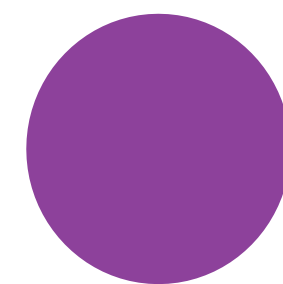


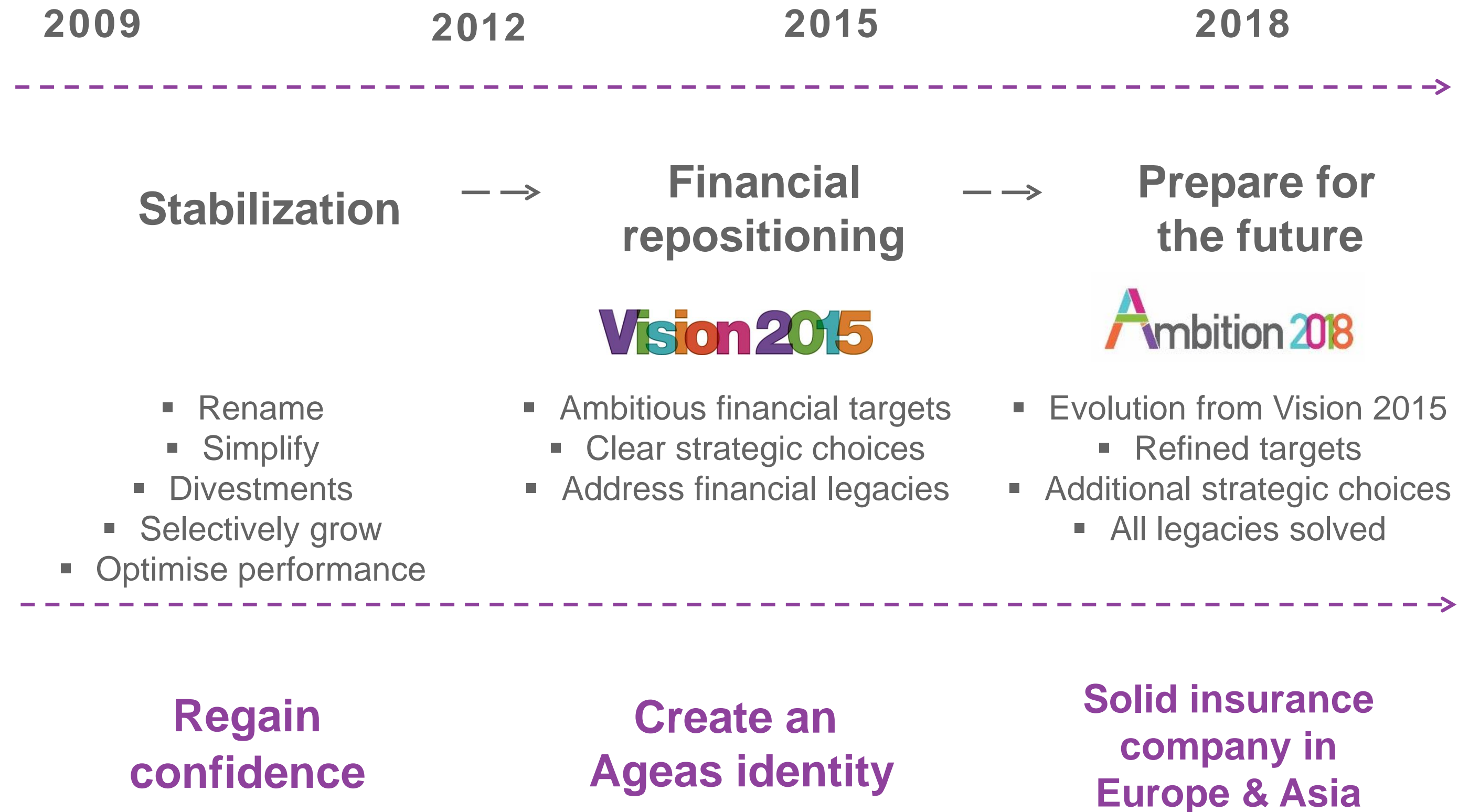


-----  
**Ageas Investor Day 2018**



# 2009-2018

## Main achievements



2010      2011      2012

- Liquidation sub-holding Brussels – P&L + EUR 0.4 bn
- MCS conversion & provision for litigations with Dutch State: P&L - EUR 0.2 bn
- Commercial Court of Brussels rules in favour of Ageas re. FRESH securities

## 2009-2018

### Legacies addressed & solved

- Agreement with BNP on CASHES & Tier 1 - Net cash +EUR 0.7 bn
- Deal with ABN AMRO & Dutch State re. disputes between Dutch State & Ageas & discontinuing legal proceedings regarding MCS & FCC - Net cash +EUR 0.4 bn
- 10:1 reverse stock split
- Abandoning twin structure in organisation & dividend
- Nitsh I called

2013      2014      2015      2016      2017      2018

- Royal Park Investments disposes assets – P&L +EUR 0.2 bn - Net cash +EUR 1.0 bn
- Call option on BNP shares – P&L - EUR 0.1 bn – Net cash + EUR 0.1 bn
- Nitsh II called

- Hybrone securities called

- 2<sup>nd</sup> agreement with BNP to repurchase remaining CASHES

- Ageas, Deminor, Stichting FortisEffect, SICAF and VEB reach agreement aiming at settling all Fortis civil legacies – P&L -EUR 0.9 bn

- RBS case settled in favour of Ageas
- Fortis Settlement declared binding & in execution

## 2009-2018

### Legacies addressed & solved

# Vision 2015

Strategic  
choices

5

4

6

Values

Targets

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



## 2009-2018

Clear strategy &  
geographical  
focus in place



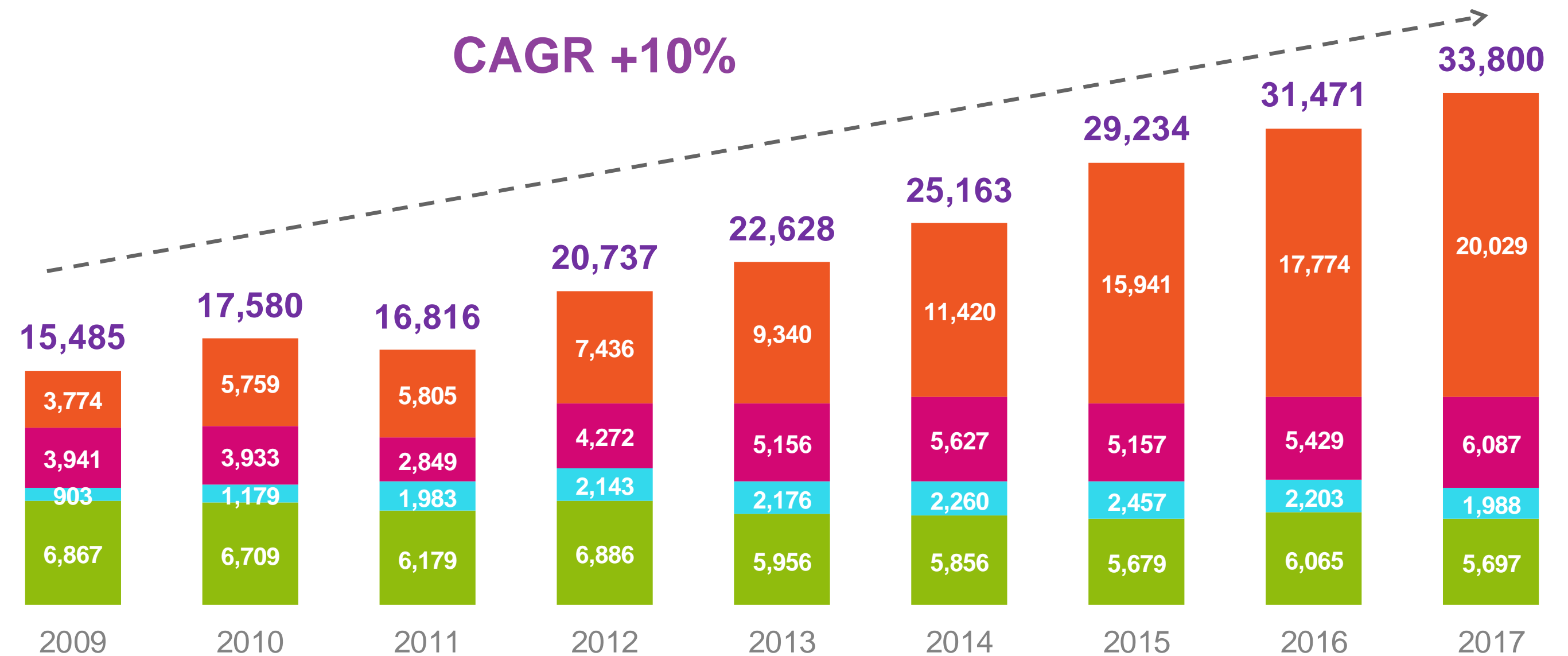
# Ambition 2018

#6  
Values

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

- Belgium
- UK
- Continental Europe
- Asia
- Reinsurance

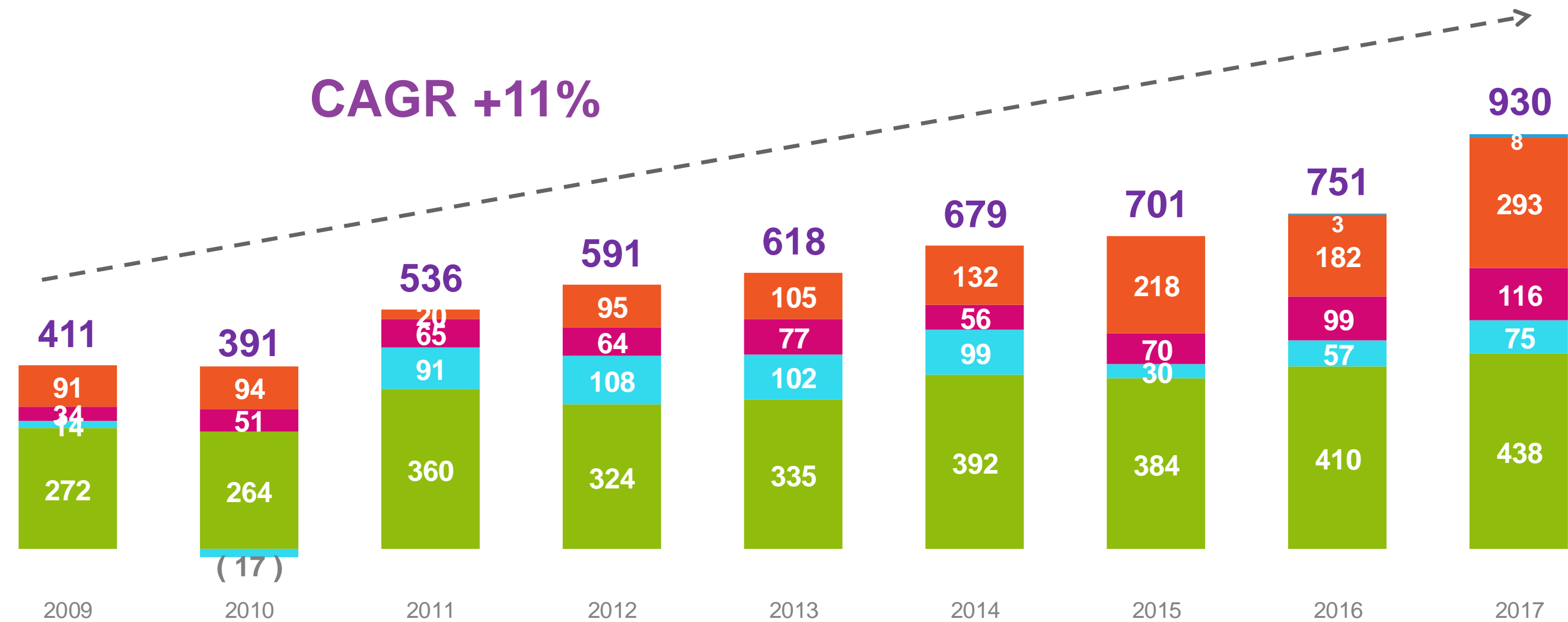
**2009-2017**  
**Double digit top**  
**line growth**  
 in EUR mio



Inflows excluding UK & Hong Kong Life inflows

- Belgium
- UK
- Continental Europe
- Asia
- Reinsurance

**2009-2017**  
**Underlying**  
**Insurance result**  
**doing even better**  
 in EUR mio



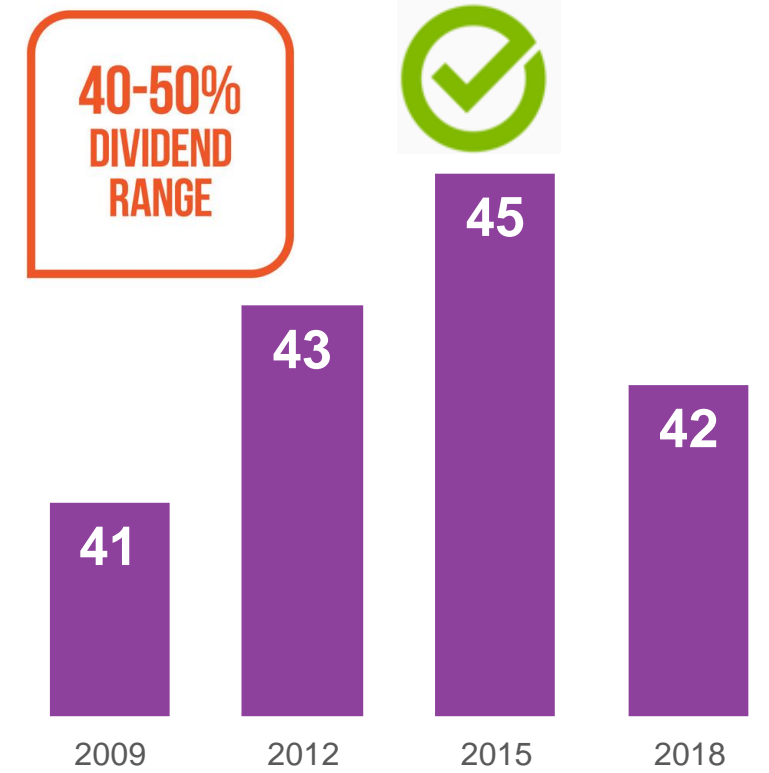
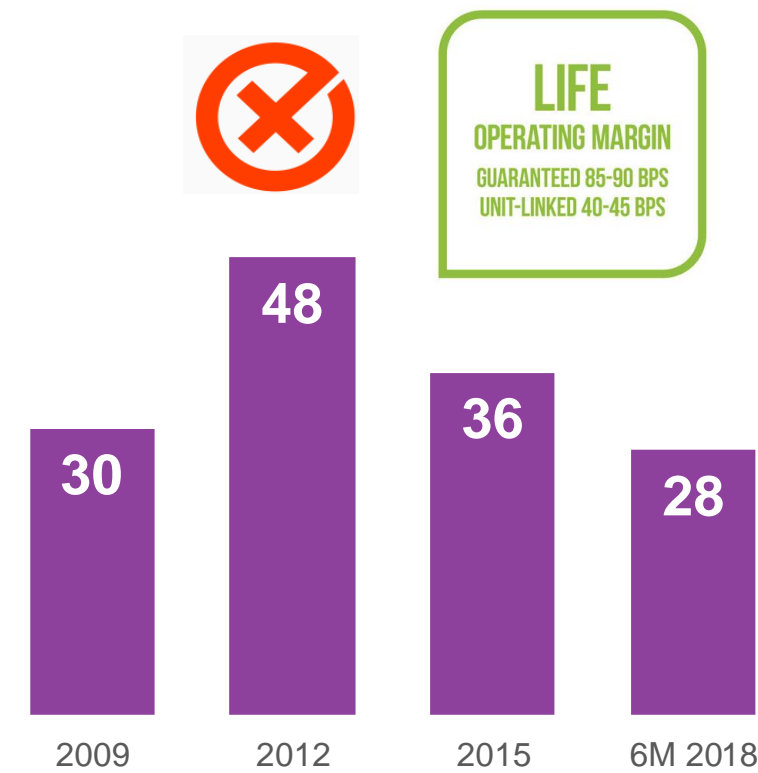
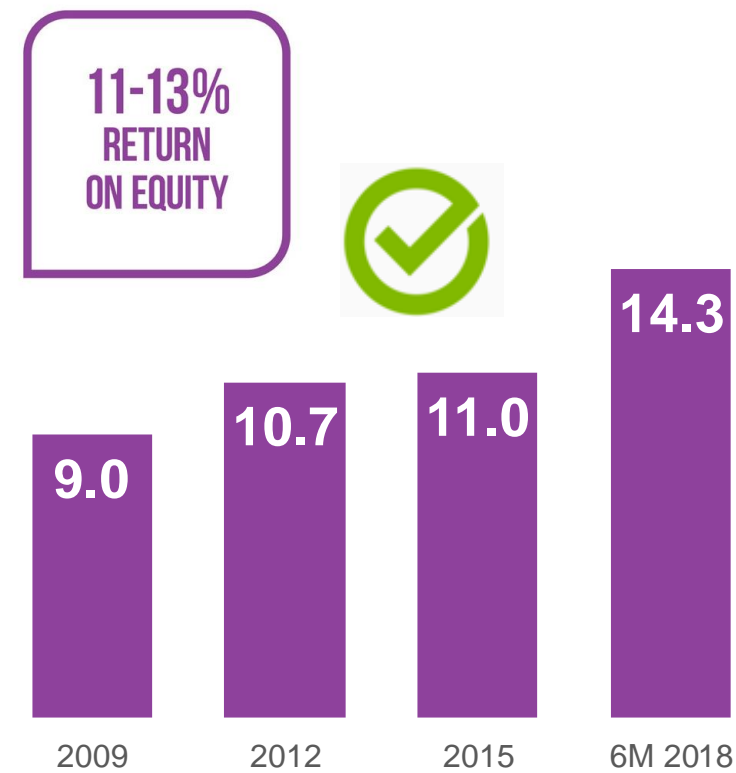
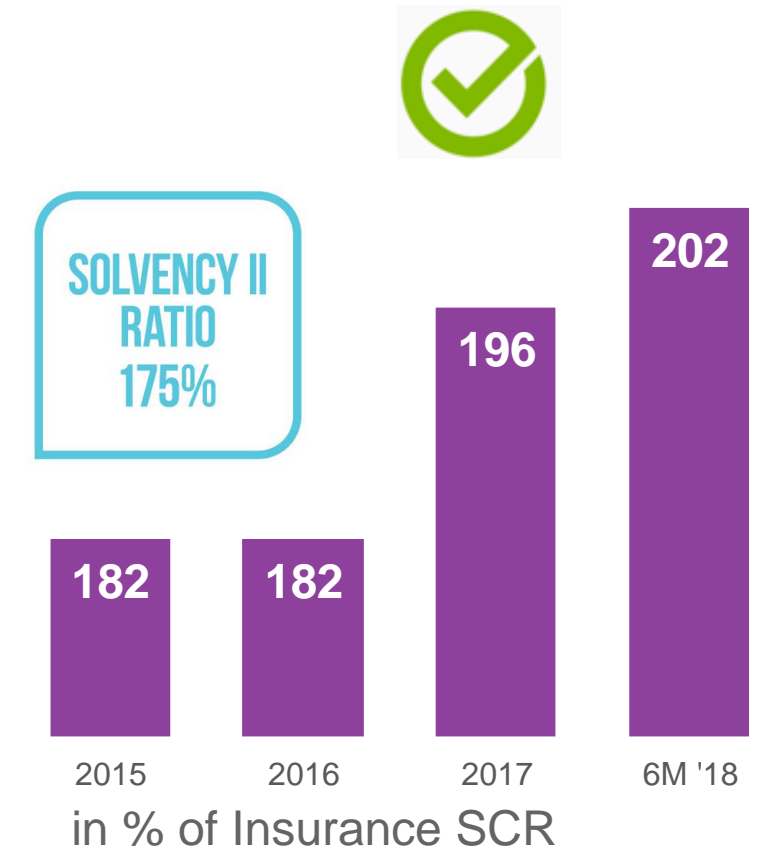
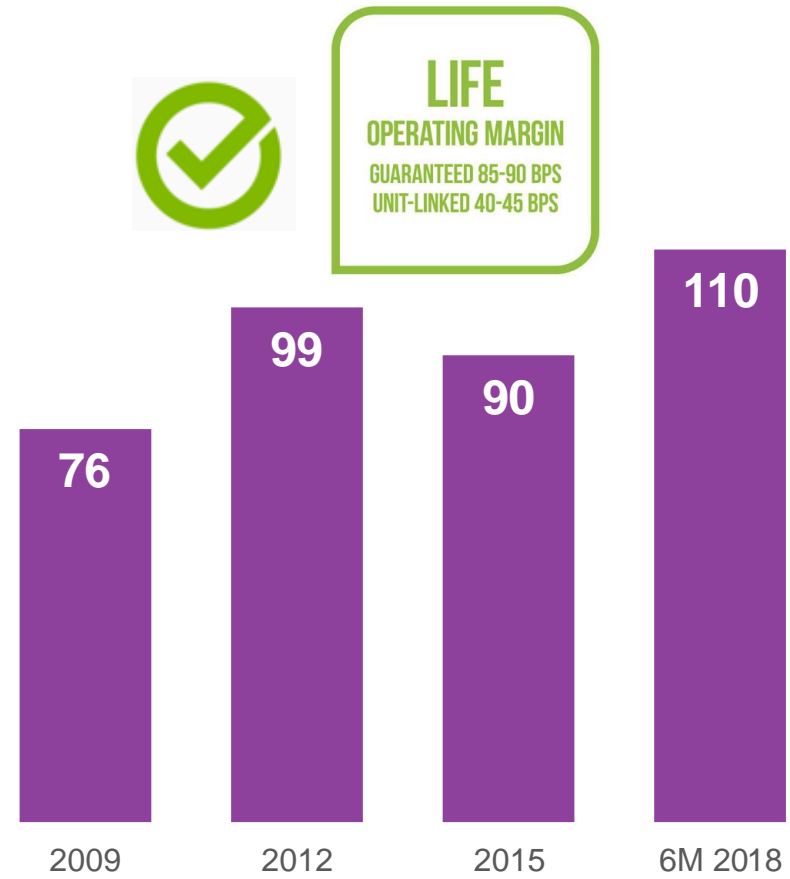
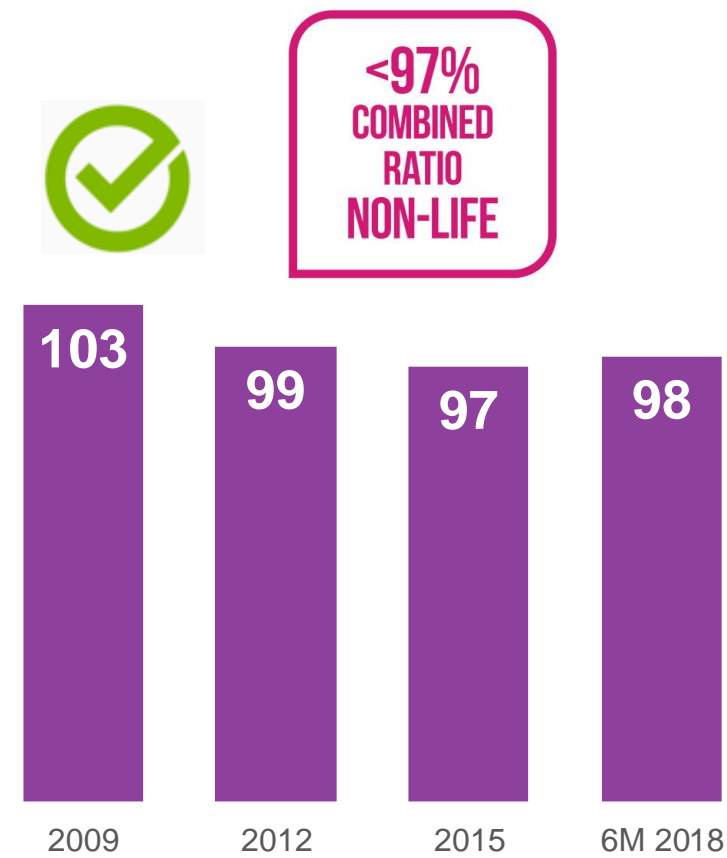
Excl. UK Life & Hong-Kong  
 Other corrections:  
 2009 Belgium: tax benefit  
 2011 Belgium & CEU: Greek impairments  
 2014 UK: UK Life capital gain

2016 Belgium: Terrorism events / UK: closure Glasgow office, special risks & Ogden rate review / Asia: capital gains sale of Hong-Kong / CEU: integration costs Ageas Seguros  
 2017 UK: for Ogden / CEU: Cargeas capital gains



# 2009-2018

## Delivered on financial targets





# 2009-2018

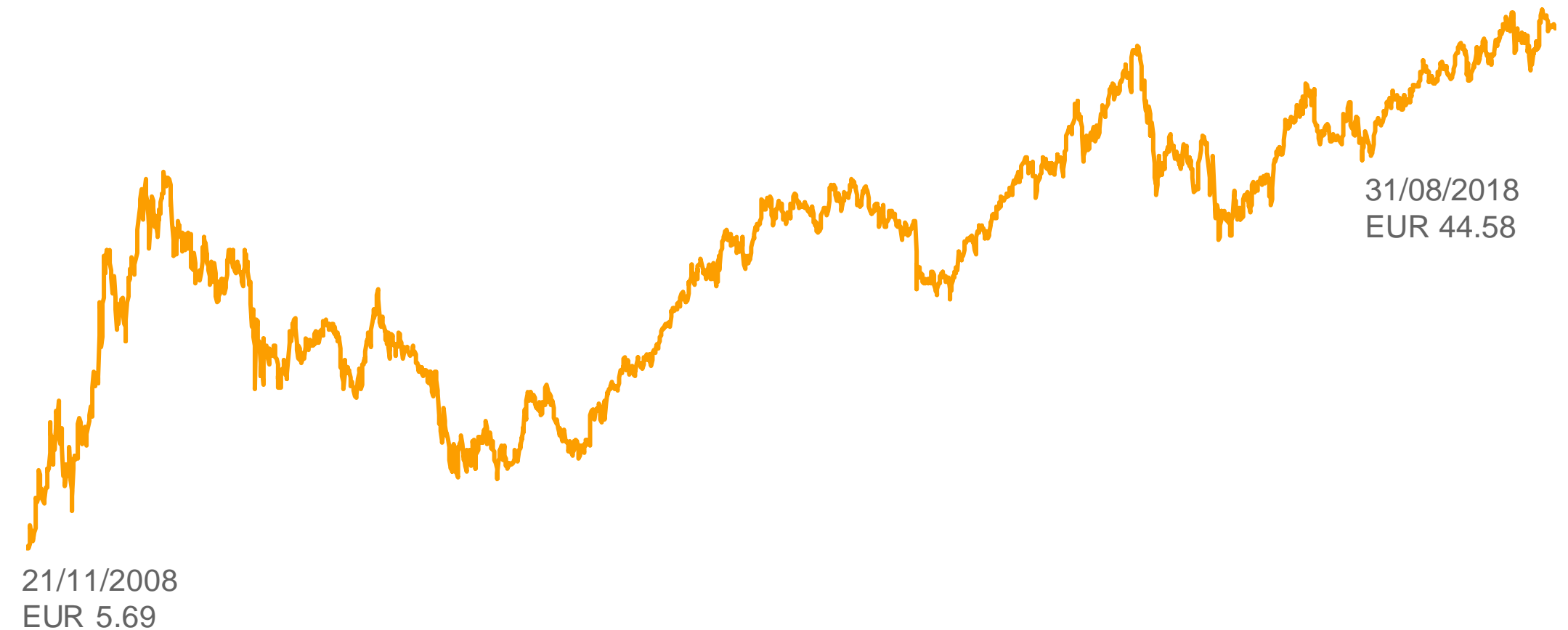
## Shareholders value creation x11 in 10 years

**Market cap**

EUR 1.4 bn

EUR 9.2 bn

**Simple  
shareholder  
return - 683%**  
or 24% / year



**Total  
shareholder  
return - 1133%**  
or 29% / year

**≈ EUR 2.9 bn**  
dividends & capital  
reduction

≈ EUR 2.7 bn dividend paid  
EUR 0.2 bn capital reduction in  
2013

**7 SBB completed & 8<sup>th</sup>  
SBB running for a total  
amount of EUR 1.8 bn**

+/- 25% of outstanding shares  
bought back & cancelled - already  
reflected in the market cap

TSR including reinvestment of dividend

**2009-2018**

**Top achievements**

Legacies addressed & solved

Clear strategy & geographical focus

Delivered ambitious financial targets

Shareholders value creation x11 in 10 years



-----

**How we look at the future**

THINK  
2050



CARE

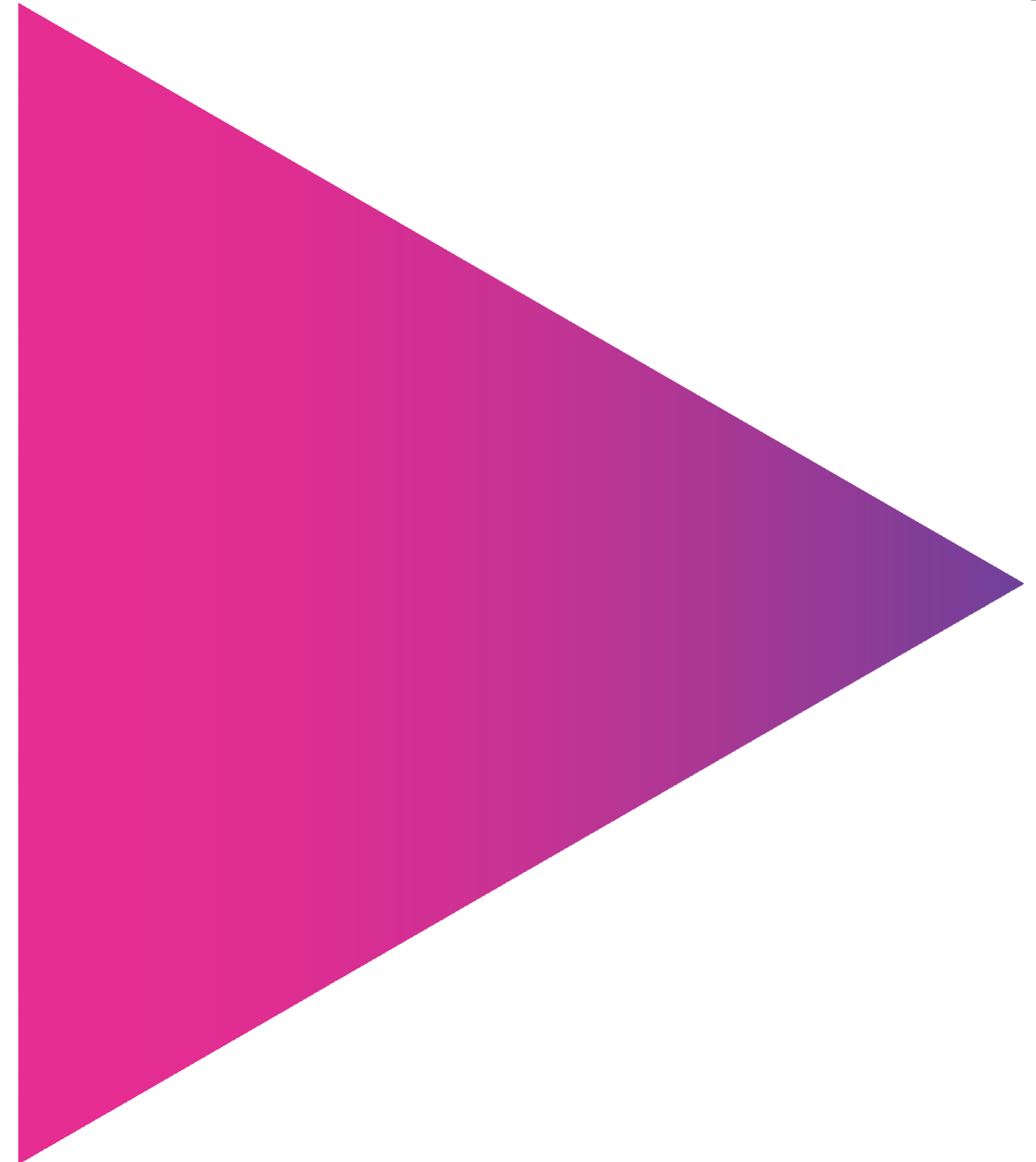
DARE

DELIVER

SHARE



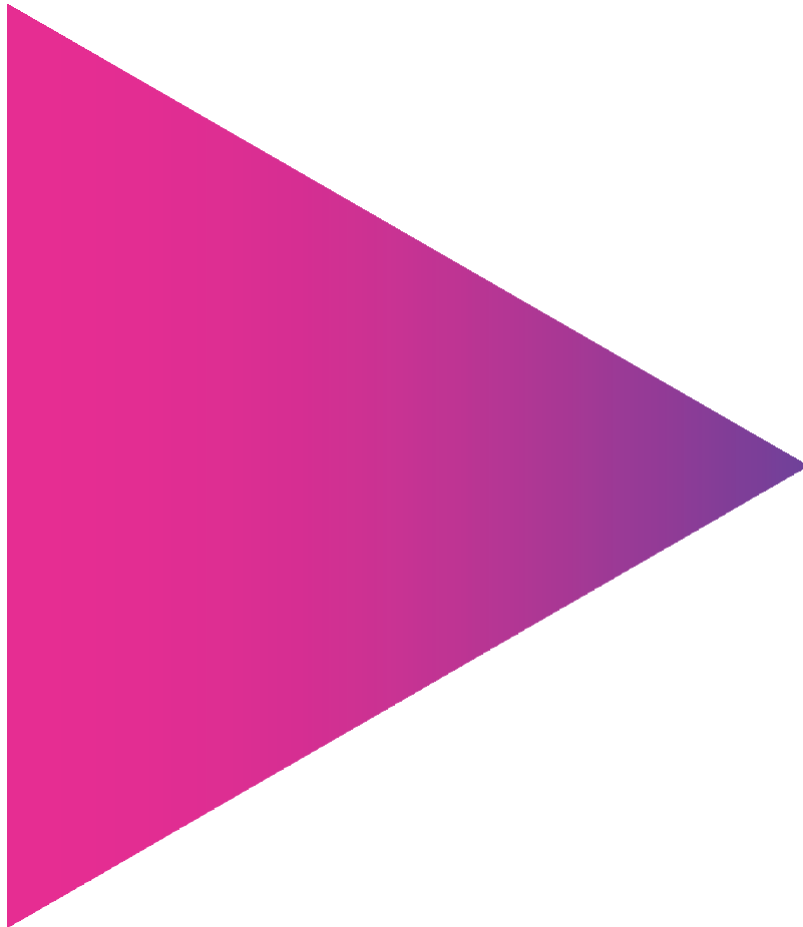
- ▶ A great customer experience
- ▶ To prevent, prepare, protect & assist
  - ▶ By leveraging technology
- ▶ With partners & through alliances
  - ▶ Creating smart synergies
  - ▶ Empowering local autonomy
  - ▶ Focusing on Europe & Asia







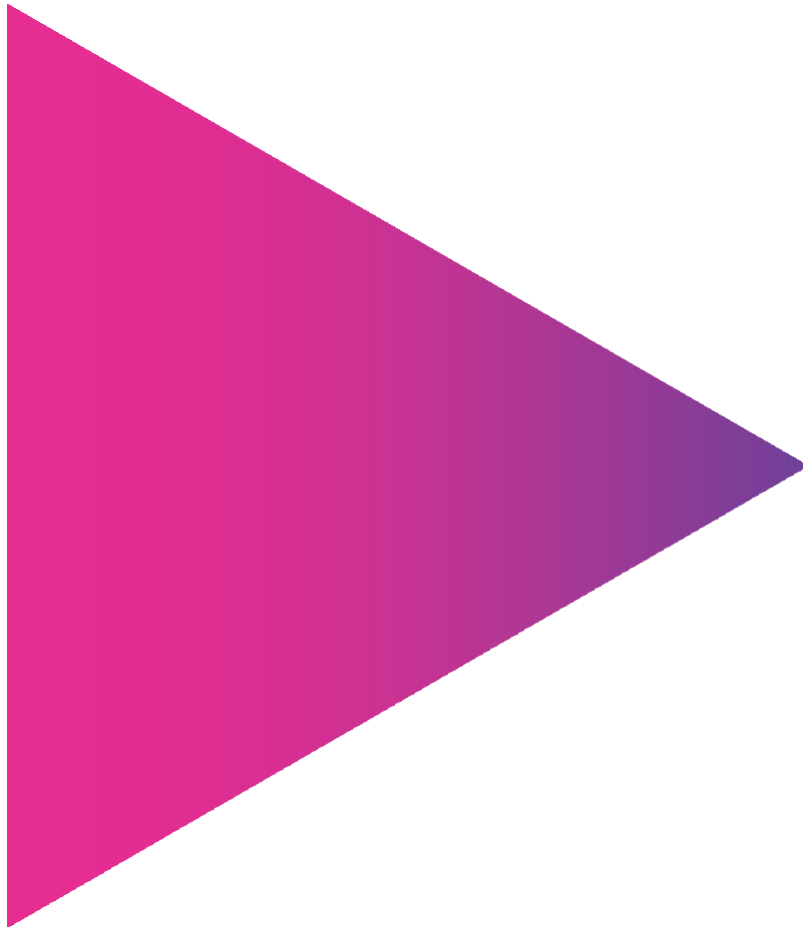
# A great customer experience



**Across entire journey**  
**Optimise existing journeys**  
**Adapt to new demands**  
**Experiment**  
**Measure**



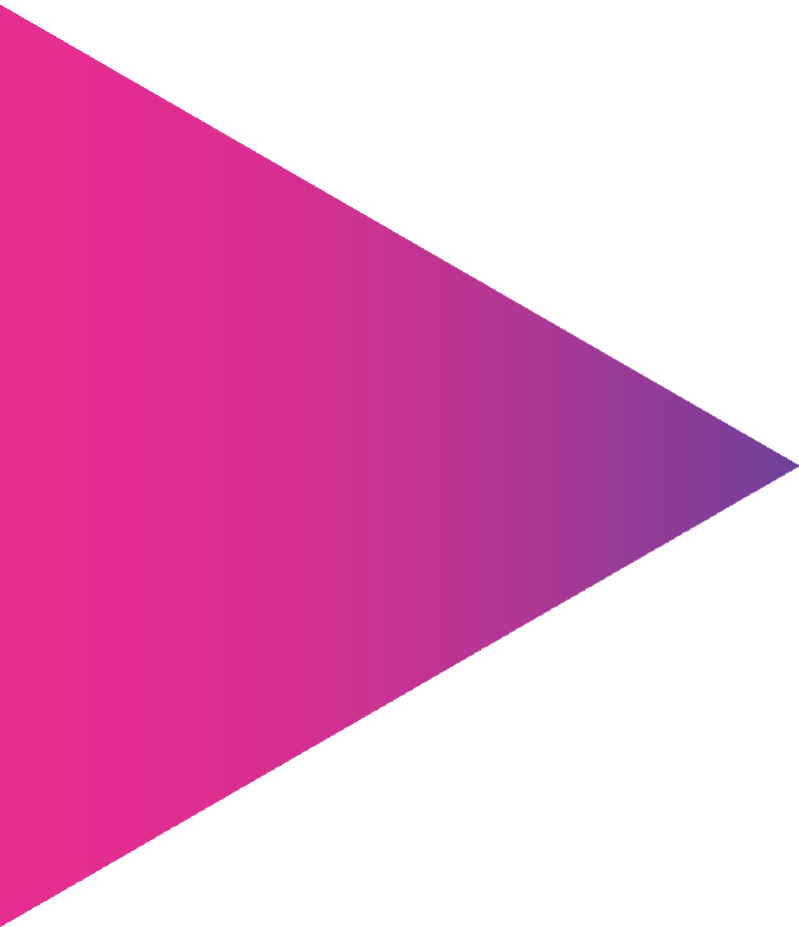
# To prevent, prepare, protect & assist



**Go beyond insurance**  
**Expand the value chain to services**  
**Exploring emerging needs**  
**Generation 'rent or share'**  
**Holistic solutions**



# By leveraging technology

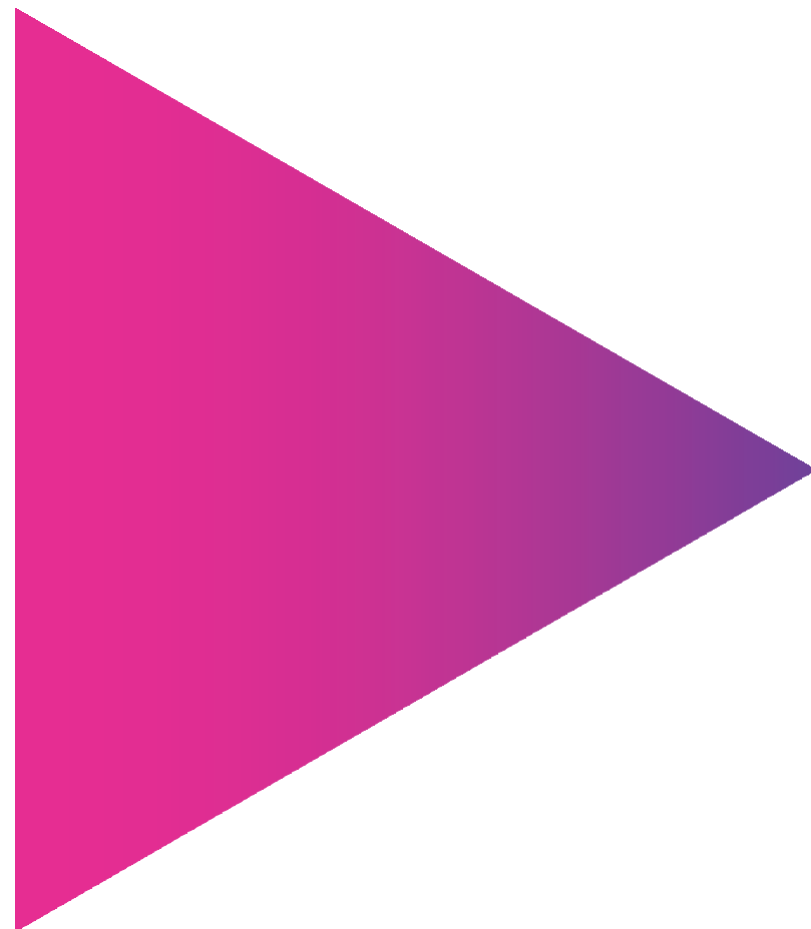


**Changing technology**  
**Upgrade what exists**  
**Embrace new technologies**  
**Enables our daily business**





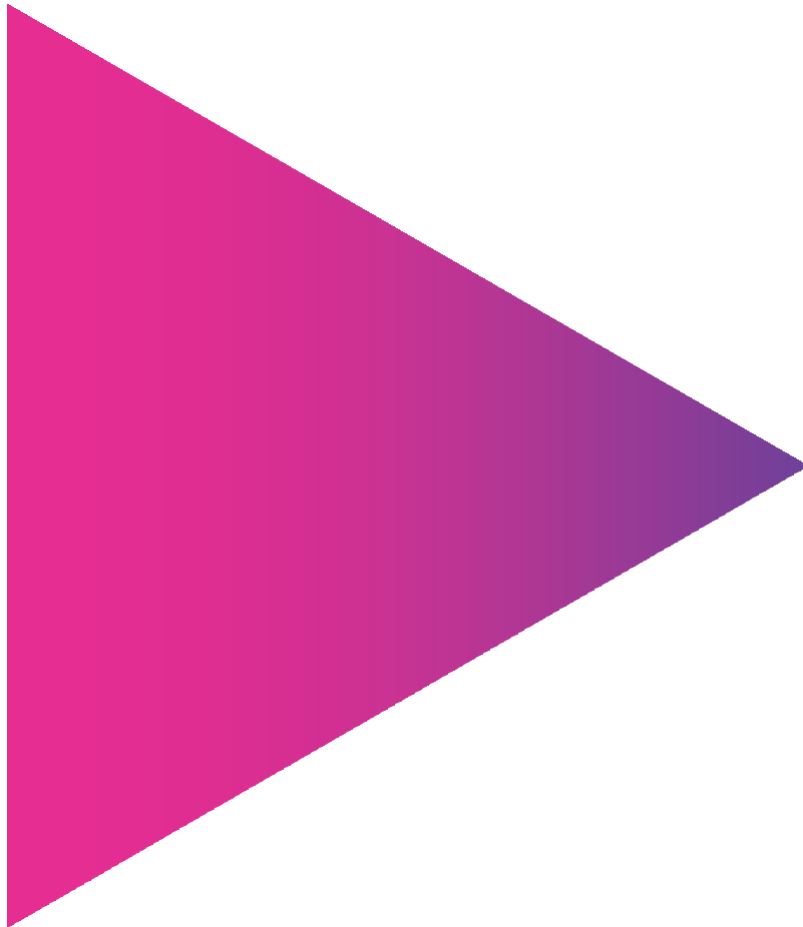
# With partners & through alliances



**Evolve with existing partners**  
**New (types of) partners:**  
**distribution, technology, telecom, ...**



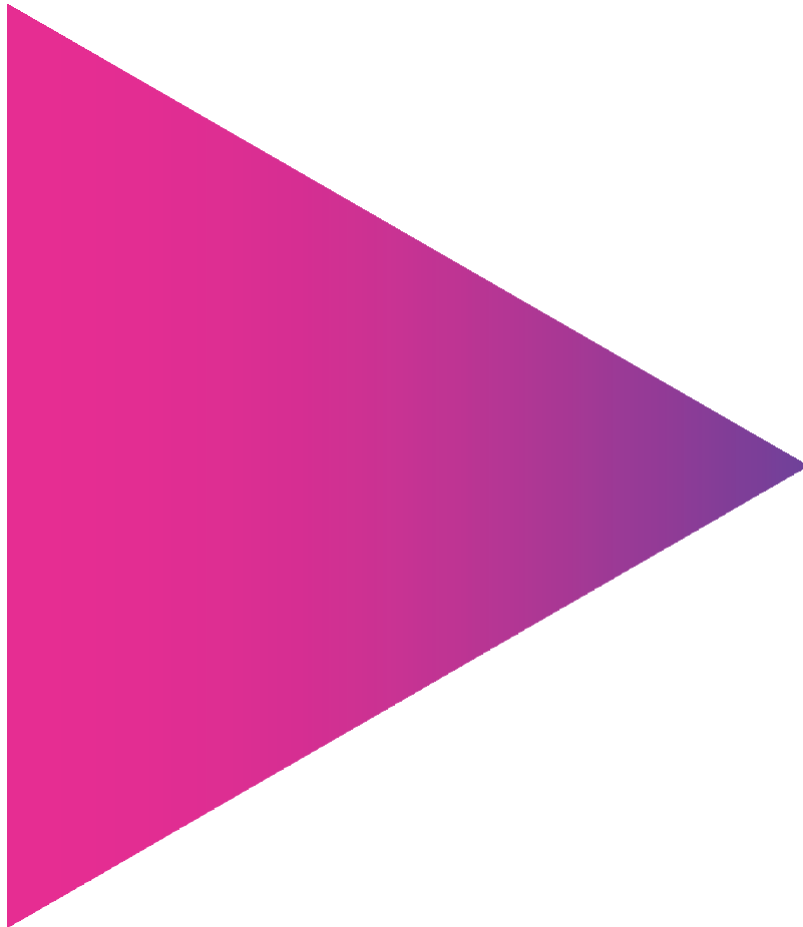
# Creating smart synergies



**Strengthen Ageas's role as synergy manager**  
**Result driven**  
**Push & pull**  
**Products, skills & partnerships**



# Empowering local autonomy

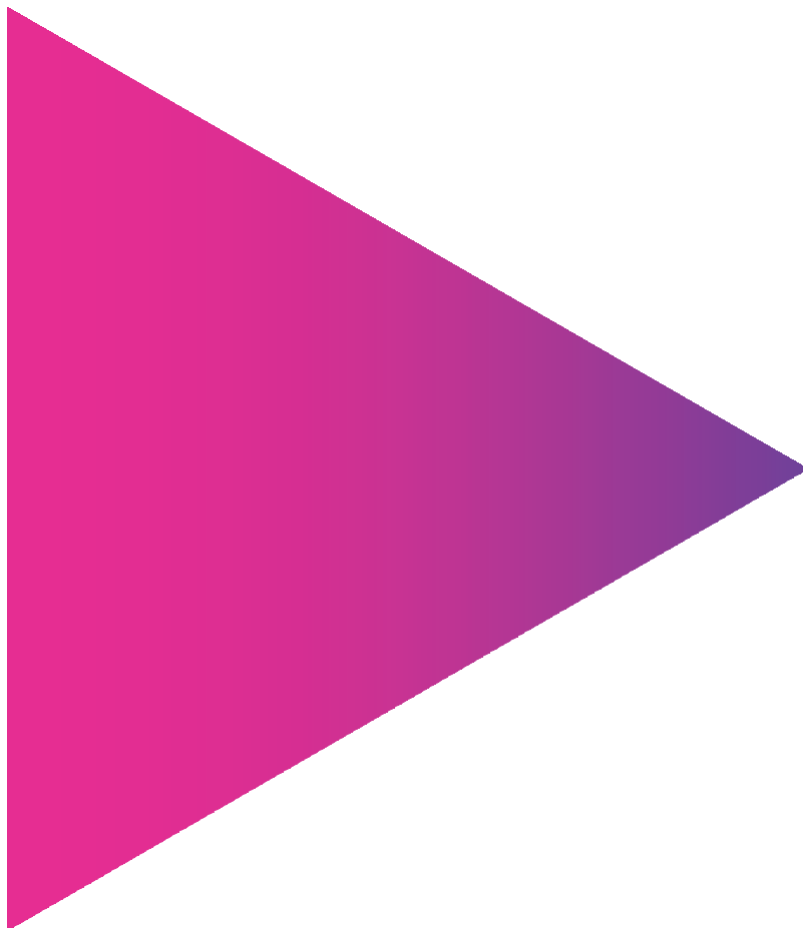


**Local empowerment combined with smart synergies**  
**Strong decentralised model**  
**Close to customer & society**  
**What can be done locally, will be done locally**  
**Relevance for the future & competitive advantages**





# Focus on Europe & Asia

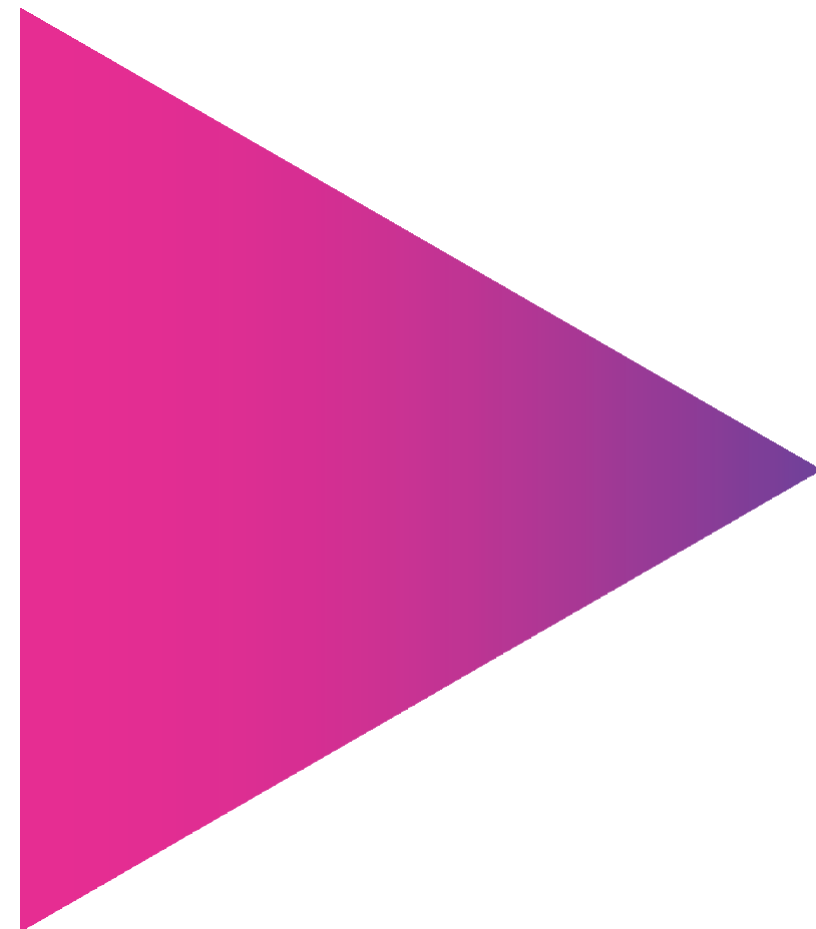


**Diversification**  
**Be where the growth is**  
**Stable home base**



## Where this all will lead to

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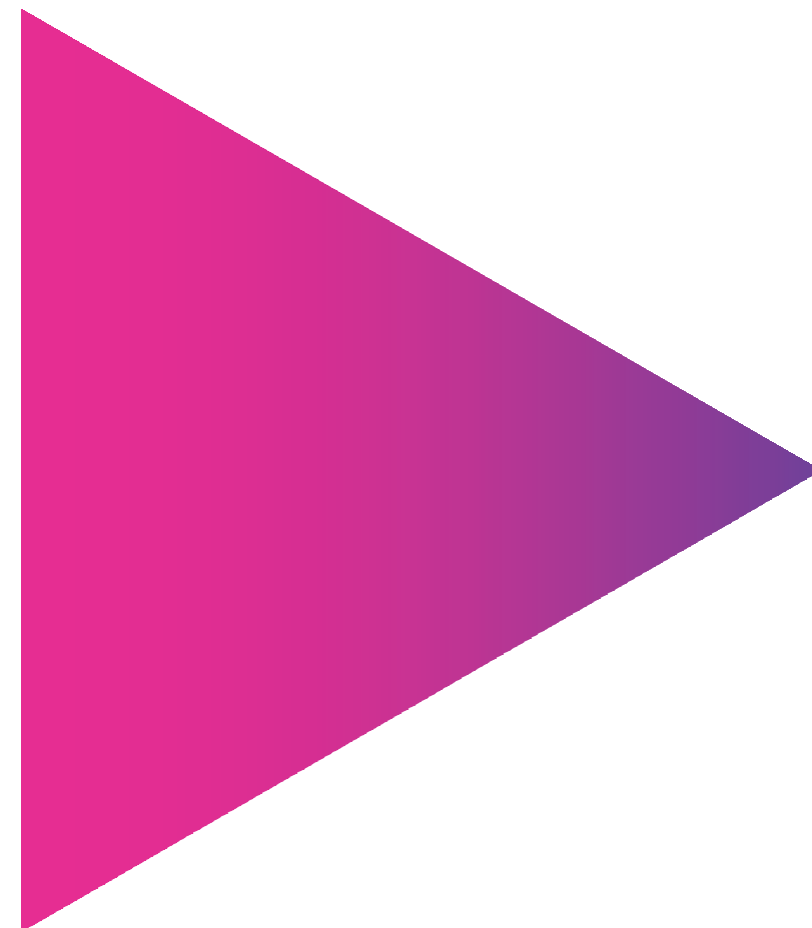
Improve **knowledge** of our customers  
Realise **top line** growth also in mature markets  
Avoid **cost** duplication & improve **efficiency**  
Increase customer **loyalty** & explore **new customer** bases  
Increase **interaction** with customers  
**Shorten** time to market  
Acquire additional **expertise**  
Increase **involvement** & co-responsibility of our people  
Spread positive **experiences** throughout the group  
Strengthen our **unique** company profile with high **dividend**  
upstream from mature countries next to **volume** engines in  
growth markets

Strategic  
choices driven  
by long-term  
vision on  
cooperation  
with wider  
society



# Bao Wan BetterCare (Thailand)

Expanding  
health insurance  
to diabetics who  
traditionally are  
uninsurable



A great customer experience



► To prevent, prepare, protect & assist



By leveraging technology



With partners & through alliances



Creating smart synergies



Empowering local autonomy

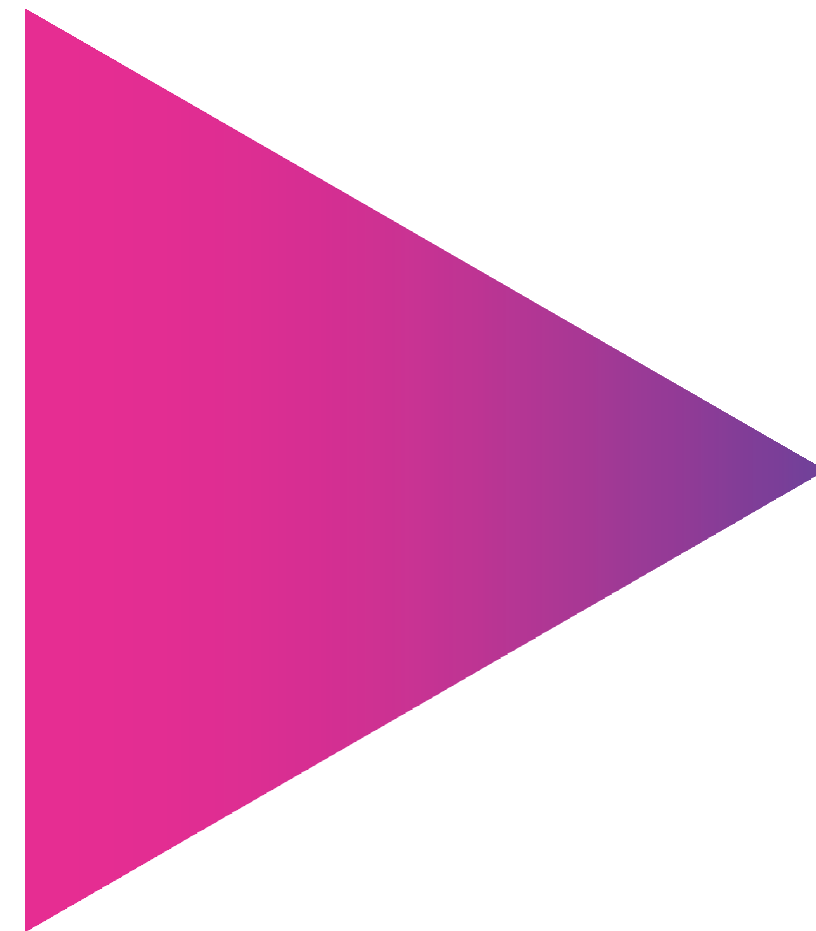


Focusing on Europe & Asia



# Be Home (Belgium)

Allowing elderly  
people to stay  
longer at home



A **great customer experience** ☒

► To **prevent, prepare, protect & assist** ☒

By **leveraging technology** ☒

With **partners** & through **alliances** ☒

Creating **smart synergies** ☒

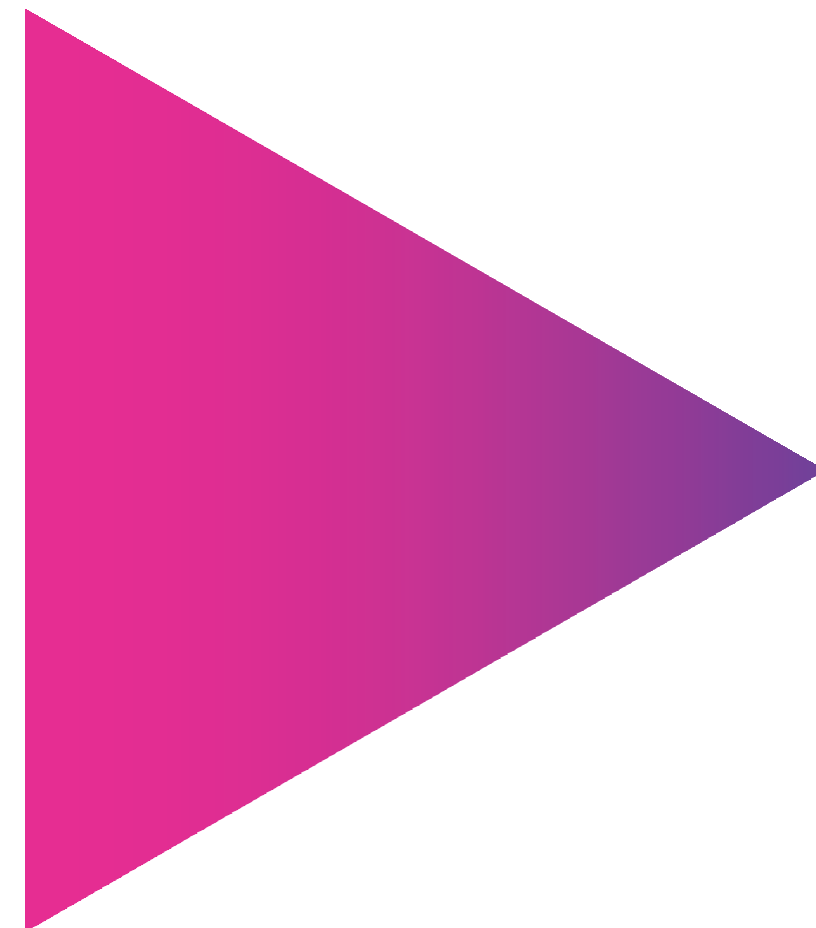
Empowering **local autonomy** ☒

Focusing on **Europe & Asia** ☒



# Tractable (UK)

Reducing Motor  
claims cycle  
through use of AI



A **great customer experience** ☒

To **prevent, prepare, protect & assist** ☒

► By **leveraging technology** ☒

With **partners** & through **alliances** ☒

Creating **smart synergies** ☒

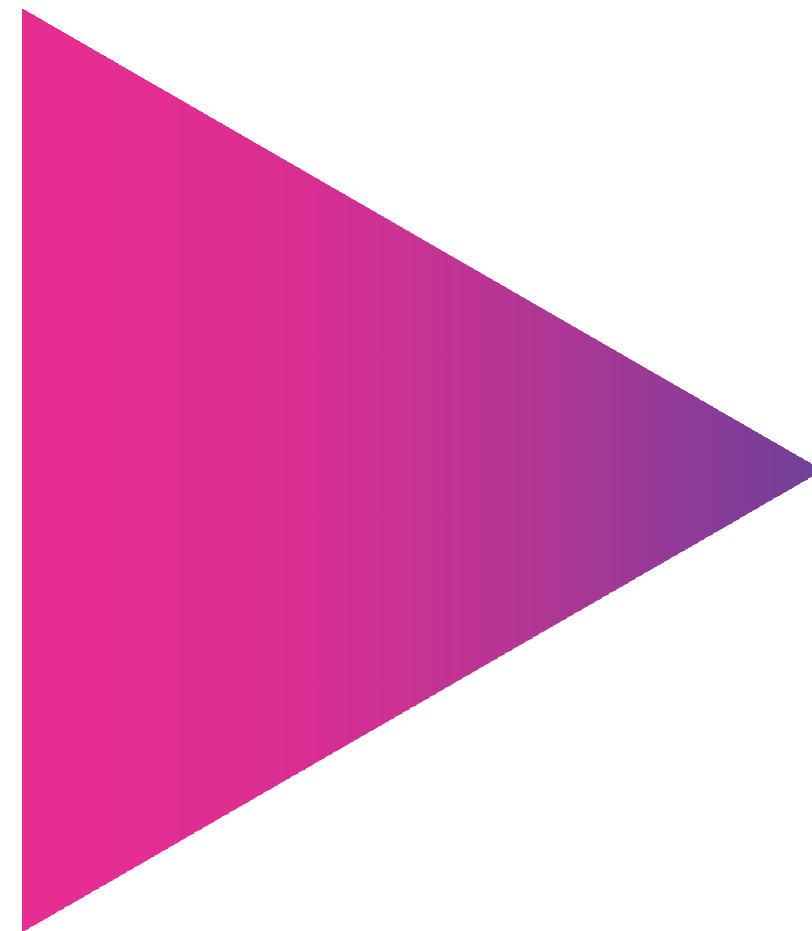
Empowering **local autonomy** ☒

Focusing on **Europe & Asia** ☒



# JV with Associação Nacional de Farmácia (Portugal)

Providing  
integrated access  
to distinctive &  
qualitative health  
care



A **great customer experience** ☒

To **prevent, prepare, protect & assist** ☒

By **leveraging technology** ☒

► With **partners** & through **alliances** ☒

Creating **smart synergies** ☒

Empowering **local autonomy** ☒

Focusing on **Europe & Asia** ☒





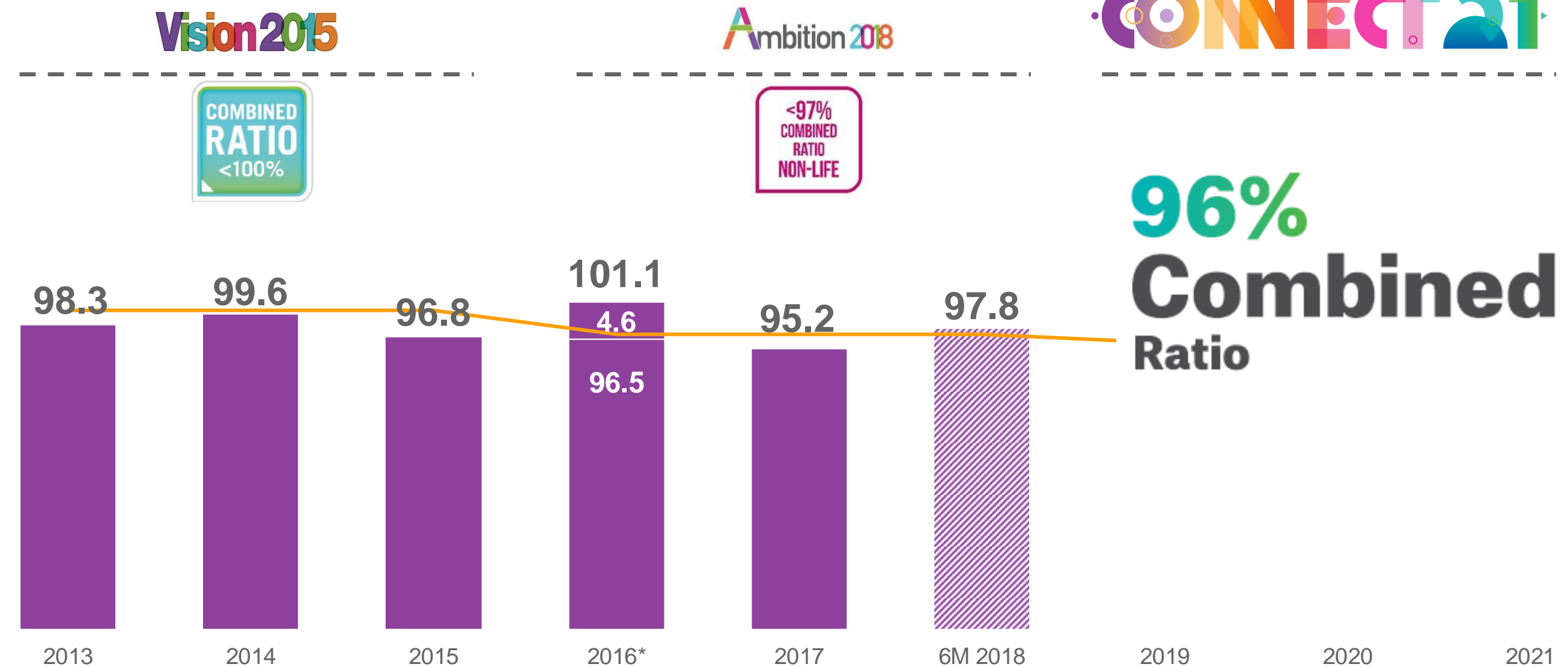
## Operational targets





# Non-Life Combined ratio

in % - for the consolidated  
entities

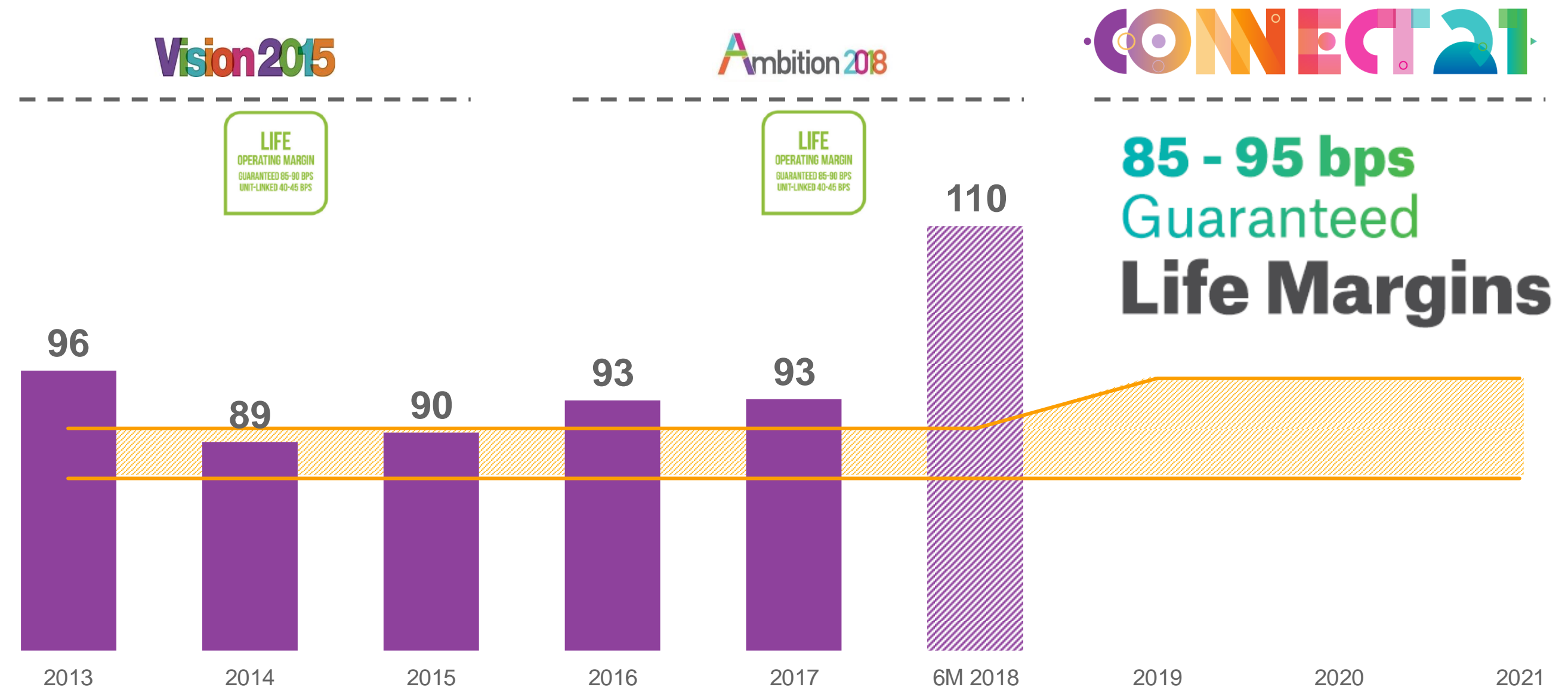


- COR >100% before Vision 2015
- Steady improvement in underwriting expertise & processes
- Confident that we are ready now to go one step further
- Corresponds to 18% ROE

\* 4.6% corresponds to the impact of terrorism (Belgium) & Ogden (UK)

# Operating Margins Life - Guaranteed

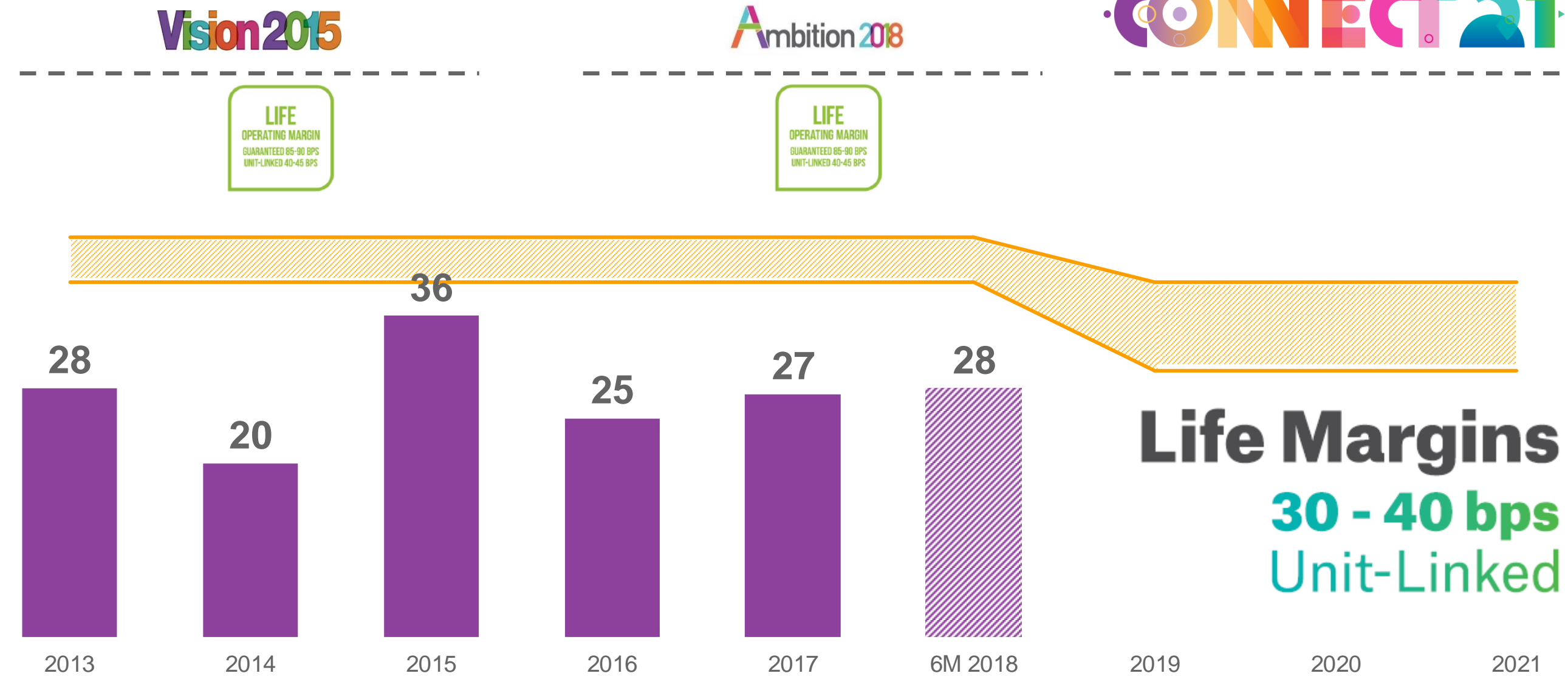
in bps - for the consolidated entities



- Increased from the already strong level of Ambition 2018
- Corresponds to 12% - 14% ROE

# Operating Margins Life – Unit-Linked

in bps - for the consolidated entities



- Decrease in target range taking into account divestment Hong Kong
- Corresponds to 15% - 17% ROE



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## Capital management & related targets

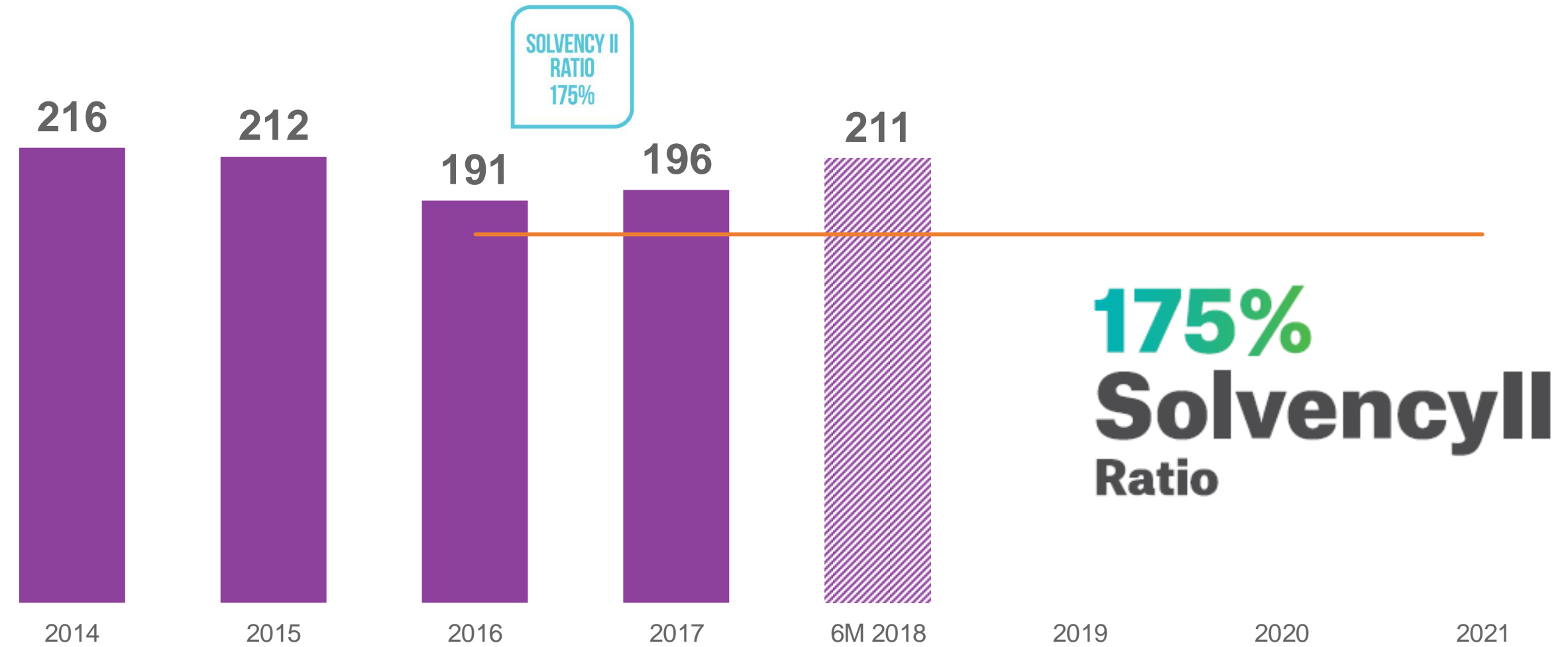


Ambition 2018

CONNECT 21

# Solvency II<sub>Ageas</sub> from Insurance to Group after resolution of legacies

in % of Group SCR



**Target level  
corresponds  
to Risk  
appetite**

---



### **Risk appetite**

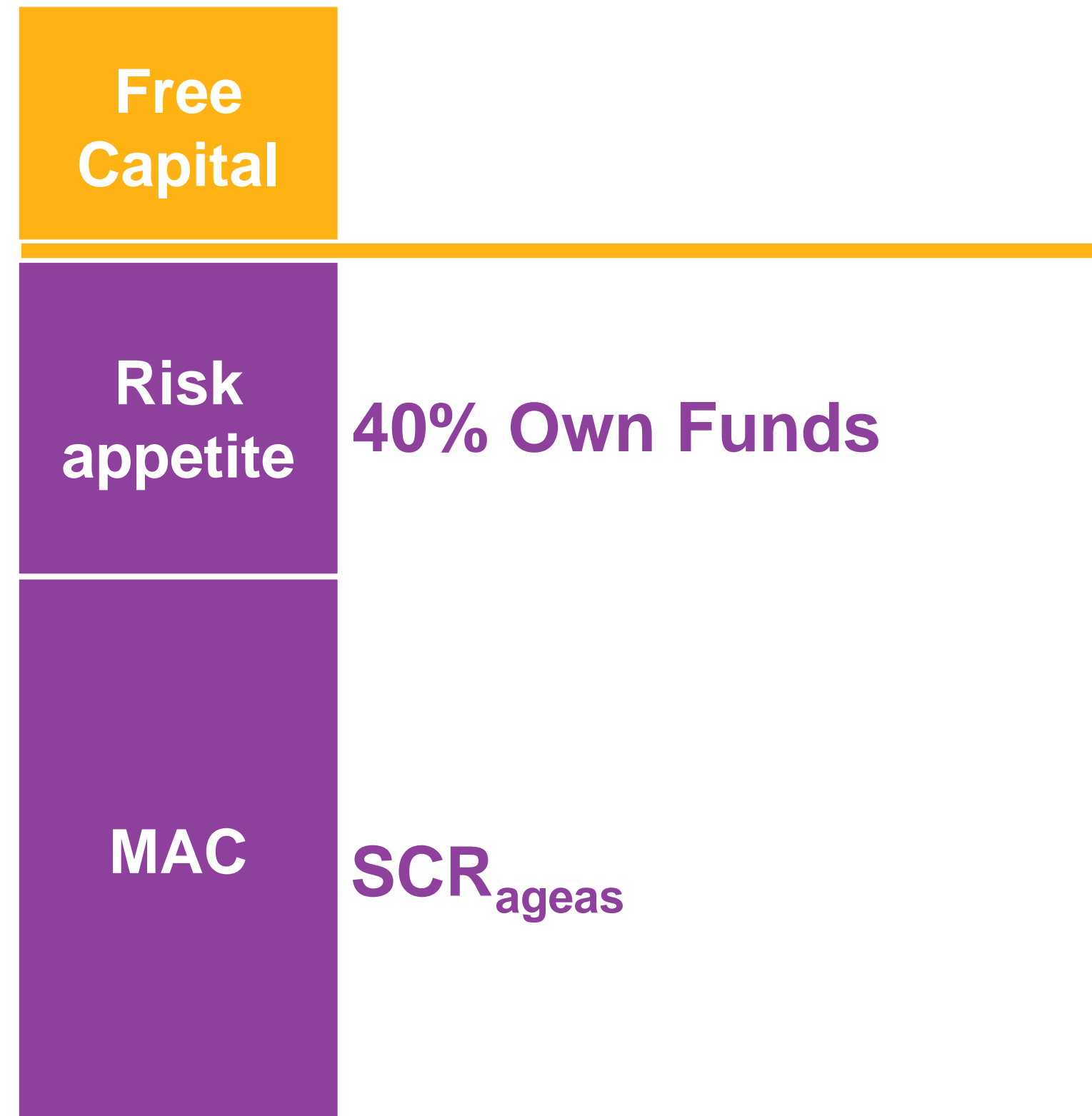
- Budget agreed upon by the Board for taking risk in pursuit of strategic objectives
- Under 1/30 loss event
- RA kept @ 40% Own Funds
- Local risk profile & local risk appetite

### **MAC: Minimum acceptable capital**

- Capitalization level we really want to protect
- Group target:  $MAC = SCR_{ageas}$

Target level  
corresponds  
to Risk  
appetite

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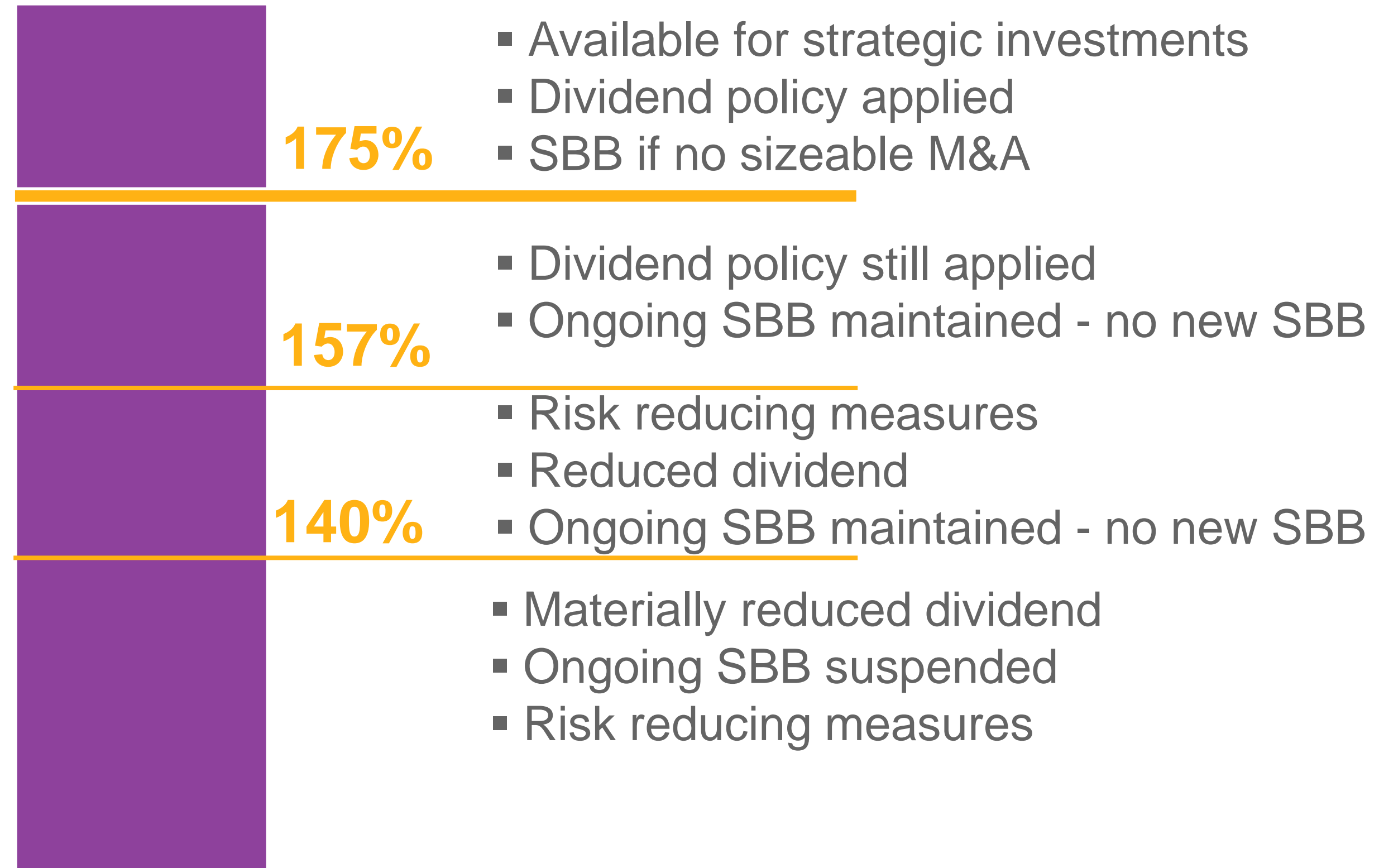
Target Capital  
**175%  $SCR_{ageas}$**

Remember:  
Expected dividend already  
deducted from Solvency II  $ageas$



# Solvency II guidance for return to shareholders

---



## Flexibility

# Flexibility & fungibility of capital Licence obtained to operate internal reinsurance

- Very limited financial flexibility due to historical reasons
  1. Litigation @ holding level (BBB rating)
  2. Subdebt issued out of already strongest operating company (A rating), but capital stuck due to presence minority party shareholder
- With litigation risk removed, possibility to use again holding as carrier for subdebt, bringing back flexible on-lending options
- Key condition is a better rating, possible through reaching core status\*
- With quota shares accepted from controlled non-life entities holding gains direct access to operational cash-flows, becoming operating entity

## Fungibility

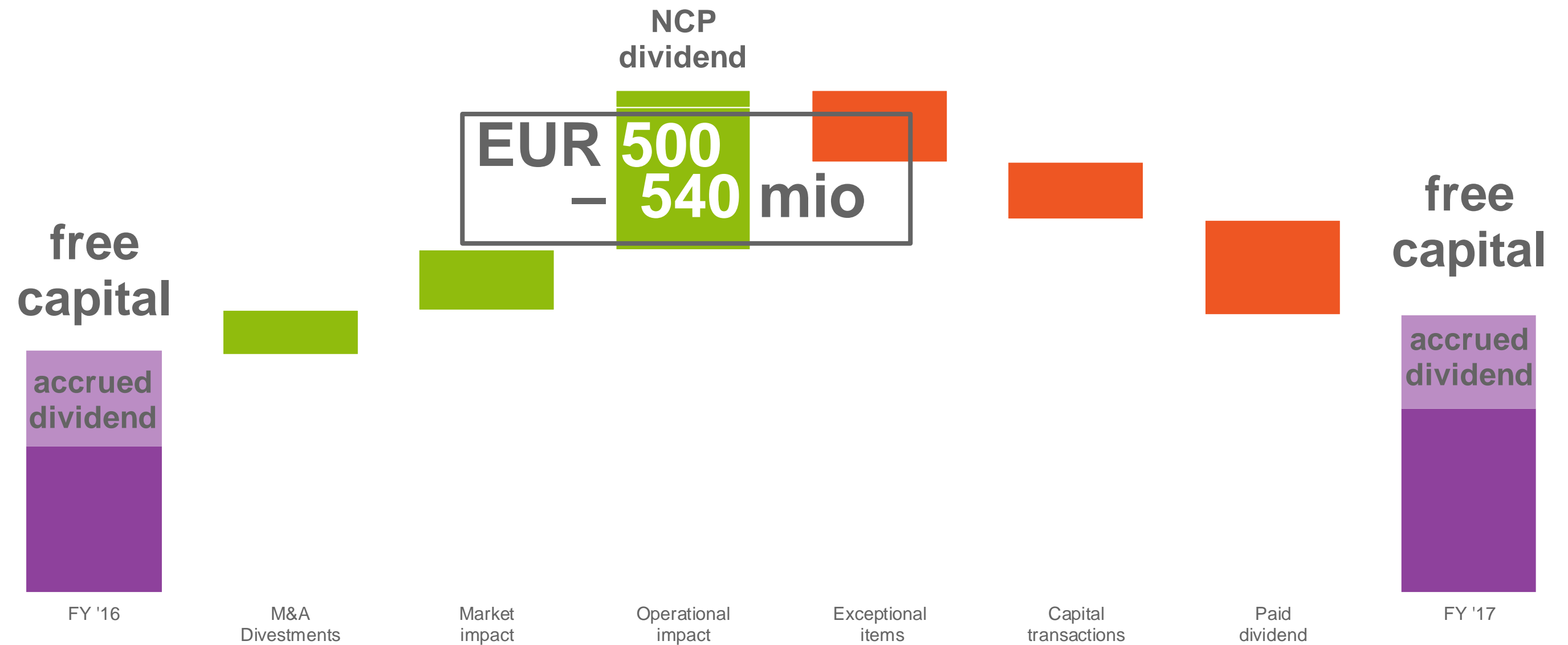
- Improved Solvency II ratio of the group (see 6M 2018 results)

\*S&P terminology

**Guidance to  
operational  
impact on  
free capital**

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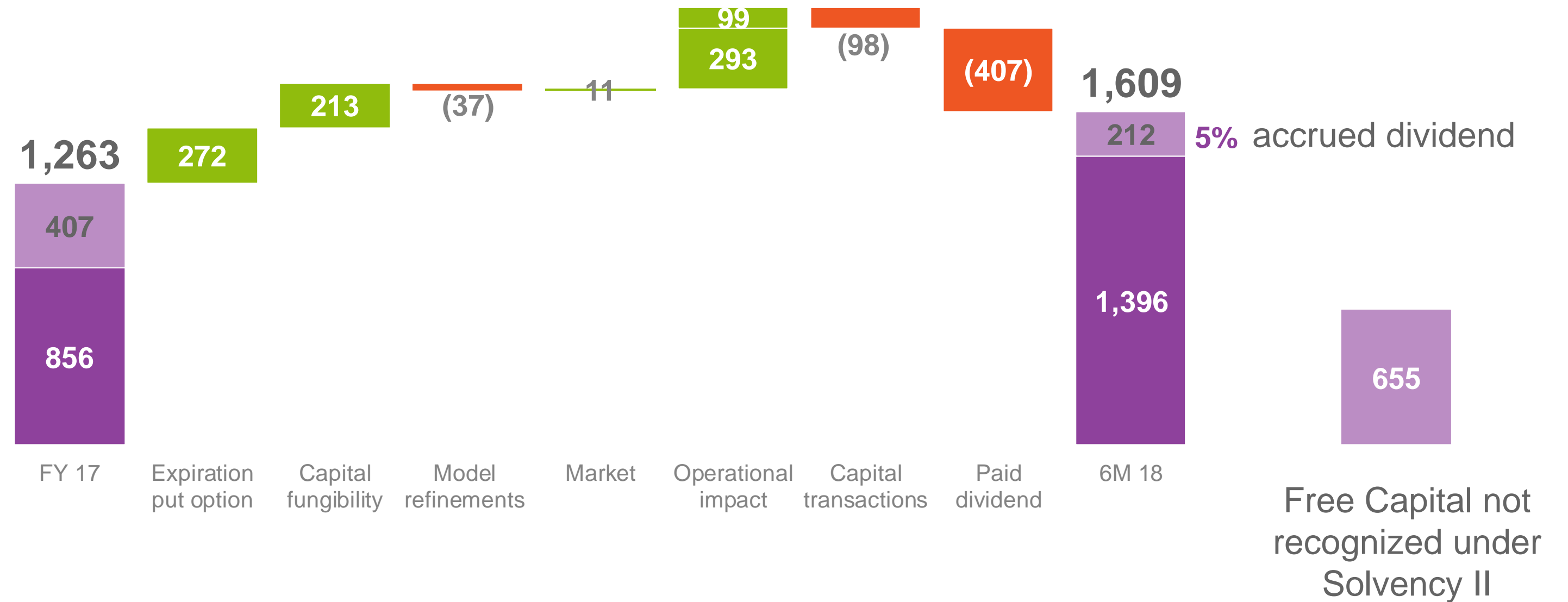
**EUR 600-800 mio**  
**@ group level**  
in EUR mio



- OR**
- Add **dividend** NCP's ≈ EUR 100 mio → EUR 600 – 640 mio
  - Add **OFCG** NCP's ≈ EUR 250 mio → EUR 750 – 800 mio

# Group FCG roll forward as shown @ 6M 2018

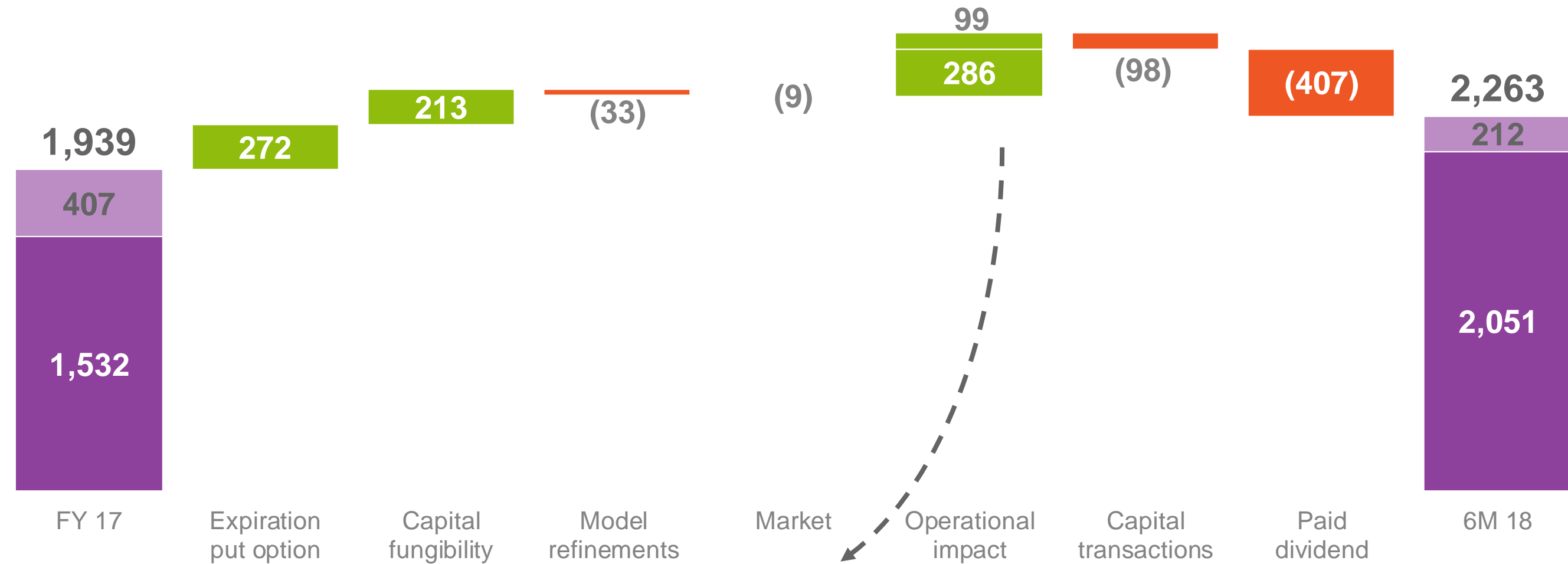
in EUR mio



# Group FCG roll forward

Free Capital not  
recognized under  
Solvency II

in EUR mio

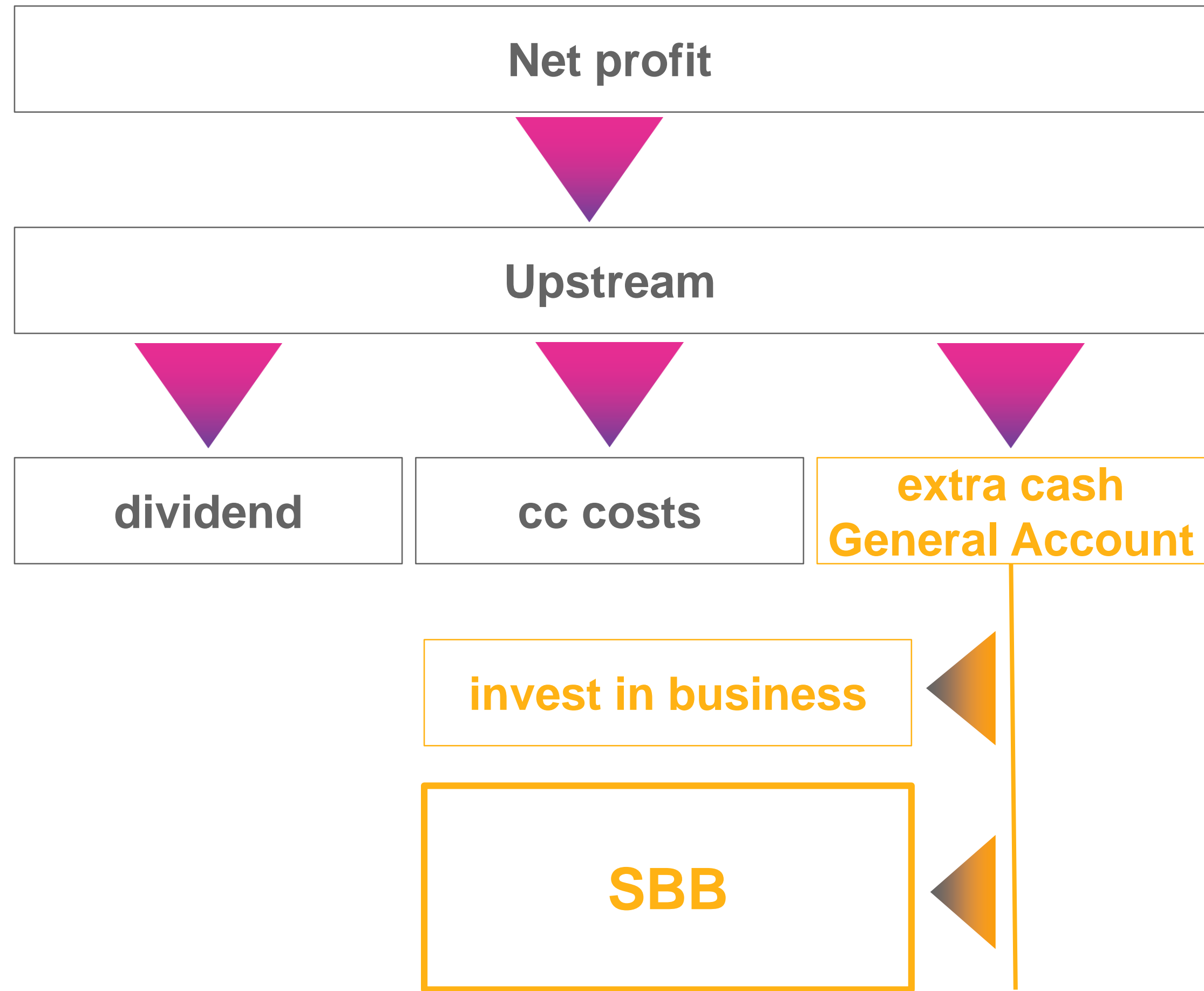


Guidance of EUR 600 – 800 mio  
maintained

Number slightly changed

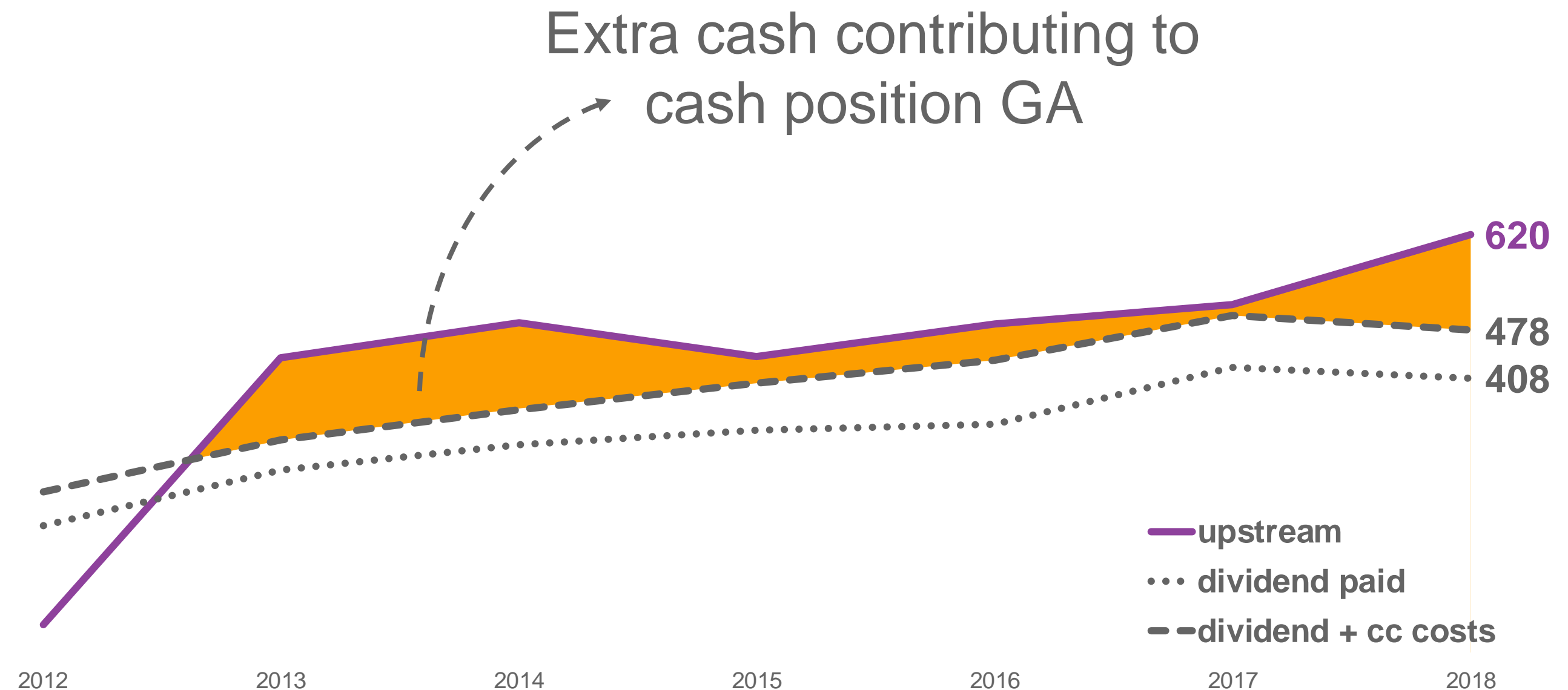
# Cash pool in General Account

Used for return to shareholders or invest in business



# Cash pool General Account

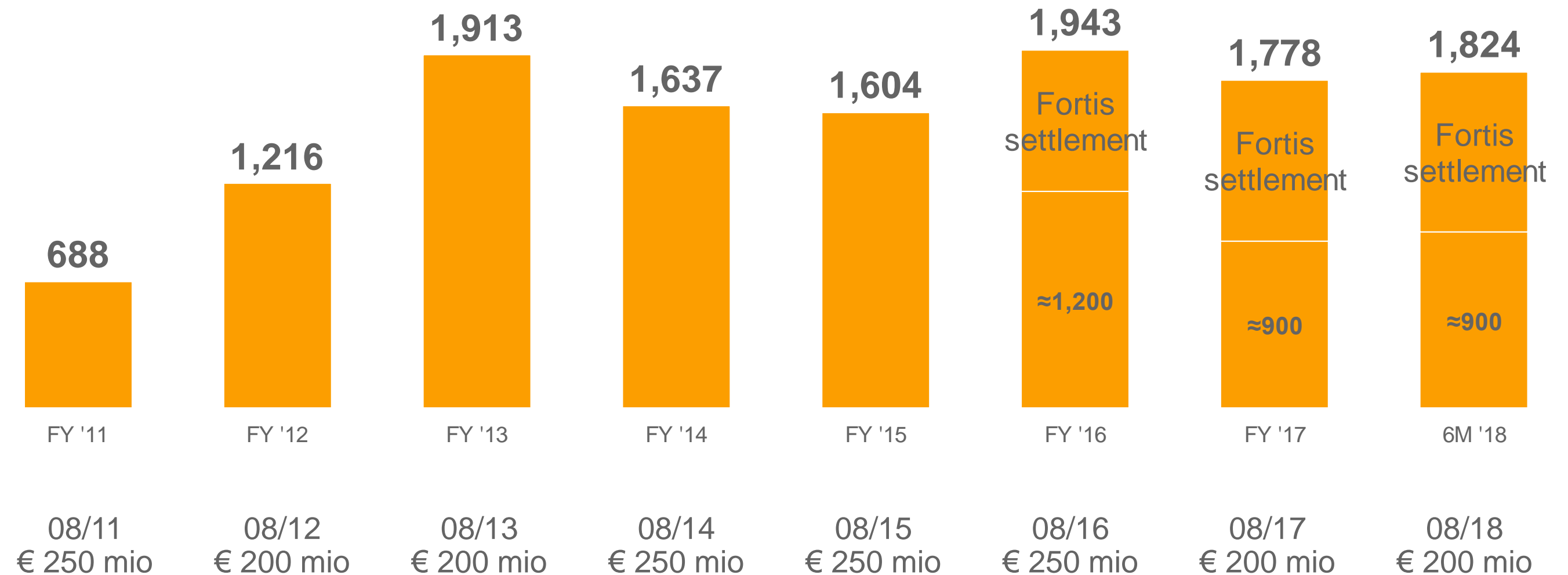
Upstream more  
than covering  
dividend & CC  
costs



# Cash pool General Account

Consistently high  
over whole period

Launched  
**SBB**

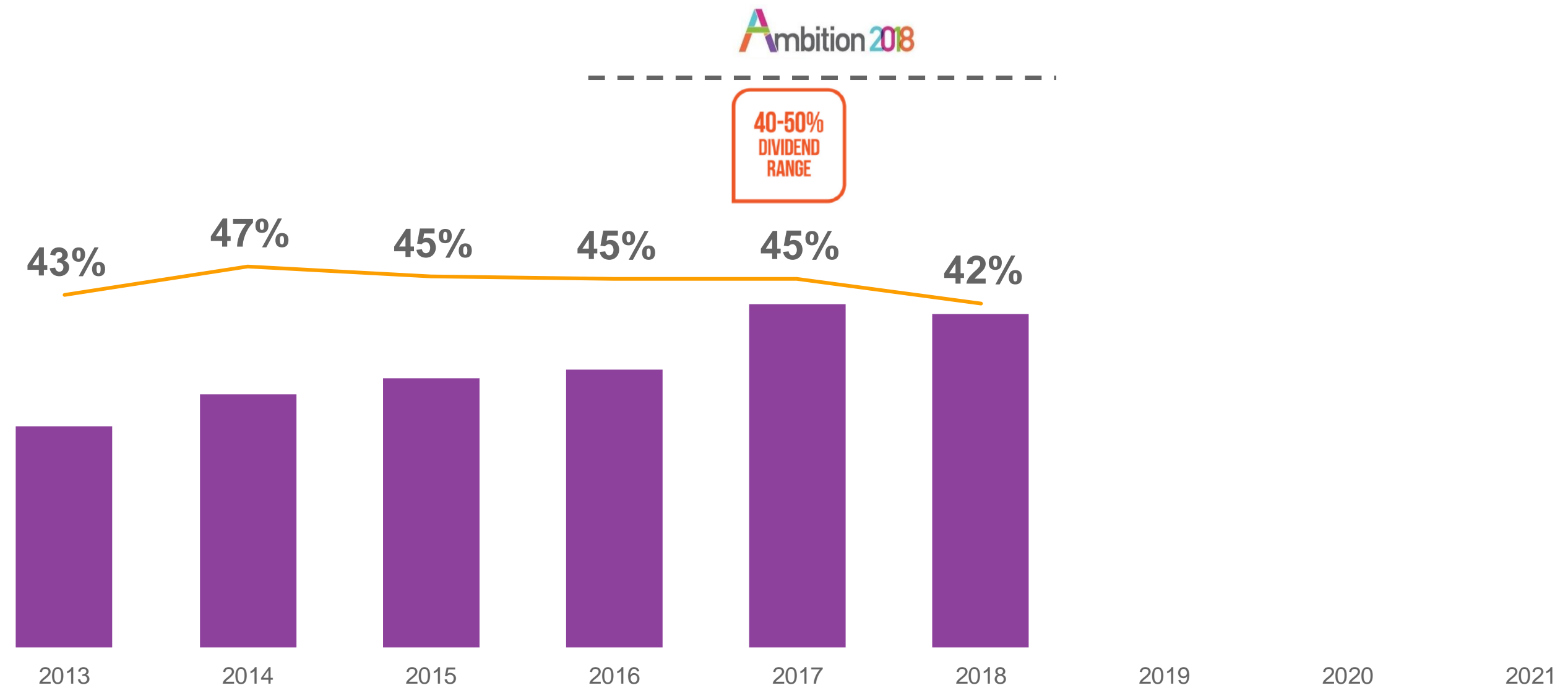




# Confirmed commitment on dividend

## Pay-out ratio from Insurance to Group

in % of Insurance net result\*

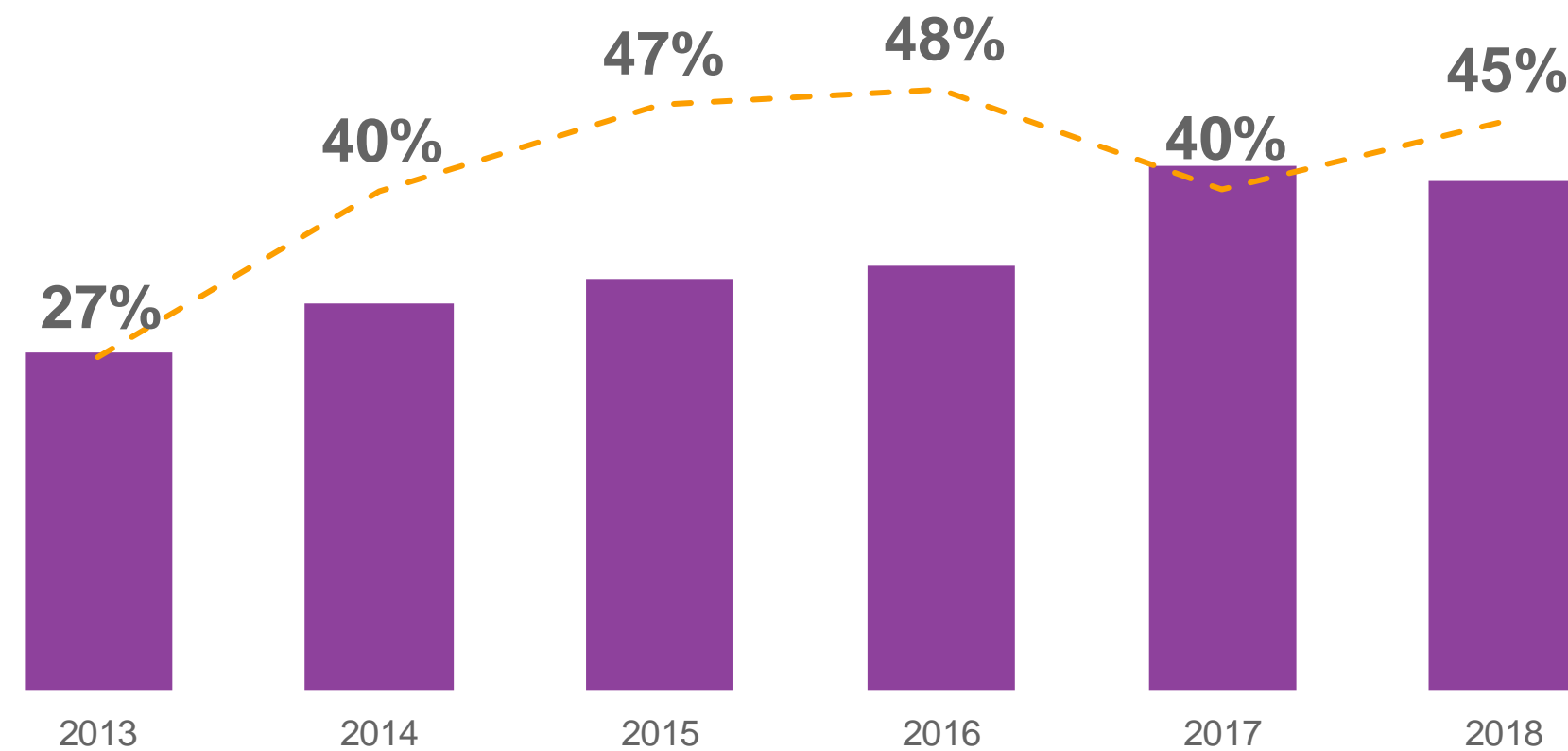


\* Excluding 2016 UK exceptionals



# Confirmed commitment on dividend Pay-out ratio increased

in % of Group net result\*



**≥ 50%**  
**Dividend  
Pay-Out**

2019 2020 2021

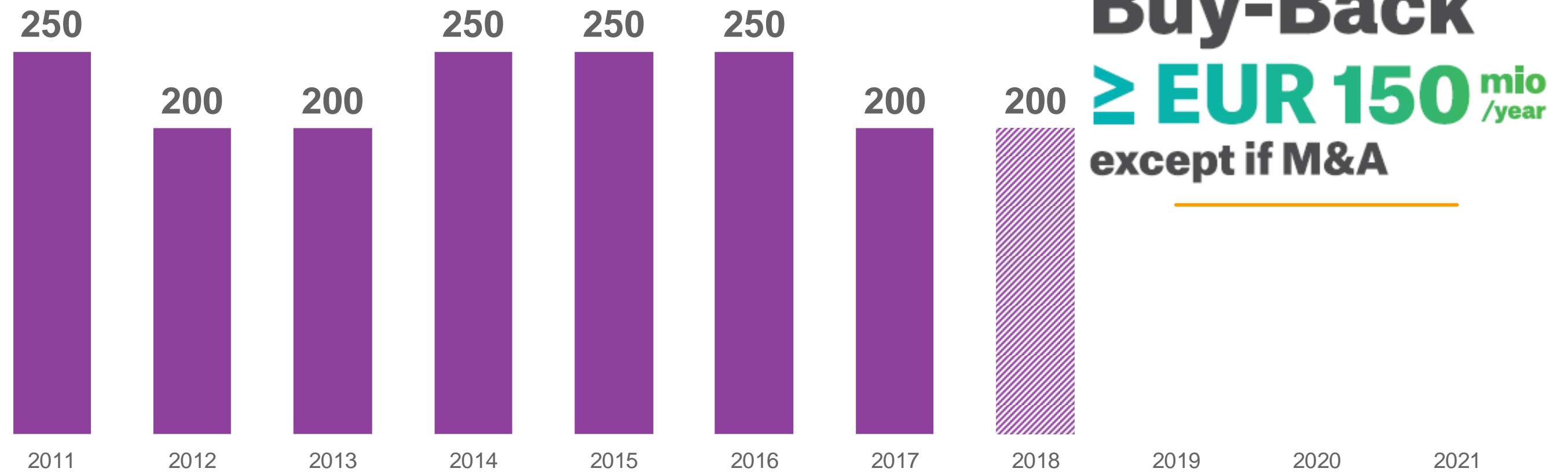
- Based on Group net result excl. RPN(i) impact
- We aim to achieve long term sustainable growth, offer competitive returns & stable to growing dividend/share

\* Excluding 2016 UK exceptionals & provisioning Fortis Settlement

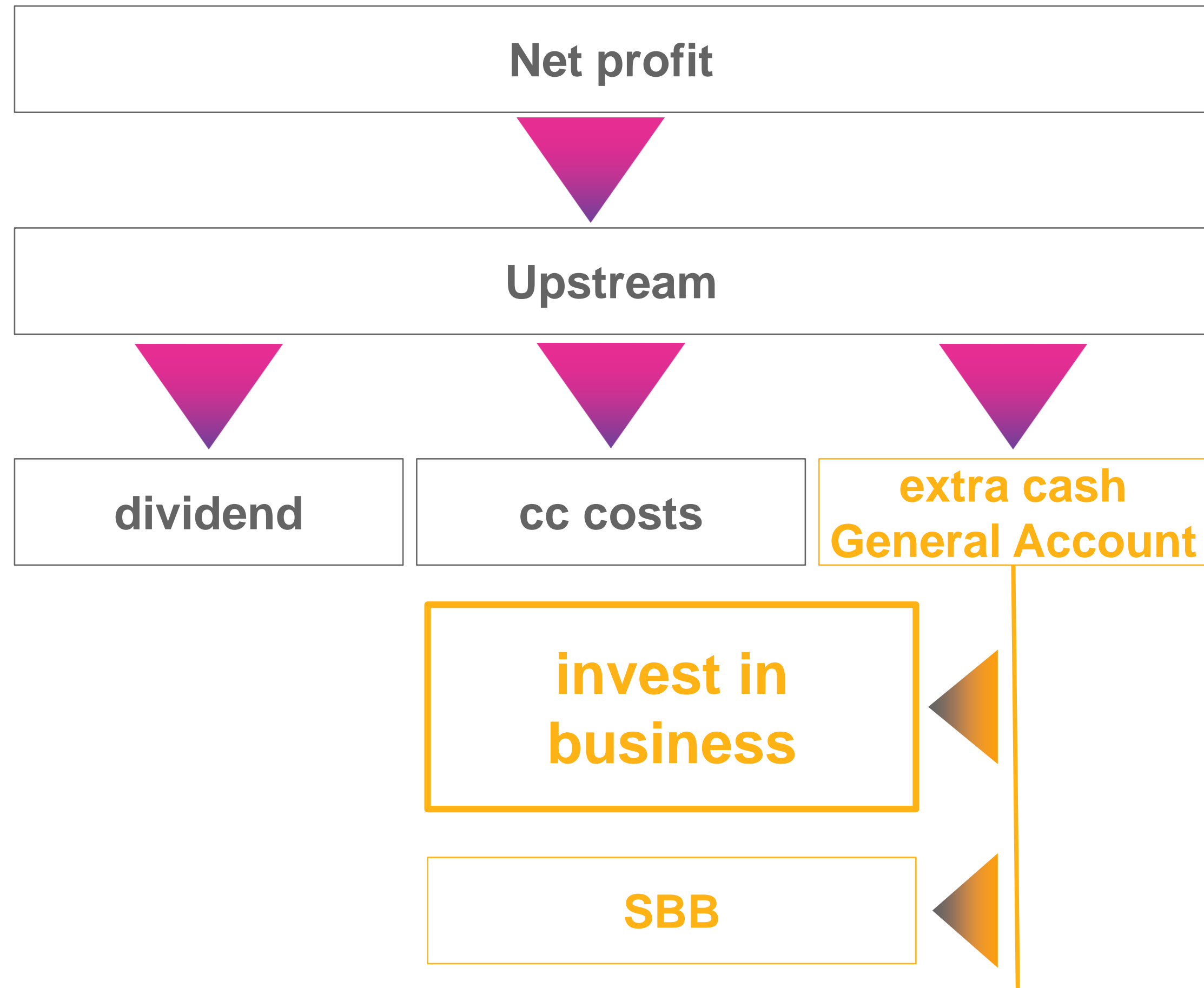


# Clear commitment on Share Buy-Back

in EUR mio



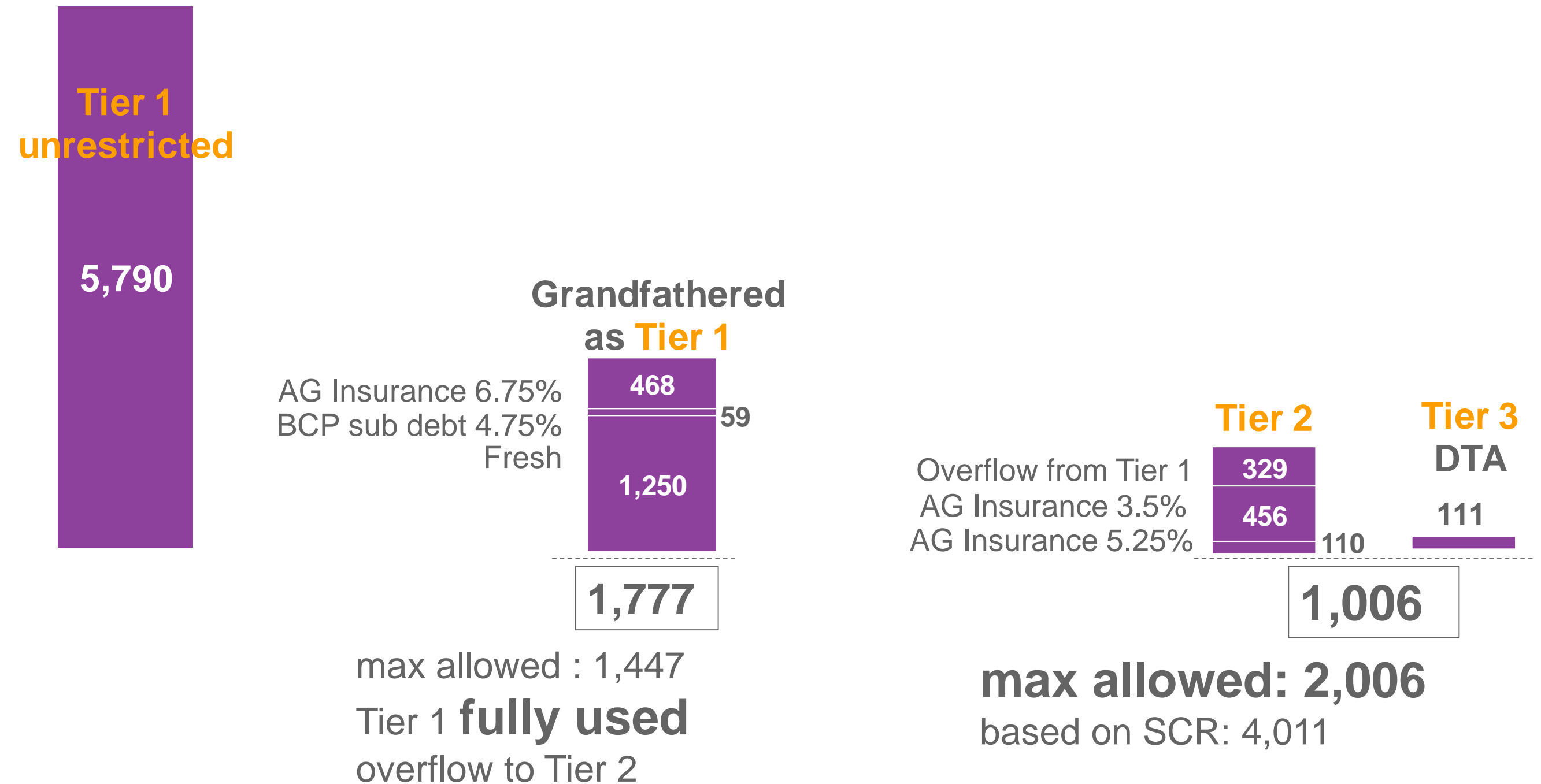
**Cash pool in  
General  
Account**  
-----  
Used for return  
to shareholders  
or invest in  
business



# Debt capacity under Solvency II regulation

EUR 1 bn additional debt capacity for M&A

in EUR mio



## Regulation

- Restricted Tier 1 max 20% total Tier 1
- Total Tier 1 min 50% SCR / Tier 2 + 3 max 50% SCR
- Tier 3 max 15% SCR

# M&A

---

## Our market presence principles

### Critical size

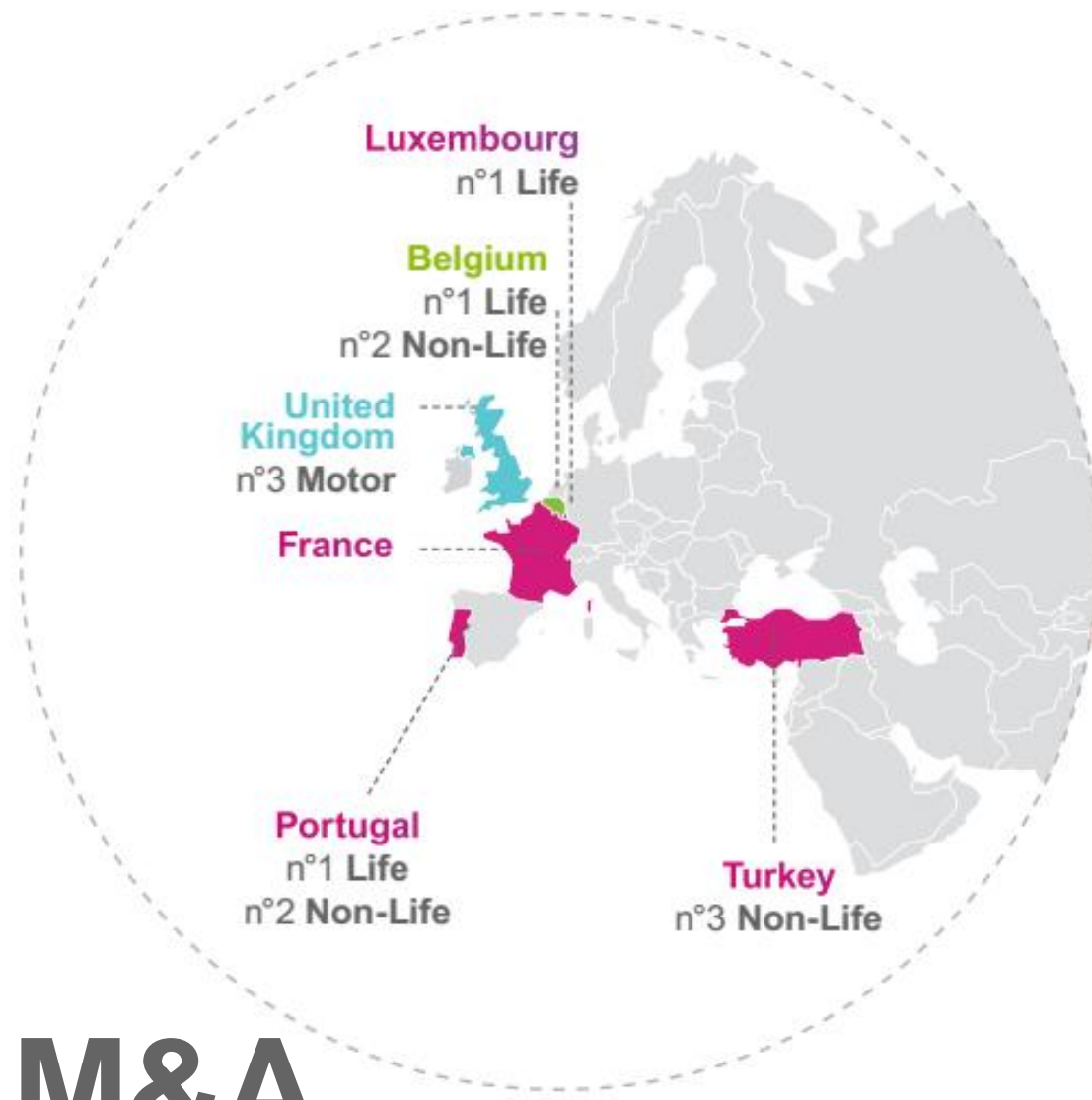
- local presence
- compete effectively in its market or niche
- comply with ageas's quality standards

### Meaningful Contribution

- in the medium term
- significant enough to justify management time

### Return in excess of cost of equity

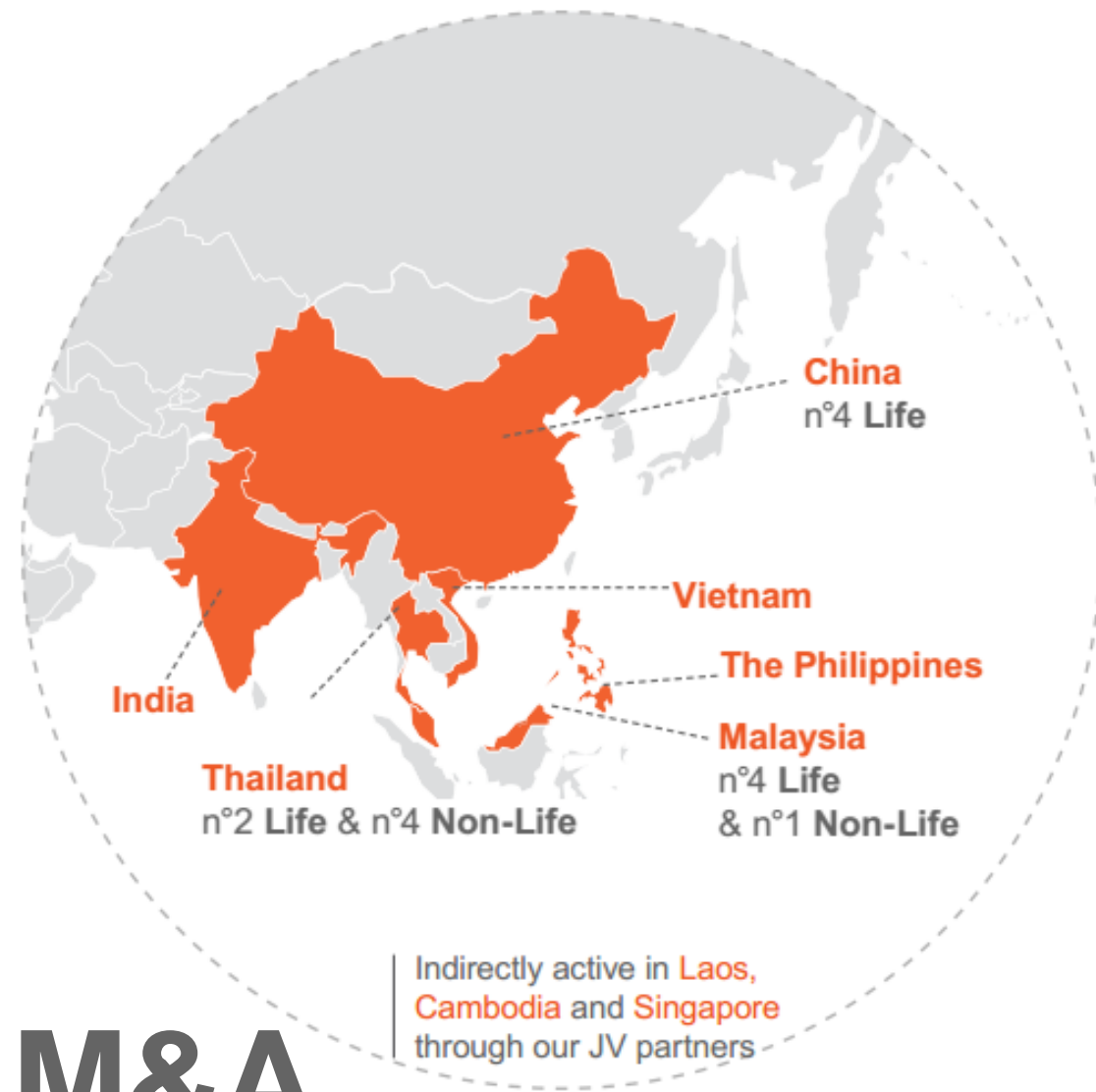
- while taking into account
  - business specificities
  - expected value creation



## M&A

Discipline in the  
past – presence in  
Europe

- 3 home markets: Belgium, UK, Portugal
- Key strengths
  - High market share
  - High control
  - High profitability
  - High cash upstream



## M&A

Discipline in the  
past – presence in  
Asia

- 3 well established entities:  
China, Thailand, Malaysia
- Key strengths
  - Fast growing markets
  - Strong local market positions
  - Successful partnership models
  - Profit & dividend criteria reached or moving to target range
- 3 early stage growth markets:  
India, The Philippines, Vietnam
- Key strengths
  - Fast growing markets
  - Strong local market positions is reasonable ambition
  - Successful partnership models



## M&A

---

### Discipline for the future

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

# M&A

---

## Diversified strategy

### home markets

1. **Belgium & Portugal:** market consolidators – proactive
2. **UK:** refrain from M&A until restructuring confirms expected results
3. **Consider 4<sup>th</sup> market** with similar characteristics
  - diversifying dividend upstream
  - markets where Ageas is comfortable

### growth markets

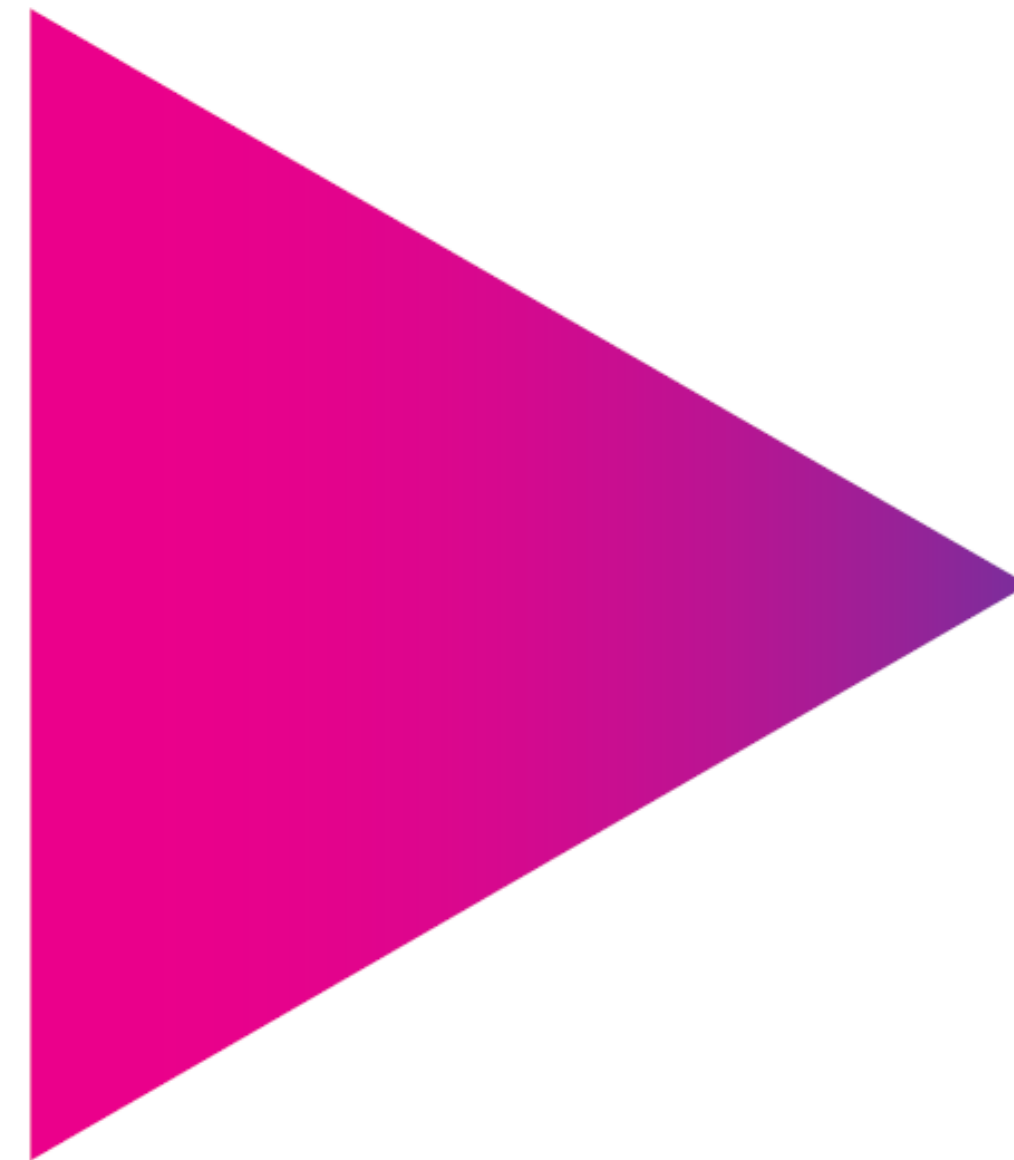
1. Positions in **dividend contributing** entities
2. **Early stage** growth markets - consider expanding to Non-Life
3. Pro-active strategy in **selected markets**

### beyond insurance

1. **Specific focus** on Belgium & Portugal
2. Possible **domains:**
  - wider insurance offer
  - distribution
  - extension of value chain
  - specialised services
  - technology



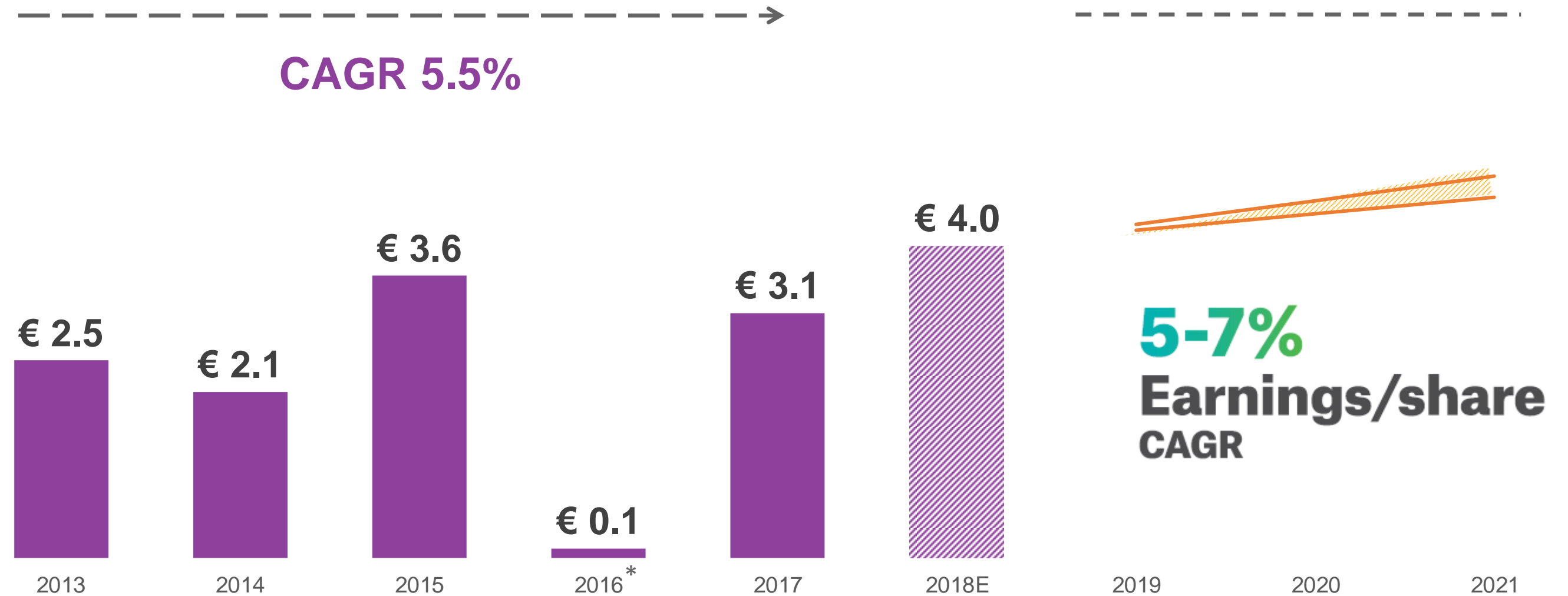
- ▶ Adjusted **operational targets**
- ▶ **Volume growth** through customer loyalty & going beyond insurance
  - ▶ In a **sustainable** way
- ▶ A clear promise on return to shareholders through **dividend & SBB**





# Capturing operational & capital management discipline

in EUR



- Starting point FY 2018 Group Net Result - expected EUR 850 mio Insurance result minus cc costs
- Corresponds to 11- 13% ROE

\* 2016 net profit suffered from high negative one-offs: Belgium, UK & Fortis Settlement



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## Conclusion





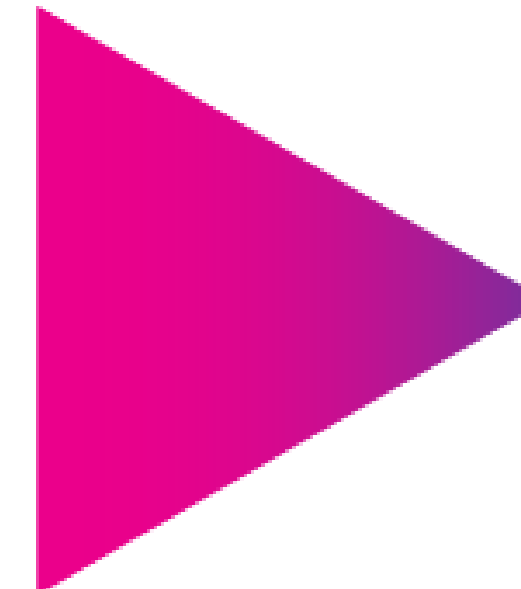


A great customer experience

To prevent, prepare, protect & assist

By leveraging technology

With partners and through alliances



Creating smart synergies

Empowering local autonomy

Focusing on Europe and Asia

**96%**  
Combined  
Ratio

**85 - 95 bps**  
Guaranteed  
**Life Margins**  
**30 - 40 bps**  
Unit-Linked

**175%**  
Solvency II  
Ratio

**≥ 50%**  
Dividend  
Pay-Out

Share  
**Buy-Back**  
**≥ EUR 150 mlo**  
except if M&A  
/year

**5-7%**  
Earnings/share  
CAGR