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Investors Update 2013

Introduction

The ROE performance in a broader context

Path towards an 11% ROE in 2015

Net Cash allocation priorities

Selected Finance topic

Closing remarks

What did we conclude at last year's Investor Day?
The way forward to 2015

Conclusion Ageas Investor Day 2012

"Our project to **reshape Ageas** started in 2009

In **2012**, the work is not finished but **foundations** are **strong** to unlock the full potential of Ageas by **2015**

➔ Clear **strategic** choices
& Financial **targets**

➔ **People** make the difference

➔ Organization built on **local empowerment**
& **knowledge transfer**

➔ Enhanced **financial communication**"

Conclusion Ageas's Investor Day 2012

It's all about ….

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6 Values

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

5 Choices

- FOCUS ON INSURANCE
- PARTNERSHIPS
- EUROPE & ASIA
- MULTI-CHANNEL DISTRIBUTION
- WELL BALANCED PORTFOLIO LIFE & NON-LIFE

4 Targets

- COMBINED RATIO <100%
- >11% ROE RETURN ON EQUITY
- >25% OF CAPITAL IN EMERGING MARKETS
- 60% LIFE 40% NON-LIFE

Challenges & opportunities in Insurance sector

Largely unchanged since 2012

Economic environment

- Continued low i-rate environment
- Spread sovereigns & corporates
- Big impact monetary authorities on financial markets
- Forex volatility
- Low Economic growth

Customers

- More demanding & better informed
- Risk aversity: strong preference guaranteed products
- Local influence important
- Use multiple channels at each step of the process

Distribution

- Position of banks: need to improve capital ratios & adjust funding structure
- Change in distribution trends – aggregators, direct

Regulation

- Solvency II
- Basel III
- Distribution & transparency (e.g. MIFID)
- More rigid regulatory environment
- Tax treatment of products

Some milestones for Ageas over the past few years

Growing our Business

streamlining & selective strengthening insurance

acquisition Kwik Fit Insurance Services in UK Non-Life

entrance in Non-Life Italy

from scratch in 2000 to n°5* foreign insurer in 2012 in Asia (excl. Japan)

leading market positions in:
Takaful (Islamic Insurance - Malaysia)
Health Insurance (Médis – Portugal)

capital increase to support growth Taiping Life (China)

partnership with Aksigorta in Turkey Non-Life

acquisition Groupama UK ➔ n°3 position in UK Private Motor

inflows: EUR 15.8 bn in 2009 ➔ EUR 21.3 bn in 2012
net profit Insurance: EUR 456 mio in 2009 ➔ EUR 624 mio in 2012

appointment COO to support business development & realization Vision 2015

* Based on 100% premium levels

Some milestones for Ageas over the past few years

Solving legacies

legal simplification & reverse stock split in 2012

agreement BNP Paribas on Tier 1 financial instrument & CASHES / RPN(i) in 2012

deal Dutch State & ABN AMRO settling all related outstanding legal disputes in 2012

call/tender financial instruments – Hybrone, Nitsh I, Nitsh II in 2013

deal on RPI & BNP call option in 2013

various judgments received - legal legacies managed in interest of shareholders

Some milestones for Ageas over the past few years

Financial achievements

share price strongly outperforming the market
market cap: ≈ EUR 2 bn at start 2009
➔ > EUR 7 bn

changing shareholdership towards long term shareholders

recurrent cash dividend despite turbulent market conditions
EUR 0.80 per share in 2009
➔ EUR 1.20 in 2012

2 completed share buy backs (EUR 450 mio)
3rd buy-back of EUR 200 mio ongoing

successful debt issue for AICA & AG Insurance in 2013

Solvency Insurance consistently >200%

capital reduction of EUR 1.00 per share approved – pay out in December 2013

strong cash buffer > EUR 2 bn

Some milestones for Ageas over the past few years

Appreciation from the outside world

continued improved financials disclosures since 2009

extensive coverage

>20 sell-side analysts

26 awards in 2012 including

Award Best Financial Information in Belgium

high reputation among brokers in UK & BE outperforming industry & competitors standards

recognized consumer brand awareness HK

successful 3rd Partnership days in June 2013

retail investor brand awareness BE

Realizations after Investor Day 2012

Since 2012

Calculation based on Inflows @ Ageas's part

FY 12 at 67/33

6M 13 at 67/33

Calculation based on Non-Life Net Underwriting result in % Net earned premiums

FY 12 at 99.1%

6M 13 at 97.8%

Equity of Turkey, China, Malaysia, Thailand & India as % Insurance equity

FY 12 at 12.1%

6M 13 at 14.8%

Insurance result in % average Insurance equity (Beginning of period + End of period)/2

FY 12 at 8.7%

6M 13 at 8.4%

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A closer look at our targets

Towards a better profitability & a more balanced business profile

Overall target for Insurance - other targets
supportive for sustainable ROE

Continued improvement
➔ results in better Non-Life ROE
➔ serves overall ROE target

Increased diversification

Lower dependency of investment income

More balanced profit mix

Fast growing emerging markets already achieve ROE > 11%
➔ further shift serves overall ROE target
➔ enhances the long term growth profile of the group

A closer look at our targets

Shifting towards Non-Life positive for overall ROE target

ROE Non–Life + Other above 11%

6M 13 (in EUR mio)	Total	Life	Non-Life +Other
Avg insurance equity	7,818	6,040	1,777
Net profit	329	201	128
ROE	8.4%	6.7%	14.4%

Non-Life + Other	6M 12		6M 13
Combined ratio	98.3%	→	97.8%
Net profit	97		128
ROE	13.0%	→	14.4%

- ROE Non-Life + Other already well above 11% - ahead of target
- Growing contribution from non-consolidated activities not reflected in reported Combined Ratio
- Strategic choice to invest in Non-Life justified by its performance

A closer look at our targets

Shifting towards emerging markets positive for overall ROE target

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>25% OF CAPITAL IN EMERGING MARKETS

Overall ROE < 11% - ROE emerging markets > 11%

6M 13 (in EUR mio)	Total	Belgium	UK	CEU	Asia
Avg insurance equity	7,818	3,695	1,102	1,189	1,831
Net profit	329	160	58	46	66
ROE	8.4%	8.6%	10.5%	7.7%	7.2%

Emerging markets	6M 12	6M 13
Avg insurance equity	964	1,054
Net profit *	67	76
ROE	13.9%	14.5%

- Emerging markets = Turkey, China, Thailand, India & Malaysia
- Solid & increasing contribution from emerging markets to Ageas's net profit & ROE

*excluding regional costs

A closer look to Ageas' overall ROE target

Definition and interpretation

	FY 12	6M 13
ROE (on avg. insurance equity incl. UG/L)	8.7%	8.4%
ROE (on avg. insurance equity excl. UG/L)	10.5%	10.4%

Dynamics

- A-symmetric valuation assets & liabilities ➔ substantial inflation insurance equity in periods of decreasing yields
- Changes in yields can have material impact on insurance equity & ROE:
  - ✓ bond yields +1.0% ➔ shareholders' equity down ≈ EUR 1.2 bn
  - ✓ sensitivity not linear due to changing impact shadow accounting
- Stable yield ➔ unrealized gains on bonds reduce over time due to pull to par

Conclusion

- Insurance ROE target **> 11% reconfirmed** - based on shareholders' equity including Unrealized Gain/Losses (UG/L) & respecting 200% solvency ratio target
- Ageas will also report Adjusted ROE excluding Unrealized Capital Gain/Losses

Sensitivity unrealized gains on bonds on shareholders' equity

Changes in yields & spreads result in volatility in shareholders' equity

AFS Bond portfolio at 6M 13

	Market value	Book Value	Unrealized gain	Duration
Government bonds	29.3 bn	27.0 bn	2.3 bn	8.1
Corporate bonds	24.8 bn	23.5 bn	1.3 bn	4.3
Total	54.1 bn	50.5 bn	3.6 bn	6.3

- market value ≈ book value if yields or spreads increase
  - ✓ 1.0% for government bonds
  - ✓ 1.2% for corporate bonds
  - ✓ 1.0% for total bond portfolio
- A 1.0% increase in bond yields would eliminate unrealized gains on fixed income

  ➔ ROE including or excluding UG/L would converge

A closer look at our ROE target

How to meet the challenge?

FY 12	Challenge
8.7%	**2.3%**

Calculation:

Insurance result EUR 624 mio /

Average insurance equity EUR 7.1 bn (FY12 – FY11)

Improvements needed:

At constant average insurance equity:

EUR 155-160 mio more profit

or

At constant insurance result:

EUR 1.4 bn less average insurance equity

or

a mixed scenario

How to reach Vision 2015 targets

The **path** towards realizing

the **Vision 2015 targets**

Focuses on:

1. ROE **numerator** : net profit
2. ROE **denominator** : insurance equity

Through:

1. Improving overall profitability
2. Gradually changing the company's profile

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ROE performance in a broader context

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How to work on ROE numerator & denominator

Various levers available to realize objectives

Numerator

Improve net profit levels

1. Improve profitability consolidated Life activities through better operating margin
2. Improve profitability consolidated Non-Life activities through better combined ratio
3. Work on overall business mix with focus on higher ROE activities & product lines
4. Gradually change the company profile by increasing profits from fast growing emerging market activities

Denominator

Active capital management

1.Improve profitability through better Life operating margin

Operating margin Guaranteed products major markets to 85-90bps

Technical liabilities	1,000	
Operating margin	**81 bps**	**90 bps**
Investment return	3%	
Required equity	70	
based on 200% solvency ratio*		
P&L		
Operating result	8	
Interest on required equity	2	
Net profit	7	
ROE	**10%**	**10.9%**

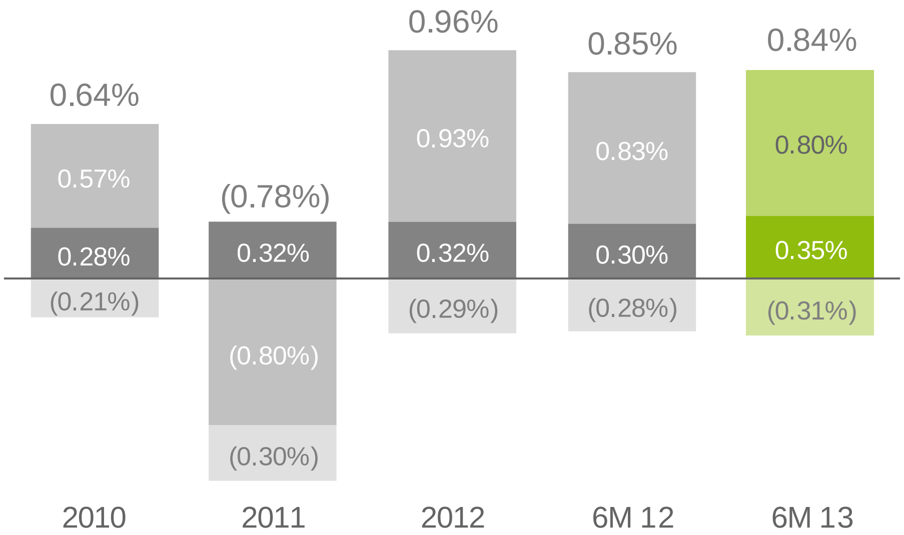
Action plan

- Maintain or further improve operating margin on Guaranteed products in major markets towards operating margin 85 - 90 bps

* & taking into account current level of leverage: around 10% of equity

1.Improve profitability through better Life operating margin

Case Belgium: Importance of investment margin for Guaranteed products



main impact on operating margin from investment margin

underwriting margin
expense margin
offsetting

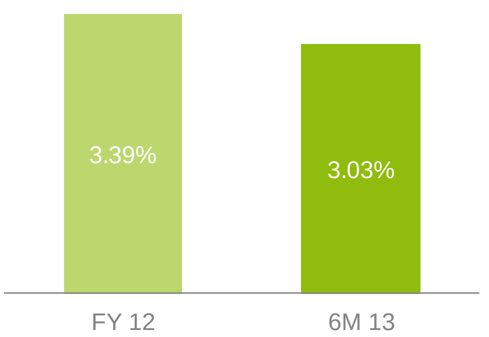
- Investment margin =
  - ✓ investment income incl. cap gains : challenging continued low interest environment
  - ✓ technical interest = offered guarantees
  - ✓ profit sharing = discretionary
- Improve operating margin by primarily focusing on investment margin:
  - ✓ investment income : increase yield
  - ✓ manage guarantees & profit sharing in accordance with market environment

1.Improve profitability through better Life operating margin

Case Belgium: Investment income – Change asset mix to increase new money yield

- New money **yield down** 36bps at 6M 13 (vs. FY 12)
- To invert the trend, economic **asset mix** needs to evolve towards:
  - less cash
  - less sovereigns
  - more credits & (infrastructure) loans
- Thanks to diversification to corporate bonds & loans, investment yield **resilient** to general decrease of market yield

Annualized new money yield fixed income - Life



- Increase asset **duration** to match liability duration

Total balance sheet	FY 11	FY 12	6M 13
Assets	5.7	6.4	6.2
Liabilities	7.2	7.1	6.9
Gap	(1.0)	(0.1)	**(0.1)**

Duration gap (based on fixed income) = (FV assets x Duration assets – FV liabilities x Duration liabilities) / FV Assets

Economic Asset Mix

	FY 12	6M 13
Cash & cash equivalents	2%	1%
Sovereign exposure	64%	62%
Credit exposure	20%	21%
Loans (incl. mortgage loans)	3%	4%
Equities	2%	2%
Real Estate	9%	10%
Alternative investments	0%	0%

1.Improve profitability through better Life operating margin

Case Belgium: Manage guarantees in accordance with market environment

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Gradual lowering Savings interest guarantees

- 2012: 5 consecutive decreases of 25 bps : 2.75% ➔ 1.50% following market interest rate

➔ spread OLO return & guarantees again above average of new business 2011- 6M 13 (104 bps)

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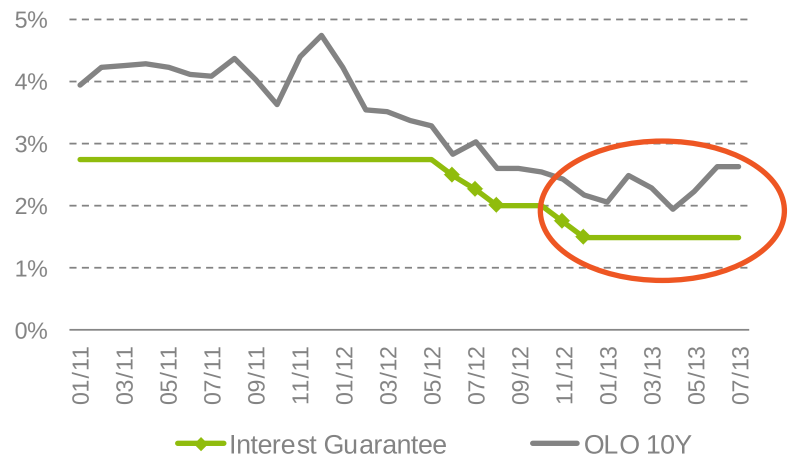
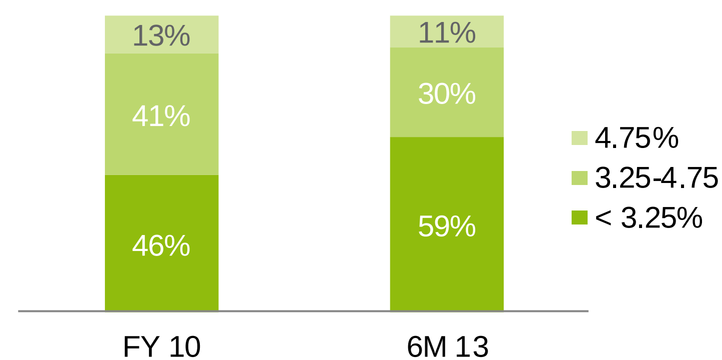
- Bringing average guarantees total Life liabilities down from 2.97% at FY 10 to 2.83% at 6M 13

- Average guarantees will further go down thanks to new contracts at lower guarantees

Interest Guarantees vs. yield OLO 10 years



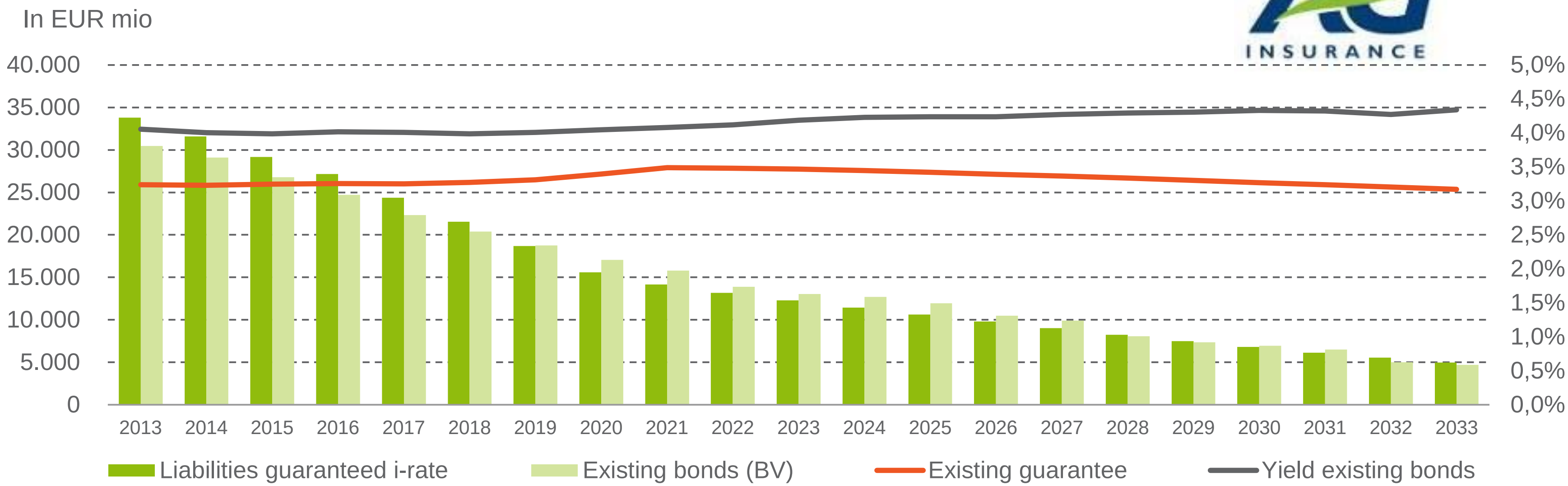
Technical liabilities mix



1.Improve profitability through better Life operating margin

Case Belgium: Evolution investment margin current portfolio secured

Life main account run off existing portfolio as at 30 June 2013

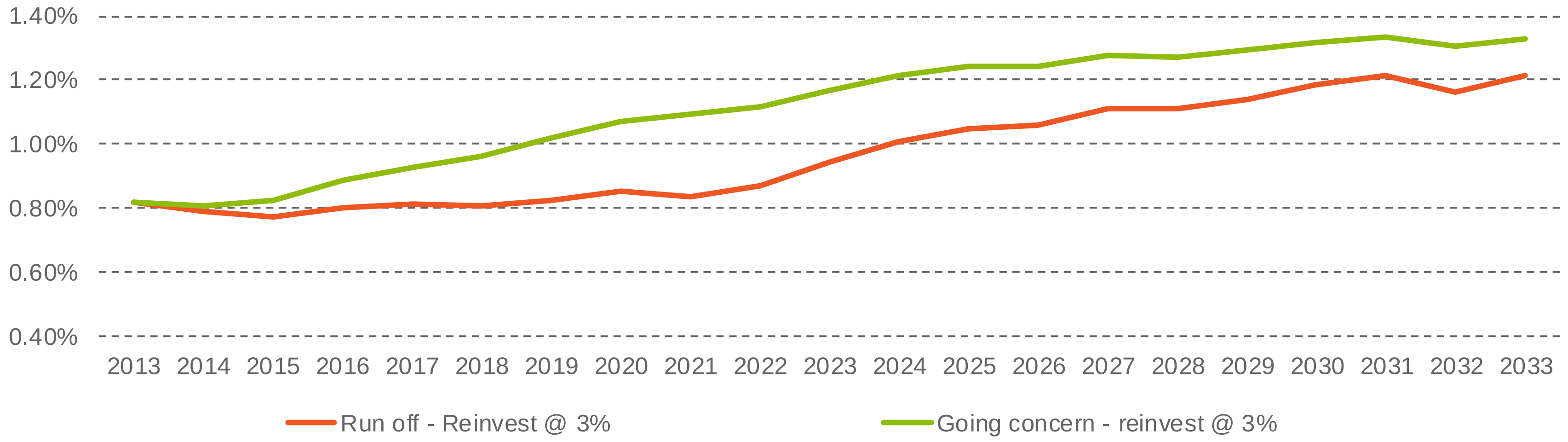


- Liabilities & fixed income portfolio follow similar run off pattern & almost unchanged vs. last year
- 60 - 100 bps gross investment margin between yield fixed income portfolio & guaranteed i-rate. Return on equities & real estate may offer additional margin opportunities
- Guarantees above 4% benefit from extra coverage, representing additional margin on total provisions
- Part of margin returned as discretionary profit sharing
- Protection in case of rising yields on liabilities (Market Value Adjustment clause)

1.Improve profitability through better Life operating margin

Case Belgium: Investment margin enhancement potential

Life main account projection of portfolio evolution based on 30 June 2013 portfolio



- Current portfolio including expected future premiums on existing contracts with guarantees < avg. portfolio guarantee, fixed at payment date, re-invested @ 3%

  ➔ gross investment margin up to 80-110 bps

- Scenario including new business with guarantee < avg. portfolio guarantee, re-invested @ 3%

  ➔ gross investment margin above 100 bps

1.Improve profitability through better Life operating margin

Case Belgium - Conclusions

- I-guarantees gradually reduced in prudent & pro-active way across businesses

- Asset mix & ALM profile managed carefully in view of revenue enhancement & interest rate risk reduction.

  Liabilities @ 4.75% guarantee only represent 11% of Life portfolio & benefit from additional provisions

- Strong asset management expertise to deliver solid investment returns & maintain a stable potential on future capital gains

- Leadership position on Belgian market maintained

  Market share Technical Life liabilities: n° 1 @ 27.9% in 2010 → n° 1 @ 27.4% in 6M 13

2.Improve profitability through better Non-Life combined ratio

Implies continued improvement operating performance/combined ratio

Net earned premium	1,000	
Combined ratio	**98%**	**97%**
Investment income	3%	
Required equity	300	
based on 200% solvency ratio*		
P&L		
Operating result	57	
Interest on required equity	8	
Net profit	46	
ROE	**15%**	**18%**

Action plan

- Improve or consolidate operational performance aiming for an overall combined ratio of 97% in current investment rate environment
- Grow volumes in higher ROE Non-Life countries or segments

* & taking into account current level of leverage: around 10% of equity

2.Improve profitability through better Non-Life combined ratio

Case UK: Impact market developments

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Market trend:

Motor Rates continue to fall

Average quoted comprehensive motor insurance premiums have fallen by 15% 6M 13 vs. 6M 12, with average premiums reducing for 6th consecutive quarter

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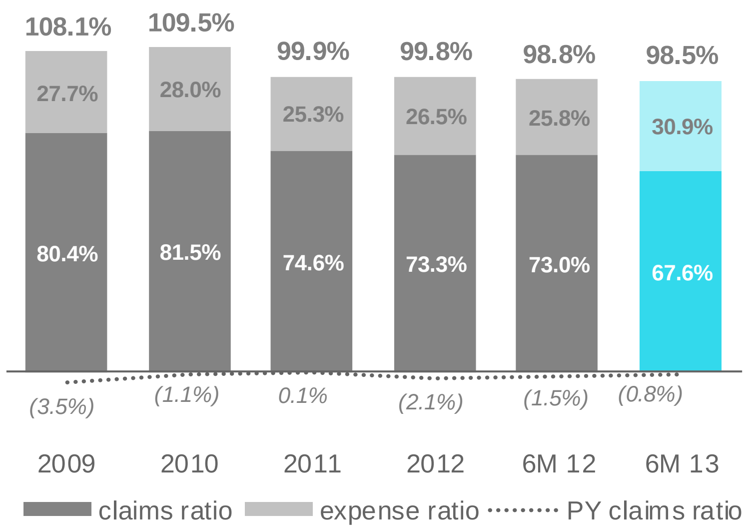
Combined ratio Ageas UK Non-Life



Response

- Focus on sustainable & profitable returns will result in lower growing premiums
- Maintain pricing discipline supported by introduction of dynamic pricing, increased access to risk data & enhanced anti-fraud measures
- Combination of Ageas Insurance & Groupama provides stronger market offering with ability to generate economies of scale
- Investment in Telematics creates controlled expansion in new customer segments

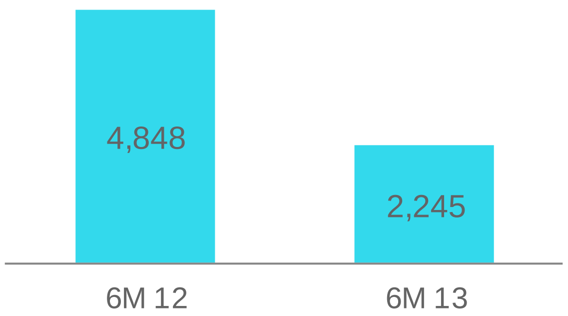
2.Improve profitability through better Non-Life combined ratio

Case UK: Impact regulatory developments

Legal Aid, Sentencing & Punishment of Offenders Act 2012 (LASPO) April '13

- Referral fees banned
- Significant reduction in fees recoverable by lawyers (from GBP 1,200 to GBP 500)
- Further consultation on number & cost of PI claims arising from motor accidents, particularly whiplash

Referral fees Ageas UK Non-Life
GBP (000) - not included in combined ratio



Response

- Ageas UK fully compliant with LASPO & supportive of reduction in legal fees
- Services offered to customers further enhanced with launch Ageas Law ➔ better joined up service combined with revenue stream
- Referral fee ban impacted Retail income - wider benefit from overall claims cost reduction
- Ageas UK fully supports consultation linked to whiplash claims to reduce impact on claims costs

3. Improve overall business mix with focus on high ROE product lines

Lower capital requirements Unit-Linked products can generate higher returns

Guaranteed:	
Technical liabilities	1,000
Operating margin	**81 bps**
Investment return	3%
Required equity	70
based on 200% solvency ratio*	
P&L	
Operating result	8
Interest on required equity	2
Net profit	7
ROE	**10%**

Unit-Linked:	
Technical liabilities	1,000
Operating margin	**40 bps**
Investment return	3%
Required equity	17
based on 200% solvency ratio*	
P&L	
Operating result	4
Interest on required equity	0.4
Net profit	3
ROE	**18%**

Action plan

- Grow towards Unit-Linked & Life risk related products
- Maintain or further improve operating margin on Unit-Linked products towards operating margin 40 - 45 bps

* & taking into account current level of leverage: around 10% of equity

3. Improve overall business mix with focus on high ROE product lines

Case Portugal: Towards Unit-linked products & Life risk related products

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Market trend:
Economic pressure on Life insurance

Strong austerity measures hitting the Portuguese economy (2012: (3.2%); forecast 2013 (2.6%))

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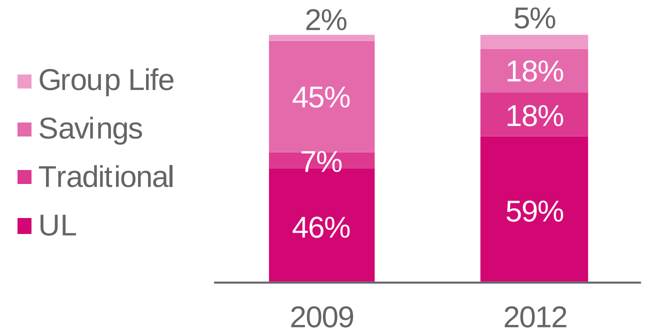
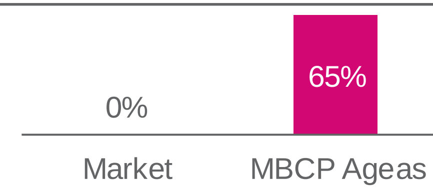
Response

- Reshaping product portfolio towards more UL
- Increasing market share
- Efforts continue over 2013

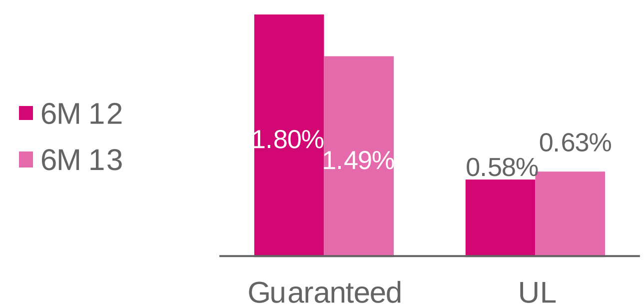
Product mix Life 2009-2012



Growth UL 6M13-6M12



Operating margin 6M13-6M12



3. Improve overall business mix with focus on high ROE product lines

Lower capital requirements Health & Fire can generate higher returns

	Motor:	Fire:	Health:
Net earned premium	1,000		
Combined ratio	**99%**	**97.2%**	**95%**
Reserve ratio	135%	80%	75%
Required equity based on 200% solvency ratio*	320		
ROE	**11.6%**	**11.9%**	**16.7%**

Action plan

- Grow towards more balance between Non-Life product lines, in favour of Health & Fire

* & taking into account current level of leverage: around 10% of equity

3. Improve overall business mix with focus on high ROE product lines

Case Portugal: Towards diversification while continue to build on profitable A&H

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Market trend:
Pressure on Non-Life insurance

- Increased competitive pressure in Non-life market
- Natural disasters in January caused exceptional claims for Fire insurance

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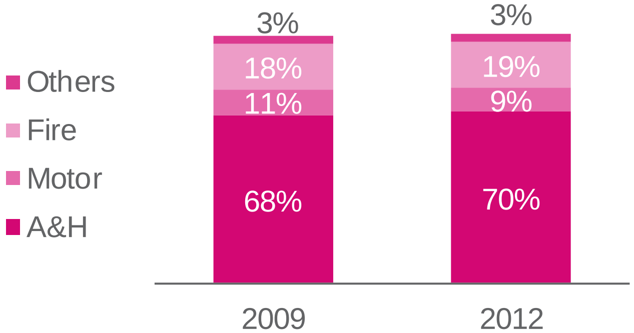
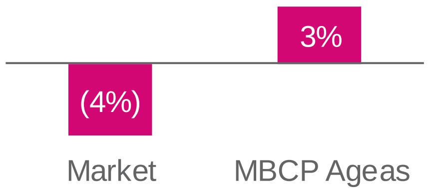
Response

- **Continue** to build on **profitable A&H**
- **Diversifying** product portfolio to smoothen profitability cycle
- Strong **underwriting discipline** in all products
- Measures taken to improve technical margins (e.g. Non-Life Claims platform)

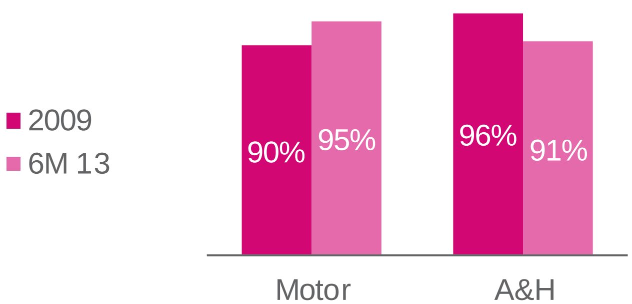
Product mix Non-Life, 2009-2012



Growth Non-Life 6M13-6M12

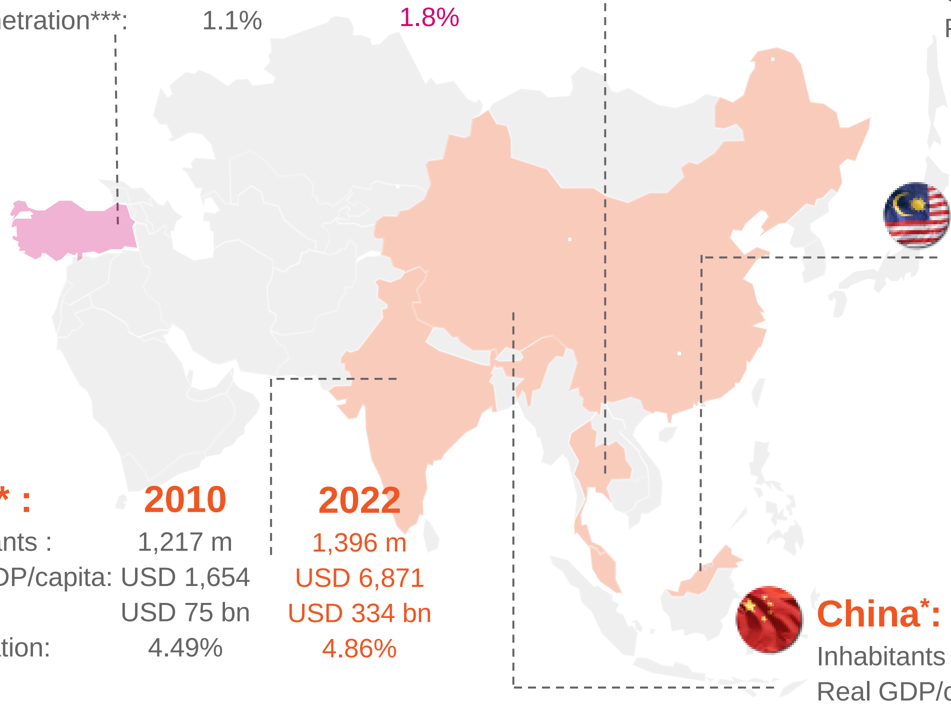


Combined ratio 6M13-6M12



4.Gradually increase profits from fast growing emerging markets

Emerging markets: High growth potential in above 11% ROE activities



Turkey	2010	2022
Inhabitants:	74 m	82 m
Real GDP/capita**:	USD 10,000	USD 24,000
GWP** :	USD 8 bn	USD 35 bn
Penetration***:	1.1%	1.8%

Thailand*:	2010	2022
Inhabitants :	68 m	73 m
Real GDP/capita:	USD 4,675	USD 8,728
GWP :	USD 13 bn	USD 33 bn
Penetration:	4.1%	5.3%

Malaysia*:	2010	2022
inhabitants :	28 m	34 m
Real GDP/capita:	USD 8,508	USD 17,371
GWP :	USD 11 bn	USD 32 bn
Penetration:	4.7%	5.4%

India* :	2010	2022
Inhabitants :	1,217 m	1,396 m
Real GDP/capita:	USD 1,654	USD 6,871
GWP:	USD 75 bn	USD 334 bn
Penetration:	4.49%	4.86%

China*:	2010	2022
Inhabitants :	1,355 m	1,442 m
Real GDP/capita:	USD 4,212	USD 19,781
GWP :	USD 215 bn	USD 1,075 bn
Penetration:	3.7%	3.8%

* Source: Swiss Re – Asian country report, 2012 / ** Source: Insurance Association of Turkey, Vision for Turkish Insurance and Pension Sector, 29 May 2012 / *** Source: Swiss Re – Sigma, No 2/11, World Insurance 2010

4.How to increase net profit in emerging markets

Case Thailand: Successful growth since entering 10 years ago

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Thailand Life & Non-Life insurance market
market entry in 2004

Net investment of EUR 15 mio end 12
(EUR 63 mio original, EUR 41 mio dilution proceeds following increased commitment Kasikorn 2009, ≈ EUR 7 mio dividends received)

- Partnership with Kasikornbank (Thailand # 4 bank) & Lamsam family
- 31% Muang Thai Life /15% Muang Thai Insurance
- #2 Life / #7 Non-Life insurer
- 25,000 Agents 1,150 Bank outlets

Actions taken
1. Full activation banca channel
2. Strong component protection / risk cover in life portfolio
3. Multi channel success: #1 banca, #3 agency, #7 direct
4. Improved margins Non-Life
5. Maintained strong VNB margins life

Achievements:
- Inflow growth (@ 100%, 5-yr CAGR):
  Life:36% (2012: EUR 1.2 bn)
  Non-Life: 28% (2012: EUR 0.2 bn)
- 2012 Net profit
  Life: EUR 34.2 mio
  Non-Life: EUR (1.0) mio – Thai floods
- Sustained value creation
  2012 VANB*: EUR 22 mio
  2012 Emb.Value*: EUR 0.3 bn
- Huge expansion of bank channel
- ROE FY 12: 12.1%

expected 2015 ROE
significantly above 11%
Yearly upstreamed dividends expected to increase

* Ageas share, "local" EV & GAAP basis

How to work on ROE numerator & denominator

Various levers available to realize objectives

Numerator

Improve net profit levels

Denominator

Active capital management

1. Capital efficiency is an operational day-to-day concern
2. Capital allocation of means is a strategic choice

Capital efficiency is an operational day-to-day concern

- **Leverage** beneficiary to weighted average cost of capital

  ➔ debt funding Hong Kong – USD 250 mio, 10 year @ 4.215%

  ➔ debt funding Belgium – USD 550 mio, perpetual @ 6.75%, reset 6 year

- **Reinsurance** as a way to

  ✓ reduce capital needs

  ➔ Ageas Protect, Hong Kong, China

  and/or

  ✓ retain more Non-Life earnings, leveraging on group size & geographical diversification

- Review **ownership structure**

  e.g. sale / run-off of unprofitable activities Ukraine, Russia, Germany Life,...

Capital efficiency is an operational day-to-day concern

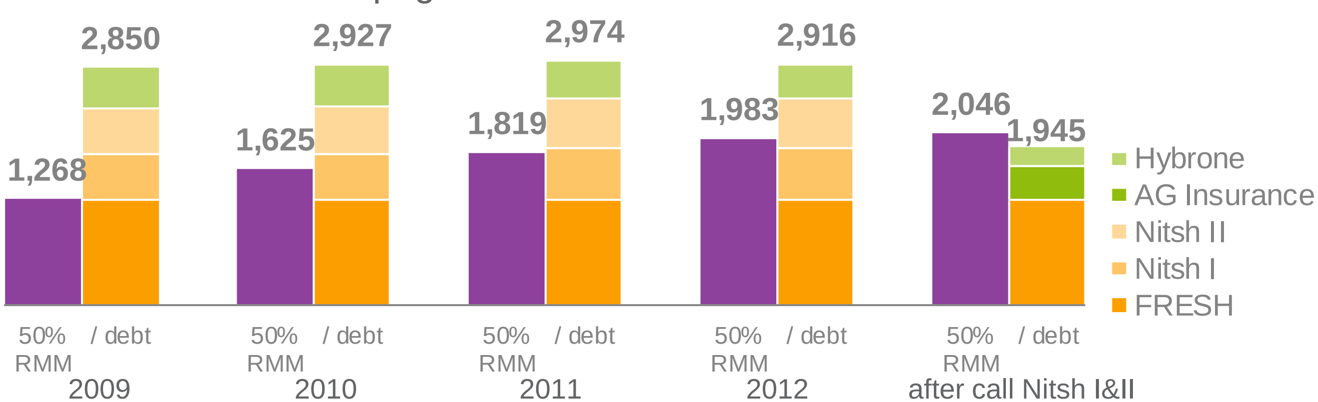
Review of overall group leverage

Optimal leverage

- Solvency I @ 50% RMM
- Solvency II @ 60% SCR
  - √ Rating agencies still judge based on Solvency I
  - √ No clear guidelines from regulators yet (definition Insurance Tier 1 instruments, grandfathering old style hybrid instruments)

Hybrid debt at Ageas group level

- In the past: no optimal use of hybrid debt
- Now: near optimal leverage (@ 47.6% of RMM)
  - √ AG Insurance perp/nc6 expected to be Solvency II compliant T2 instrument
  - √ Hybrone: tender done in 2013, for remainder awaiting grandfathering rules (instrument moves to Euribor 3m + 200 bps in 2016)
  - √ FRESH: see next page



Capital efficiency is an operational day-to-day concern

Position on FRESH

Considerations

- True “perpetual”: mandatory conversion @ EUR 472,50
- Low cost: 3 M Euribor + 135 bps for perpetual
- Return does not justify buy back: relatively low return, far below 11% hurdle rate, even if floating rate is replaced by 30 year swap rate ((2.74%+1,35%)/58%)
- Legal hurdle: FRESH designed to convert, not be redeemed - so called “consent-offering” necessary to change terms & conditions lifting prohibition buy-back
- Regulatory issue: As long as instrument fully qualifies as capital instrument*, regulators may request refinancing with same quality permanent hybrid debt
- Complexity would remain as 100% success rate unlikely

Decision

- Ageas has no intention to buy back FRESH at current price levels

* grandfathering under SII for a period of 10 years seems likely

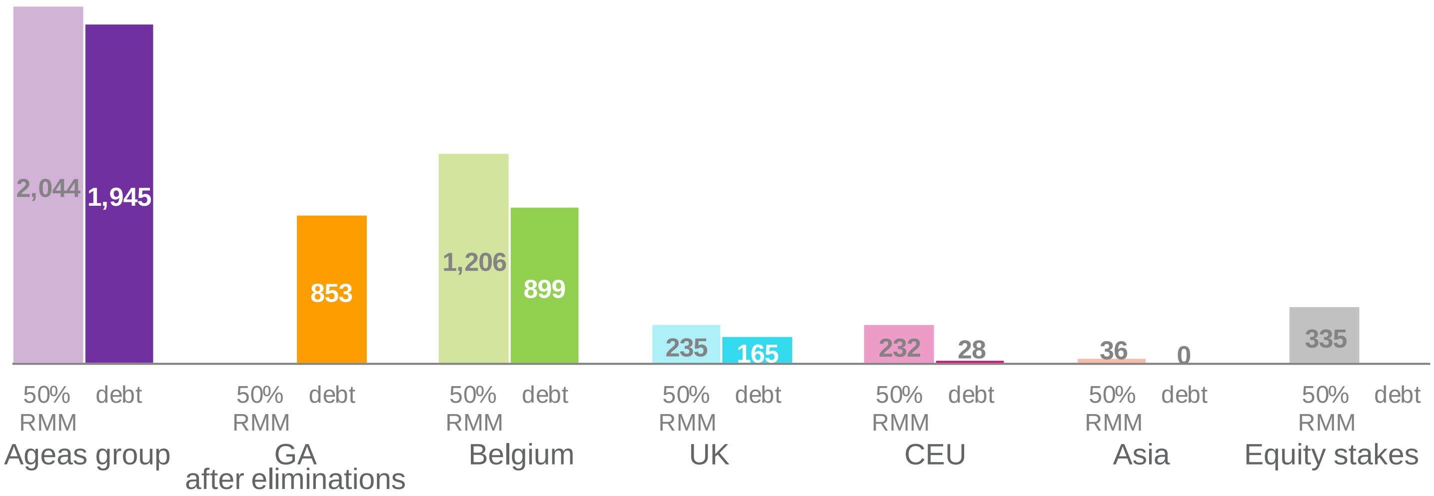
Capital efficiency is an operational day-to-day concern

Increase leverage in Insurance Opco's

Insurance segments hybrid debt

- Ageas as group near optimal leverage - Operating companies underleveraged

In EUR mio



New strategy

- Holding will partly on-lend FRESH capital to operating companies* via internal SII compliant hybrid loans against upstream of around EUR 400 mio capital
  - ✓ Optimizing capital structure improves Insurance ROE
  - ✓ Liquidity neutral for holding
  - ✓ Tax optimization
- No intention of new external hybrid debt raising exercises

* only consolidated entities

Capital allocation of means is a strategic choice

- **Budgeted upstream** cash from operating companies to fund annual **dividend** & **corporate costs**

  Upstreams depending on Ageas standards respecting 200% overall insurance solvency ratio & local solvency requirements

- **Additional** cash **injections** ←→ additional cash **upstream**

  Decision based on business needs & expected return

  ex. capital increase China ←→ capital upstream Belgium > 50%

- **Solvency II**

  → more flexibility towards use of debt expected

  → strong Solvency I level & outcome different stress tests (EIOPA, IMF, own, …) give comfort with respect to solvency level under Solvency II

Conclusions :
The Ageas' path towards reaching the 2015 targets

Insurance ROE target is leading & reconfirmed at 11%

Realizing ROE target based on 2 tracks
& combining a series of small steps :

numerator

- Life: maintain or improve operating margin in Guaranteed products to 85-90 bps & strive for growth with 40-45 bps in Unit-Linked
- Non-Life: maintain or improve Combined ratio to 97% in current i-rate environment & volume growth in higher ROE segments

denominator

- No intention to bid on FRESH financial instrument or to raise new external hybrid debt
- Optimization debt funding in Opcos & clear intention to lend on part of FRESH
- Disciplined upstreaming excess cash from Opco's

Action plan ultimately leading to more balanced business mix
with more stable, sustainable & diversified profit streams

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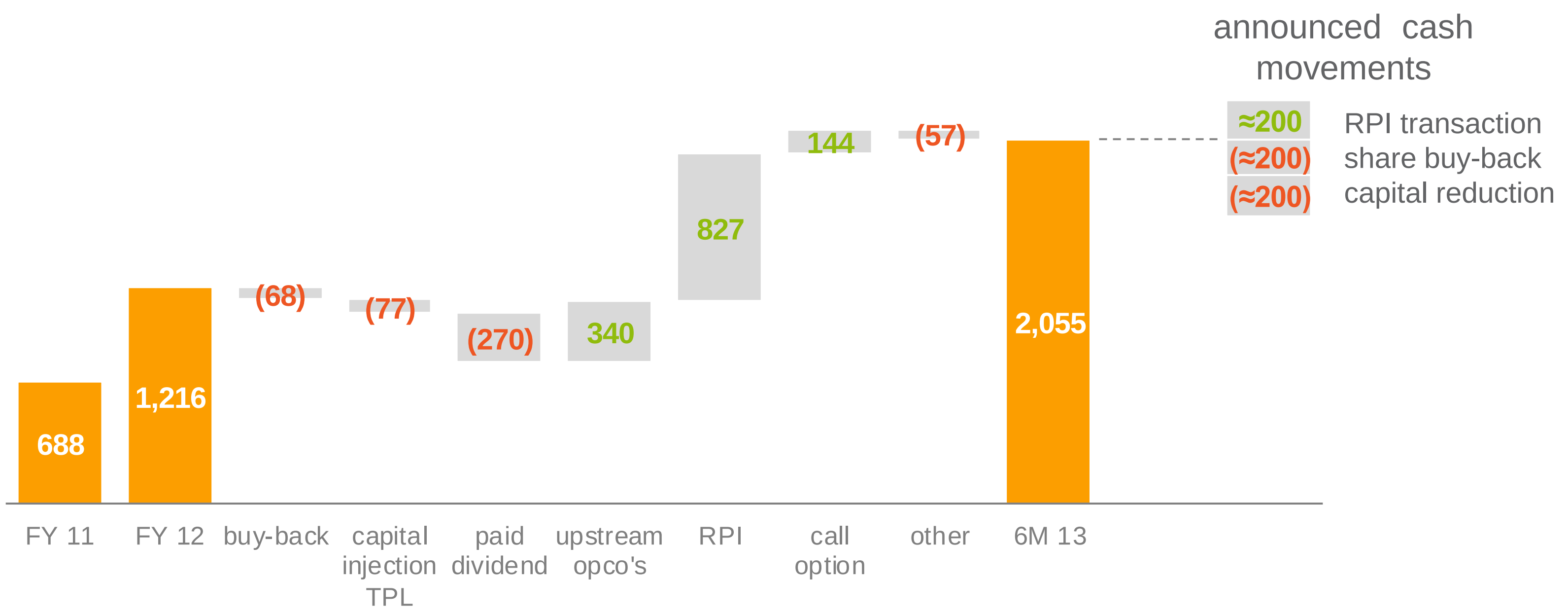
6M 13 net cash position General Account at EUR 2.1 bn

In EUR mio



- Expected **cash in** of **EUR 0.2 bn** from transactions **RPI & BNPP Call option.**
- Expected **cash out** of **EUR 0.4 bn** in the coming months related to capital reduction & share buy-back

3 alternative uses for General Account net cash

Balanced use of cash since 2009

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1. Invest in Businesses

- Organic growth
- Selective acquisitions
- Create new partnerships

≈ EUR 1.0 bn from net cash on top of retained earnings

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

2. Return to shareholders

- Dividend payment
- Share buy-back

≈ EUR 1.8 bn

- ≈ EUR 900 mio cash dividend over '09, '10, '11 & '12
- EUR 450 mio share buy-backs finalized early '12 & '13
- EUR 200 mio share buy-back launched 12/08/13
- EUR 230 mio capital reduction from proceeds of BNP Call Option & RPI

3. Return to debtholders

- Redemption of EMTN
- Call/tender Hybrids (Hybrone, NITSH I & II)

Net cash neutral

- EUR 0.9 bn EMTN redemption
- EUR 1.2 bn call NITSH I/II & tender Hybrone

Priority 1 : Invest in businesses
Ex.1: China, Life partnership with Taiping since 2001

Net investment of EUR 246 mio
(original + additional capital injections, excl.retained profits)

- 24.9% Taiping Life Insurance Cie Ltd - 20% Taiping Asset Mgmt Cie Ltd - 20% Taiping E-Commerce Cie Ltd (since 2013)
- #7 Life insurer in China
- 110,000 Agents, 22,500 Bank outlets
- Strong Multi-Channel distribution: Tied agents, Bancassurance & alternative Distribution

2012 Achievements
- Inflow*: EUR 4.6 bn - 25% 5-yr CAGR
- Net Profit: EUR 43 mio**
- ROE: 18%, supported by exceptional items
- Sustained value creation
  VANB***: EUR 57 mio
  EV***: EUR 719 mio
- Huge expansion of agency channel
- Strong bank relationships
- Early adoption of alternative distribution

Challenges :
- Balance growth ambitions with profitability & capital requirements
- Protect productivity while expanding agency channel
- Expense management
- Operating in open platform banca market

Expected 2015 ROE
≈11% after capital investments
to fund growth

* At 100% / ** Ageas share, IFRS; *** Ageas share, "local" EV & GAAP

Priority 1 : Invest in businesses

Ex.2 : Italy Non-Life, bancassurance partnership with BNP Cardif and UBI Banca

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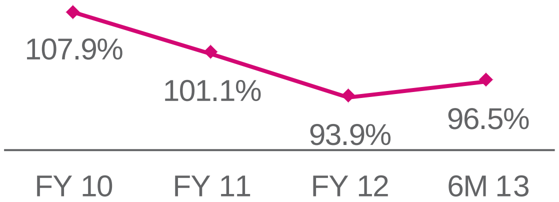
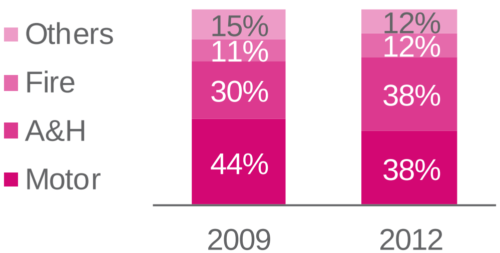
Combined ratio evolution



Product Mix



UBI Assicurazioni

Non-Life market - entry December 2009

Net investment of EUR 67 mio

Partnership with BNPP Cardif & UBI Banca

– Effective stake Ageas ➔ 25% (+ control)

Bancassurance distribution

2 Non-Life bancassurer - 2012 GWP: EUR 219 mio*

Challenges/ Opportunities:

- Economic slowdown, lower mortgage production, increasing regulation
- Increasing volumes by further increasing penetration in bank (non-associated sales)
- Expanding distribution reach (multi-channel, multi-bank distribution)

Achievements: profitability turn-around through

- Sanitization portfolio
- Disciplined underwriting & improved product mix (shift towards non-motor)
- Combining Ageas' expertise in Non-life with BNP Paribas Cardifs in CPI
- Highest productivity per branch amongst bancassurance players in Italy

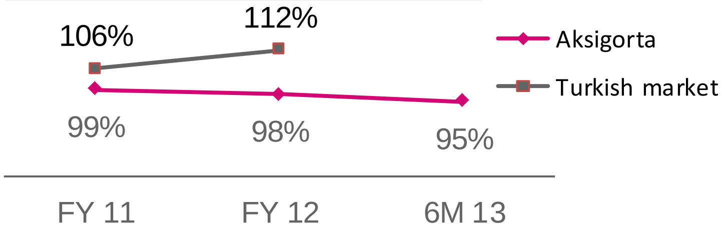
Expected 2015 ROE below but approaching 11%

*Amount @100%

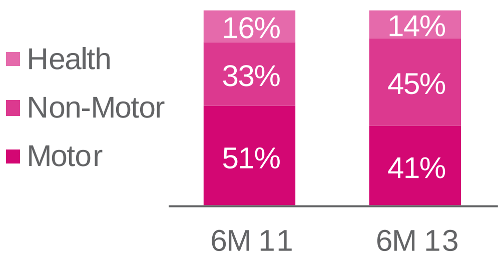
Priority 1 : Invest in businesses

Ex.3 : Turkey Non-Life, partnership with Sabanci in # 4 insurer

Combined ratio evolution



Product Mix



Non-Life market entry in February 2011

Partnership with Sabanci – each 36% stake

Net investment of EUR 166 mio

4 Non-Life insurer, 2012 GWP: EUR 567 Mio**

Multichannel Agents, Bancassurance & Brokers

Challenges / Opportunities:

- Market challenges: growth outlook, more disciplined underwriting motor, FX volatility, increasing & changing regulation
- Low insurance penetration levels, with growth opportunities in Home, Health and Protection
- Capture growth in the bank channel

Achievements: business case improved through

- Focus on production profitability while maintaining volume growth profile (CAGR GWP '10-'12: 22%)
- Focus on improving underwriting performance (strategic shift towards non-motor) & growing bancassurance business with Akbank
- Currently one of the few profitable Non-Life players in Turkey targeting to further increase ROE

Expected 2015 ROE close to 11%

*Amount in local currency (TRY million) and @100%   **@100%

Priority 1: Invest in businesses

Ex.4: Kwik Fit Financial Services, acquired in 2010 linked to Retail strategy

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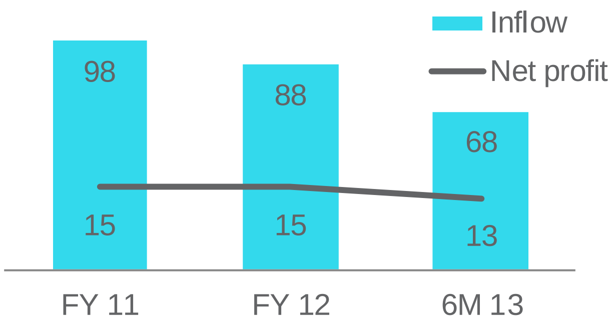
Inflow & Net profit evolution



Kwik-Fit INSURANCE
EXPRESS insurance
the green insurance company

UK internet aggregator based Intermediary – acquired 100% stake August 2010

Kwik-Fit Insurance, The Green Insurance Company and Express Insurance brands

Net investment of EUR 223 mio

Firmly established Ageas as #4 UK Personal Lines Intermediary

Achievements:

- Strengthen multi-channel distribution strategy
- Successful site exit with >80% staff redeployed locally
- Premium Factoring successfully negotiated
- Leverage pricing and distribution expertise
- Extending product/supplier relationships
- Improving Insurance underwriting performance
- Delivered significant synergies

Challenges:

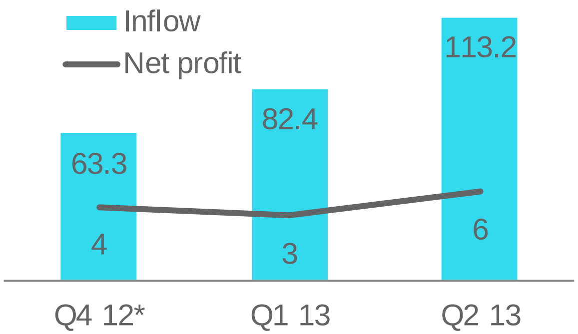
- Market: increased competition for new business reducing margins & volumes
- Volume: adapting customer & panel strategy
- Improve net profit: increase efficiency through further cost reduction initiatives
- Regulatory: ongoing market wide scrutiny challenging claims income & add-on margins

Expected 2015 ROE below 11%

Priority 1 : Invest in businesses

Ex.5 : Groupama UK, most recent acquisition to strengthen Non-Life position

Inflow & Net profit evolution



* Q4 2012 is 2 months only & excludes exceptional items

UK Non-Life Insurer –

acquired 100% stake in November 2012

Net investment of EUR 145 mio

Established Ageas as #6 UK Non-Life insurer*, #5 personal lines insurer* and #2 Largest private motor**

Challenges:

- Maintaining high service level for customers & brokers during transition
- Integration with Ageas Insurance to create a single insurance business
- Part VII transfer completion end ‘13
- Product migration delivery

Achievements:

- 6M 13 COR: 98.5%
- Increase breadth of products (18 ➔ 39) & expertise
- Strengthens presence in UK broker market (2,500 brokers) & complements multi-channel distribution strategy
- Product migration plan well advanced
- High Court approval progressing for the part VII transfer
- Successful site exit with retention of critical skills & London office consolidation
- Integration underway with initial areas complete

Expected 2015 ROE above 11%

* Based on GWP ** Based on Ernst & Young UK Motor Insurance Results report, June 2013

Priority 1 : M&A : Focus on high ROE accretive activities

New businesses need to pass the test on 3 key criteria

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1 Critical size

- Local presence should be such that every entity can compete effectively in its market or niche
- Critical size will ensure each activity is able to comply with Ageas's quality standards

2 Meaningful contribution

- Each activity should make a meaningful contribution to the insurance earnings in the medium term
- The contribution to the insurance earnings should be significant enough to justify management time

3 Return in excess of cost of equity

- Return business will have to exceed cost of equity while taking into account the business' specificities
- Return of growth business will also take into consideration the expected value creation

Priority 1 : M&A : Focus on high ROE accretive activities

Ageas's unique characteristics supporting the ambition to grow

Ageas has developed over the past years some specific strengths which will facilitate realization of its targets :

- Strong in partnerships, partner of choice
- Deep insurance knowledge from different countries
- An organization fostering cross-fertilization
- Ability to understand local specificities

Priority 1 : M&A : Focus on high ROE accretive activities

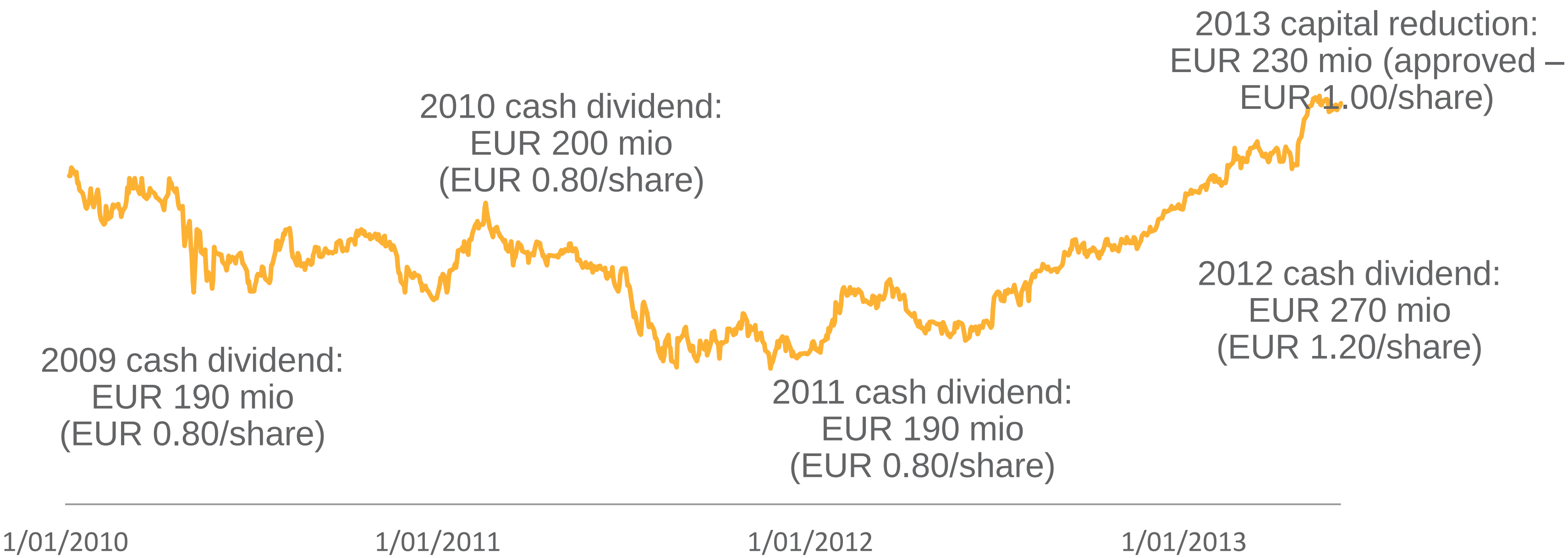
Disciplined approach will drive inorganic growth development

Inorganic growth

1. Priority to strengthen positions in existing markets
2. Clear preference for Non-Life. Expansion in Life on a case by case basis
3. Further expansion in fast growing emerging markets while
   - respecting Ageas M&A criteria & overall financial targets
   - continuing to build on a successful partnership model
4. Flexibility for opportunities where Ageas believes its expertise can create growth & improve the business

Priority 2 : Return to shareholders

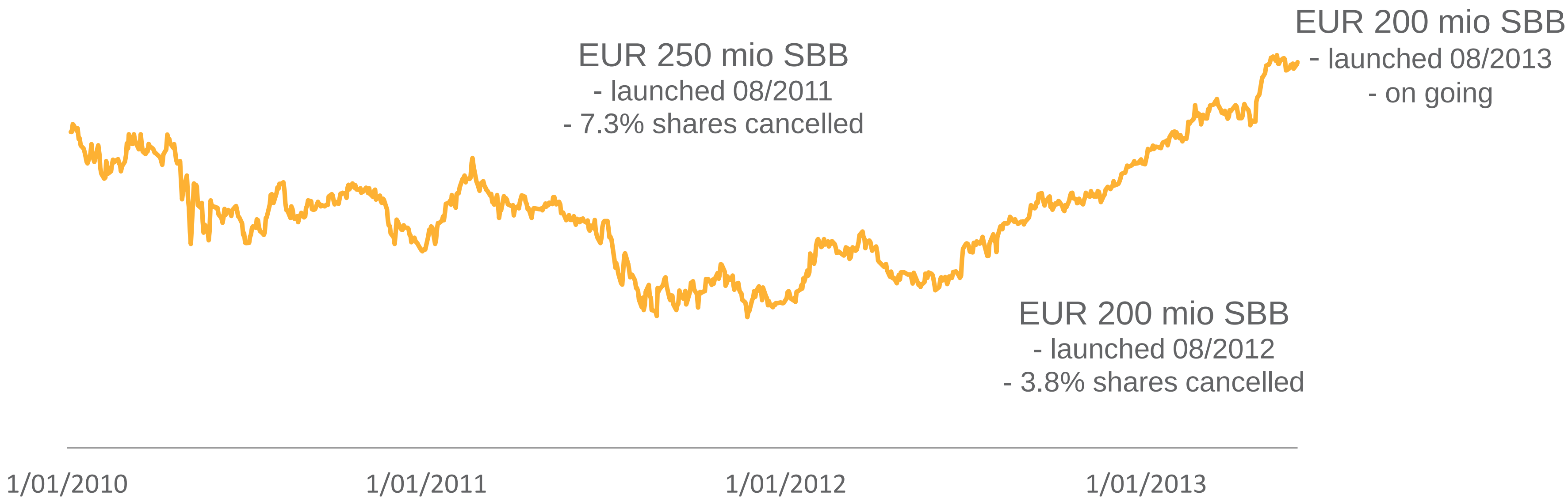
Ageas delivered upon its dividend policy since 09; positive track record



- Ageas dividend policy reconfirmed: aim to pay out an annual cash dividend of 40-50% of Insurance net profit
- Dividend is funded by sufficient upstreams from Opcos; no impact expected on net cash position in General Account

Priority 2 : Return to shareholders

Ageas started annual share buy-back programs in 2011



- If no adequate M&A opportunities would arise, Ageas intends to continue returning cash to shareholders in the most appropriate way (share buy backs, dividends, capital reductions…)

Priority 3 : Return to debtholders
No longer a priority

Recent initiatives returning cash to debtholders had no impact on net cash position General Account

No intention to bid on FRESH financial instrument

No intention to raise new external hybrid debt

Optimizing debt levels in Opcos

Clear intention to lend on part of FRESH

➔ Return cash to debtholders no longer a priority

From now on, Ageas will only report about 2 alternative uses of net cash

Disciplined cash management

Use funds in **priority** to invest in business & return to shareholders

1. Discplined M&A approach along precise criteria
2. Existing dividend policy reconfirmed
3. Intention to return cash to shareholders if no adequate M&A opportunities
4. Continued active capital management

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RPN(I)

History & recap of main principles

What's RPN(I)

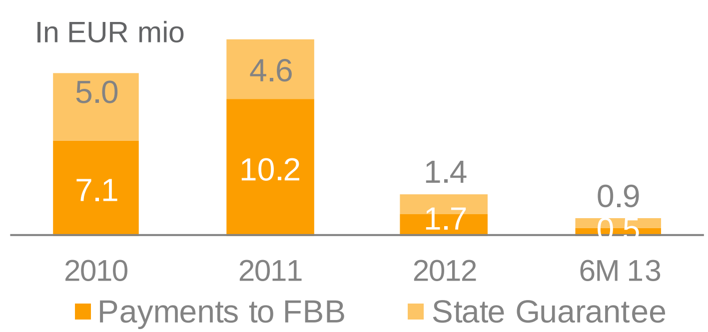
- liability on Ageas balance sheet
- related to CASHES
  - ✓ perpetual Tier 1 hybrid issued by Fortis Bank, 2007 – Euribor 3m + 2%
  - ✓ convertible into pre-issued, blocked Ageas shares owned by Fortis Bank @ EUR 239.40 (optional) or @ EUR 359 (mandatory)
- Relative Performance Note (RPN) avoided accounting volatility on balance sheet former bank affiliate (BNP Paribas Fortis).
- after Fortis break-up, Ageas pays interest over RPN → introduction RPN(I) = NPV of modelled future interest payments on RPN-amount

Calculation RPN-amount

- original formula: (EUR 3bn - (CASHES in %* EUR 3bn))-(EUR 2.35bn-(125,313,283*Ageas share price))
- since agreement Q1 12: only EUR 1.1 bn par CASHES outstanding, RPN amount limited to 37%

Cash flows

- payments between holding & bank: Euribor 3m + 20 bps over RPN
- cost guarantee offered by Belgian State: 70 bps over RPN



RPN(I)
Change of Valuation methodology as of Q3 13

Valuation at creation

- Based on stochastic modelling of value CASHES & Ageas share, future interest payments were modelled. These future payments were then discounted using an estimation of the Ageas perpetual senior credit spread

3M 12: floor introduced

- reason: BNP P tender 63% CASHES & conversion into underlying Ageas shares
- introduction of floor, based on EUR 287 mio indemnity paid to BNP Paribas
- valuation at this less volatile floor

FY 12 – 6M 13

- stochastic modelling exceeds floor

As of 9M 13: RPN-amount

- reason: IFRS 13 applicable as from 2013: transfer notion vs. settlement notion
  - ✓ FV = price that would be received to sell an asset / paid to transfer a liability in an orderly transaction between market participants at measurement date
- valuation RPN(I) at RPN-amount: very transparent & easy to calculate
  - ✓ non-cash accounting volatility with low cost
  - ✓ pro forma 6M 13 value of EUR 259 mio (vs. EUR 171 mio reported)
  - ✓ calculation aid available on www.ageas .com (Investors Update 2013)

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Closing remarks

Insurance ROE target is leading & **reconfirmed at 11%**

The **path** to realize the 2015 target is clear & well defined

➔ targets of 97%, 85-90 bps, 40-45 bps & capital optimization

Disciplined cash management rules all decisions on the use of cash

Priority to first reinvest cash in **business** & return to shareholders if no adequate M&A opportunities

No intention to bid on FRESH instrument

Continued active capital management going forward with focus on **debt optimization**

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