



Belgium

-

A view on Health Care in Belgium and at AG Insurance

Karel Coudré
General Marketing Manager
AG Insurance Employee
Benefits

INVESTOR DAY 2012

Belgian Social Security = A generalized social insurance

- Inpatient & outpatient care
- Covering up to 75% of total health expenses
- Mainly financed through social security contributions

| Total Fee | | |
|--|--------------------------|--|
| Legal reimbursement | Co-payment | Supplement |
| Conventional tariff determined by government | | Charged extra by health care providers |
| Public Health Insurance | Private Health Insurance | |

| Total Health Care Expenses in Belgium (2009) = EUR 36.9 bn | | |
|--|----------|-----------------|
| Public | Private | Not yet insured |
| EUR 28 bn | EUR 2 bn | EUR 7 bn |

Private health insurance = Mainly inpatient care

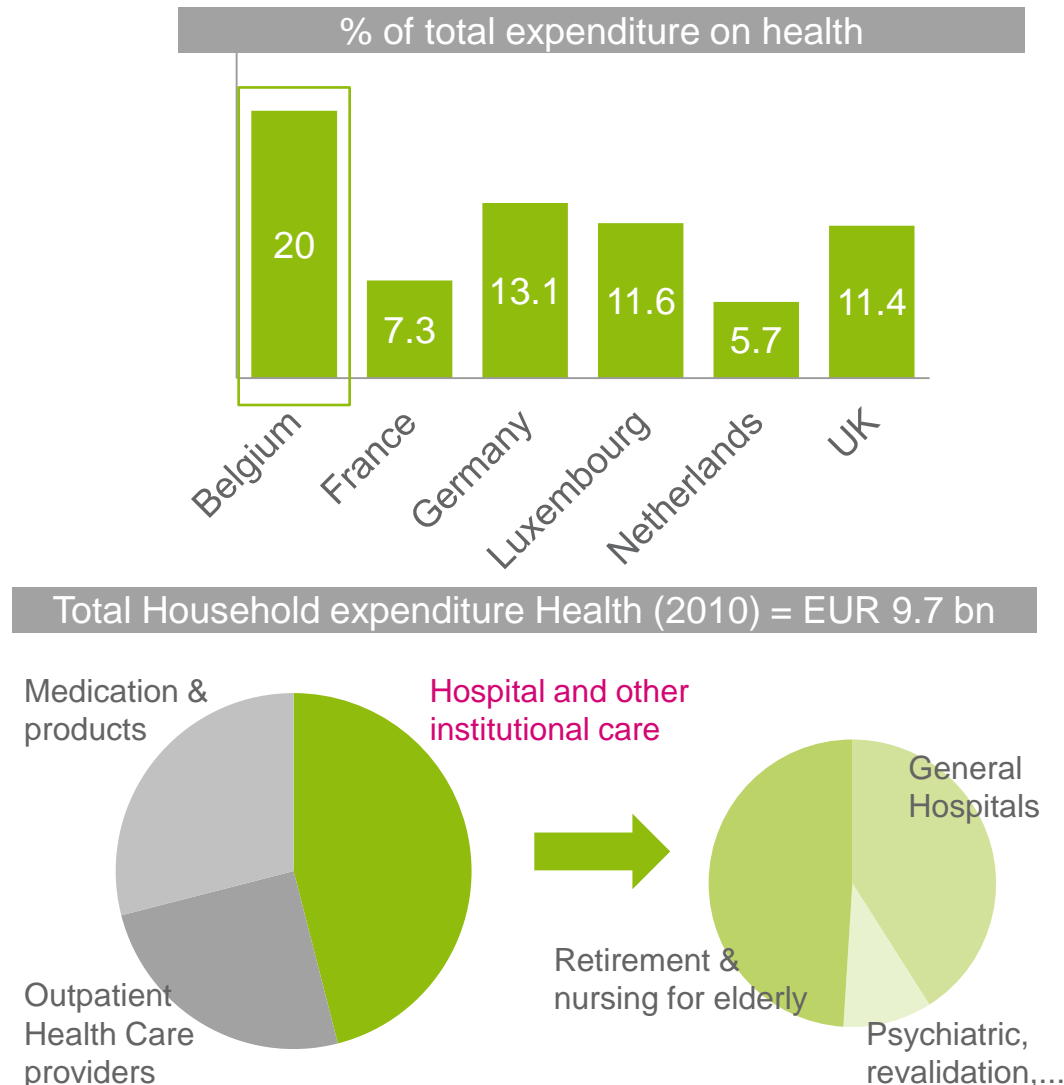
- A complement to the Belgian Social Security system to compensate co-payments, supplements and not yet legally reimbursed medical items
- Importance of Private insurance is small but growing as a result of increasing medical costs and awareness of ageing population.
- Private insurance mainly covers inpatient medical expenses:
 - 84% of Belgians nowadays has a hospitalization cover
 - 45% as an employee benefit
 - 55% as an individual hospitalization insurance
- 20% of all health expenses still not reimbursed; mostly costs related to ambulatory care.

The Belgian Health Care Insurance System in a nutshell (3)

Trends:

Increasing need for enhanced covers due to:

- Ageing population
- Evolution of patient needs and medical consumption
- Increase of chronical diseases
- New (expensive) medical technologies & treatments
- Limited state budget

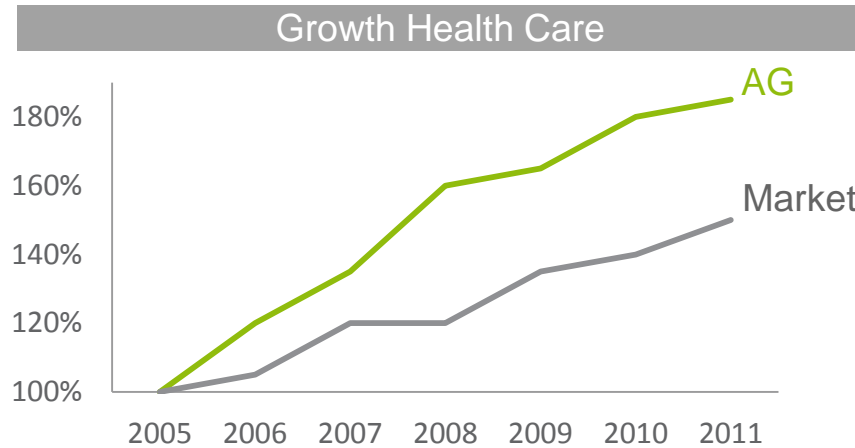


A view on Health Care within Ageas:

Market leader in Pension & Health

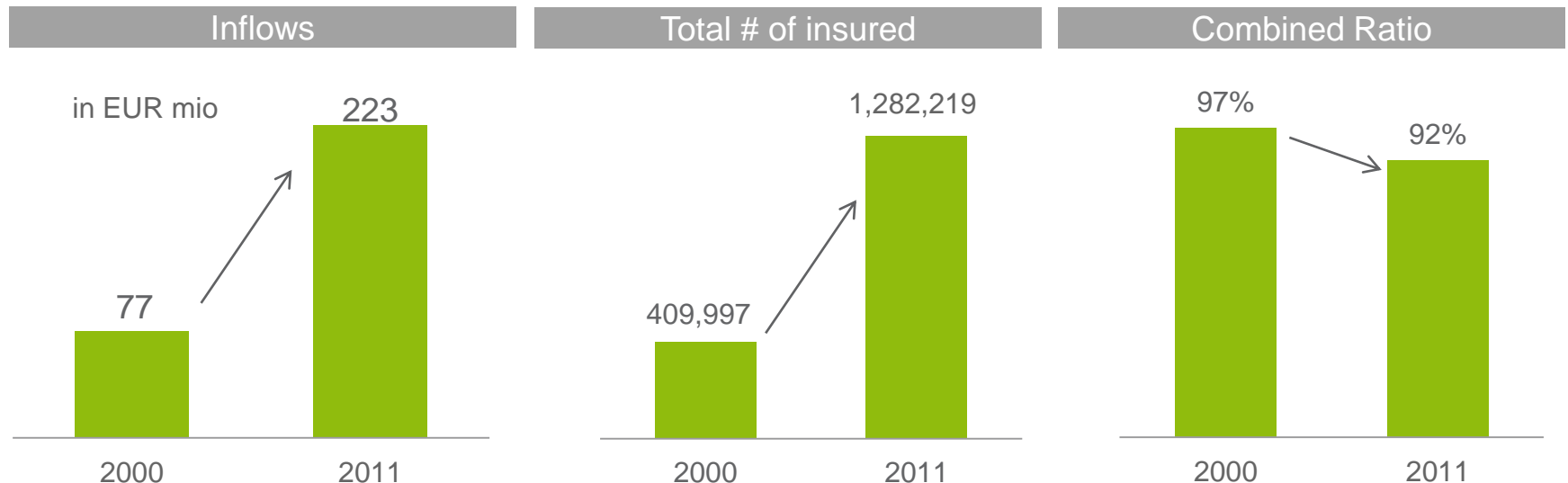


Outperforming market growth



Growth in medical mainly through

- ✓ Cross-selling on corporate portfolio (employee benefit next to group life)
- ✓ New-market segments: sector-wide plans (about 270,000 affiliates) and major public sector clients



Key succes drivers (1)

Sustainable pricing, Customer Focus Strategy, Product Innovations, Operational Excellence

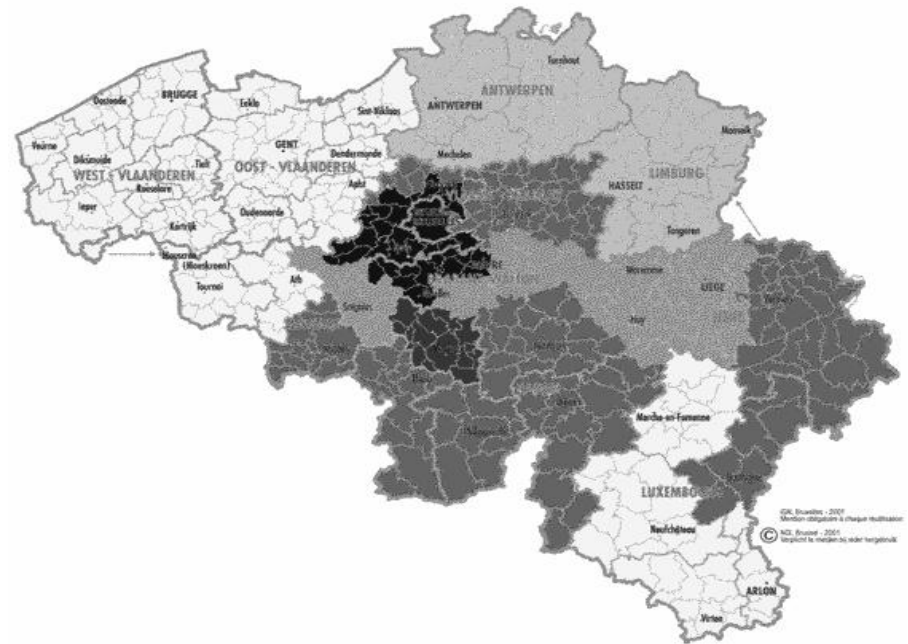


Different cost realities in hospitals

Sustainable Pricing strategy =
Reality translated in correct pricing

Aiming towards price stability through:

- pricing capabilities
- hospital segmentation
- annual premium increases



Key succes drivers (2)

Sustainable pricing, Customer Focus Strategy, Product Innovations, Operational Excellence

ageas

Customer Focus strategy in Employee Benefits

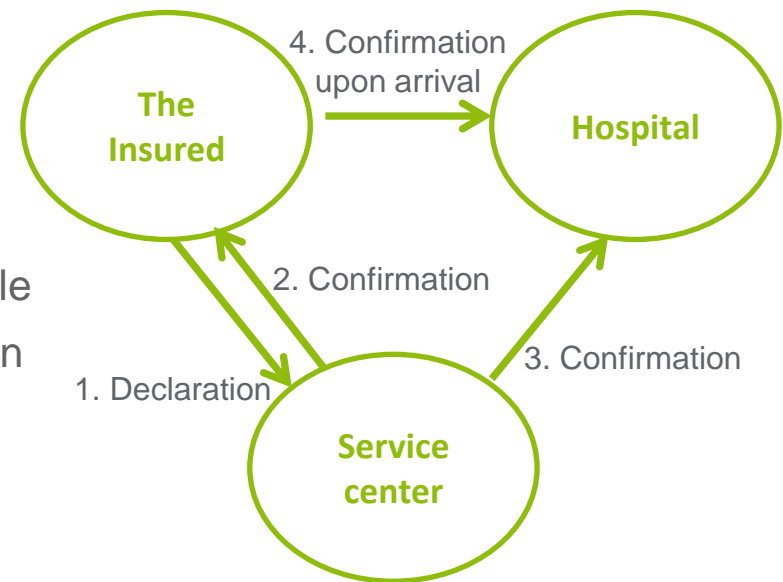
Tailor made solutions

- Global pension & health provider
- Best-in-class service level (SLA-level, Medi-Assistance, EB Online)
- Enhance customer comfort through Medi-Assistance, our unique service concept including
 - ✓ 3rd party payment based on pre-approval cycle
 - ✓ Assistance during and after the hospitalization

Product innovations

- TPA & Stop Loss (larger customers)
- AG Care Business (SME-segment)
- Post retirement covers :
continuation and pre-financing

TPP based on pre-approval



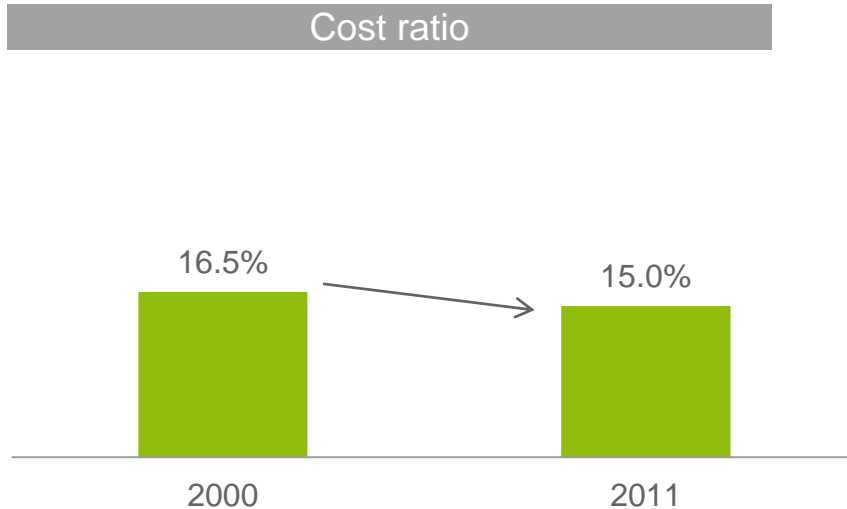
Key succes drivers (3)

Sustainable pricing, Customer Focus Strategy, Product Innovations, Operational Excellence

ageas

Operational Excellence : further investments to improve productivity

- New underwriting & claims handling tool
- Electronic billing of hospital invoices & online declaration of hospitalization



Process Efficiency via Lean Project in Health Care

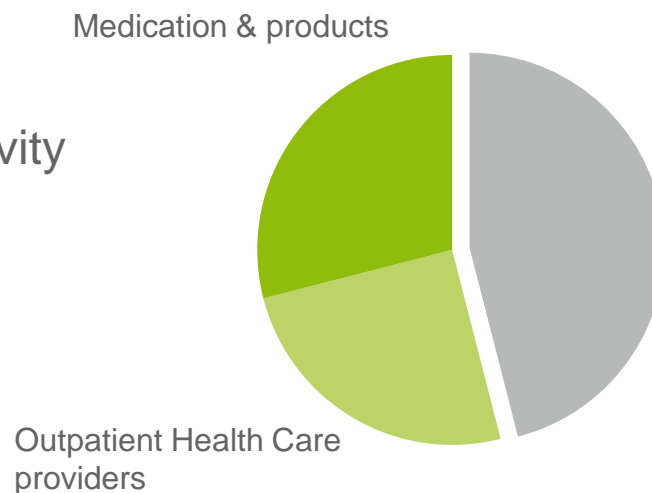
- Goal: Combined focus on service to the customer by continuously trying to find out what's important & helping him in the most efficient way
 - ✓ Client Satisfaction
 - ✓ Enhanced culture (team spirit, motivation,...)
 - ✓ Process Optimization
 - ✓ Improvement of the work organization (flexibility, autonomy, ...)
- Continuous Lean: Sharing, Lean Check & Training

Successful repositoning of AG Insurance in Health Care (profitable growth)

Future

- ✓ Continue growth in ambulatory care
- ✓ Continue investments to improve productivity
- ✓ Maintain profitability
(combined ratio structurally < 100%)

Total Household expenditure on health
(2010) = EUR 9,7 bn



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.

