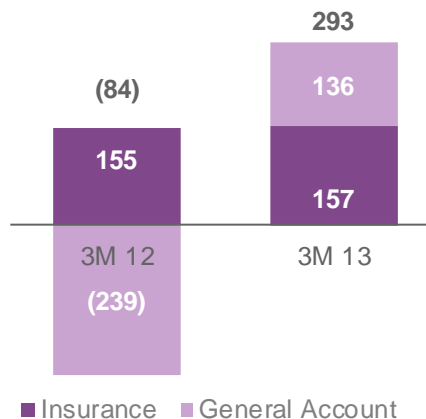
# Headlines

## Ageas announces positive start to the year

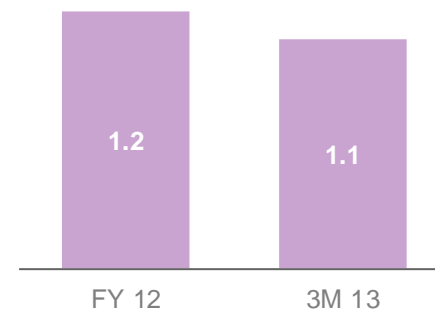
Insurance net result: Better Non-Life compensates lower Life result  
*In EUR mio*



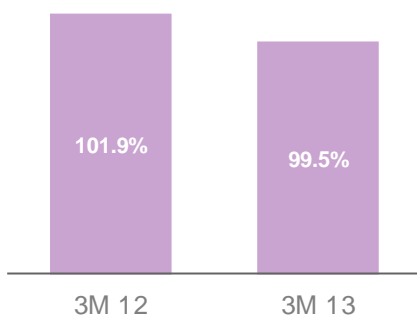
Both Insurance & General Account contributing to Group net result  
*In EUR mio*



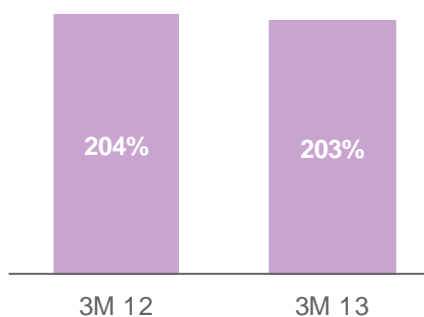
Net cash: Almost EUR 1.0 bn expected from RPI/Call option  
*In EUR mio*



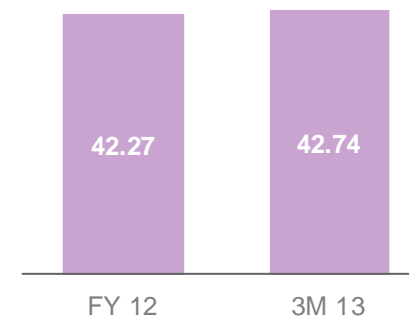
Combined ratio: improving claims ratio



Insurance solvency stable



Shareholders' equity up  
*EUR per share*



# Key financials 3M 13

Good overall performance, strongly increased inflows

<i>EUR mio</i>	3M 12	3M 13
<b>Gross inflows</b>	<b>5,650</b>	<b>6,753</b>
- of which inflows from non-consolidated partnerships	2,830	4,008
<b>Net result Insurance</b>	<b>155</b>	<b>157</b>
By segment:		
- Belgium	78	80
- UK	17	23
- Continental Europe	17	17
- Asia	43	37
By type:		
- Life	126	108
- Non-Life	26	46
- Other	3	4
<b>Net result General Account</b>	<b>(239)</b>	<b>136</b>
<b>Net result Ageas</b>	<b>(84)</b>	<b>293</b>
Earnings per share (in EUR)	(0.35)	1.27
Combined ratio	101.9%	99.5%
Life technical liabilities (in EUR bn) *	68.8 *	69.5
Insurance Solvency **	204%	203%
<b>Shareholders' equity</b>	<b>9,799 **</b>	<b>9,799</b>
Net equity per share (in EUR)	42.27 **	42.74

\* Consolidated companies only, Compared with YE 2012

\*\* Compared with YE 2012, restated for IAS 19

# Overview impairments & net capital gains

Lower amount of impairments in y-o-y comparison

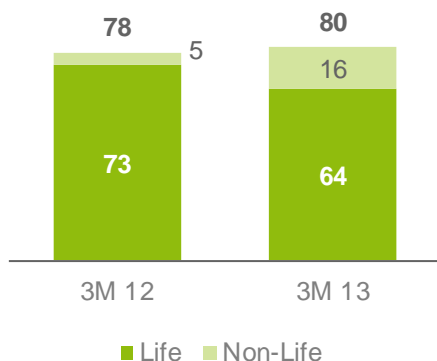


	Capital gains/losses		Impairments & Profit sharing impact		Total impact	
<i>EUR mio</i>	3M 12	3M 13	3M 12	3M 13	3M 12	3M 13
Life	30	30	(13)	(7)	17	23
Non-Life	3	5	(1)	(1)	2	4
<b>Total Belgium</b>	<b>33</b>	<b>35</b>	<b>(14)</b>	<b>(8)</b>	<b>19</b>	<b>27</b>
Life						
Non-Life	6	1			6	1
Other						
<b>Total UK</b>	<b>6</b>	<b>1</b>			<b>6</b>	<b>1</b>
Life	1	4	0	(2)	1	2
Non-Life	0	(0)			0	(0)
<b>Total CEU</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>(2)</b>	<b>1</b>	<b>2</b>
Life	14	15	(3)	(0)	11	15
Non-Life	1	1			1	1
<b>Total Asia</b>	<b>15</b>	<b>16</b>	<b>(3)</b>	<b>(0)</b>	<b>12</b>	<b>16</b>
Life	45	49	(16)	(9)	29	40
Non-Life	10	8	(1)	(1)	9	7
Other						
<b>Total Ageas</b>	<b>54</b>	<b>57</b>	<b>(17)</b>	<b>(10)</b>	<b>38</b>	<b>47</b>

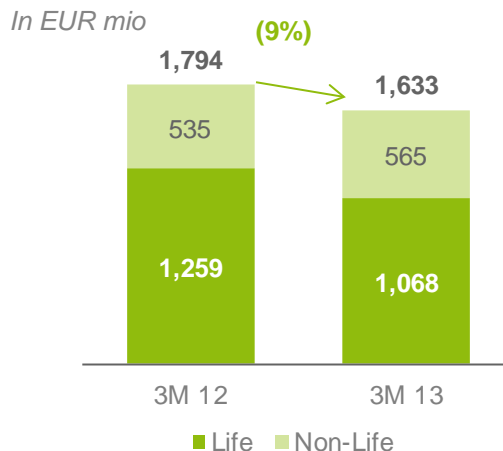
# Belgium : Headlines

## Non-Life performance up, Life inflows suffering from premium tax & low interest rates

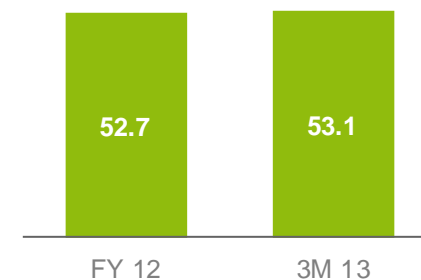
Net result: increase in Non-Life partly offset by Life  
In EUR mio



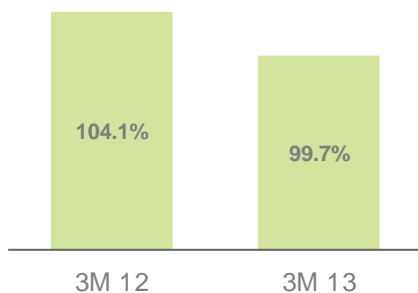
Anticipated inflow decrease in Life



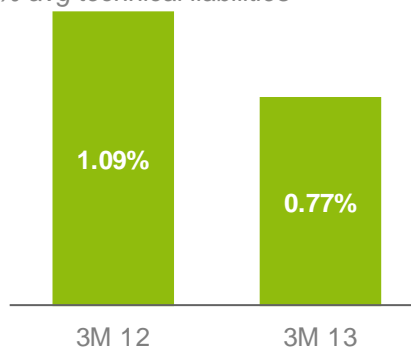
Life Technical liabilities marginally up  
In EUR bn



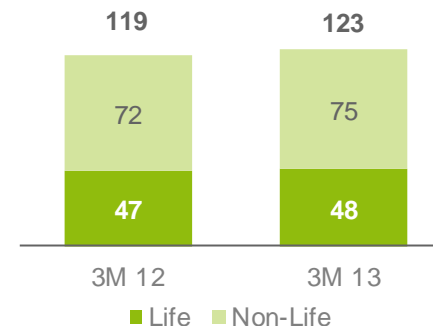
Non-Life Combined ratio: improved underwriting mainly in Household



Guaranteed Operating margin: down on lower investment margin  
Operating costs  
in % avg technical liabilities  
In EUR mio



In EUR mio

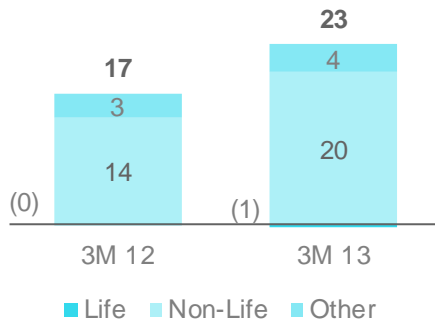


# United Kingdom: Headlines

## Non-Life performance substantially up, inflows broadly flat

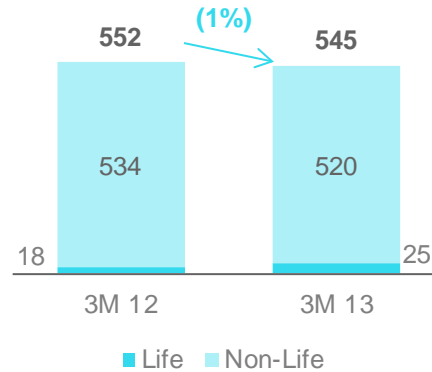
Net result: Non-Life performance up

In EUR mio



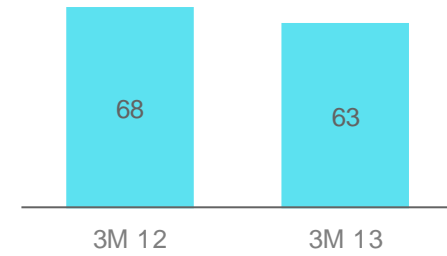
Inflow in line at constant FX

In EUR mio

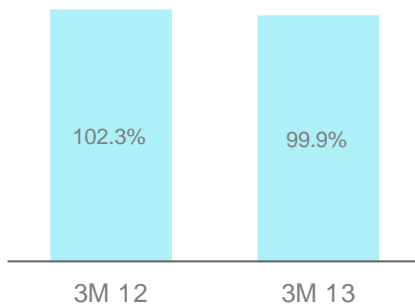


Other: Income nearly stable

In EUR mio

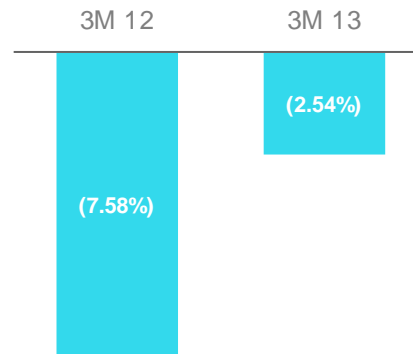


Non-Life combined ratio: improved underwriting mainly in Household



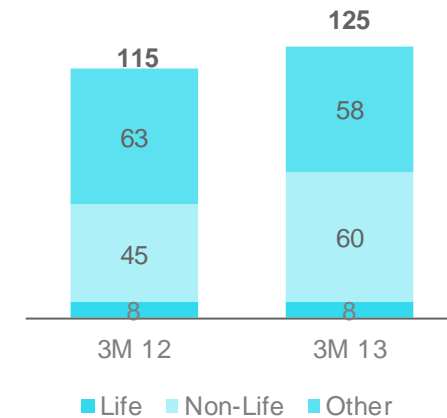
Guaranteed Operating margin

in % avg technical liabilities



Operating costs: addition Groupama

In EUR mio



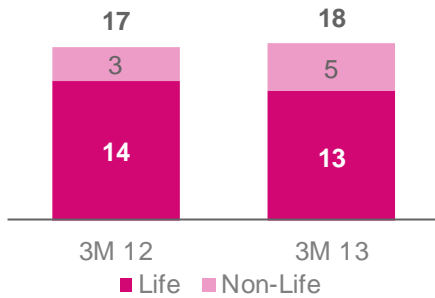


# Continental Europe: Headlines

## Strong inflow & stable net profit

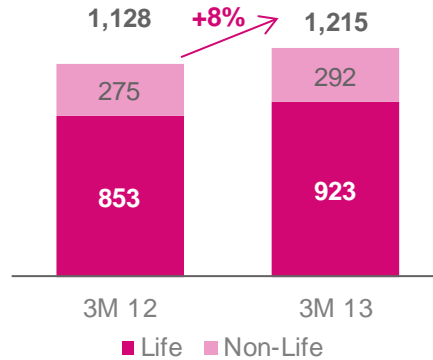
Net result in line with last year

In EUR mio



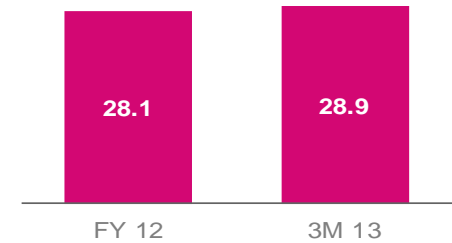
Inflow\* increase in all main countries

In EUR mio

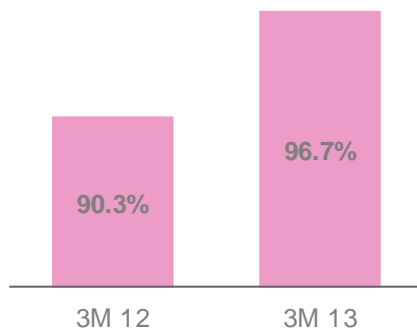


Life Technical liabilities\*

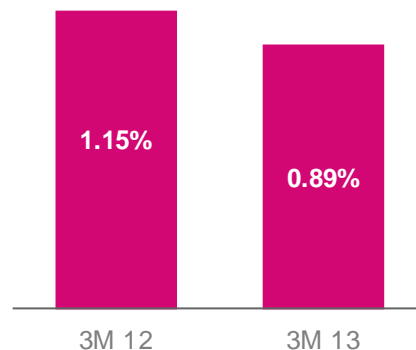
In EUR bn



Non-Life Combined ratio: impact weather conditions in Portugal

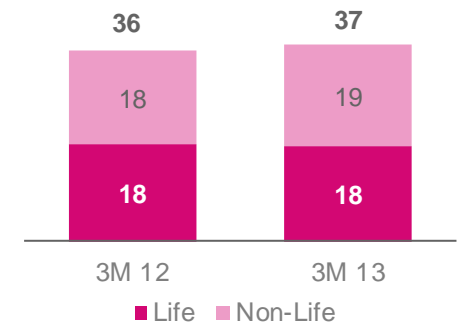


Guaranteed Operating margin: lower risk margin in guaranteed business  
in % avg technical liabilities



Operating costs remain stable

In EUR mio

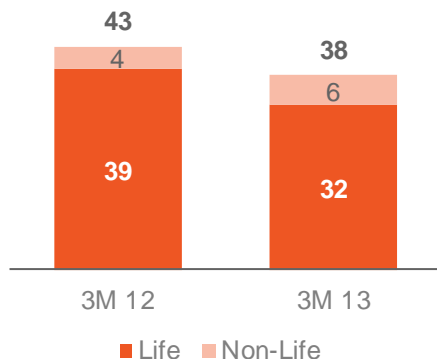


\* Incl. non-consolidated partnerships @ 100%

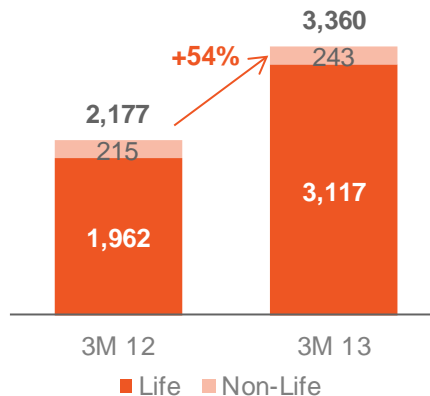
# Asia: Headlines

## Pressure on profit in Life from boost in new business / Profitable organic growth in Non-Life

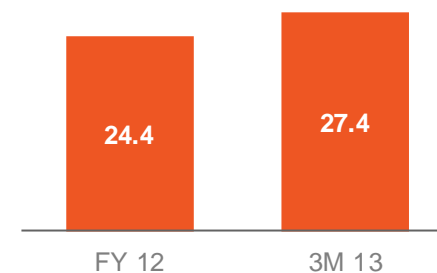
Net result: Life down on China mainly  
In EUR mio



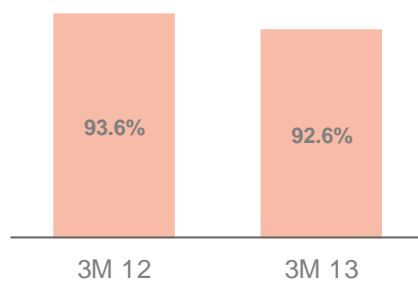
Inflow\* fuelled by China & Thailand  
In EUR mio



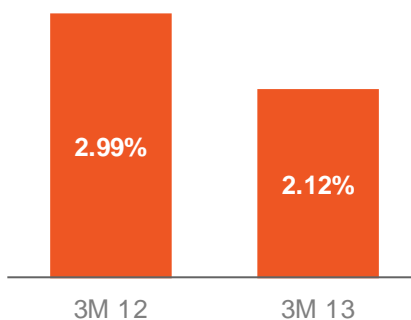
Life Technical liabilities\* up 12%  
In EUR bn



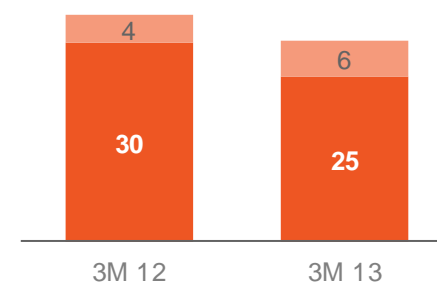
Non-Life Combined ratio reflecting good quality of portfolio



Guaranteed Operating margin Hong Kong  
in % avg technical liabilities



Result non-consolidated partnerships  
In EUR mio



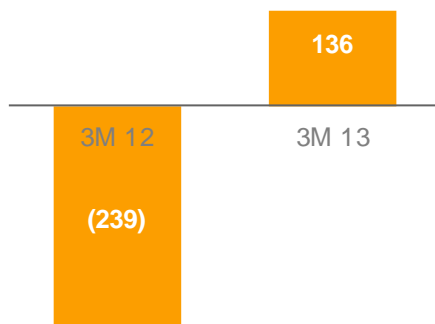
\* Incl. non-consolidated partnerships @ 100%

# General Account: Headlines

Result driven by transaction RPI & Call option, Net cash expected to increase by EUR 1.0 bn

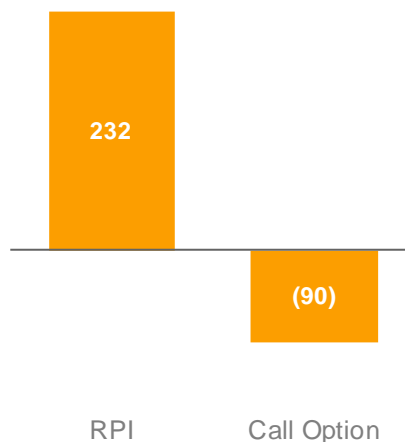
## Net result\*

In EUR mio



## P&L impact recent transaction

In EUR mio



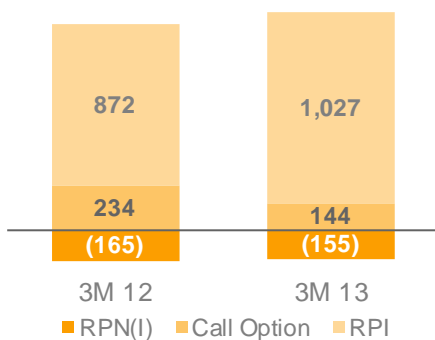
## Proposal distribution additional

**EUR 1.0** through **capital reduction**

- No withholding **tax**
- **Creditor protection** regime  
→ 2 month recourse period
- **Extraordinary Shareholders' Meeting** 19 September 2013 for approval

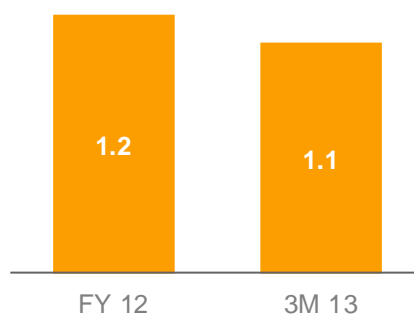
## Main elements balance sheet

In EUR mio



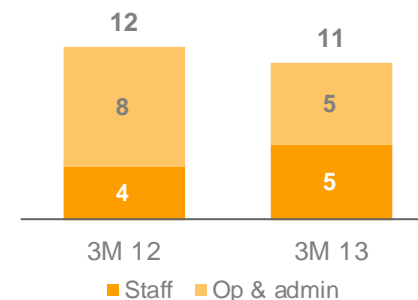
## Net cash position: cash flow on transactions later in 2013

In EUR bn



## Staff, Operating & administrative costs

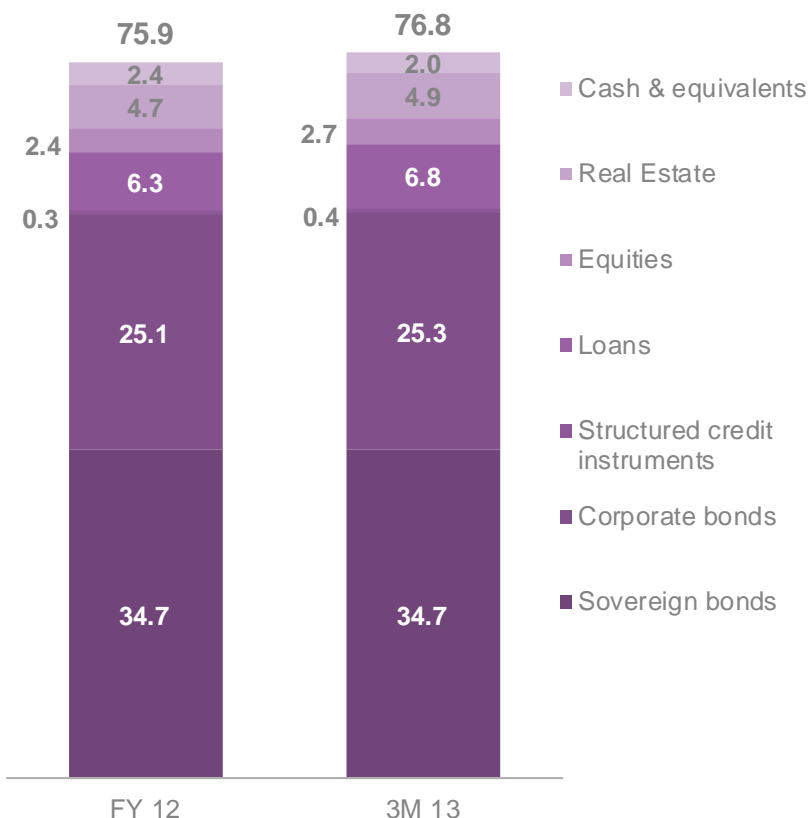
In EUR mio



# Investment portfolio as per 31 March 2013

Increased allocation to loans; unrealized gains slightly down

In EUR bn



## Total portfolio

- Gross unrealized gains/losses slightly down to **EUR 6.4 bn** (EUR 6.7 in FY 12) ; exclusively down in fixed income
- Asset mix relatively stable, increased allocation to loans at the expense of cash & sovereigns
- **Infrastructure loans**: additional EUR 0.1 bn on balance sheet ; further commitments & outstanding bids for EUR 0.2 bn

## Fixed Income

- Gross unrealized gains/losses at **EUR 4.9 bn**; EUR 5.2 bn FY 12
  - ✓ Unrealized gain Sovereigns at EUR 3.1 bn
  - ✓ Unrealized gain Corporates at EUR 1.8 bn

## Equities

- Gross unrealized gains stable at **EUR 0.2 bn**

## Real Estate

- Gross unrealized gains stable at **EUR 1.3 bn**

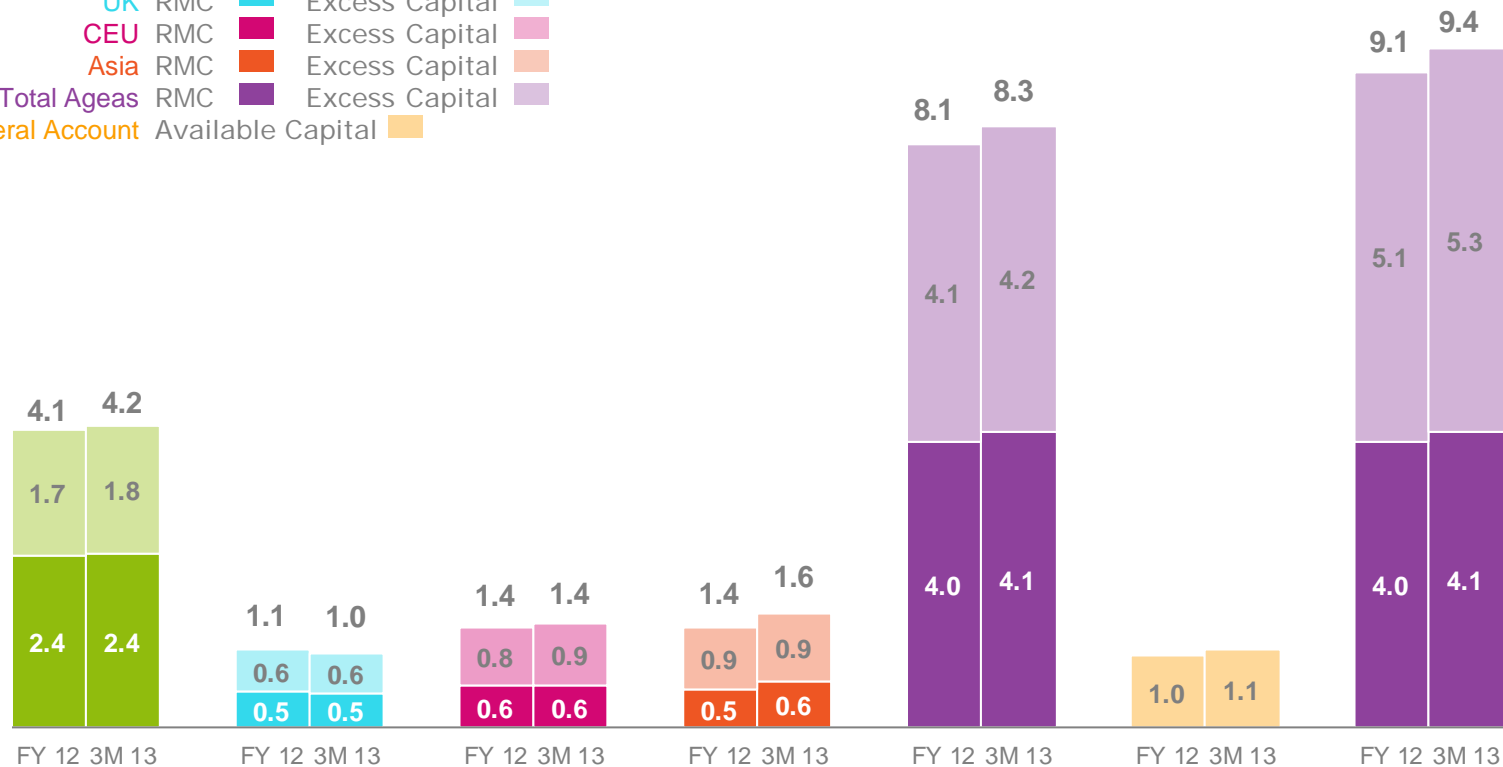
\* All assets at fair value except the 'Held to Maturity' assets & loans which are valued at amortized costs

# IFRS Solvency as per 31 March 2013



## Insurance & total solvency ratio stable

In EUR bn



### Solvency ratio

173% **174%**    220% **219%**    243% **249%**    268% **242%**    204% **203%**    229% **229%**

## *Insurance :*

- **Good profit levels**
  - no material one-offs
- **Record inflows**
  - opposite trends in Europe & Asia

## *General Account:*

- Further **progress** in **solving** legacies with further reduction complexity
  - transaction RPI & Call Option
- Successful placement of **new debt instruments**

➔ Distribution of **additional  
EUR 1.0 per share**





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**Equity / Solvency**

Insurance Activities

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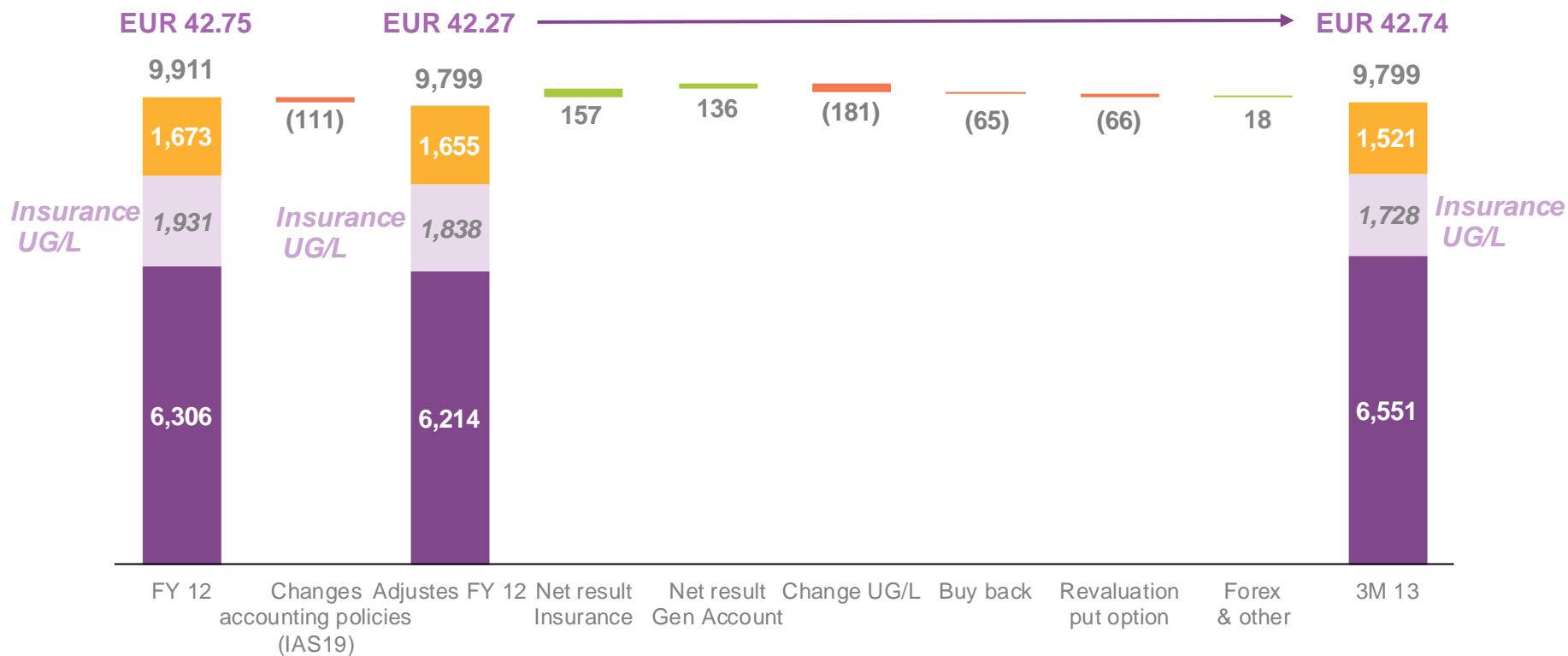
# Shareholders' equity as per 31 March 2013



Up on net profit, offset by lower unrealized gains & revaluation put option

In EUR mio

## Shareholders' equity / share



### Equity per segment

	FY 12		3M 13		FY 12		3M 13
Belgium	3,974	▶	3,948	Asia	1,837	▶	1,993
UK	1,149	▶	1,136	Insurance	8,145	▶	8,279
Continental Europe	1,185	▶	1,201	General Account	1,655	▶	1,521



# Tangible net equity as per 31 March 2013

High quality capital structure



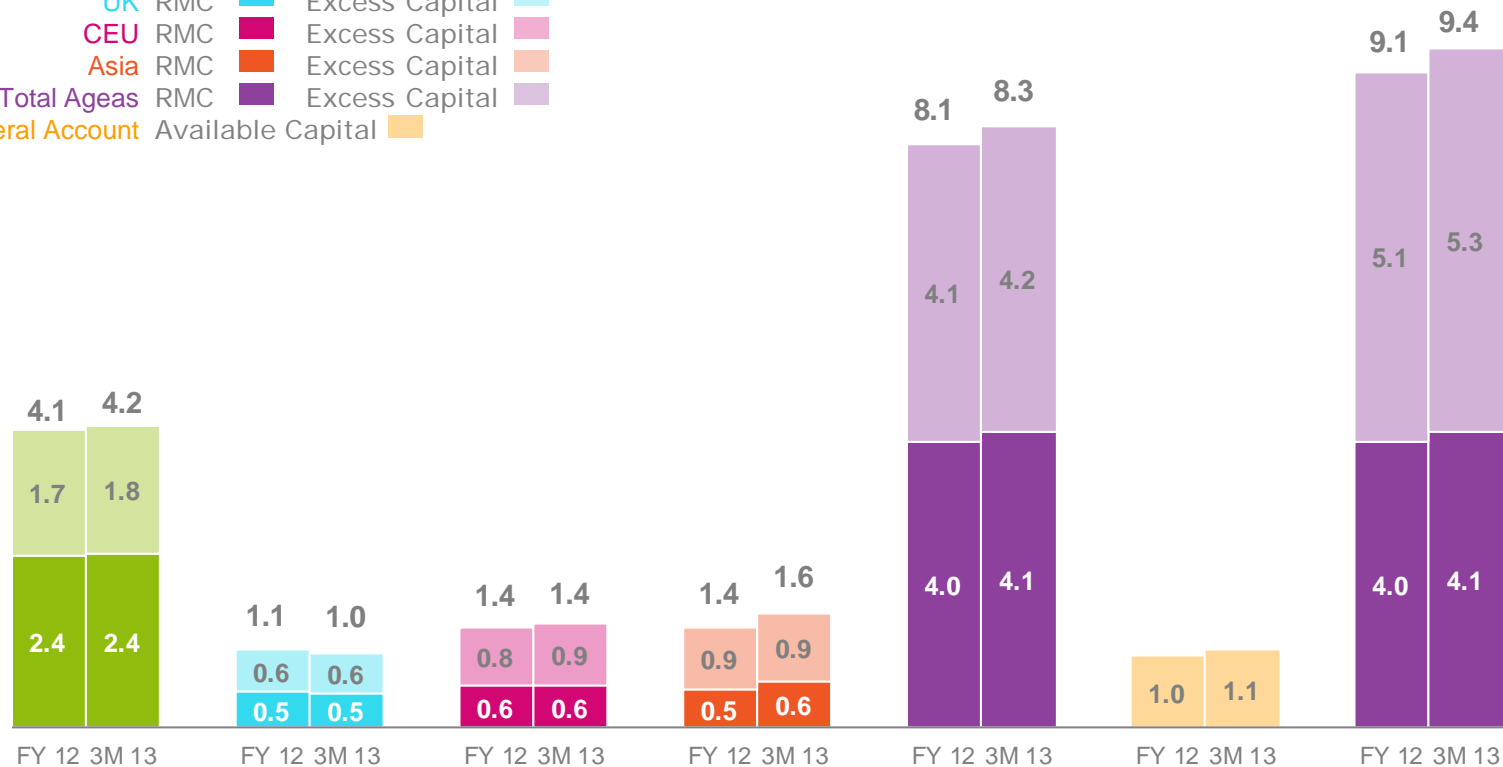
<i>EUR bn</i>	FY 12	3M 13
<b>IFRS Shareholders' Equity</b>	<b>9.8</b>	<b>9.8</b>
Unrealised gains real estate	0.6	0.6
Goodwill	(0.7)	(0.7)
VOBA (Value of Business Acquired)	(0.4)	(0.4)
DAC (Deferred Acquisition Cost)	(0.9)	(0.9)
Other	(0.4)	(0.4)
Goodwill, DAC, VOBA related to N-C interests	0.5	0.5
25% tax adjustment DAC, VOBA & Other	0.3	0.3
<b>IFRS Tangible net equity</b>	<b>8.9</b>	<b>8.9</b>
<b>IFRS Tangible net equity/ IFRS Shareholder's Equity</b>	<b>91%</b>	<b>91%</b>

# IFRS Solvency as per 31 March 2013



## Insurance & total solvency ratio stable

In EUR bn



### Solvency ratio

173% **174%**    220% **219%**    243% **249%**    268% **242%**    204% **203%**    229% **229%**



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# Inflows @ 100%

Growth driven by China, Thailand & inclusion Groupama



EUR mio		Life		Non-Life		Total	
		3M 12	3M 13	3M 12	3M 13	3M 12	3M 13
<b>Belgium</b>	<b>75%</b>	<b>1,259</b>	<b>1,068</b>	<b>535</b>	<b>565</b>	<b>1,794</b>	<b>1,633</b>
<b>United Kingdom</b>	<b>0%/100%</b>	<b>18</b>	<b>25</b>	<b>534</b>	<b>520</b>	<b>552</b>	<b>545</b>
<b>Continental Europe</b>		<b>853</b>	<b>923</b>	<b>275</b>	<b>292</b>	<b>1,128</b>	<b>1,215</b>
<b>Consolidated entities</b>		<b>269</b>	<b>346</b>	<b>118</b>	<b>117</b>	<b>387</b>	<b>463</b>
Portugal	51%	186	218	70	71	256	290
France	100%	83	127			83	127
Italy	25%			48	46	48	46
<b>Non-consolidated JV's</b>		<b>584</b>	<b>578</b>	<b>157</b>	<b>174</b>	<b>741</b>	<b>752</b>
Turkey (Aksigorta)	36%			157	174	157	174
Luxembourg (Cardif Lux Vie)	33%	584	578			584	578
<b>Asia</b>		<b>1,962</b>	<b>3,117</b>	<b>215</b>	<b>243</b>	<b>2,177</b>	<b>3,360</b>
<b>Consolidated entities</b>		<b>88</b>	<b>105</b>			<b>88</b>	<b>105</b>
Hong Kong	100%	88	105			88	105
<b>Non-consolidated JV's</b>		<b>1,873</b>	<b>3,013</b>	<b>215</b>	<b>243</b>	<b>2,089</b>	<b>3,255</b>
Malaysia	31%	170	181	170	188	340	370
Thailand	31%/15%	279	378	46	54	324	432
China	25%	1,385	2,409			1,385	2,409
India	26%	40	45			40	45
<b>Total</b>		<b>4,091</b>	<b>5,134</b>	<b>1,559</b>	<b>1,619</b>	<b>5,650</b>	<b>6,753</b>
Consolidated entities		1,634	1,544	1,187	1,202	2,821	2,745
Non-consolidated partnerships		2,457	3,591	373	417	2,830	4,008

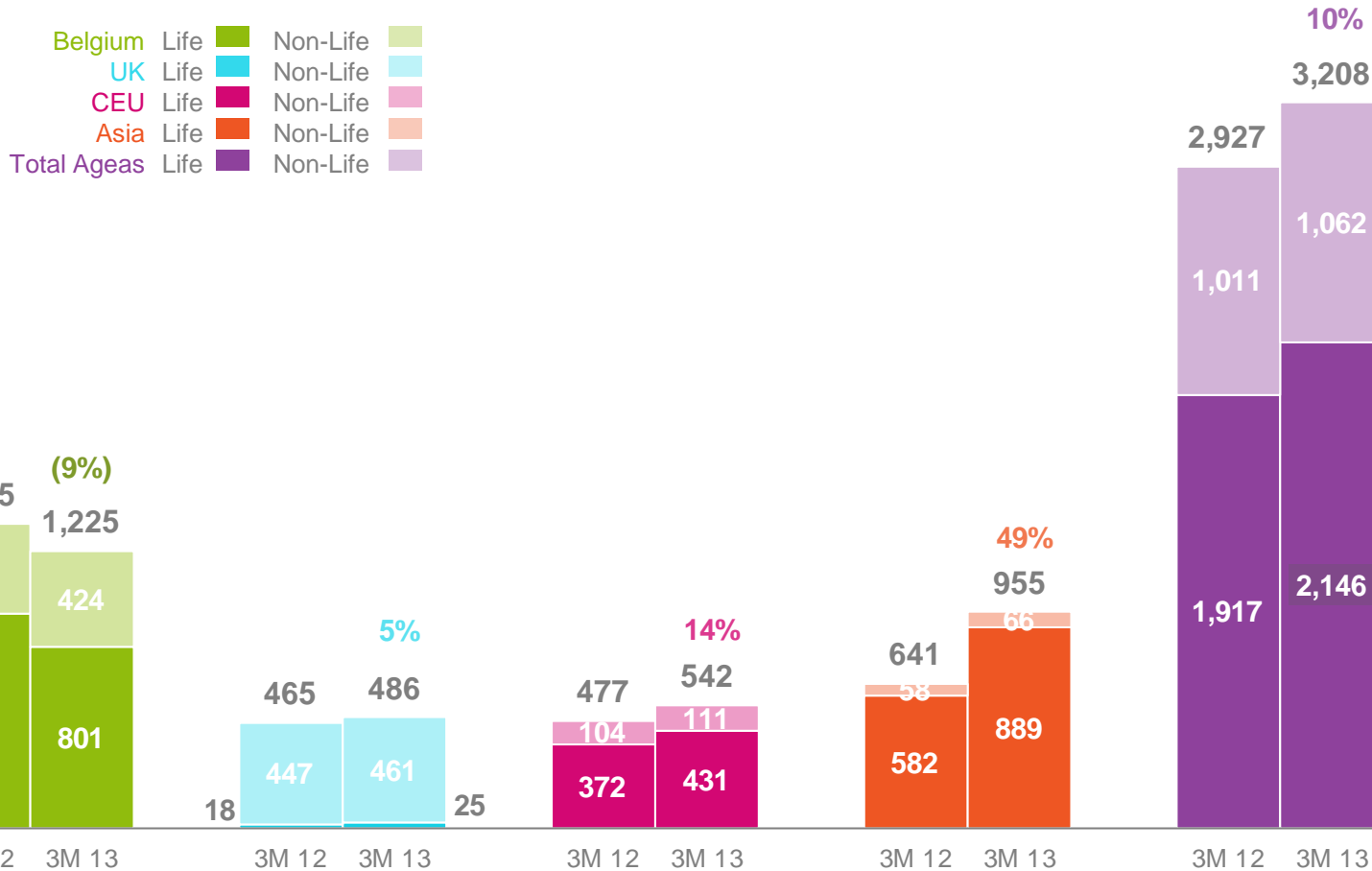
\* Ageas holds a 50% stake in Tesco Underwriting

# Inflows @ Ageas's part

Strong growth in emerging markets, Life Belgium under pressure



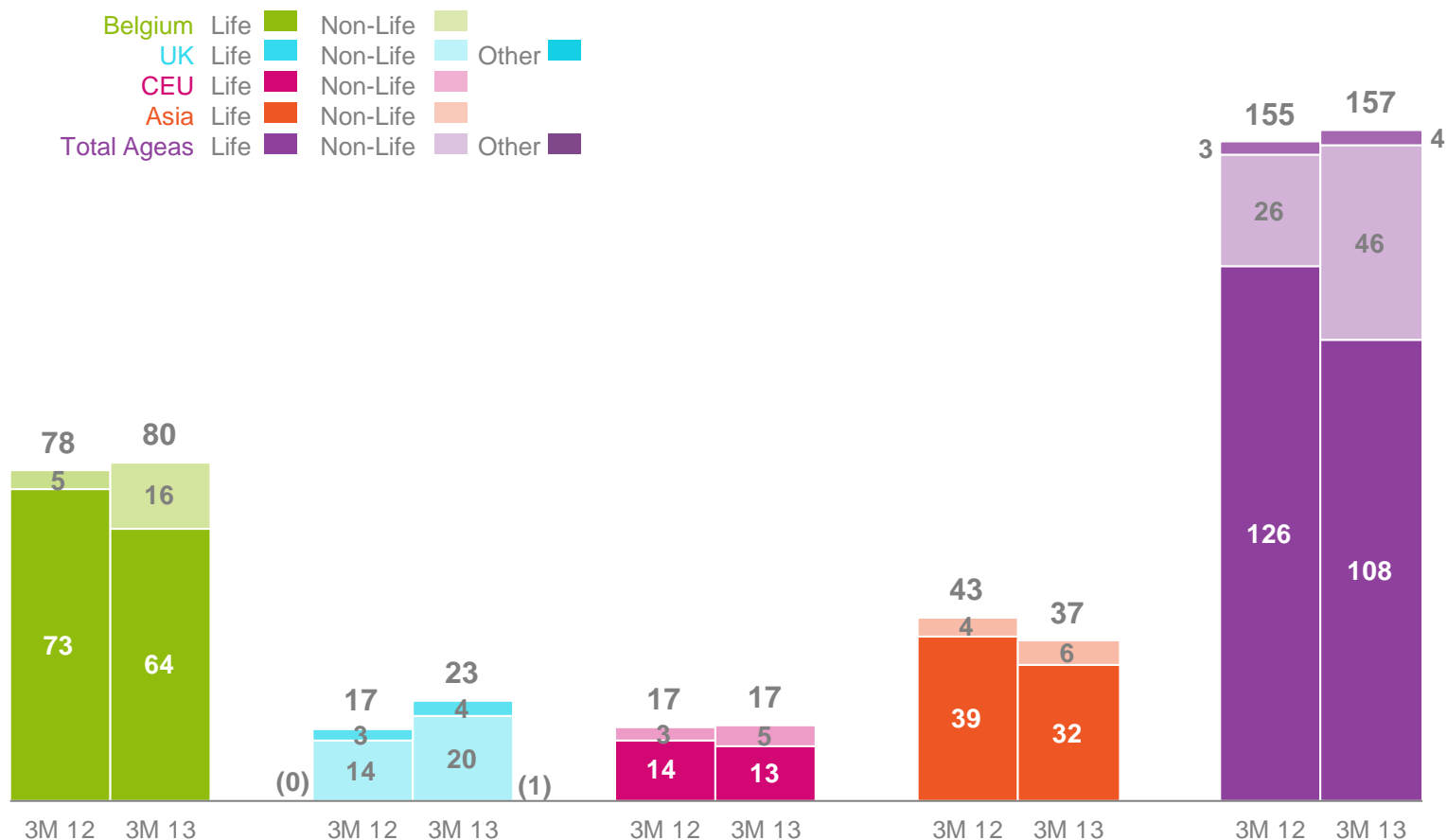
In EUR mio



# Insurance net result

Non-Life up in all segments, Life suffering from low i-rates & boost new business in Asia

In EUR mio



# Insurance

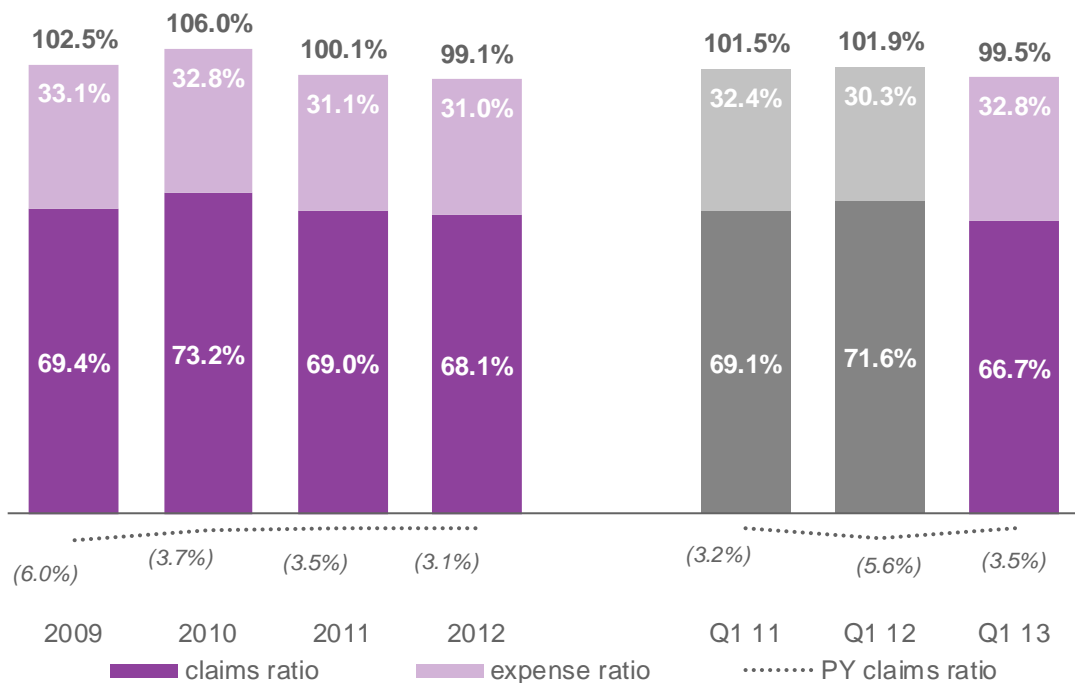
Lexicon on new margin disclosures as from FY 2012



Life		Non-Life	
+ Underwriting result	+ Premiums received from policyholders - actual payments made in risk contracts + penalties deducted in case of surrender + reinsurance result	+ Net Underwriting result	+ Net Earned Premium - all evolutions in claims reserves (CY & PY) + technical interest charges on technical liabilities - all expenses (marketing, intermediary, claims handling & administration)
+ Expense & Other result	+ expense loadings - actual expense charges + other results of technical nature		
<b>= Net Underwriting result</b>		+ Other result	+ other results of technical nature
+ Investment result	+ Investment income on assets covering Life technical liabilities (recurring & cap gains) - what is paid out to policyholders (guaranteed income & profit sharing)	+ Investment result	+ Investment income on assets covering Non-Life technical liabilities (recur. & cap gains) - technical interest charges on technical liabilities
<b>= Operating result</b>		<b>= Operating result</b>	
Average technical liabilities	= average between technical liabilities at the beginning & at the end of each quarter of current year.	Net earned premium	+ Premiums received from policyholders - premiums covering risks future period - premiums paid to reinsurers
Life margins	All Life margins calculated as % of average technical liabilities	Non-Life ratio's	All Non-Life ratio's calculated in % of Net earned premiums
		Combined ratio	Corresponds to 1 minus net underwriting result in % of net earned premiums

# Insurance Combined ratio

Below 100% in quarter traditionally impacted by winter conditions



**Combined ratio at 99.5%** vs. 101.9%

- Q1 traditionally impacted by winter conditions
- Motor at 102.1% (vs. 98.9%): premium strain on expense ratio in UK
- Household at 97.0% (vs. 114.4%): benign weather in major markets, impact of corrective measures & tariff increases in Belgium
- Accident & Health: at 93.8% (vs. 90.7%): improvement in UK; still satisfactory performance in Belgium;

**Claims ratio at 66.7%** vs. 71.6%

- CY claims ratio improving Belgium & UK, deterioration in Continental Europe
- PY claims ratio slightly down to 3.5% (vs. 5.6%), mainly in Motor

**Expense ratio at 32.8%** vs. 30.3%

- Increase in UK & Continental Europe

Net earned premium in EUR mio

**2,497    2,858    3,507    4,178    784    989    1,077**

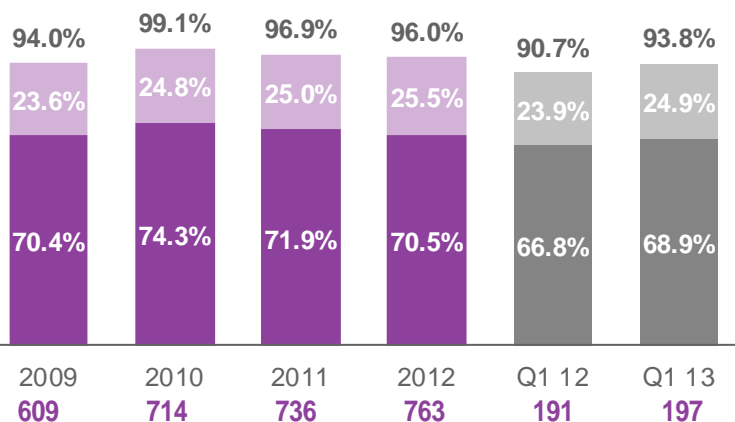


# Insurance Combined ratio per product line

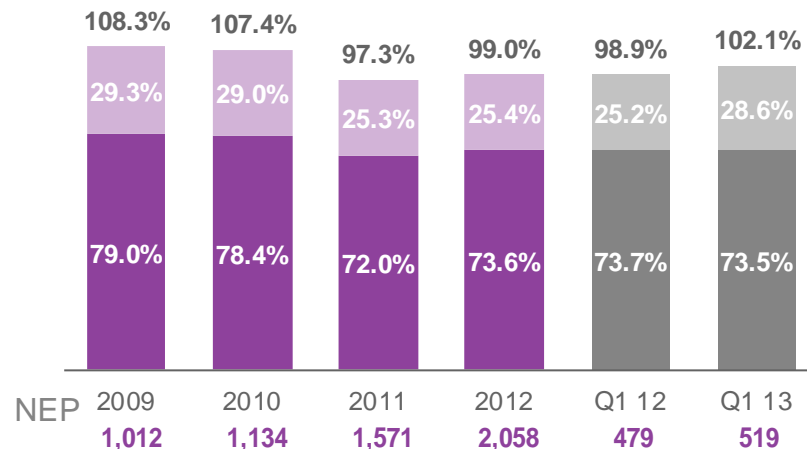


## Household strongly improving

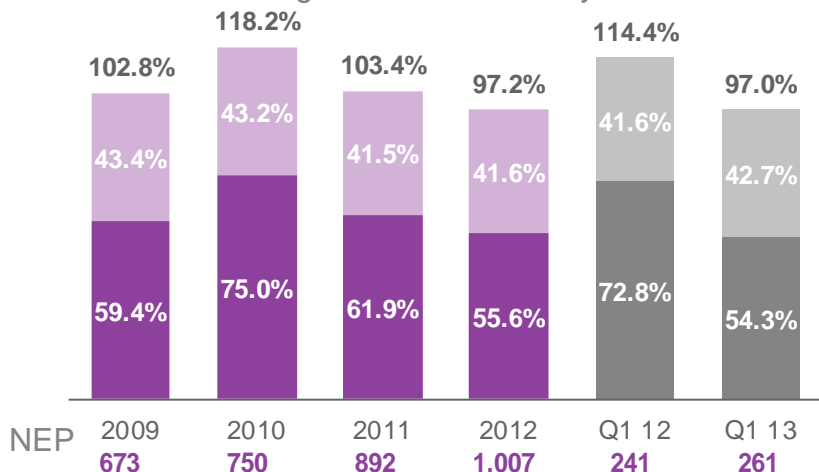
**Accident & Health:** good performance confirmed



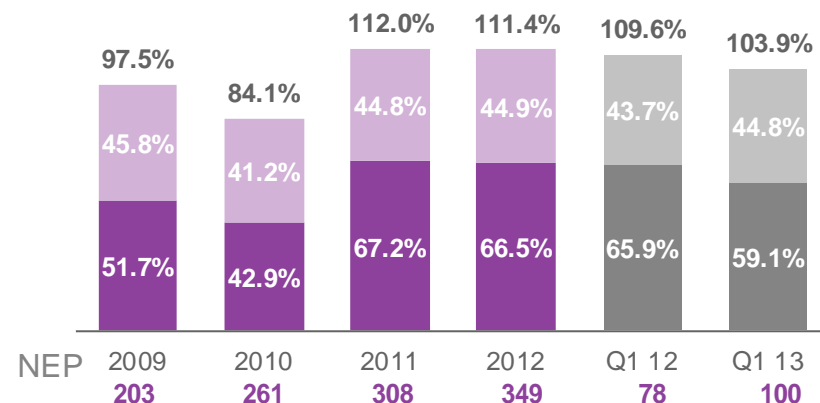
**Motor:** expense ratio up in UK & to lesser extent in CEU



**Household:** benign weather in wintery Q1



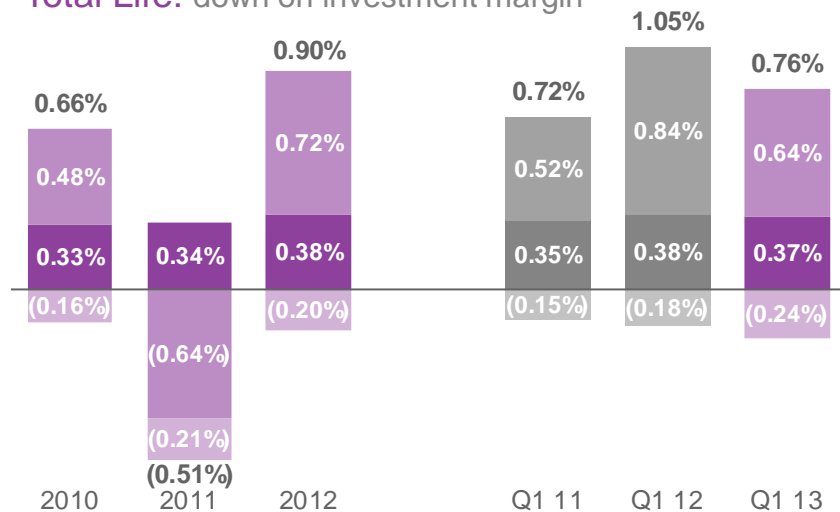
**Other:** improvement across all segments



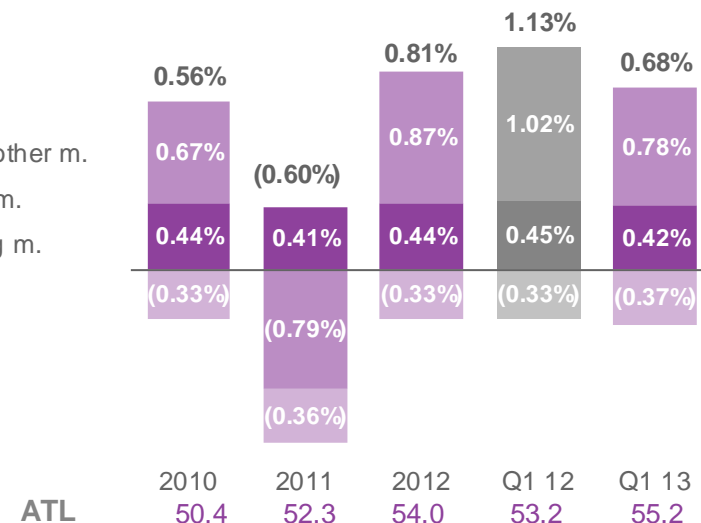
# Insurance Life operating margin

## Diverging evolutions in different countries

### Total Life: down on investment margin



### Guaranteed: down on investment margin

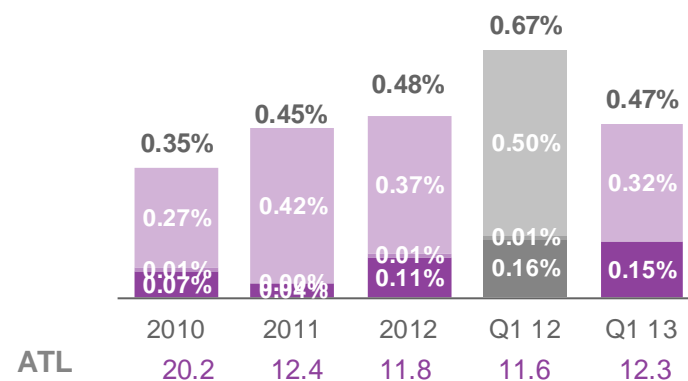


### Average technical liabilities in EUR bn

70.6 64.7 65.8 72.8 64.8 67.5

- **Operating margin:** Decrease driven by investment and expense & other margin
- **Underwriting margin** decrease in Continental Europe & Asia offset by better mortality result in Belgium
- **Investment margin** lower in Belgium, better in other segments
- **Expense & other margin** comparison impacted by positive one-off in Asia in 3M 12

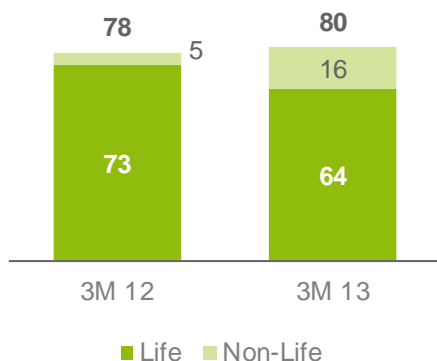
### Unit-linked: lower mortality result



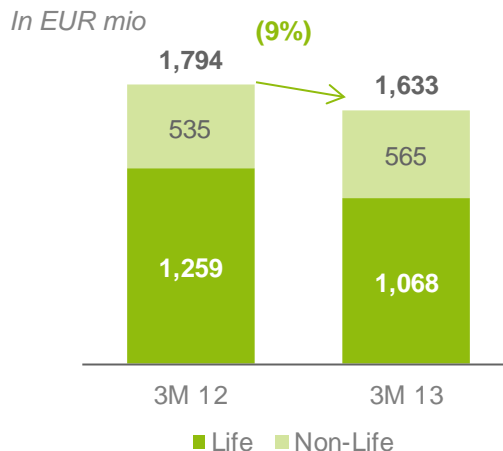
# Belgium : Headlines

## Non-Life performance up, Life inflows suffering from premium tax & low interest rates

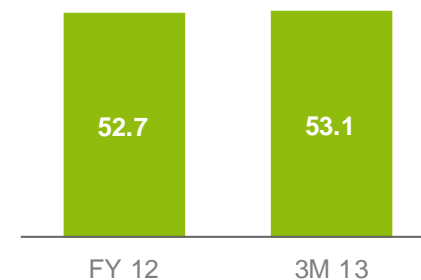
Net result: increase in Non-Life partly offset by Life  
In EUR mio



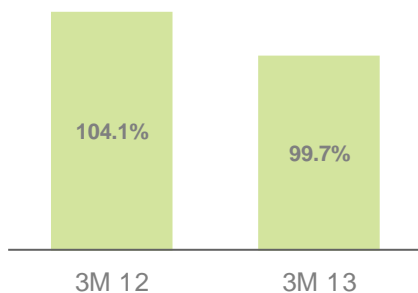
Anticipated inflow decrease in Life



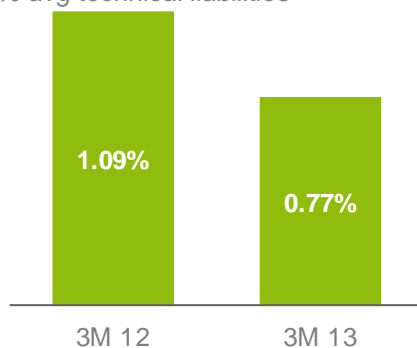
Life Technical liabilities marginally up  
In EUR bn



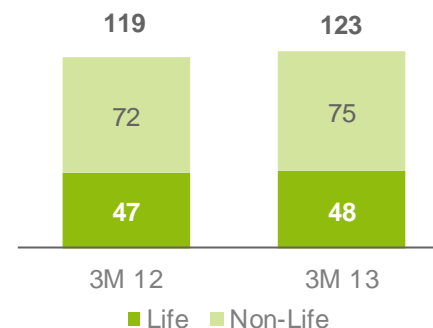
Non-Life Combined ratio: improved underwriting mainly in Household



Guaranteed Operating margin: down on lower investment margin  
Operating costs  
in % avg technical liabilities  
In EUR mio



In EUR mio

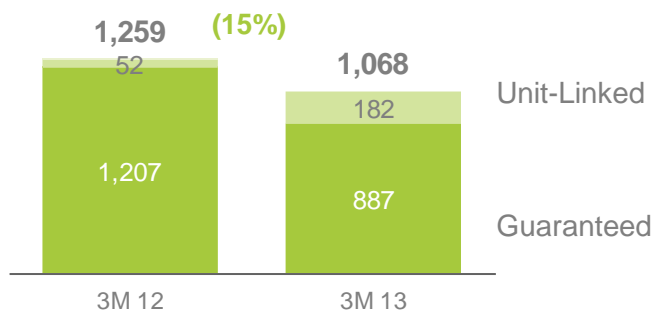


# Belgium: Inflow

## Anticipated decrease in Guaranteed products partly compensated by Non-Life

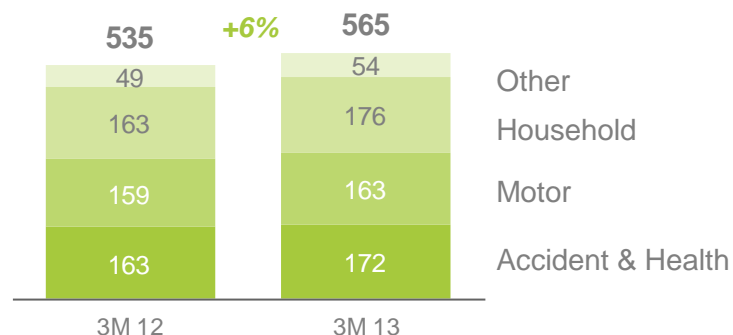
### Life

In EUR mio



### Non-Life

In EUR mio



### Guaranteed

- Sales of guaranteed products decreased 27% to EUR 887 mio
- Decrease observed in Individual **Saving** (down 38% to EUR 530 mio) and Individual **Traditional** (down 18% to EUR 61 mio)
- Lower volumes due to historically **low guaranteed interest rates** & impact of Belgian government decision to increase **insurance premium tax** (from 1.1% to 2%; as at 01/01/2013).
- **Group Life** inflows amounted to EUR 296 mio, up 8% mainly supported by higher single premiums in Traditional.

### Unit-linked

- Individual Unit-linked sales were up 248% compared to very low premium volumes 3M 12. Strong increase driven by Bank channel; explained by significant offer in closed-end funds & increasing customer appetite.

### Household, Motor, Other

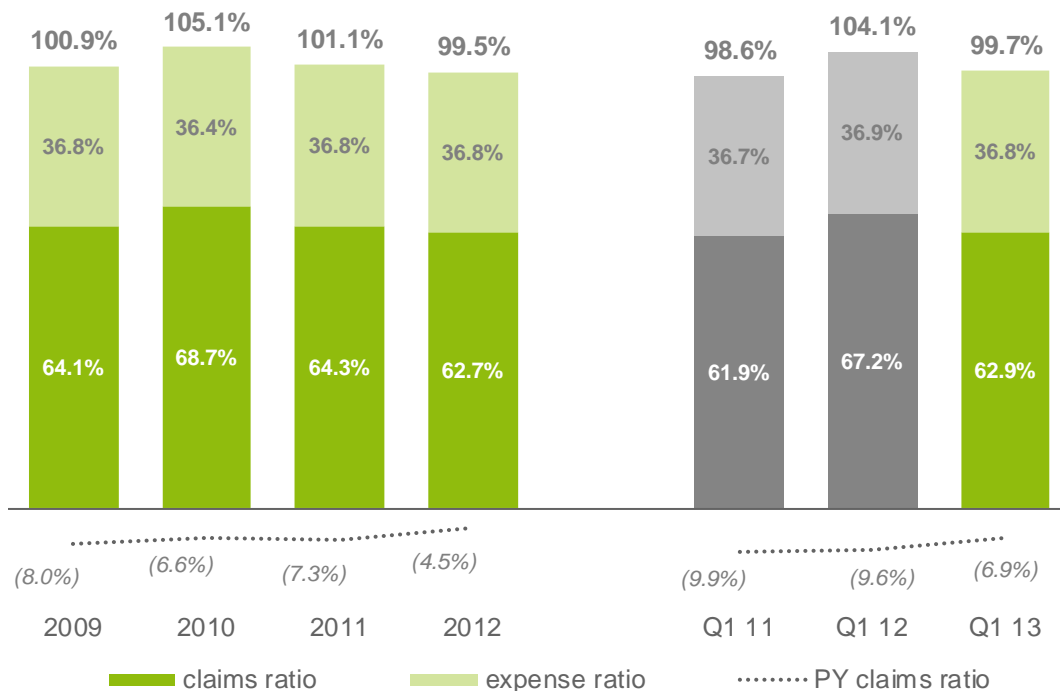
- GWP increased both in Bank & Broker channels & across all product lines, mainly in Household
- **Household** (+7.5%): higher volume & tariff increases
- **Motor** (+2,6%): driven by tariff increase.
- **Other** (+9.5%): mainly driven by tariff increase in Legal Assistance

### Accident & Health

- **Accident & Health** (+5.3%) supported by a good momentum in Health Care.

# Belgium: Combined ratio

## Improved underwriting performance in Household



Net earned premium in EUR mio

1,469    1,541    1,601    1,698                      394    418    432

**Combined ratio at 99.7%** vs. 104.1%

- **Household** (100.2%) significantly improved stemming from previous corrective measures, further rate increases & less weather related claims notwithstanding lower prior year releases
- **Accident & Health** (95.1%) increased but remained satisfactory compared to last year's strong performance. Workmen's Compensation at 97.8% (vs. 84.3%), higher by increased frequency & severity in heavy claims.
- **Motor** (102.5%) slightly higher with almost offsetting impacts between prior and current year

**Claims ratio at 62.9%** vs. 67.2%

- **CY ratio** improved mainly in Household and Motor
- **PY ratio:** Lower releases in Household and Motor

**Expense ratio** remains flat at **36.8%**

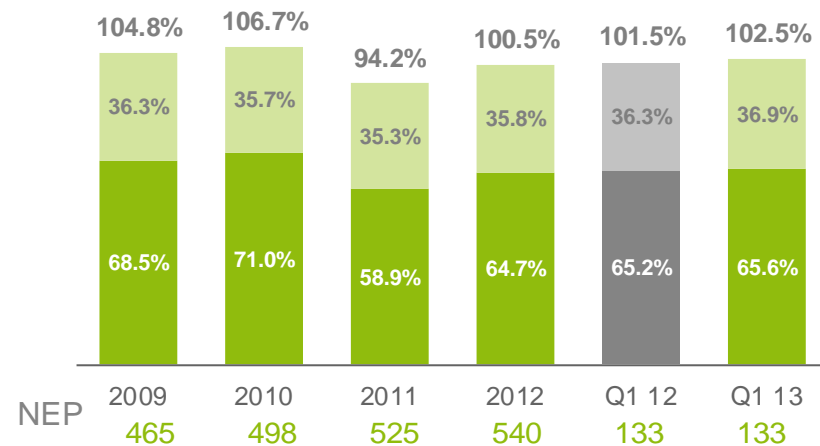
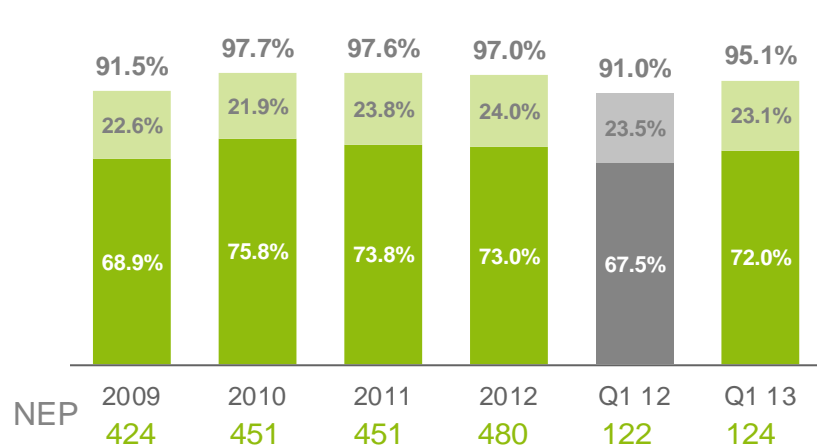
# Belgium: Combined ratio per product line

## Improved underwriting performance in Household & Other



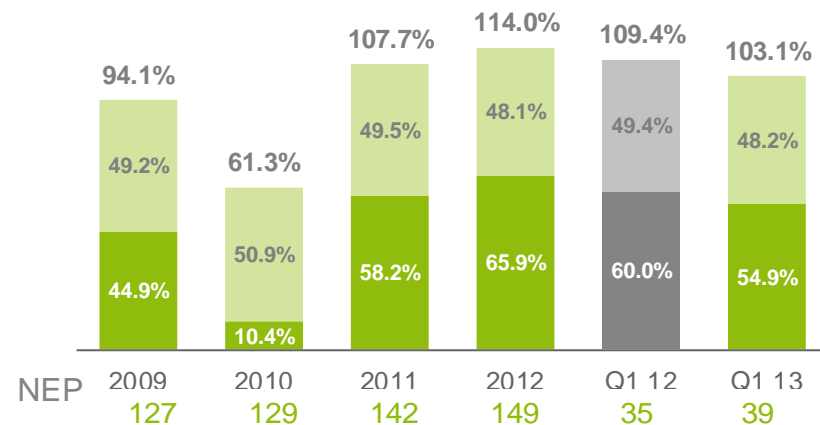
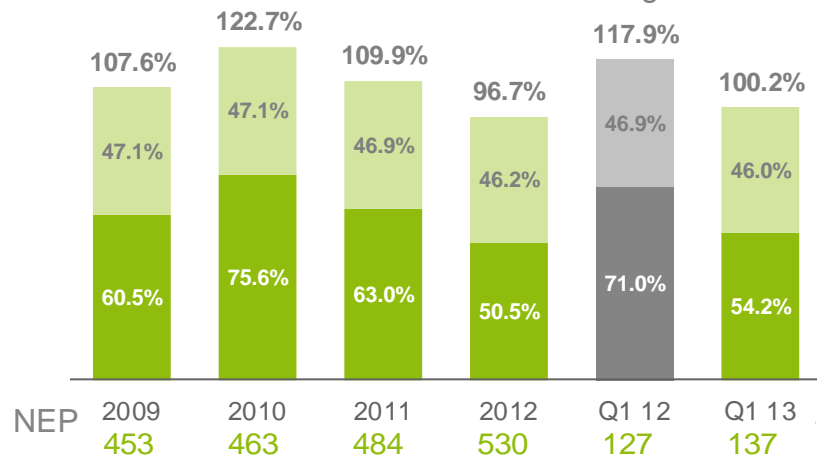
**Acc & Health:** satisfactory vs strong Q1 12

**Motor:** slightly lower PY releases, almost offset by improved CY



**Household:** corrective measures & benign weather

**Other:** mainly Legal Assistance improvement

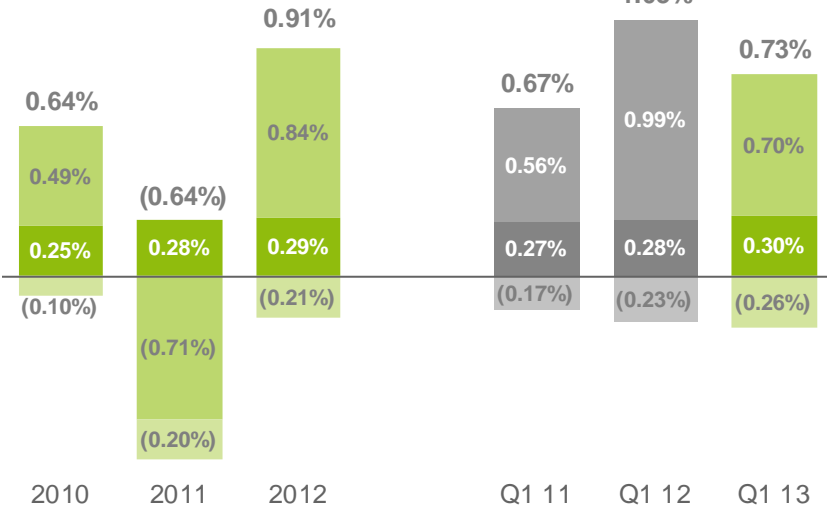


# Belgium: Life operating margin

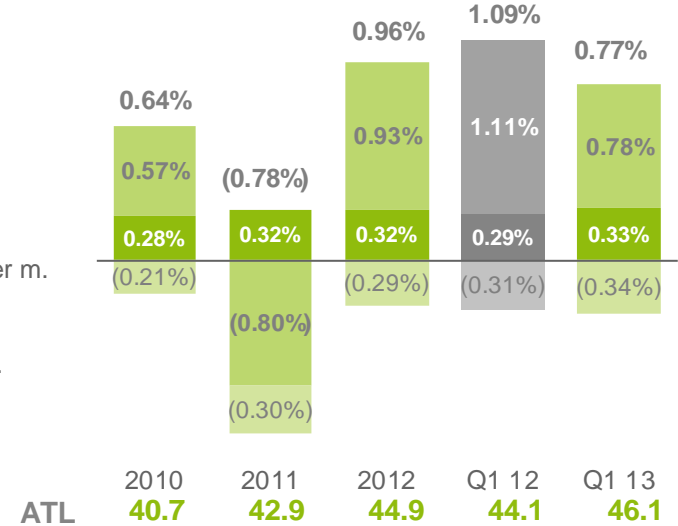


Decrease by 0.3% mainly driven by lower investment margin

Total Life: y-o-y decrease by 0.3%



Guaranteed: investment margin

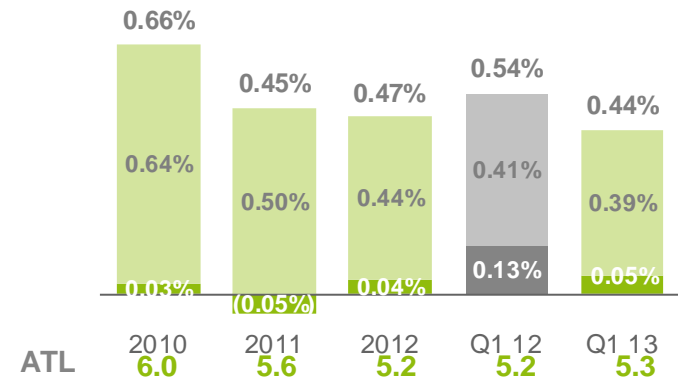


Average technical liabilities in EUR bn

46.7   48.5   50.1   48.3   49.3   51.5

- **Operating margin:** decreased mainly due to Investment margin
- **Investment margin** lower capital gains (-20bp) & lower investment yield following various rebalancing operations in the past & some non-recurring income in 3M 12, only partly offset by lower technical charges
- **Underwriting margin** increased by 2 bp due to better mortality result
- **Expense & other margin** deteriorated slightly

Unit-linked: lower mortality result

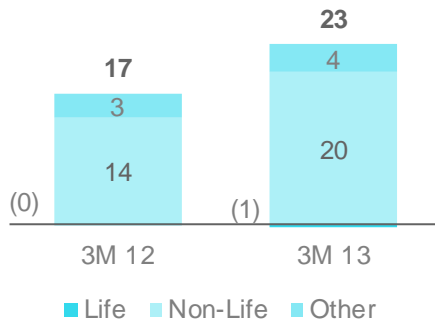


# United Kingdom: Headlines

## Non-Life performance substantially up, inflows broadly flat

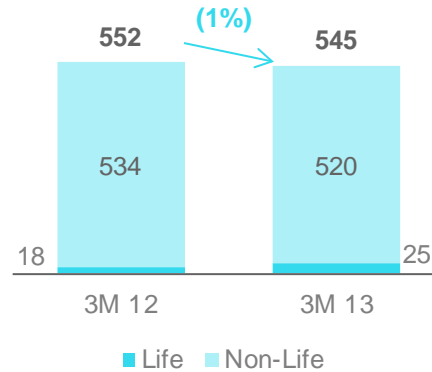
Net result: Non-Life performance up

In EUR mio



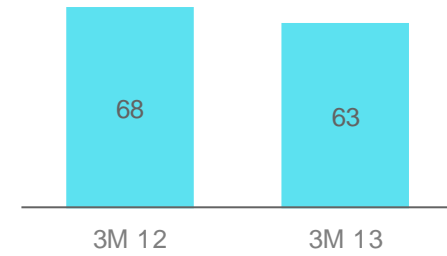
Inflow in line at constant FX

In EUR mio

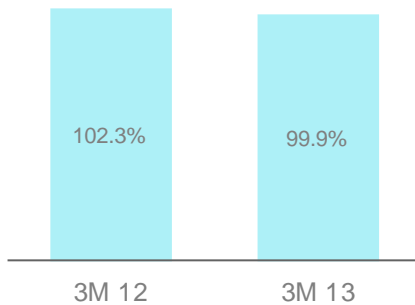


Other: Income nearly stable

In EUR mio

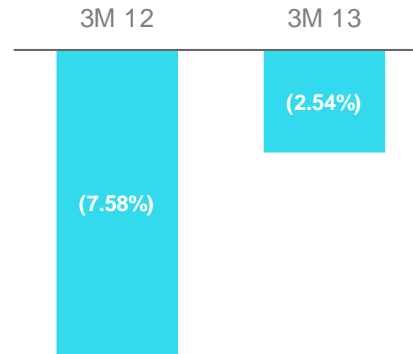


Non-Life combined ratio: improved underwriting mainly in Household



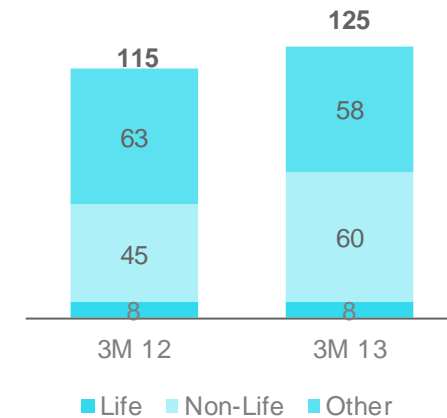
Guaranteed Operating margin

in % avg technical liabilities



Operating costs: addition Groupama

In EUR mio





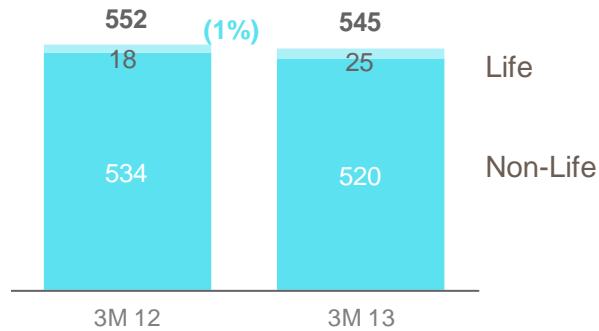
# United Kingdom: Inflow

Inflow levels in line with 3M 12 at constant exchange rates



## Total

In EUR mio



## Life

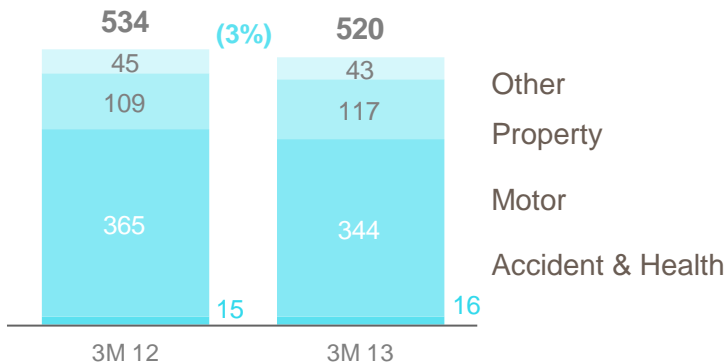
- Successful **roll out** of its proposition across the IFA market and through affinity partnerships developed in 2012
- Over 275,000 customers **up 30%** on same period last year

## Non-Life

- Down 3%, broadly flat at constant FX
- **Motor** decreased by 6% mainly due to lower average premiums
- **Household** increased by 8% due to the inclusion of Groupama Insurance Company Ltd (GICL)
- **Other lines**, including Commercial and Special Risks decreased by 4% due to management actions to improve profitability, offset partially by the inclusion of GICL
- EUR 82 mio **Groupama** inflow included in the result

## Non-Life

In EUR mio

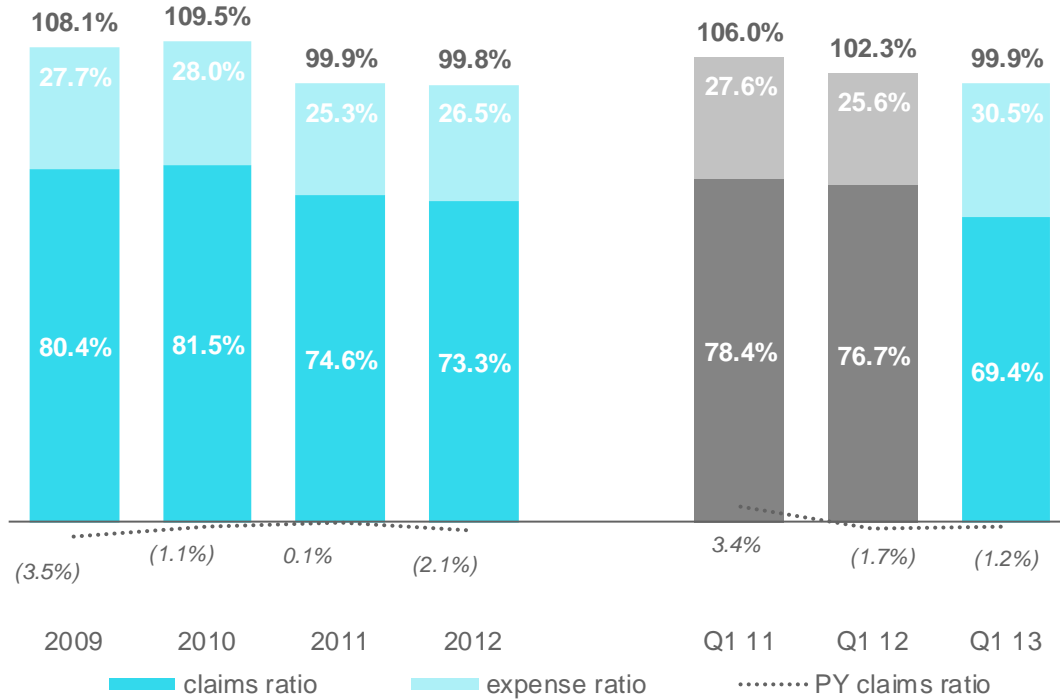


## Other Insurance (including Retail)

- YTD total income of EUR 63 mio slightly below last year.

# United Kingdom: Combined ratio

Below 100% in a typically difficult first quarter



Net earned premium in EUR mio

834    948    1,524    2,083    —    295    479    546

## Combined ratio at 99.9%

- Combined ratio continued sub 100% performance even
- First full quarter impact of Groupama. Composition of COR includes greater proportion of delegated authority schemes with higher expense ratio but lower claims

## Claims ratio at 69.4%

- Claims ratio Reduction across most lines of business due to rating actions & benign weather in Household
- CY ratio significant reduction primarily due to benign weather experience in Household
- PY ratio: release of 1.2% vs. release of 1.7% in 2012

## Expense ratio at 30.5%

- Increase from combination of pressure on earned premium in Tesco and addition of Groupama with greater proportion of delegated authority schemes.

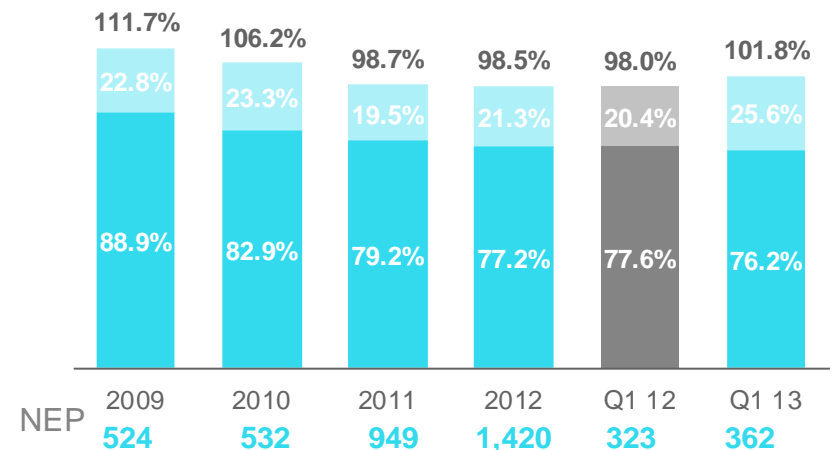
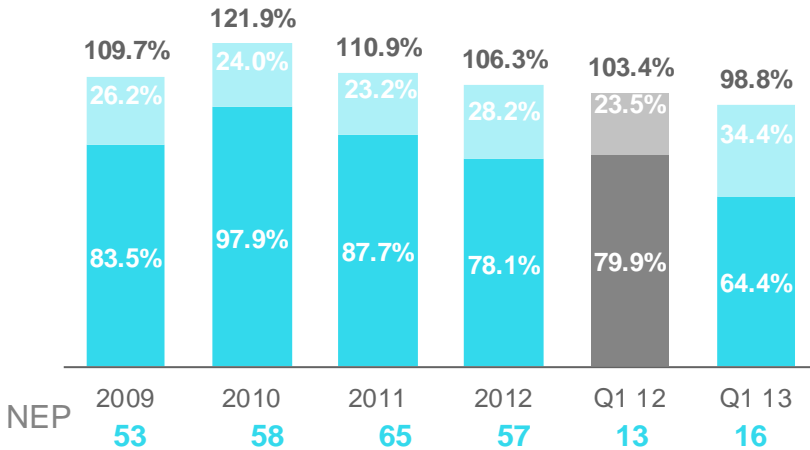
# United Kingdom: Combined ratio per product line

## Reduced loss ratios in all products, partially offset by expense ratios



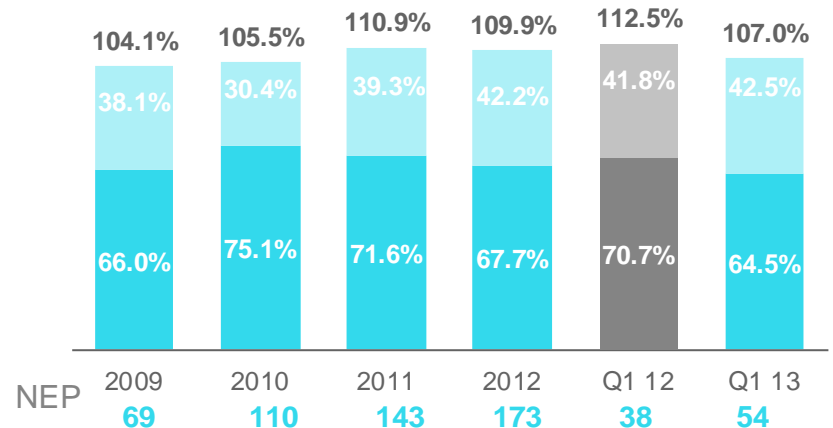
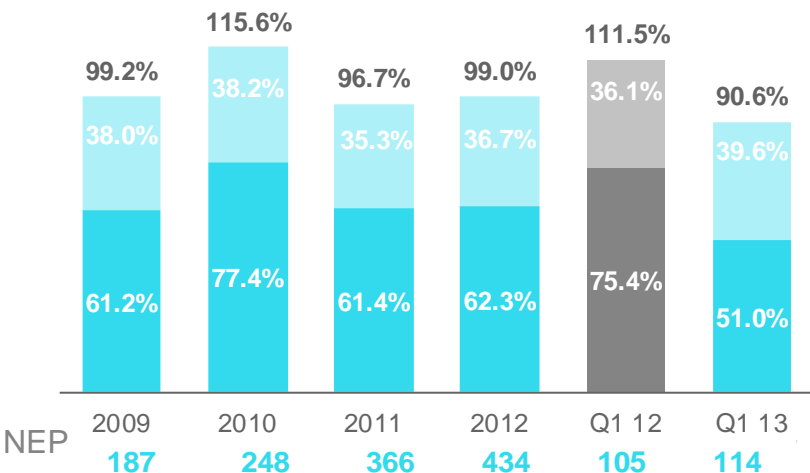
**Accident & Health:** AIL improvement, positive impact GICL

**Motor:** premium strain on expense ratio (TU)



**Household:** benign weather impact

**Other:** positive impact mgmt actions (AIL) & inclusion of GICL

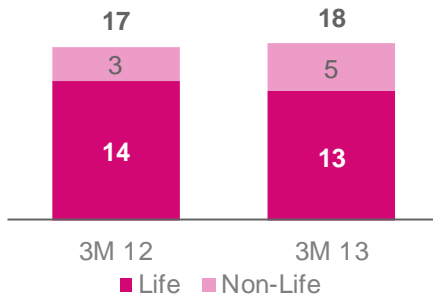


# Continental Europe: Headlines

## Strong inflow & stable net profit

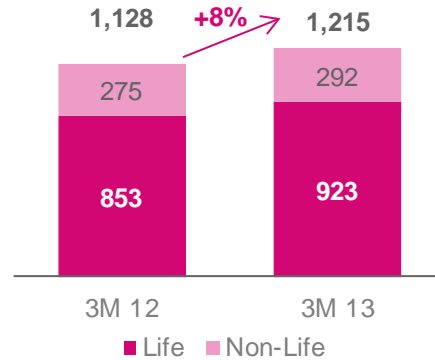
Net result in line with last year

In EUR mio



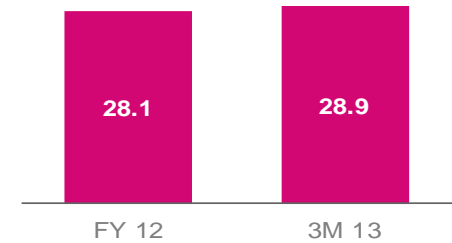
Inflow\* increase in all main countries

In EUR mio

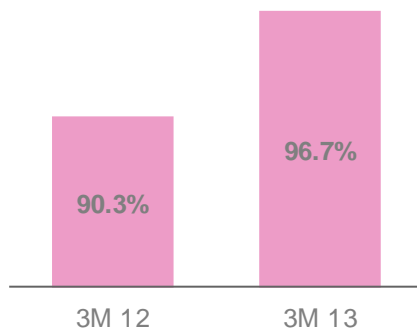


Life Technical liabilities\*

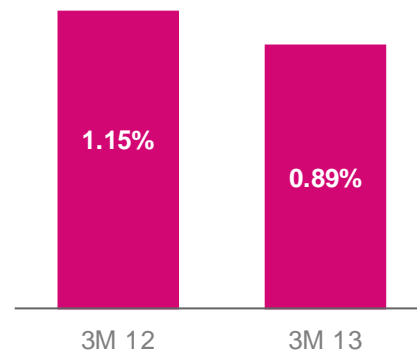
In EUR bn



Non-Life Combined ratio: impact weather conditions in Portugal

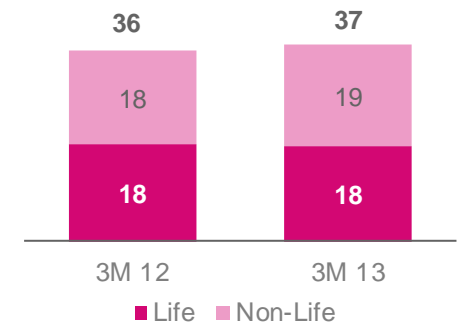


Guaranteed Operating margin: lower risk margin in guaranteed business  
in % avg technical liabilities



Operating costs remain stable

In EUR mio



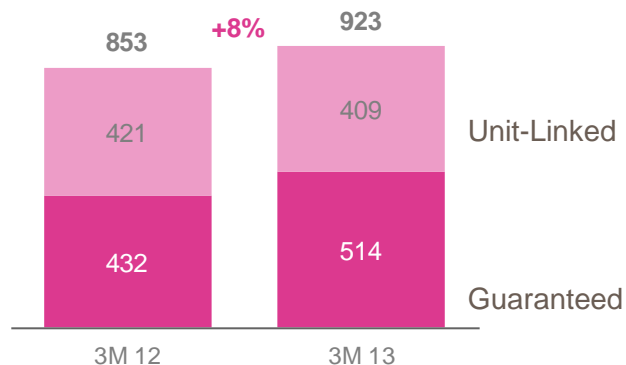
\* Incl. non-consolidated partnerships @ 100%

# Continental Europe: Inflow

## Up 8% to EUR 1.2 billion

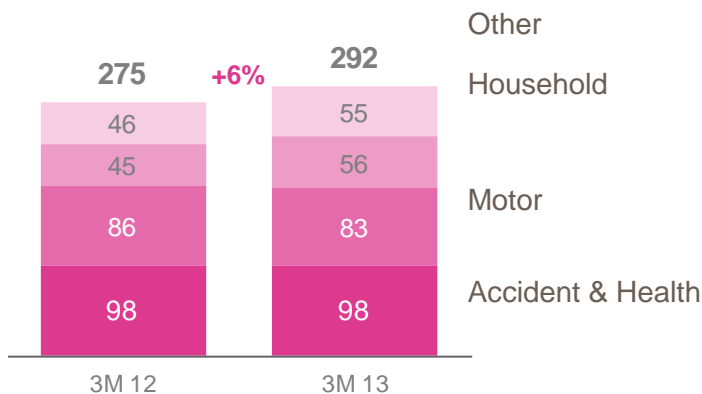
### Life

In EUR mio



### Non-Life

In EUR mio



### Life

- Inflow +8%, including non-controlling interests @ 100%, reflecting higher sales in Portugal and France
- Consolidated inflow up 28%
  - ✓ Portugal: volumes up by 17% driven by the UL business and Savings
  - ✓ France: up by 53% as a result of a UL single premium payment

### Technical liabilities

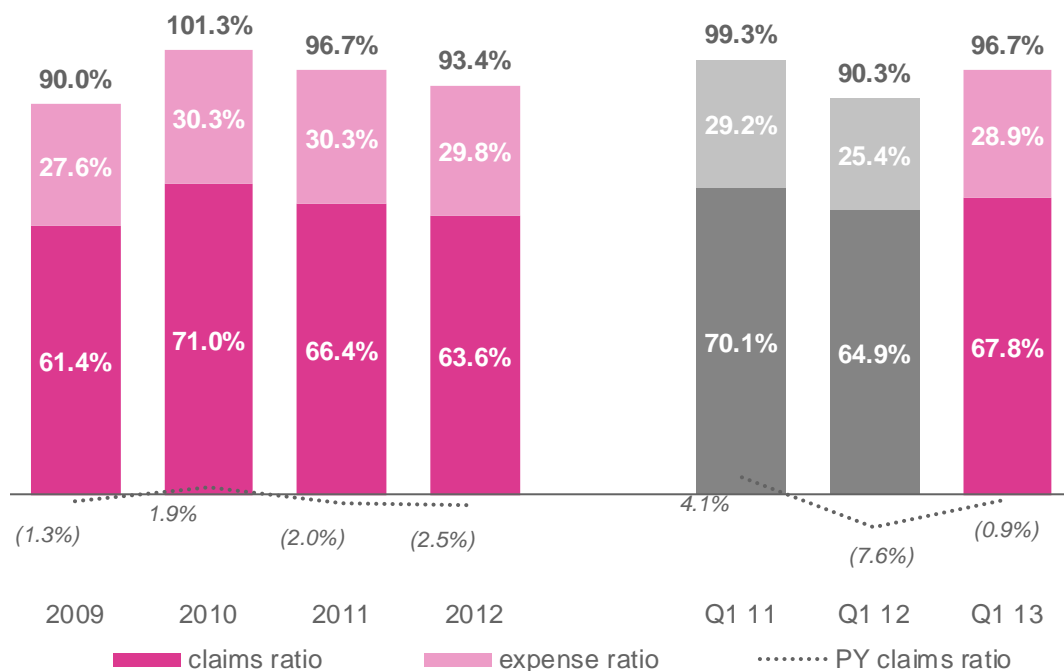
- End of period technical liabilities: up 3% vs. year-end 2012 technical ones
- Average technical liabilities growth in line with excellent sales performance over last 2 years

### Non-Life

- Inflow + 6%, including non-controlling interests @ 100% driven by Turkey
  - ✓ GWP consolidated entities in line with last year
  - ✓ Turkey (Aksigorta) at EUR 174 mio
- A&H and Motor remain the major business lines in the portfolio. Motor slight decline due to Italy (economic recession and automatic car renewal no longer allowed) and Turkey (less MTPL sales due to focus on profitable growth)

# Continental Europe: Combined ratio

Below group target even as severe winter weather impacts Portugal



## Combined ratio at 96.7%

- Combined ratio higher than PY mainly due to severe weather impact in Portugal.

## Claims ratio at 67.8%

- Claims ratio mainly higher due to mid-January storms in Portugal
- Better claims ratio in Italy
- PY ratio: 0.9% release vs. 7.6%
- Combined ratio Turkey further improved to 88.3%.from 99.4%

## Expense ratio at 28.9%

- Expense ratio continued focus on cost containment (LY was influenced by a one off release in Italy)

Net earned premium in EUR mio

194    369    382    397    94    93    99

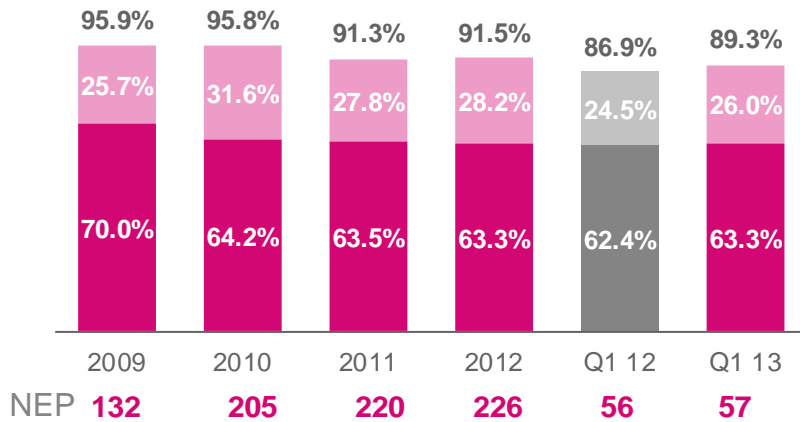
\* Scope: only consolidated companies: 2009 Portugal; as from 2010 Portugal & Italy

# Continental Europe: Combined ratio per product line

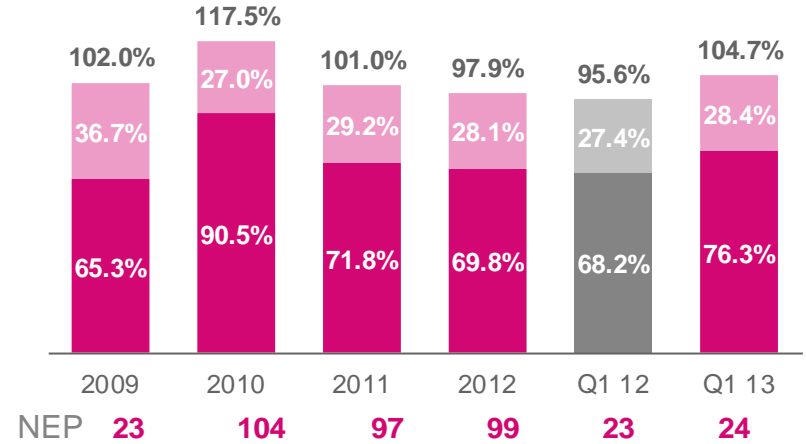


Overall combined ratio within expectations (only related to consolidated companies)

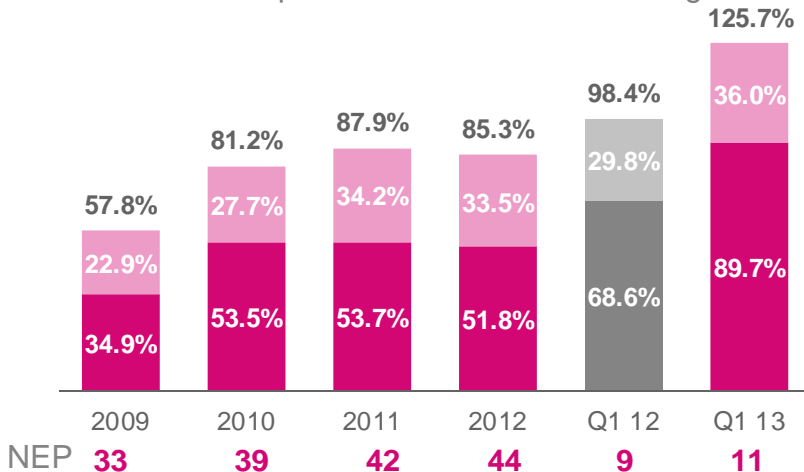
**Accident & Health:** product mix drives increase in commission ratio



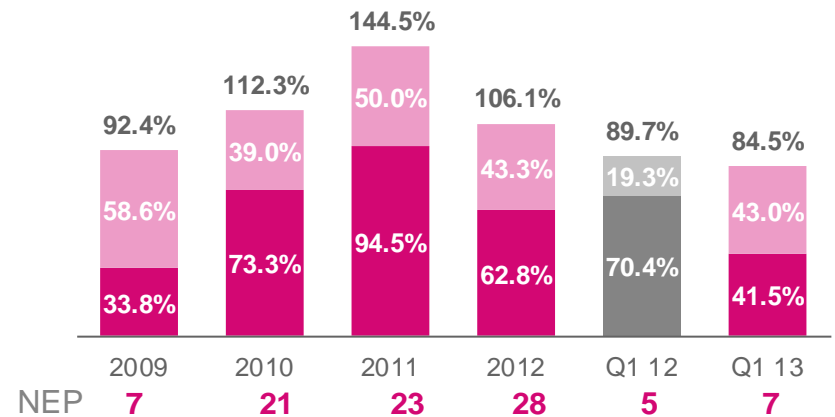
**Motor:** positive PY 3M 12 due to review of old claims



**Household:** impact severe weather in Portugal



**Other:** positive adjustments in large broker account

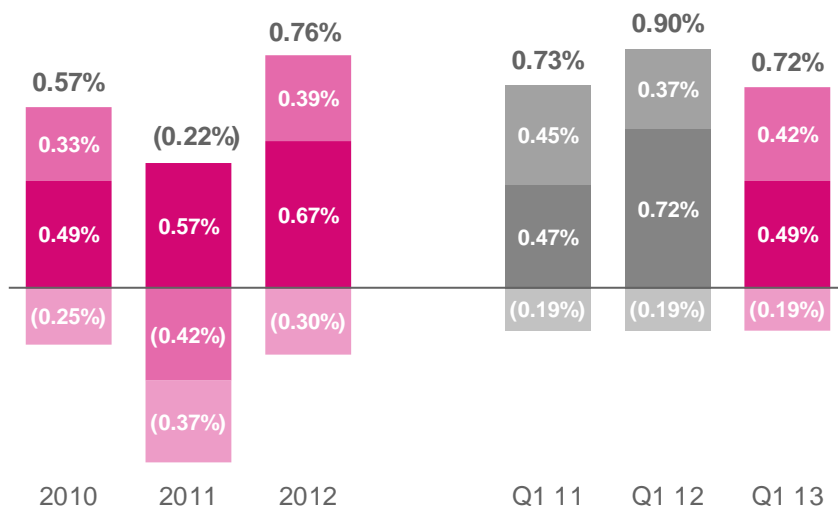


# Continental Europe: Life operating margin

## Encouraging operating margin



### Total Life

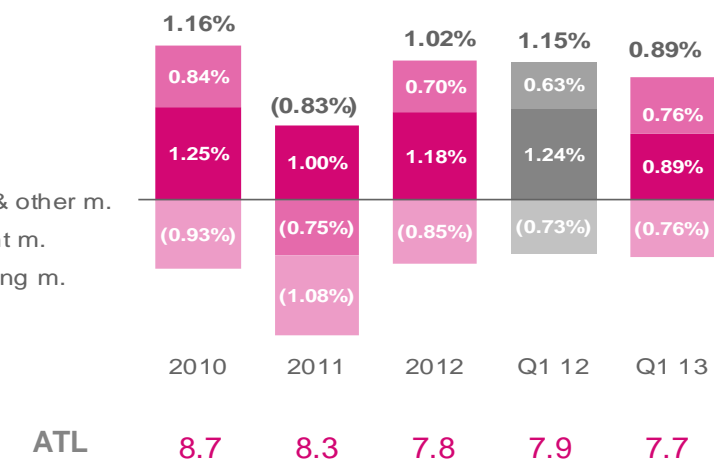


### Average technical liabilities (ATL) in EUR bn

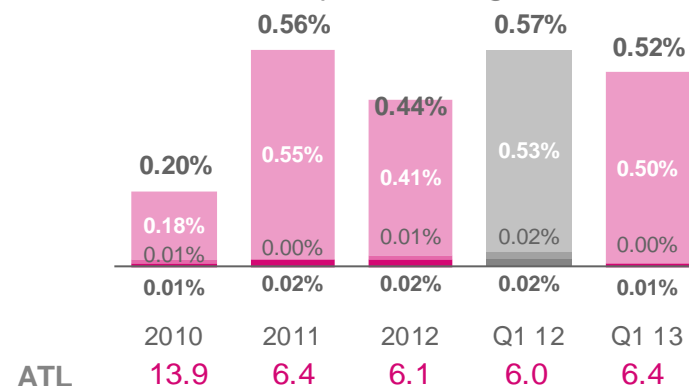
22.6    14.7    13.9            23.0    13.9    14.1

- **Operating margin** below PY due to underwriting margin guaranteed
- **Underwriting margin** decreased due to lower volumes & higher claims in the risk business
- **Investment margin** improved slightly
- **Expense & other margin** cost containment leads to stable margin

### Guaranteed: underwriting margin down



### Unit-linked: lower expenses margin in France

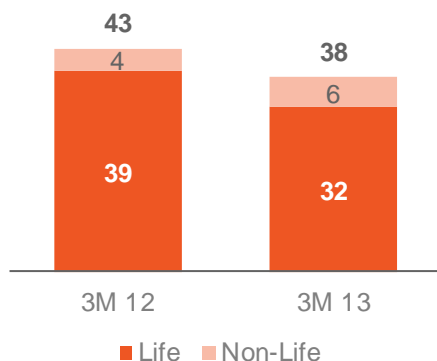




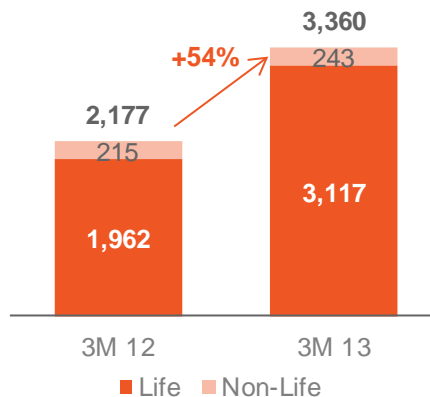
# Asia: Headlines

## Pressure on profit in Life from boost in new business / Profitable organic growth in Non-Life

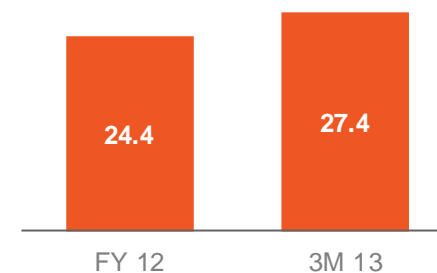
Net result: Life down on China mainly  
In EUR mio



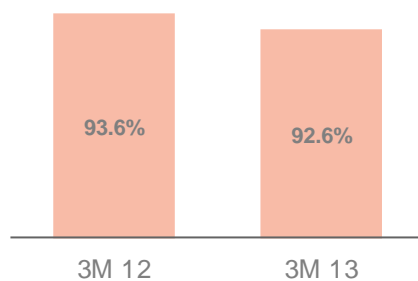
Inflow\* fuelled by China & Thailand  
In EUR mio



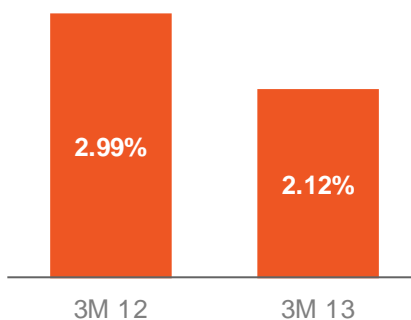
Life Technical liabilities\* up 12%  
In EUR bn



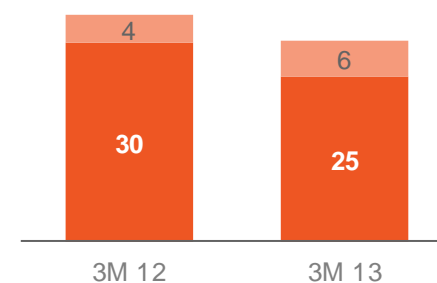
Non-Life Combined ratio reflecting good quality of portfolio



Guaranteed Operating margin Hong Kong  
in % avg technical liabilities



Result non-consolidated partnerships  
In EUR mio



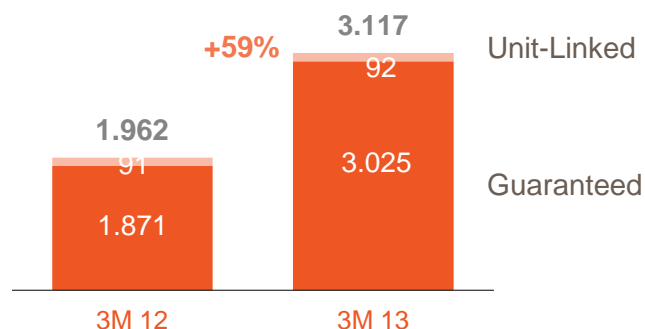
\* Incl. non-consolidated partnerships @ 100%

# Asia: Inflow

Strong organic growth, boosted by very successful sales campaign

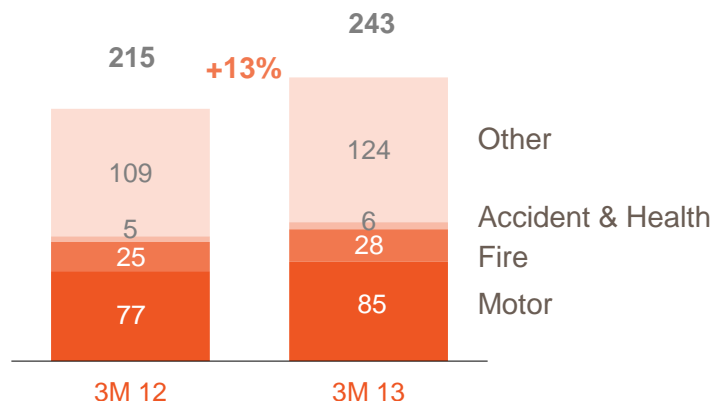
## Life

In EUR mio



## Non-Life

In EUR mio



## Life

- **Hong Kong**, +19%, Strong growth of 50% in new business premiums, in both IFA & agency channels
- **China**, +74%, Extraordinarily successful sales campaign in bank channel pushed single premium sales up 218% on last year; growth in agency channel in line with expansion of number of agents
- **Malaysia**, +7%, New business premiums up 10% with significant increase in credit life production through third party banks
- **Thailand**, +36%, Benefiting from continued strong market growth. New business premiums up 41%; particular strong performance in bank channel.
- **India**, +12%, New business up almost 40% in the bank channel.

## Technical liabilities

- **Year-end technical liabilities:**
  - ✓ **Hong Kong** : EUR 1.9 bn, up 5%
  - ✓ **Including non-consolidated JVs @ 100%**: EUR 27.4 bn, up 12%
- **Average technical liabilities** growth in line with excellent sales performance over last 2 years

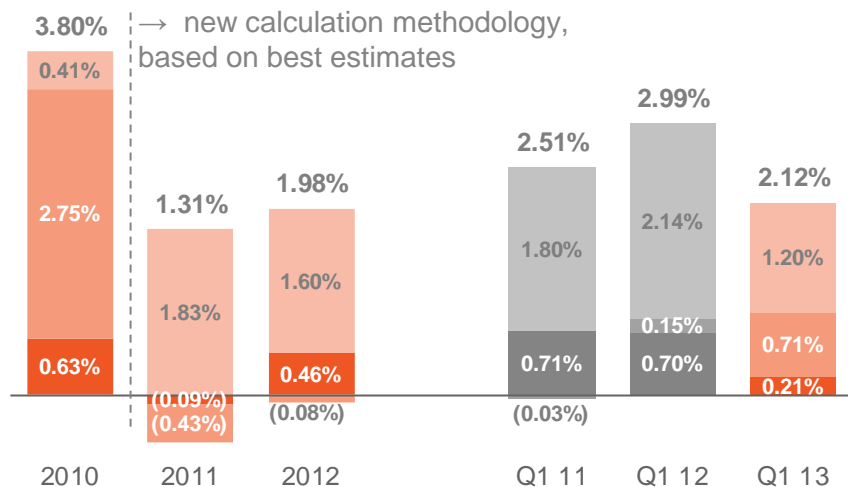
## Non-Life

- **Malaysia**, +11%, Across all lines of business, but particularly in Fire
- **Thailand**, +19%, Concentrated in Motor and PA business

# Hong Kong: Life operating margin

Positive margin evolutions offset by non-recurring positive result in previous years

## Total Life: all margins improving

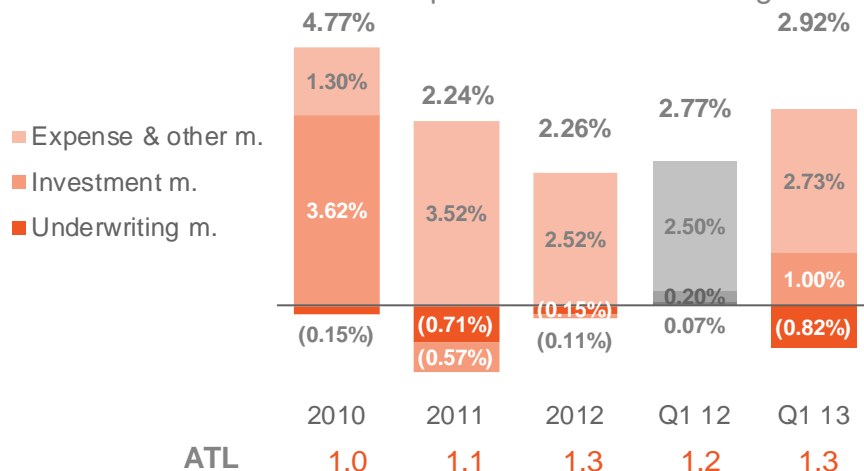


## Average technical liabilities in EUR bn

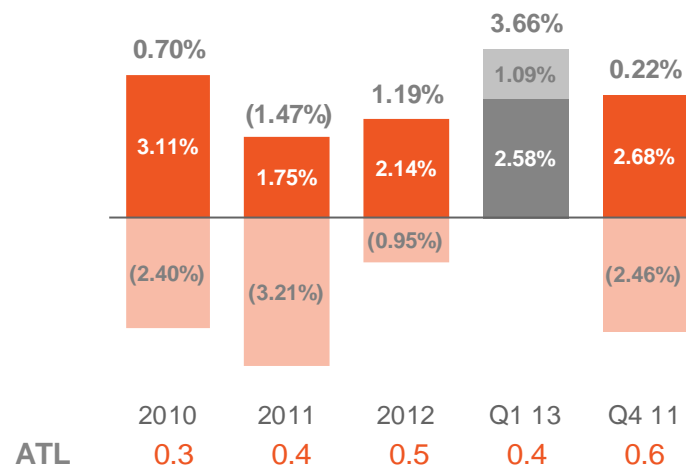
1.3    1.4    1.7    1.4    1.6    1.9

- **Operating margin** lower due to positive non-recurring adjustment in Unit-linked 3M 12
- **Underwriting margin** deteriorated due to drop in surrenders as result of low interest rate environment
- **Investment margin** improved as result of higher average allocation to corporate bonds & lower profit sharing levels
- **Expense & other margin** lower due to positive non-recurring adjustment in Unit-linked 3M 12. Excluding this adjustment, improvement as result of organic growth

## Guaranteed: improved investment margin



## Unit-linked: lower expense margin





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**Investment portfolio**

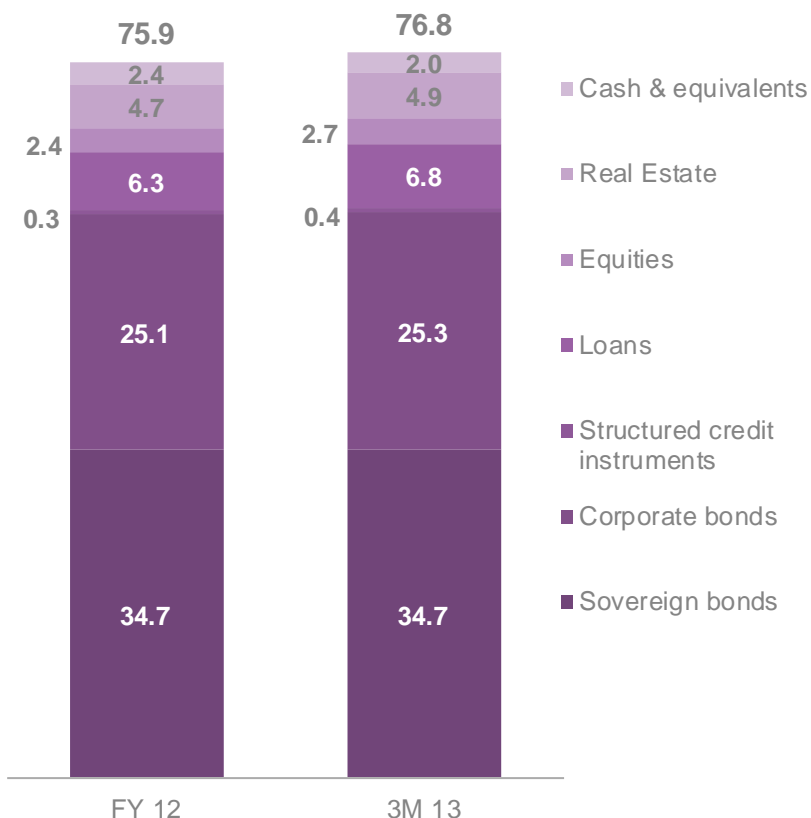
General Account

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# Investment portfolio as per 31 March 2013

## Increased allocation to loans; unrealized gains slightly down

In EUR bn



### Total portfolio

- Gross unrealized gains/losses slightly down to **EUR 6.4 bn** (EUR 6.7 in FY 12) ; exclusively down in fixed income
- Asset mix relatively stable, increased allocation to loans at the expense of cash & sovereigns
- **Infrastructure loans**: additional EUR 0.1 bn on balance sheet ; further commitments & outstanding bids for EUR 0.2 bn

### Fixed Income

- Gross unrealized gains/losses at **EUR 4.9 bn**; EUR 5.2 bn FY 12
  - ✓ Unrealized gain Sovereigns at EUR 3.1 bn
  - ✓ Unrealized gain Corporates at EUR 1.8 bn

### Equities

- Gross unrealized gains stable at **EUR 0.2 bn**

### Real Estate

- Gross unrealized gains stable at **EUR 1.3 bn**

\* All assets at fair value except the 'Held to Maturity' assets & loans which are valued at amortized costs

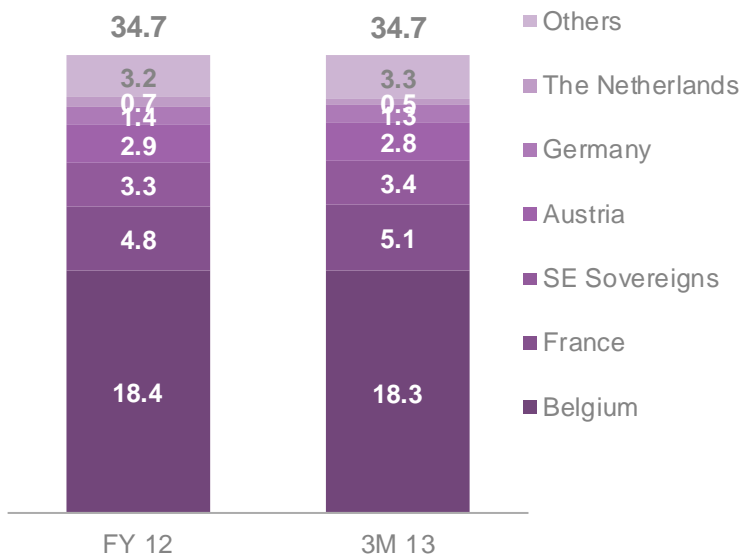
# Sovereign & Corporate bond portfolio as per 31 March 2013

## Stable sovereign bond portfolio & increased part of investment grade industrials



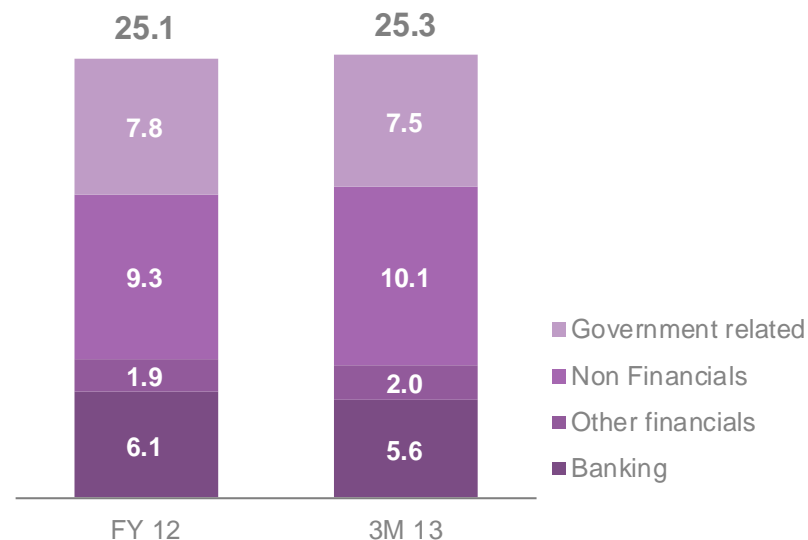
In EUR bn

### Sovereign bond portfolio\*



- Gross UG/L at **EUR 3.1 bn** (vs. EUR 3.3 bn)
- **96%** investment grade; 89% rated A or higher
- **Exposure** on SE sovereigns at amortized cost, after impairments & @ Ageas's part at **EUR 2.1 bn**; stable on FY 12
- **Maturity** sovereign bond portfolio unchanged & close to maturity liabilities

### Corporate bond portfolio\*



- Gross UG/L at **EUR 1.8 bn** (vs. EUR 1.9 mio)
- Priority to **investment grade industrials** has led to increased share in corporate bond portfolio of 40% (vs. 35% FY 12)
- **94%** investment grade; 75% rated A or higher

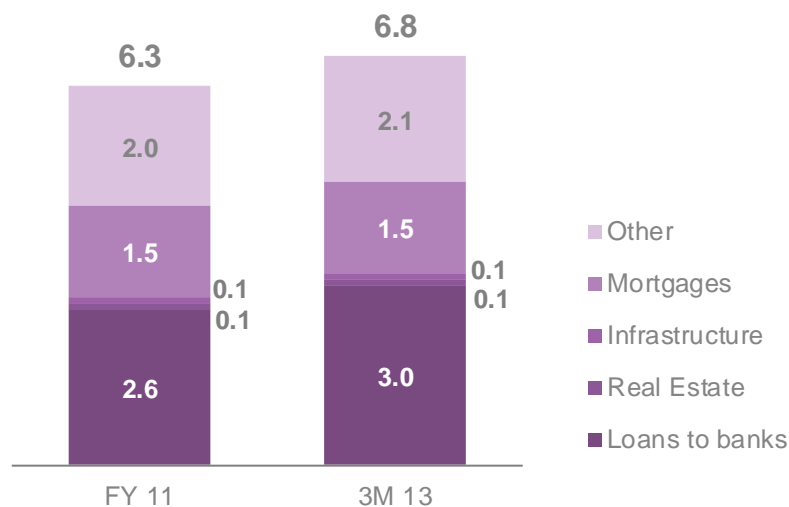
\* All assets at fair value except the 'Held to Maturity' assets & loans which are valued at amortized costs // \*\* At amortized costs & @ Ageas's part

# Loan & Equity portfolio as per 31 March 2013

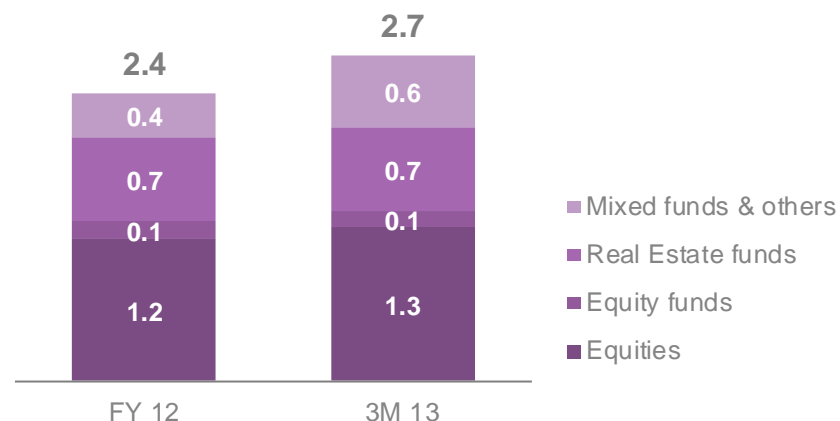
## Increased loans to banks

In EUR bn

### Loan portfolio (customers + banks)\*



### Equity portfolio\*



- Further increase in other: long term loans to regional agencies in Belgium benefiting from explicit guarantee by the region
- Loans to banks up via short term bank deposits
- **Infrastructure loans:** realization of 3<sup>rd</sup> project; since start of collaboration with Natixis: EUR 0.1 mio financed & EUR 0.2 bn further commitments

- Gross UG/L stable at **EUR 0.2 bn**

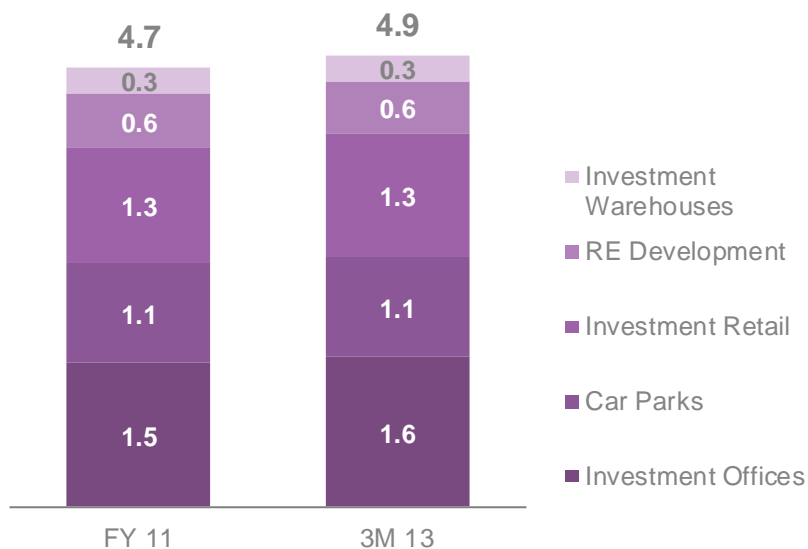
\* All assets at fair value except the 'Held to Maturity assets' & loans which are valued at amortized costs



# Real estate portfolio as per 31 March 2013

In EUR bn

## Real Estate portfolio\*



- Gross UG/L stable at **EUR 1.3 bn** (not reflected in net equity)
- Value increased mainly through investments in Offices & Retail
- Real Estate exposure mainly in Belgium (+/- 70%)

\* At fair value







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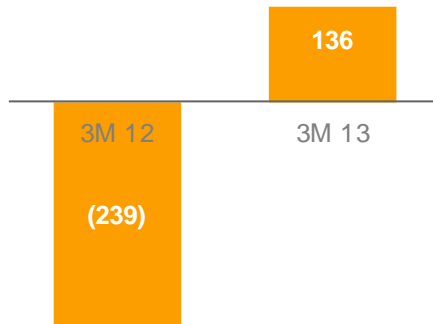
General Information

# General Account: Headlines

Result driven by transaction RPI & Call option, Net cash expected to increase by EUR 1.0 bn

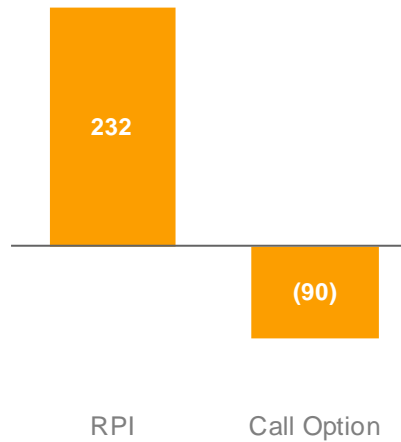
## Net result\*

In EUR mio



## P&L impact recent transaction

In EUR mio



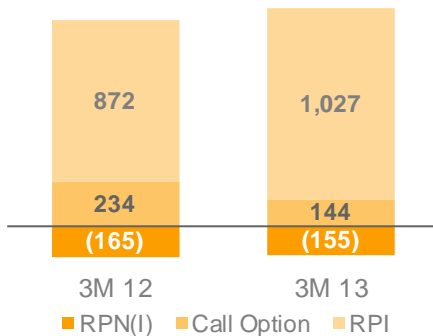
## Proposal distribution additional

**EUR 1.0** through **capital reduction**

- No withholding **tax**
- **Creditor protection** regime  
→ 2 month recourse period
- **Extraordinary Shareholders' Meeting** 19 September 2013 for approval

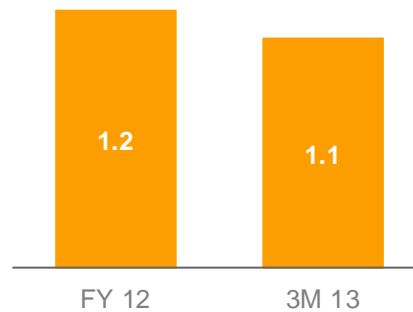
## Main elements balance sheet

In EUR mio



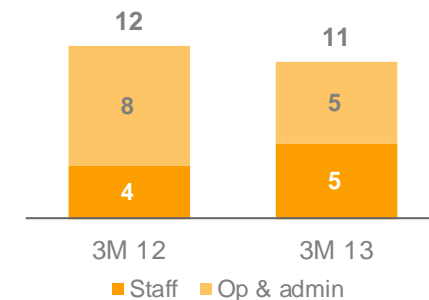
## Net cash position: cash flow on transactions later in 2013

In EUR bn



## Staff, Operating & administrative costs

In EUR mio



# Ageas announces further steps in solving legacy issues

## Agreements re Royal Park Investments & Call option on BNP Paribas shares

- **RPI disposes** of almost all of its assets to Lone Star & Crédit Suisse
  - ✓ Remaining activity: management of **litigations** initiated on a number of US assets
- Ageas agrees with Belgian State on **sale of BNP P call option**



Ageas's Board of Directors decides to distribute a gross amount of **EUR 1.00 per share**

- ✓ Proceeds BNP call option \* + **additional amount**

\* In line with agreement with European commission (2009)

\*\* Subject to settlement of any creditor's claim

### P&L impact of **EUR 142 mio in Q1 13**

- **RPI** EUR 520 mio @ 100% → **EUR 232 mio** @ Ageas part
  - ✓ + EUR 50 mio net BGAAP result RPI
  - ✓ + EUR 409 mio revaluation portfolio
  - ✓ + EUR 173 mio hedge reserve release
  - ✓ - EUR 113 mio write off DTA
- **BNP Call Option EUR (90) mio**
  - ✓ EUR 144 mio paid vs. EUR 234 mio value FY 12

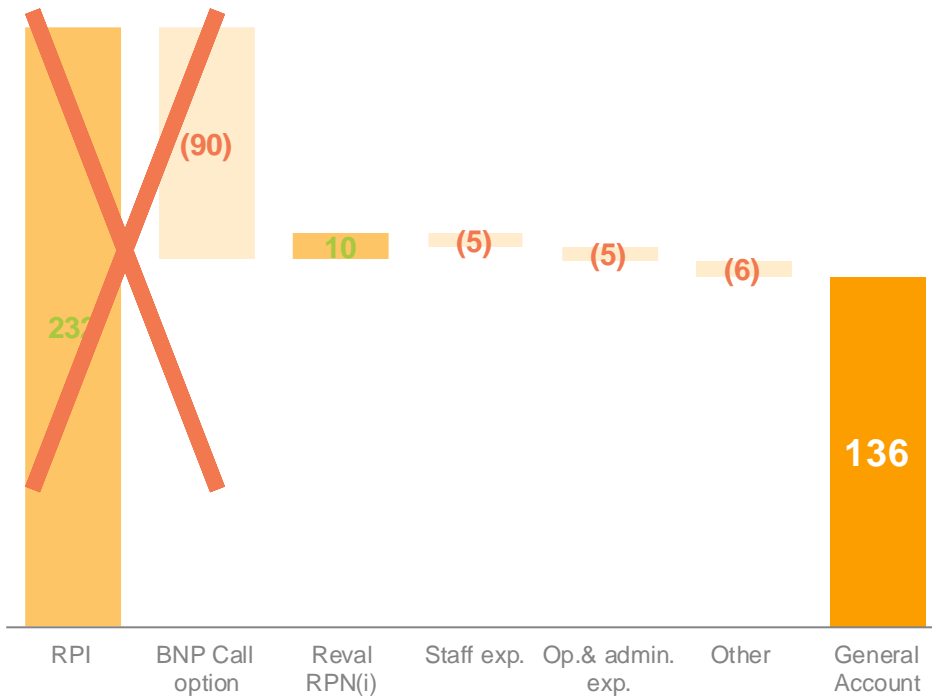
### Proposal distribution additional **EUR 1.0 through capital reduction**

- **No withholding tax**
- Settlement of any **creditor's claim** → 2 month recourse period
- **Planning:**
  - ✓ **19 September** Extraordinary Shareholders' Meeting
  - ✓ **21 September** ex-dividend date
  - ✓ **20 November payment date**\*\*

# General Account: components of Net result

## After agreements in 2012; further simplification of legacy issues

In EUR mio



**X** = solved legacy issues



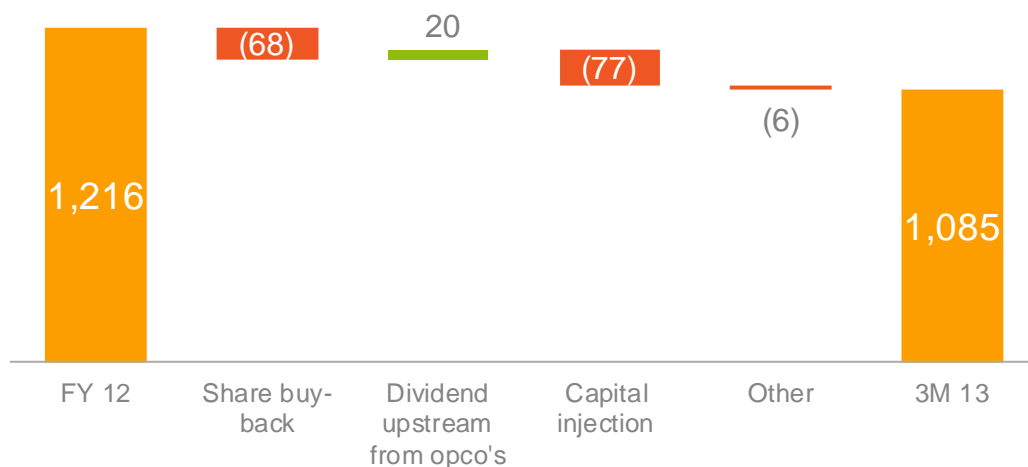
# Net cash position General Account at EUR 1.1 bn

Slightly down on buy-back & capital increase China, EUR 1 bn to be received



<i>in EUR mio</i>	FY 12	3M 13
Cash and cash equivalents	402	245
Due from banks	1,000	1,000
Debt certificates (EMTN)	(187)	(160)
<b>Net cash position</b>	<b>1,216</b>	<b>1,085</b>

- cash inflow on transactions **RPI & BNP Call option**
- ✓ expected increase of EUR 1bn after closing sale of RPI-assets, BNP call option & distribution of EUR 1 per share
- ✓ impact during following quarters 2013





# Net cash equally spent over 3 alternative uses

Balanced use of cash since 2009

## Invest in Businesses

- Organic growth
- Selective acquisitions
- Create new partnerships

## Return to shareholders

- Dividend payment
- Share buy-back

## Return to debtholders

- Redemption of Debt (EMTN)

May 2009 – May 2013:

### **+/- EUR 1.0 bn**

- +/- EUR 600 mio UK (Tesco, KFIS, Castle Cover, Groupama)
- +/- EUR 200 mio CEU (Italy, Turkey)
- +/- EUR 200 mio Asia (India, HK, China)

### **+/- EUR 1.3 bn**

- +/- EUR 900 mio cash dividend over 2009, '10, '11 & 2012
- EUR 450 mio share buy-backs finalized early 2012 & 2013

### **+/- EUR 0.8 bn**

- redemption in EMTN programme

### **+/- EUR 0.2 bn**

- EUR 1.0 proceeds of BNP Call Option & RPI

# Legal proceedings at 31 March 2013

## Managed in interest of shareholders



### Administrative proceedings

- AFM fine imposed 05/02/10 re price sensitive info June 08
- AFM 2nd fine imposed 19/08/10 re price sensitive information Sep 07
- FSMA re communication in Q2 2008
- Appeal filed against both before The Hague “College van Beroep voor het bedrijfsleven”; proceedings ongoing
- Decision expected H1 2013
- Public prosecutor requests referral of 7 individuals

### Criminal procedure

### Enterprise Court (Ondernemingskamer)

- At request of VEB re 2007-2008
- Report June 10; Judgment 05/04/12 re mismanagement, mainly in favour plaintiffs. Appeal before Supreme Court

### Civil Lawsuits

- Amsterdam - VEB re alleged miscommunication 2007-08 against Ageas, former directors/executives & banks
- Amsterdam - Stichting FortisEffect, re sale of Dutch activities against Dutch State & Ageas
- Utrecht - Stichting Investor Claims Against Fortis re alleged miscommunication 2007-08 against Ageas & 2 financial institutions
- Utrecht - 2<sup>nd</sup> case by Stichting on behalf of certain shareholders for damages from same defendants & certain former directors/executives
- Arnhem - Mr.Bos, re alleged miscommunication May June 2008
- Proceedings ongoing
- Judgement in favour of Ageas; appeal filed by Stichting FortisEffect before Court of Appeal
- Proceedings ongoing
- Proceedings initiated in August 2012 ; at present unclear whether both actions will be joined
- Appeal filed before Arnhem Court of Appeal
- Brussels - Modrikamen, re Sep/Oct 2008 transactions
- Court of Appeal confirmed no competence on Dutch defendants / Pleadings on the merits scheduled H1 2014
- Brussels - Deminor, re alleged miscommunication 2007 - 08
- Proceedings ongoing
- Brussels - Fortis shareholder re 2007 rights issue
- Proceedings ongoing
- Brussels – Arnauts, re alleged miscommunication 2007 - 08
- Initiated 29 April 2013

### Financial instruments

- Brussels Court of Appeal - MCS-holders contesting validity of conversion
- Judgment Brussels court 23/03/12 in favour of Ageas; Appeal by certain MCS-holders; no judgment before 2015

# Changes in hybrid debt composition

Succesful debt placement for total amount of USD 800 mio in March-April 13

## Succesful placement hybrid debt by AG Insurance

- Subordinated Perpetual Note of **USD 550 mio**
- end March 2013
- **6.75%** rate, payable semi-annually, reset in year 6
- Key institutional investors & global private banks in Asia & Europe → **mix** of stable, long-term support & on-going retail buying interest
- **Proceeds** used to redeem Nitch II on loan & EUR 163.6 mio nominal of Hybrone on-loan
- **EUR 7 mio** capital gains tender offer Hybrone on-loan

## Succesfull placement hybrid debt by HK-entity

- 10-year senior debt of **USD 250 mio**
- Early April 2013
- **4.215%** rate
- Key institutional investors & global private banks in Asia & Europe → **mix** of stable, long-term support & on-going retail buying interest
- **Proceeds** used for refinancing & general corporate purposes

- AHF received call notice on NITSH II on-loans from AG Insurance & BNP P Fortis of on-loan  
→ **Call NITSH II** securities at first call date (4 June)
- Early redemption by AG Insurance of EUR 163.6 mio Hybrone on-loan  
→ All **tendered Hybrone** securities **accepted** (33% of total outstanding)

→ **Reduced credit exposure**

→ **Guarantees** granted on AHF hybrid debt **reduce significantly**: lower financing costs, increased transparency, new capital likely to be more Solvency II compliant



# Main characteristics Hybrids at 31 March 2013



Hybrone partly tendered securities & NITSH II to be called at first call date

EUR mio	Ageas Ageasfinlux Fresh		Ageas Hybrid Financing Hybrone	Ageas Hybrid Financing Nitsh I	Ageas Hybrid Financing Nitsh II	Fortis Bank (now BNP Paribas) Direct issue FBB, 2004	CASHES*
%	3m EUR + 135 bp		5.125%	8.25%	8%	4.625%	3m EUR +200 bp
Amount outstanding	1,250	PR 21/03/13: all tendered securities accepted	<del>500</del> 336.4	USD 750	<del>625</del>	1,000	1,110
ISIN	XS0147484074		XS0257650019	XS0346793713	PR 21/03/13: call & redemption announced	XS0119806116	BE0933899800
Call date	Undated exchange strike 315.0 mandatory 472.5		Jun/2016 Step up to 3M Euribor +200	Aug/2013 No step up		Oct/2014 step up to 3M Euribor+170	Undated exchange strike 239.4 mandatory 359.1
ACSM	YES		YES	YES	YES	YES	YES
Dividend pusher	YES		YES	YES	YES	YES	NO
Dividend stopper	NO		YES	YES	YES	YES	YES
Trigger	< 0.5% dividend trigger		Liabilities > asset	Liabilities > asset	Liabilities > asset	<8% CAD	<0.5% Dividend
Other			500 on lent to AG Insurance	USD 750 on lent to FBB	250 on lent to AG Insurance; 375 on lent to FBB	No stock settlement feature	Coupon served by FBB, trigger ACSM linked to Ageas dividend
Market Price (31/03/13)	46.7		90.6	101.5	100.9	93.9	54.35

\* On 31 January 2012 BNPP announced that 63% of the holders have tendered CASHES for purchase by BNPP @ purchase price of 47.5% of the principal amount of the CASHES.



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# Summary of resolutions AGM April 2013A

## 2012 gross dividend of EUR 1.2 per share approved at AGM

- Shareholders have **approved all** submitted subjects.
- **Cancellation of shares** bought back during program announced on 6 August 2012 up to and including 15 February 2013
- **Payment** of a gross cash **dividend** of EUR 1.20 per Ageas share
  - ✓ Payment date 6 May 2013



# Total number of outstanding shares

Bought back shares cancelled following approval AGM April 2013



	situation 31/12/2011	situation 31/12/2012	situation 15/05/2013
<b>Total Issued Shares</b>	<b>2,623,380,817</b>	<b>243,121,272</b>	<b>233,955,818</b>
Shares not entitled to dividend and voting right	340,160,729	15,669,850	9,083,113
		<b>Cancellation bought back shares</b>	<b>Cancellation bought back shares</b>
1. TREASURY SHARES			
Share buy-back	175,163,656	→ 7,056,442	→ 469,705
FRESH	39,682,540	3,968,254	3,968,254
Other treasury shares	1,250	1,250	1,250
		<b>Agreement with BNP in February</b>	
2. CASHES	125,313,283	→ 4,643,904	4,643,904
Shares entitled to dividend and voting rights	2,283,220,088	227,451,422	224,872,705

Total Issued Shares diminished with the 9,635,159 shares acquired through the Buy-back programme up to 15 February 2013 & cancellation granted at the shareholders' meetings.

Following the **reverse stock split** the number of shares at 31/12/2011 has been divided by 10, effective as at 7 August 2012.

# Financial calendar 2013

Extraordinary shareholders' meeting in September re EUR 1 distribution



\* Subject to settlement of any creditor's claim

# Rating



		S&P	MOODY'S	FITCH
Operating entities	<b>AG Insurance (Belgium)</b>			
	Insurance Financial Strength	A- / stable	A2 / negative	A+ / stable
	Last change	29/11/12	26/07/12	14/12/12
	<b>Millenniumbcp Ageas (Portugal)</b>			
	Insurance Financial Strength	BB / negative		BBB- / negative
	Last change	17/01/12		25/11/11
	<b>Ageas Insurance Co. (Asia)</b>			
	Insurance Financial Strength		<b>Baa1 / stable</b>	A- / stable
	Last change		<b>16/01/13</b>	05/01/12
	<b>Muang Thai Life</b>			
	Insurance Financial Strength	BBB+ / stable		BBB+ / stable
	Last change	29/12/10		16/12/10
	<b>Etiqa Insurance Berhad (Malaysia)</b>			
	Insurance Financial Strength			A / stable
	Last change			26/09/11
Holdings	<b>ageas SA/NV</b>			
	Long-term	BBB- / A-3	Baa3 / P-3 *	BBB+ / F2
	Outlook	stable	negative	stable
	Last change	29/11/12	26/07/12	14/12/12

# Save The Date !

ageas®

## Investor's Update

On  
Vision  
2015

18  
September  
2013

After market closes

Andaz

London



# Disclaimer

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.





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