

Ageas – Debt Investor Presentation

FY 2019



Executive summary

Ageas group

- International insurance group in **Europe & Asia**
- Diversified **product portfolio** with focus on Individuals & SME
- Clear strategic priorities & ambitious financial targets - set as part of **Connect 21 strategic plan**
- Solid & diversified **investment portfolio**
- Robust **solvency, capital generation & risk management strategy** providing strong mitigation against market or other external evolutions

ageas SA/NV

- **Diversified sources** of income
- Reinsurance activities **transform** holding into operating company
- **A positive / A+ stable** rating with **S&P / Fitch**
- **Primary issuing entity** of the group



A decorative background consisting of numerous thin, curved lines in various colors including orange, yellow, green, grey, blue, and purple, sweeping across the top and left sides of the page.

1. ageas group


2. ageas SA/NV

3. appendix

International insurance group with focus on Europe & Asia

Leading market positions in most countries

AGEAS SANV
Internal Reinsurance with Life & Non-Life license

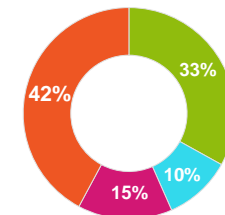


BELGIUM
Life & Non-Life
#1 Life
#2 Non-Life
#1 Real Estate



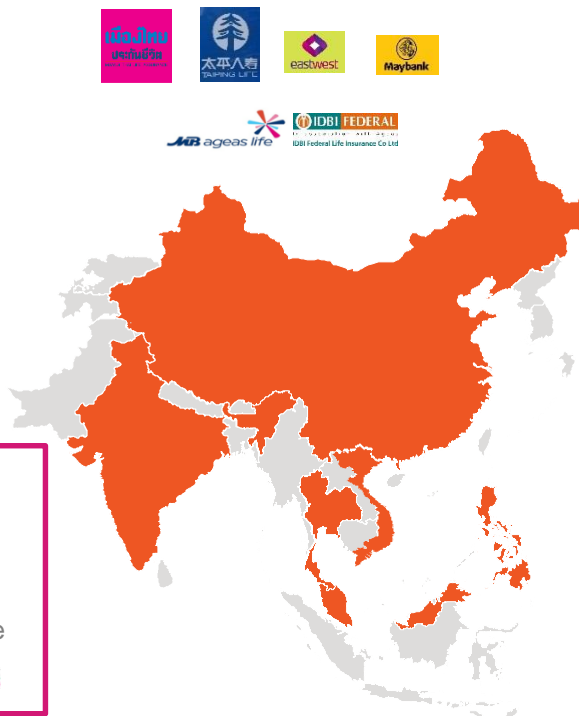
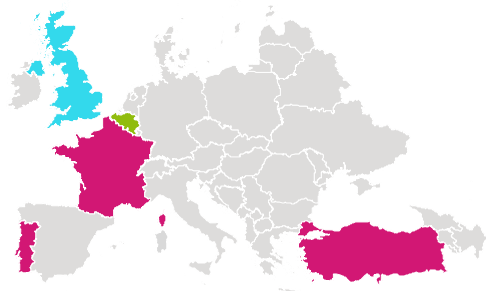
ASIA
Life & Non-Life
7 partnerships in 9 markets
#5 Life in China
#2 General takaful in Malaysia
#2 Life & #4 Non-Life in Thailand

GROSS INFLOWS @ageas share
2019 TOTAL: EUR 15.0 bn




■ Belgium ■ United-Kingdom
■ Continental Europe ■ Asia

* Inflows calculated on the basis of Ageas's pro rata ownership in its operating companies



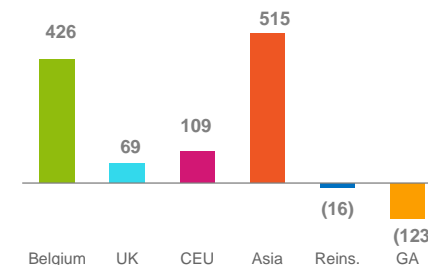
UNITED-KINGDOM
Non-Life
#6 motorcycle insurer
#6 private car insurer



CONTINENTAL EUROPE
Life & Non-Life
3 markets
#2 Life & #3 Non-Life



INSURANCE NET RESULT
2019 TOTAL: EUR 979 Mio



Diversified product portfolio

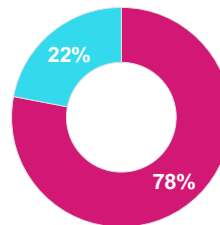
Focus on Individuals & SME

LIFE

mostly guaranteed products

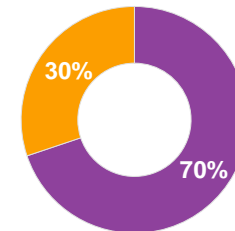


2019 GROSS INFLOWS LIFE
(consolidated entities)



■ Guaranteed products ■ Unit-Linked products

GROSS INFLOWS @ageas share
2019 TOTAL: EUR 15.0 bn



■ Life ■ Non Life

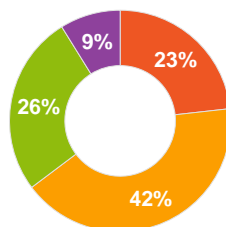
* Inflows calculated on the basis of Ageas's pro rata ownership in its operating companies

NON-LIFE

mostly driven by Motor & Household

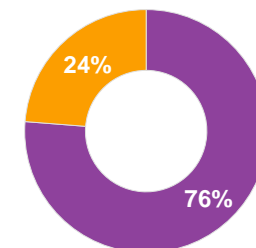


2019 GROSS INFLOWS NON-LIFE
(consolidated entities)



■ Accident & Health
■ Motor
■ Household
■ Other Lines

GROUP NET RESULT
2019 TOTAL: EUR 979 Mio



■ Life ■ Non Life

Internal reinsurance with
Life & Non-Life license



Connect 21*

A reflection of Group's Strategy, Values and KPIs



A great customer experience

To prevent, prepare, protect & assist

By leveraging technology

With partners and through alliances

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 m¹⁰ /year
except if M&A

5-7%
Earnings/share
CAGR

Creating smart synergies

Empowering local autonomy

Focusing on Europe and Asia



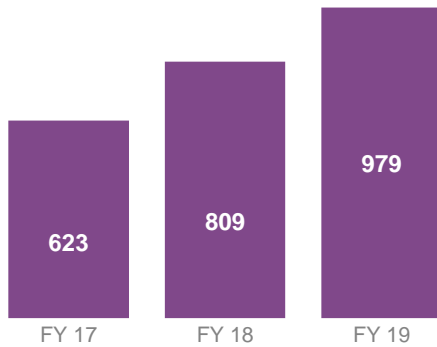
*Announced on 19 September 2018

Ageas Debt Investor Presentation | FY 2019

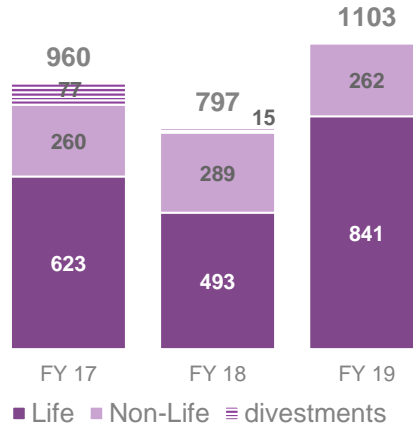
Ageas group

Key financials & operational elements

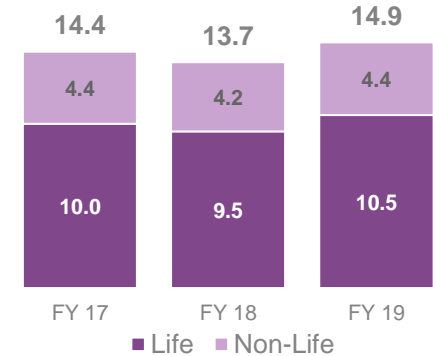
Ageas net result
In EUR mio



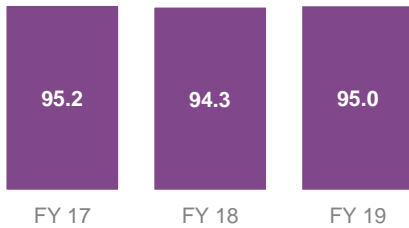
Insurance Net result
In EUR mio



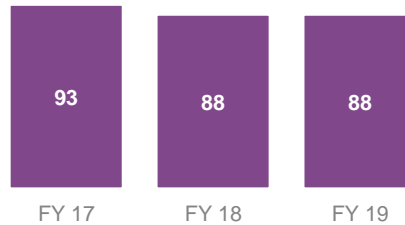
Inflows* @ageas share
In EUR bn



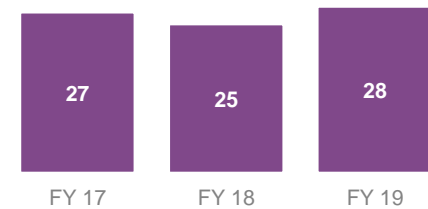
Non-Life combined ratio
In % NEP



Operating margin Guaranteed products
In bps avg technical liabilities



Operating margin Unit-Linked products
In bps avg technical liabilities

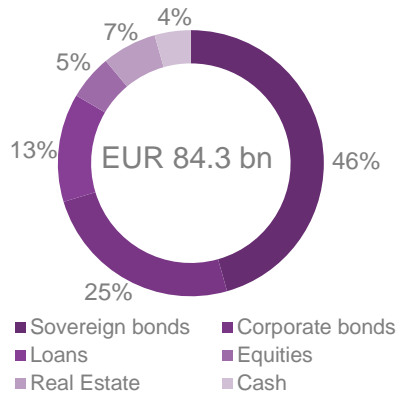


* Inflows excluding Luxembourg, divested in 2018 & India Non-Life acquired in 2019
Ageas Debt Investor Presentation | FY 2019

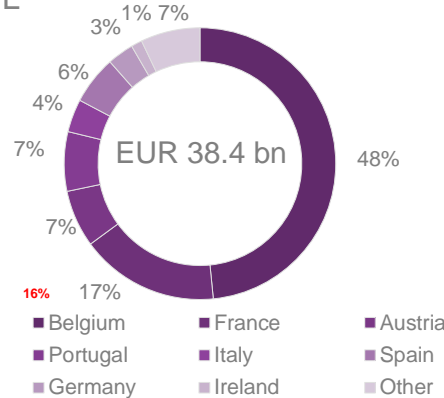
Solid & diversified investment portfolio

Stable asset mix & high quality investments

Total investment portfolio @FY 19

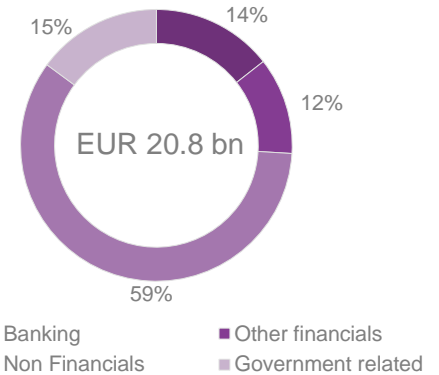


Sovereign bond portfolio: over 99% investment grade – up to EUR 8.8[^] bn UG/L



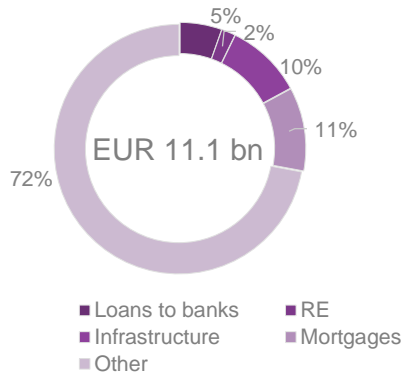
[^]EUR 6.4 bn UG/L on available for sale; up to EUR 2.4 bn UG/L on held to maturity

Corporate bond portfolio: over 91%* investment grade – EUR 1.5 bn UG/L

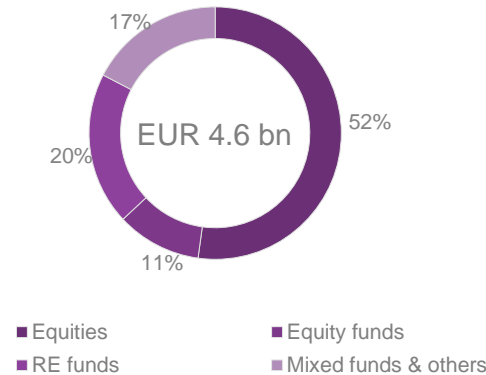


* Of the 9% 'non-investment grade', 8% is actually 'not-rated' and classified by Ageas as 'non-investment grade'

Loan portfolio

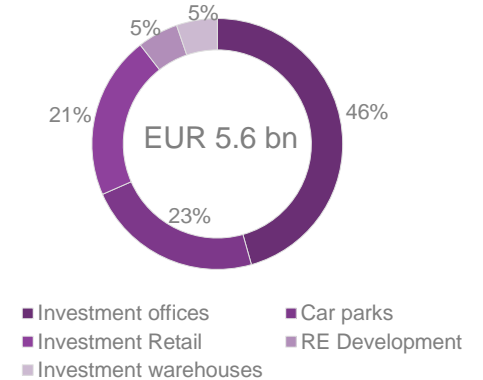


Equity portfolio: EUR 0.8 bn UG/L



*** RE funds: classified as Equity under IFRS view, whereas regarded as Real Estate under the economic view

Real Estate portfolio (IFRS): EUR 1.9 bn UG/L not reflected in Equity



** Other: mostly government related loans benefiting from an explicit guarantee by the Belgian regions, the French State or Dutch State

Note, Ageas is a signatory to the UN Principles of Responsible Investing

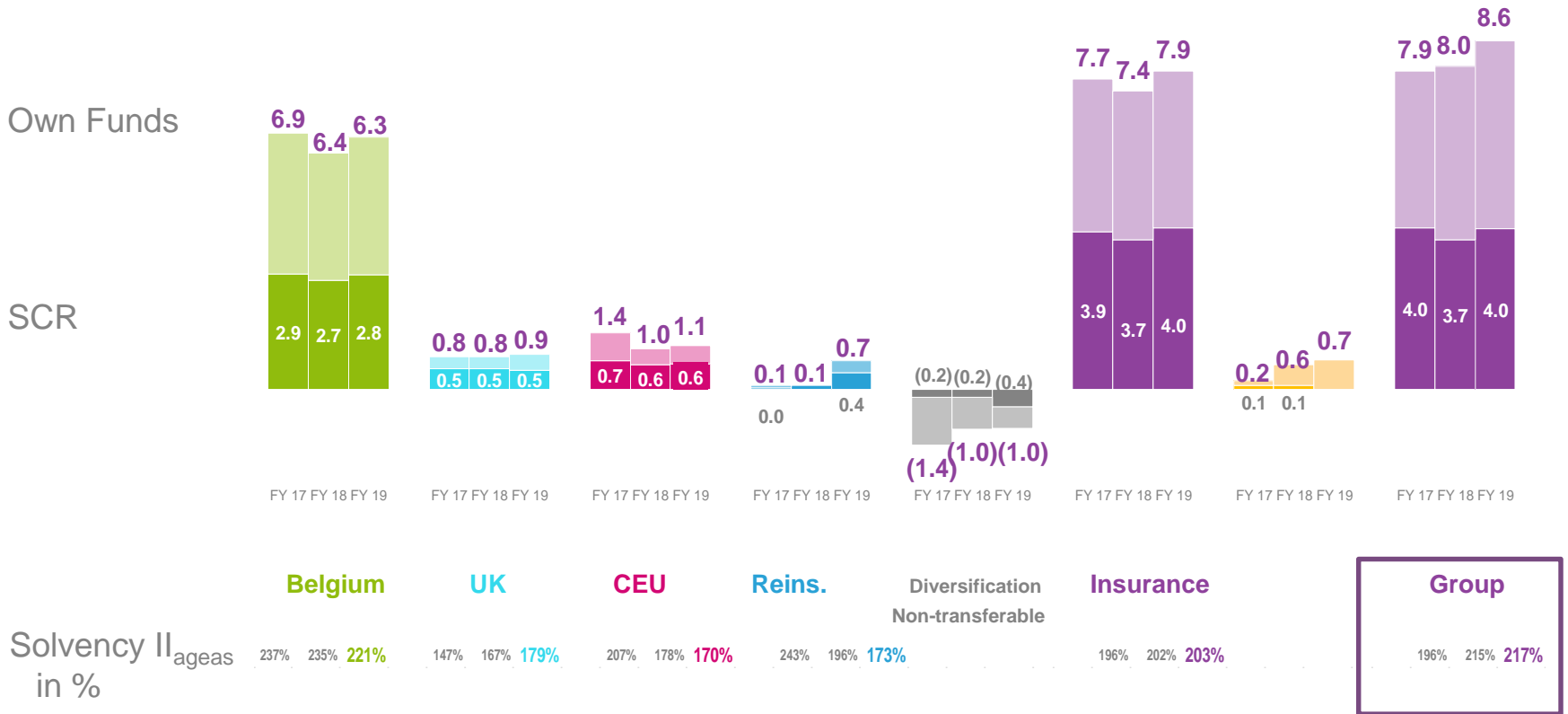
Ageas Debt Investor Presentation I FY 2019



Solvency II_{ageas} Group @ 217%

Solvency up on debt issuance - Tender FRESH not yet included (pro forma @205%)

In EUR bn



Based on local solvency requirements non EU non-controlled participations SCR ratio @243% at FY 19

Group Solvency II_{ageas} sensitivities

High Solvency ratio providing resilience against market or other external evolutions

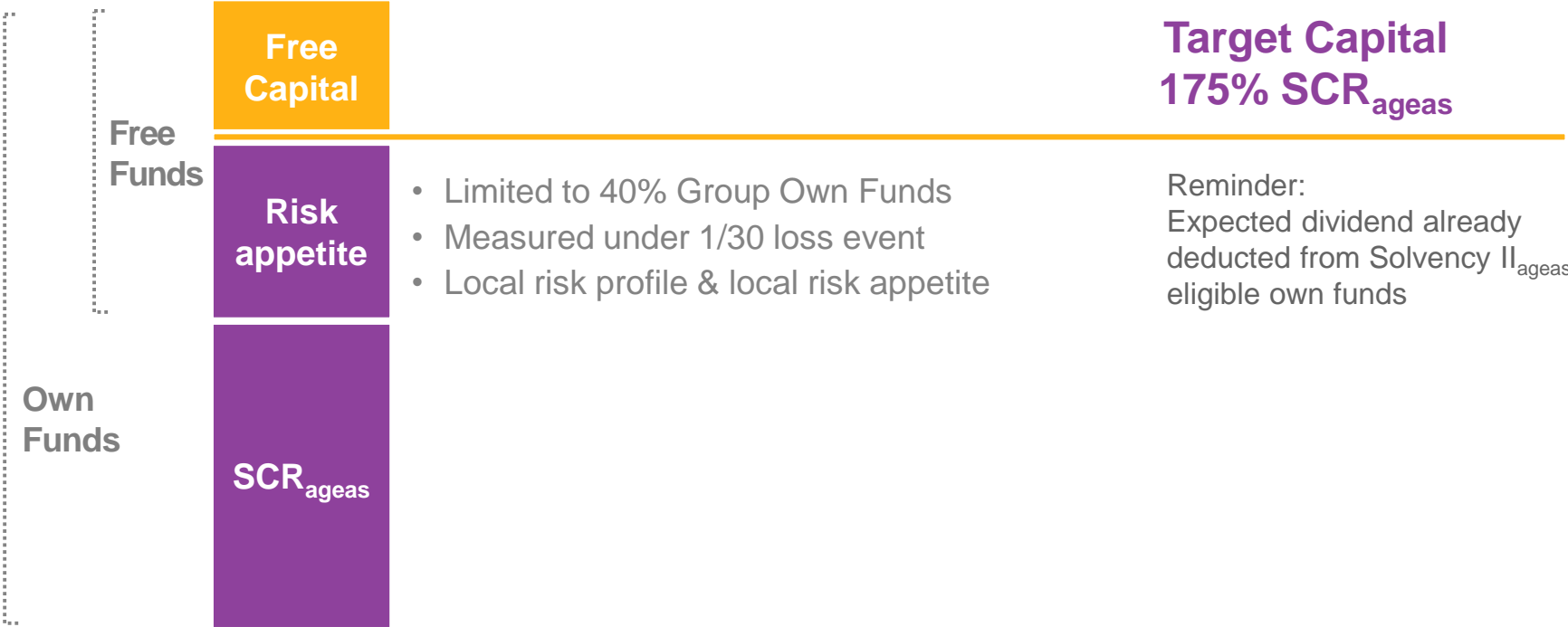
			30/09/19 ↓	31/12/18 ↓
	SCR	OF	Solvency	Solvency
Base case Before stress	3,996	7,935	199%	215%
Yield curve down Down 50 bps	4,106	7,819	190%	205%
Yield curve up Up 50 bps	3,887	7,996	206%	223%
Equity Down 25%	3,951	7,641	193%	209%
Property Down 10%	4,057	7,665	189%	204%
Spread* Spreads on corporate & government bonds up 50 bps	3,993	7,630	191%	207%
Corporate spread up 50 bps	3,967	7,832	197%	213%
Sovereign spread up 50 bps	4,027	7,733	192%	207%
UFR – base case 4.05%				
Down 15 bps	3,999	7,926	198%	214%
Down 45 bps	4,018	7,881	196%	212%

* Spread sensitivity doesn't take into account any credit rating movement



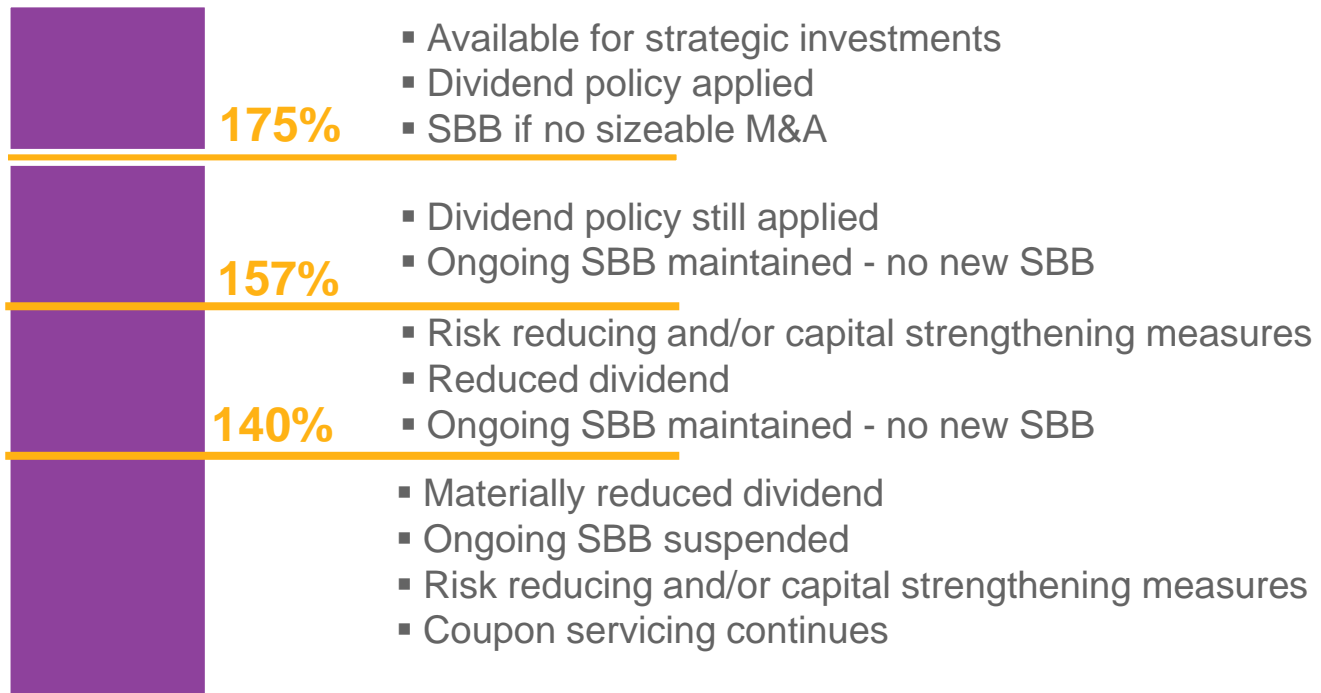
Risk Appetite & Capital management

Target level linked to Risk appetite



Solvency II guidance

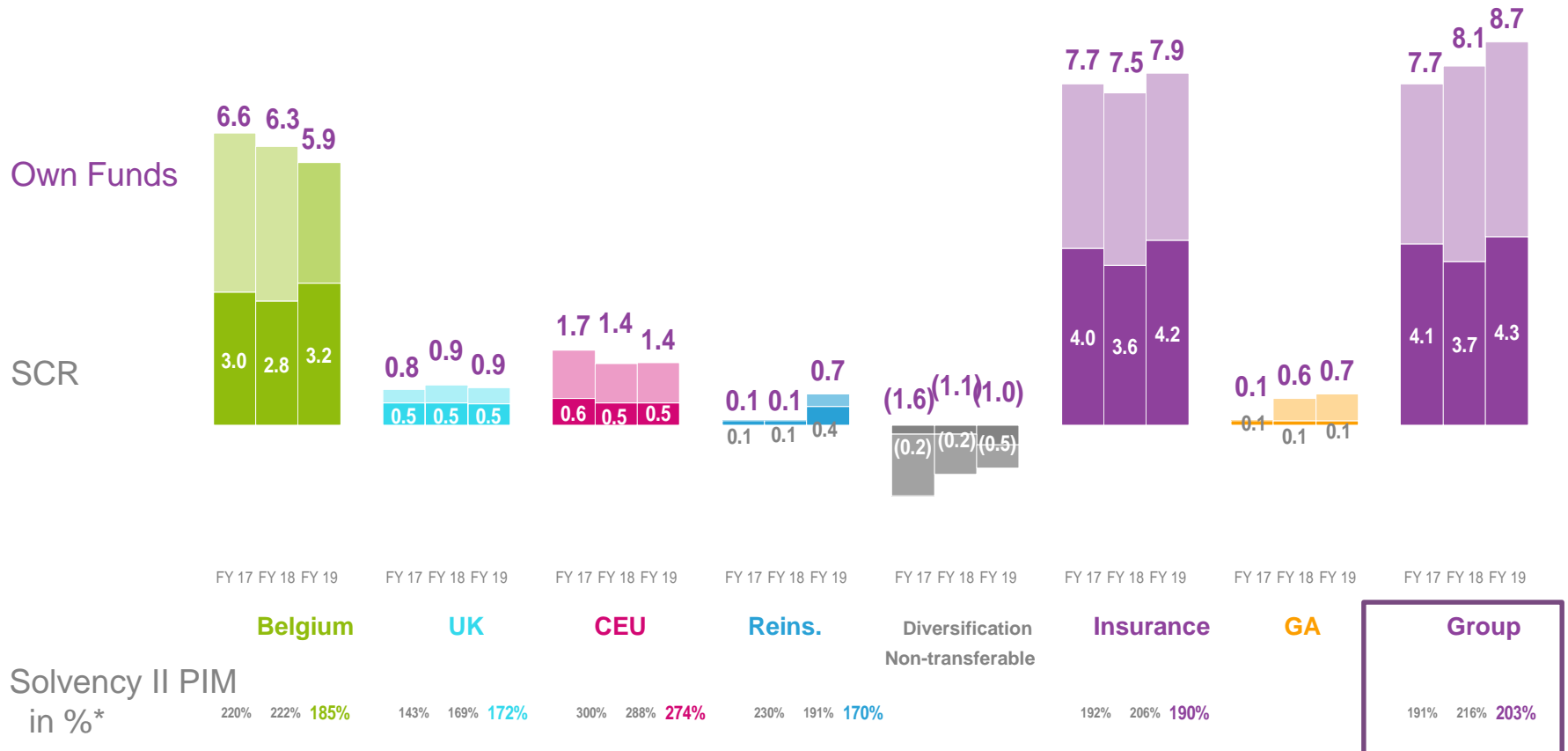
Coupon servicing continues even if below 140% Solvency II_{ageas}



Solvency PIM Group @ 203%

Solvency up on debt issuance - Tender FRESH not yet included (pro forma @192%)

In EUR bn



Based on local solvency requirements Non EU non-controlled participations SCR Ratio @243% at FY 19

* Minority interest of not-fully owned subsidiaries are equal to minority interests exceeding contribution to group SCR



Group Solvency PIM sensitivities

Ageas asset mix not in line with EIOPA reference portfolio

	SCR	OF	30/09/19 ↓ Solvency	31/12/18 ↓ Solvency
Base case Before stress	4,182	8,060	193%	216%
Yield curve down Down 50 bps	4,255	7,986	188%	210%
Yield curve up Up 50 bps	4,102	8,094	197%	222%
Equity Down 25%	4,125	7,763	188%	211%
Property Down 10%	4,213	7,803	185%	208%
Spread* Spreads on corporate & government bonds up 50 bps	4,382	7,447	170%	190%
Corporate spread up 50 bps	4,073	8,049	198%	222%
Sovereign spread up 50 bps	4,556	7,441	163%	181%
UFR – base case 4.05%				
Down 15 bps	4,184	8,050	192%	216%
Down 45 bps	4,194	8,005	191%	214%

* Spread sensitivity doesn't take into account any credit rating movement



Outstanding Hybrids

Successful issuance of debt at holding level in April & December 2019

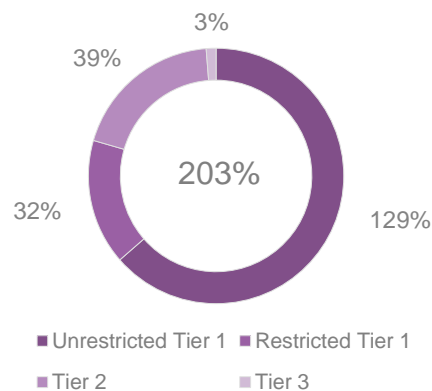
<i>In EUR mio</i>	ageas SA/NV		Ageasfinlux	AG Insurance (Belgium)		
	Perp Fixed Rate Reset Temporary Write-Down	Fixed-to-Floating Rate Callable	Fresh - 65.50% tender in Q1 2020	Fixed-to-Floating Rate Callable	Fixed Rate Reset Perpetual Subordinated Loans	Fixed Rate Reset Dated Subordinated Notes
	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2
%	3.875%	3.25%	3m EUR + 135 bps	5.25%	6.75%	3.50%
Amount outstanding	750	500	1,250	450	550 USD	400
ISIN	BE6317598850	BE0002644251	XS0147484074	BE6261254013	BE6251340780	BE6277215545
Call date	June 2030 first reset date Reset to 5-yr mid-swap rate +379.2 bps	July 2029 Step up to 3M Euribor +380 bps	Undated, strike 315.0 mandatory 472.5	June 2024 Step up to 3M Euribor +413 bps	Mar 2019 Step up to 6yr USD swap + 533 bps	June 2027 Step up after 12 years of 100bps
Other	Public issue	Public issue		Subscribed by Ageas & BNP Paribas Fortis	Public issue	Public issue



Strong capitalization of the group

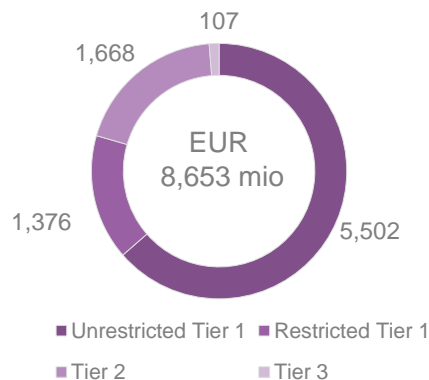
Pro forma Tender FRESH additional regulatory debt capacity of EUR 1.3 bn

Capital quality – SCR PIM coverage @FY 19



- Pro forma tender FRESH, **Tier 2** additional regulatory debt capacity of **EUR 1bn** @FY 19

Capital structure @FY 19



- **22.4%** financial debt leverage on net tangible equity @FY 19 calculated as (subordinated debt + senior debt)/(net tangible equity + subordinated debt + senior debt) – **17.1%** pro forma tender FRESH



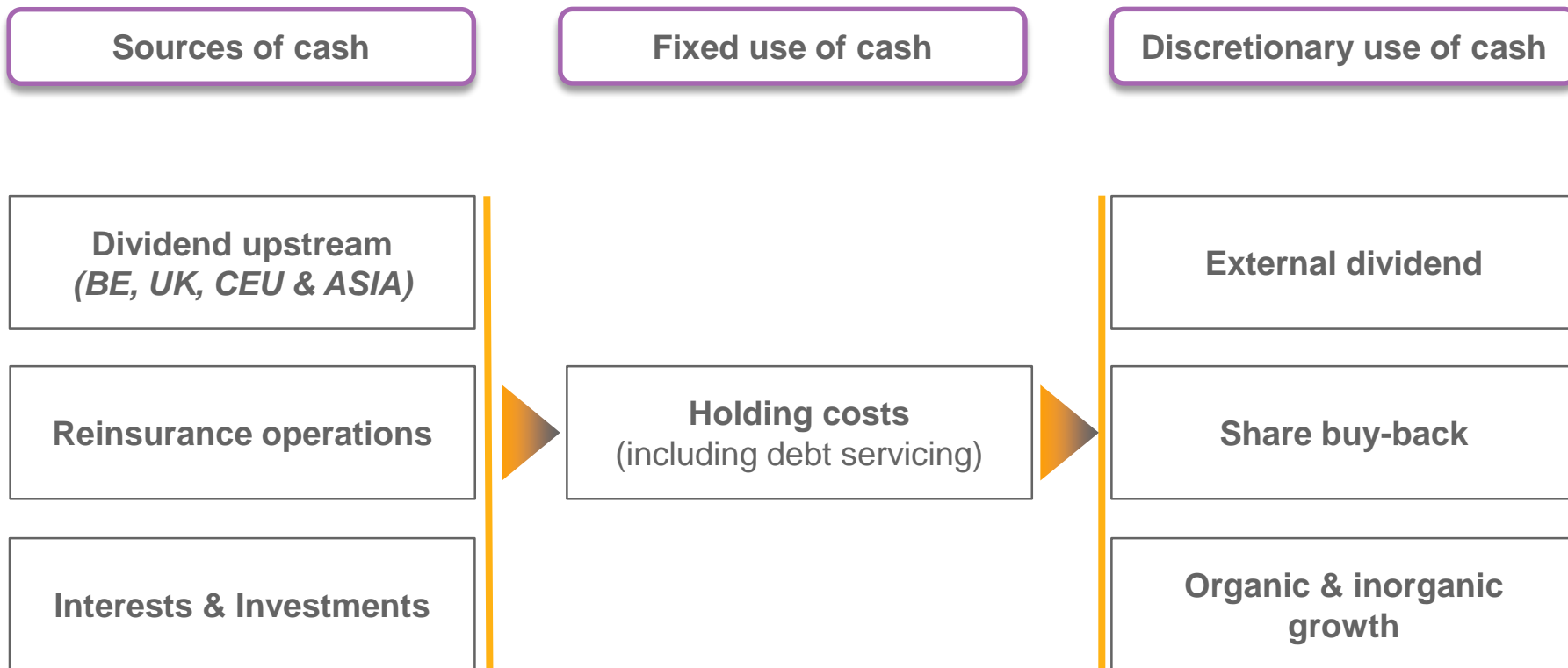
1. ageas group

2. ageas SA/NV

3. appendix

Diversified sources of income

Total cash inflows far exceed the holding costs



- ageas SA/NV **cash self-reliant** given cash inflows and outflows are **intrinsically hedged**
- **Strong liquid assets** even after ring-fencing cash for Fortis Settlement & running SBB
- ageas SA/NV holds **EUR 1.9 billion distributable reserves** at @FY 19



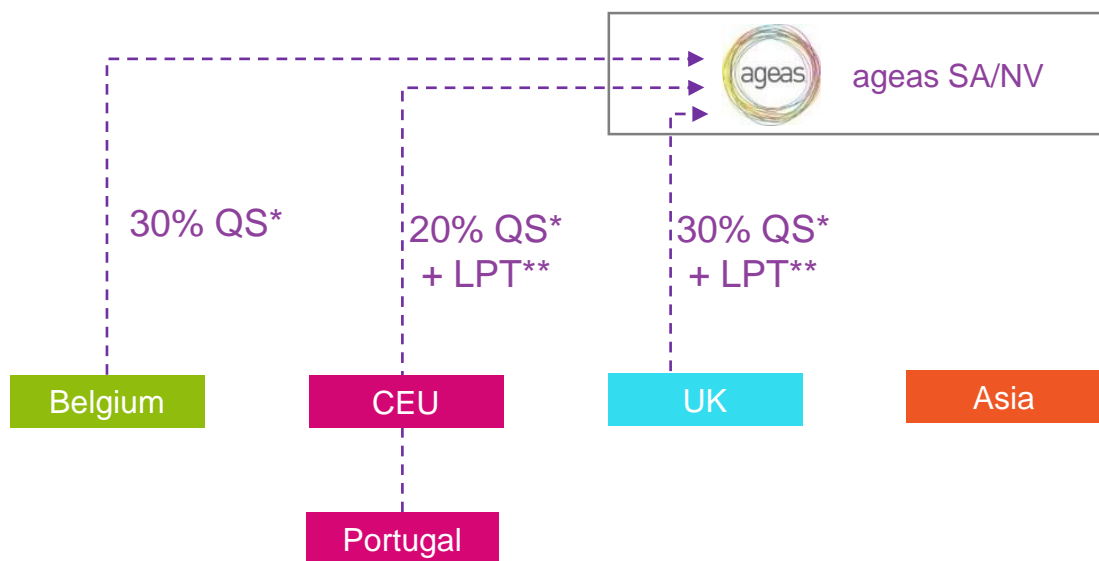
ageas SA/NV not a traditional holding company

Reinsurance sets path for increased capital fungibility

02/07/2018

- ageas SA/NV obtains Life & Non-Life reinsurance **license** from the NBB
- With quota shares accepted from controlled Non-Life entities ageas SA/NV gains **direct access to operational cash-flows**, becoming operating entity

Non-Life quota share (QS) as from 2019



* QS: Cession rates to move to 40% subject to formal approval local boards

** LPT: Loss Portfolio Transfer

ageas SA/NV solo Solvency II PIM @351%

Primary issuing entity of the Group

In EUR bn

Own Funds

8.7

SCR

4.3

6.2

1.8

203%

Ageas Group PIM

351%

ageas SA/NV

The primary issuing entity
of the Group

- ageas SA/NV Solvency II mainly driven by value of entities within Solvency II scope owned by Ageas Insurance International



ageas SA/NV Solvency PIM sensitivities

High Solvency ratio providing resilience against market or other external evolutions

	SCR	OF	30/09/19 ↓ Solvency	31/12/18 ↓ Solvency
Base case Before stress	1,646	5,596	340%	402%
Yield curve down Down 50 bps	1,631	5,608	344%	403%
Yield curve up Up 50 bps	1,652	5,542	336%	403%
Equity Down 25%	1,587	5,262	332%	396%
Property Down 10%	1,594	5,343	335%	399%
Spread* Spreads on corporate & government bonds up 50 bps	1,503	4,935	328%	396%
Corporate spread up 50 bps	1,643	5,624	342%	407%
Sovereign spread up 50 bps	1,498	4,875	325%	395%
UFR – base case 4.05%				
Down 15 bps	1,642	5,577	340%	402%
Down 45 bps	1,634	5,538	339%	401%

* Spread sensitivity doesn't take into account any credit rating movement



Holding company is an operating company with operational cashflows

ageas SA/NV rated A positive /A+ stable, at par with AG Insurance

		S&P	Fitch
Operating / Holding Entity	ageas SA/NV*	A / positive	A+ / stable
	<i>Last change</i>	21/11/2019	19/03/2020
Operating entity	AG Insurance (Belgium)	A / positive	A+ / stable
	<i>Last change</i>	21/11/2019	19/03/2020

S&P Global Ratings

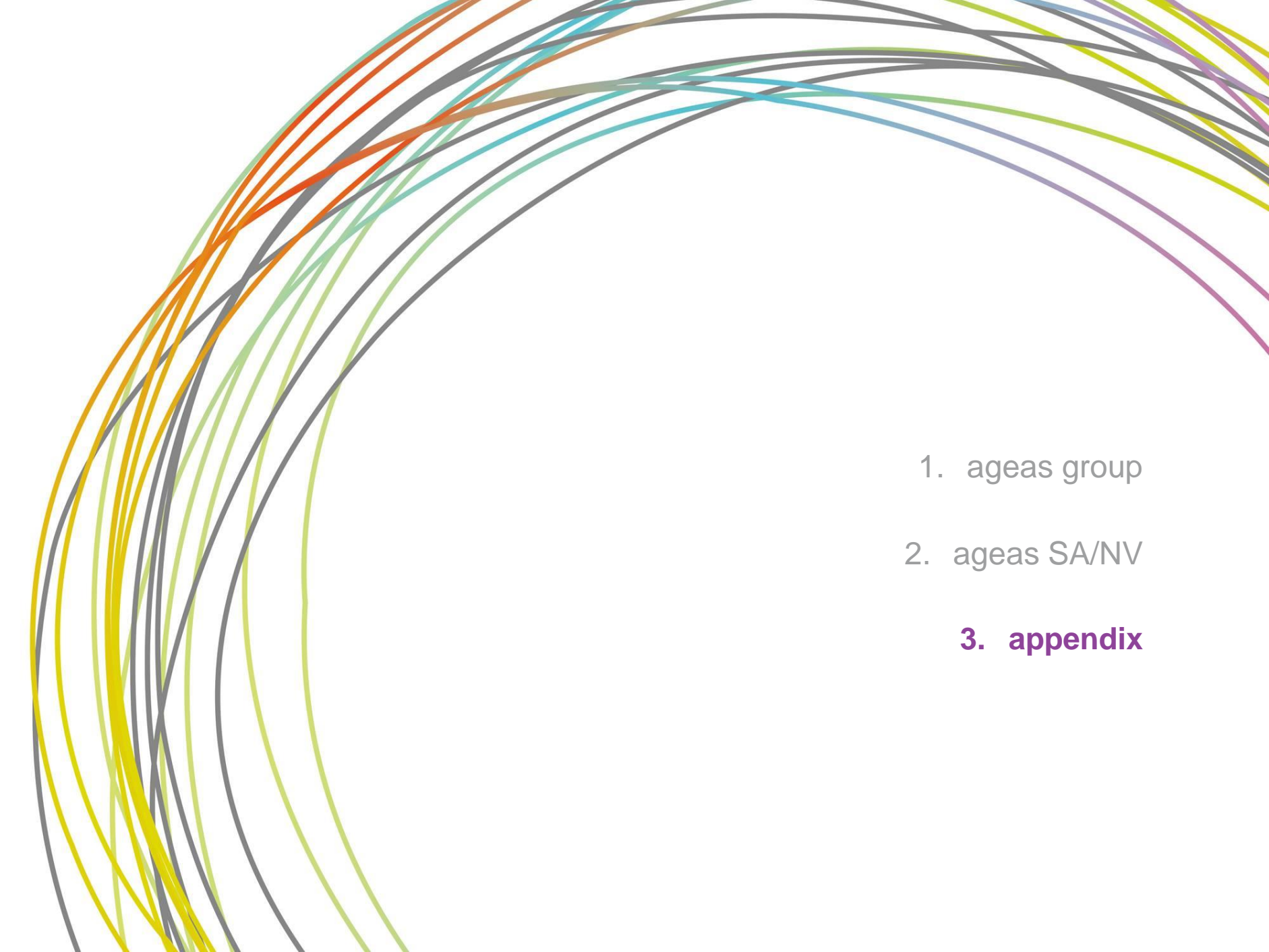
- We believe that Ageas' **recently improved profitability** and the expected success of **the tender offer on legacy hybrid instruments launched Nov. 19** will likely further materially strengthen Ageas capital adequacy
- The positive outlook reflects our belief that Ageas **will maintain strong earnings generation and manage capitalization higher than the current target**, enabling the group's financial track record to converge with that of higher rated peers.
- Ageas SA/NV is broadening its role to group internal reinsurance, **enhancing the diversity of its future cash flows**, and its ability to honour its financial obligations. We consequently now regard **ageas SA/NV as an operating holding company**. As such, we are raising our issuer credit rating on ageas SA/NV to 'A' from 'BBB' and assigning our 'A' financial strength rating.

Fitch Ratings

- The revised Outlook reflects Fitch's assessments of Ageas's **improved financial performance and investment and asset risk**. The ratings reflect Ageas's very strong capitalisation & leverage and business profile, and strong financial performance and liquidity position.
- The IFS Rating assigned to ageas SA/NV follows its conversion into an operating reinsurance company from a pure holding company as a **result of ageas SA/NV's plan to become the group's internal reinsurer from 1 January 2019**.
- Fitch **believes the intra-group reinsurance ageas SA/NV plans to underwrite will enhance the group's capital fungibility and financial flexibility**. We expect the cash flow position and amount of liquid assets available at ageas SA/NV will remain sufficient to maintain a satisfactory liquidity position within the company.

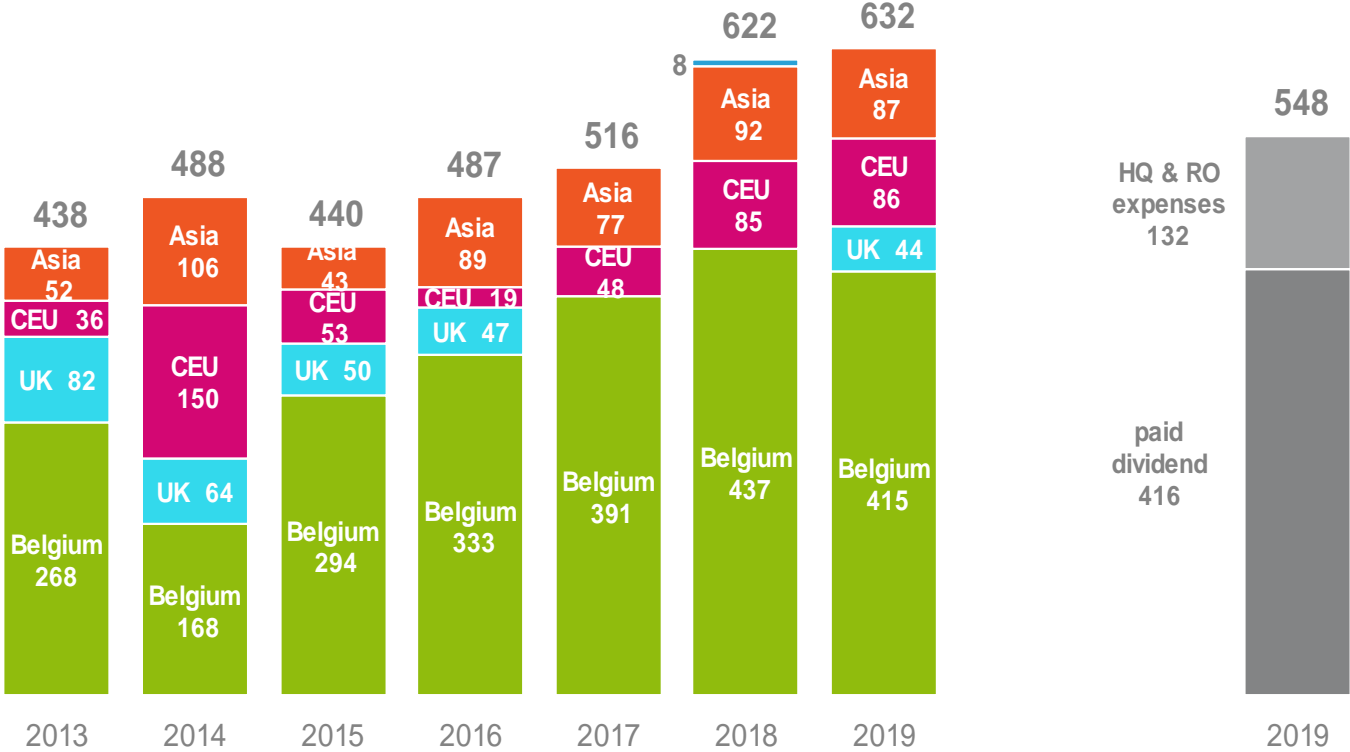
* Source: S&P Global Ratings & Fitch Ratings; ageas SA/NV has an unsolicited A3/stable issuer rating from Moody's (11/10/2019)



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1. ageas group
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 - 3. appendix**

Disciplined cash upstream from operating companies

Upstream more than covering dividend and holding costs on FY basis



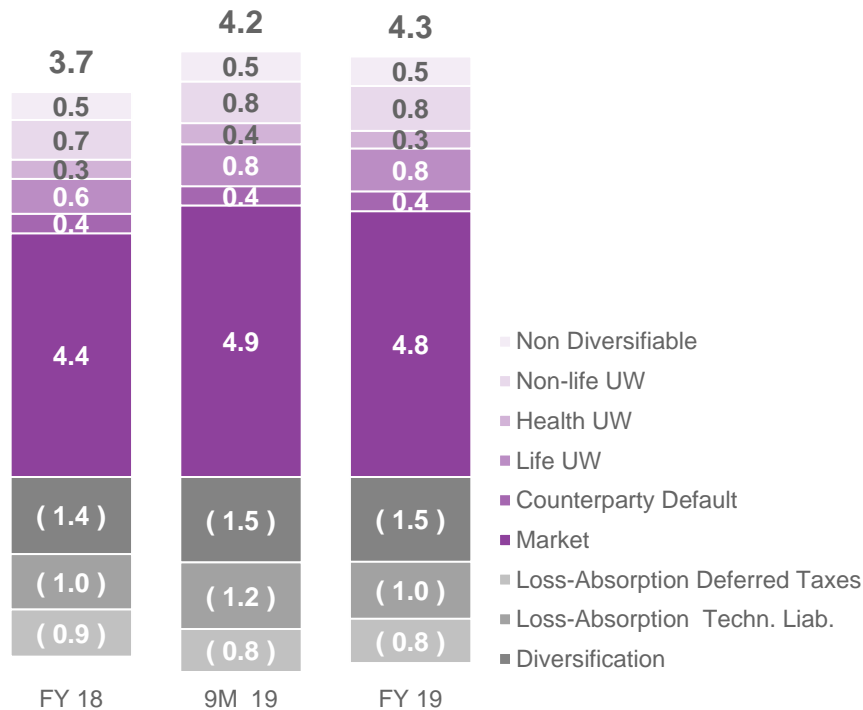
Upstream during
based on net result of year before



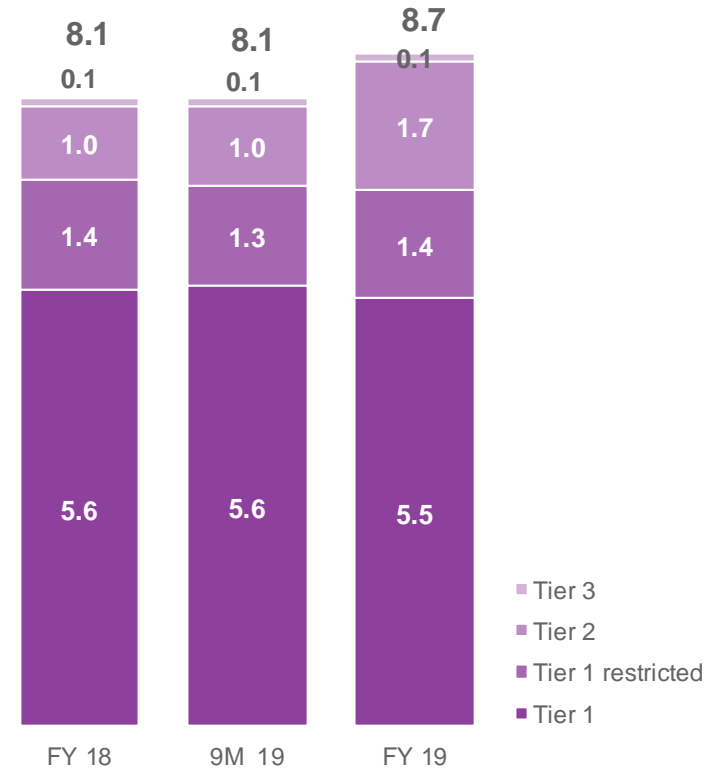
Composition of Group PIM SCR & OF

In EUR bn

Group PIM SCR per risk type
Market risk main factor in SCR

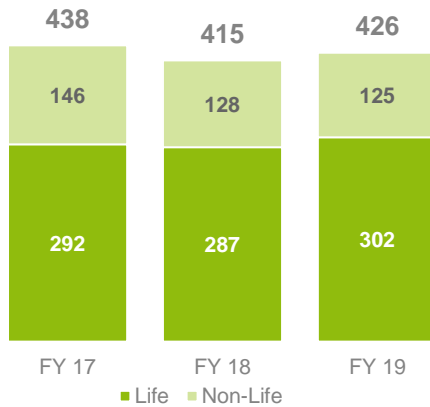


Tiering of Group PIM own funds
High quality of own funds

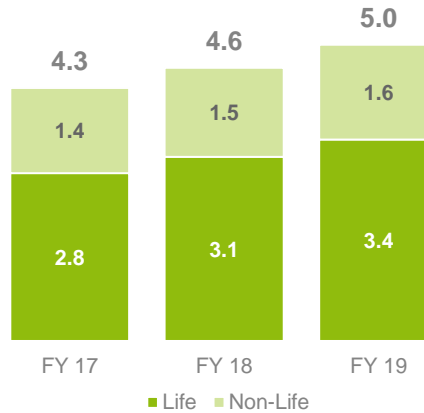


Belgium: Headlines

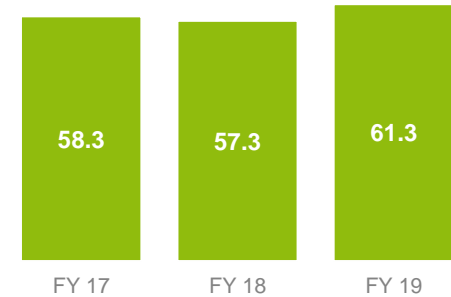
Net result
In EUR mio



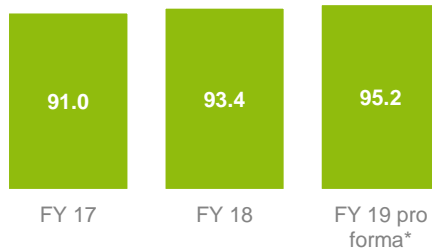
Inflows @ageas share
In EUR bn



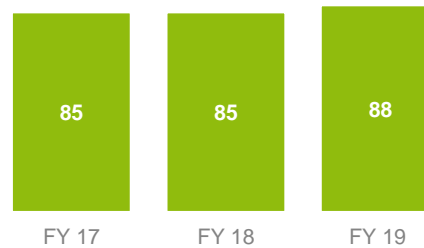
Life Technical Liabilities
In EUR bn



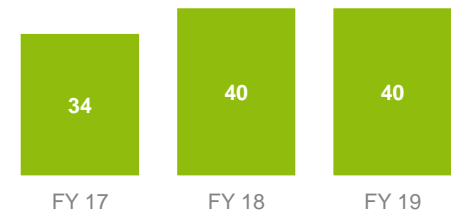
Non-Life combined ratio
In % NEP



Operating margin Guaranteed products
In bps avg technical liabilities



Operating margin Unit-Linked products
In bps avg technical liabilities



Margin evolution Assets & Liabilities Belgium

Yield & guaranteed rate on back book down at the same pace

	FY 16	FY 17	FY18	FY19	
Life Back book	Guaranteed interest rate	2.49%	2.32%	2.17%	1.95%
	Fixed income yield	3.45%	3.34%	3.25%	3.06%
	Liabilities Guaranteed (EUR bn)	52.9	50.4	49.1	51.5
	FY 16	FY 17	FY 18	FY 19	
New money Life & Non-Life	Fixed income yield	1.71%	1.88%	1.96%	1.63%
	Reinvested amount (EUR bn)	4.5	2.9	3.2	3.6



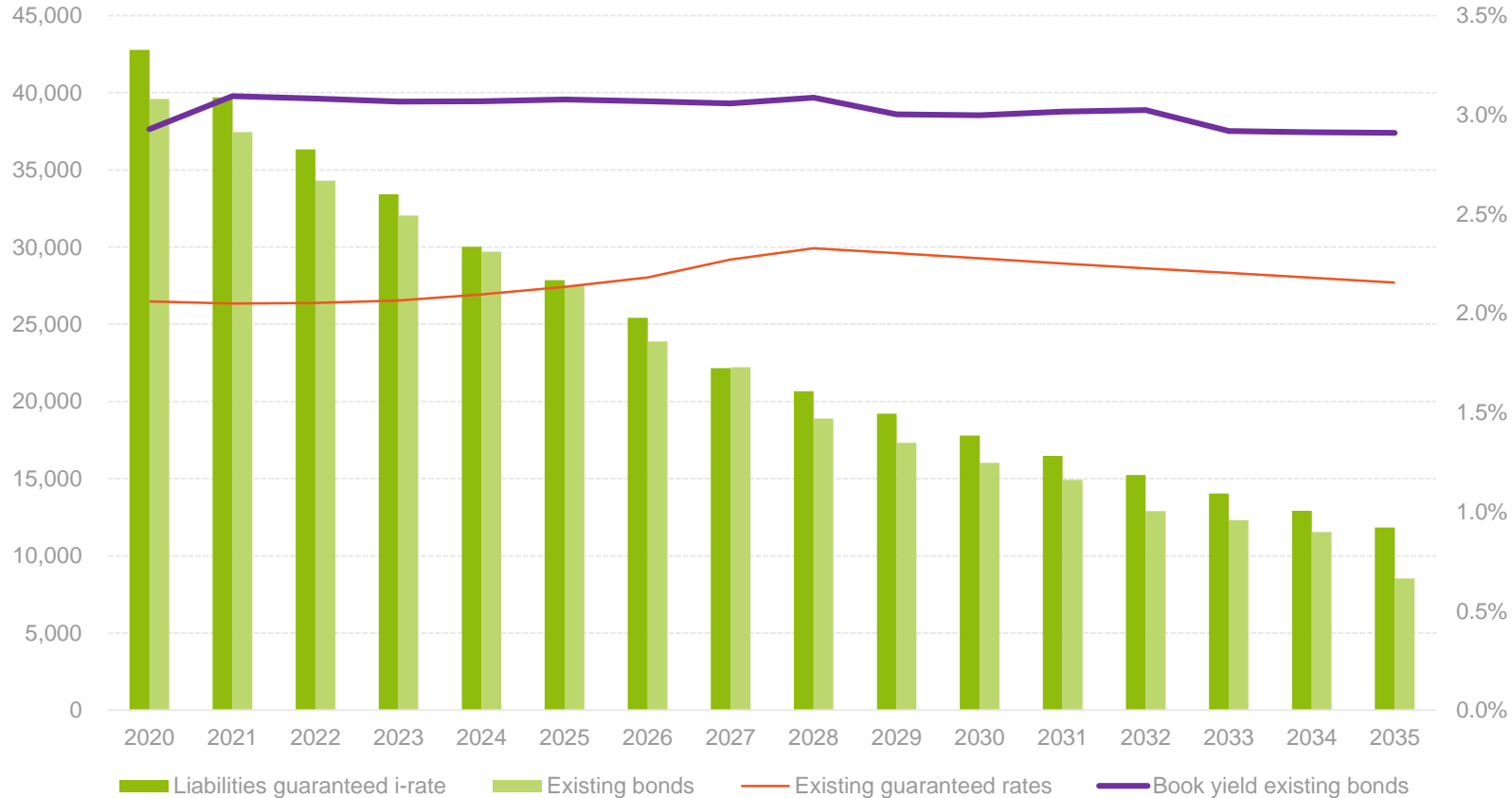
Newly invested money mostly in corporate bonds (non-financial sector), government bonds & related loans and mortgage loans.



Margin evolution Assets & Liabilities Belgium

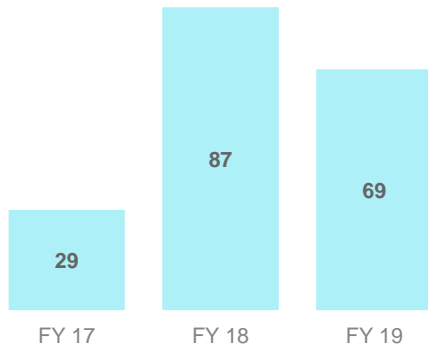
Average rate on back book decreasing in line with evolution yield fixed income

Back book*
vs fixed
income
investments

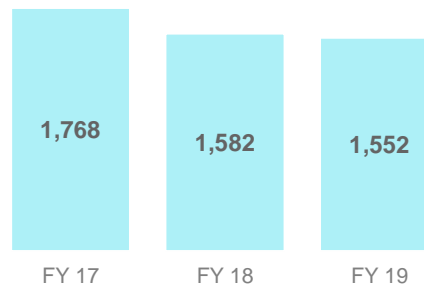


United Kingdom: Headlines

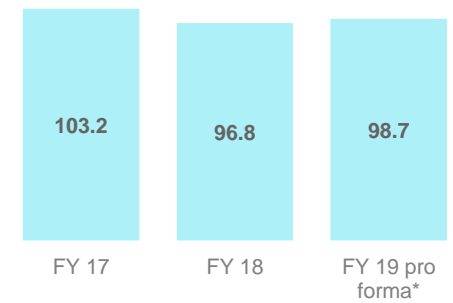
Net result
In EUR mio



Inflows @ageas share
In EUR mio

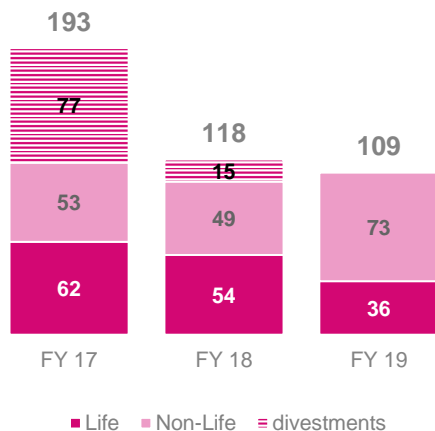


Non-Life combined ratio
In % of NEP

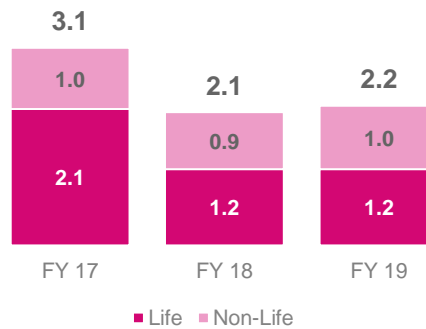


Continental Europe: Headlines

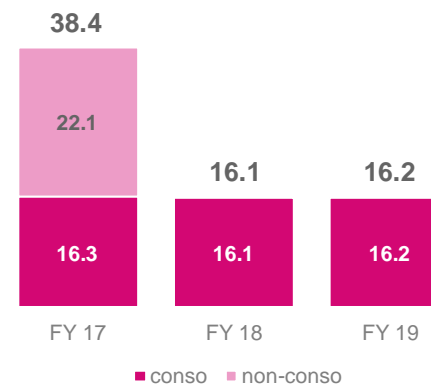
Net result
In EUR mio



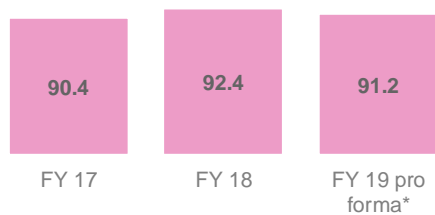
Inflows* @ageas share
In EUR bn



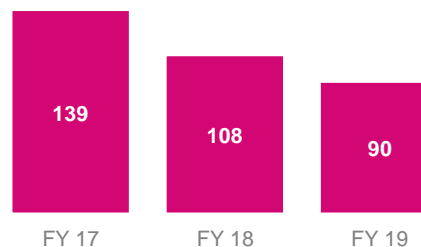
Life Technical liabilities
In EUR bn



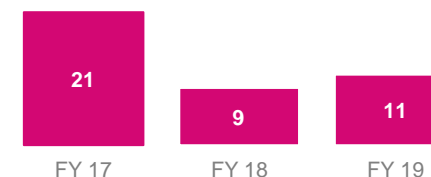
Non-Life combined ratio
In % NEP



Operating margin Guaranteed products
In bps avg technical liabilities



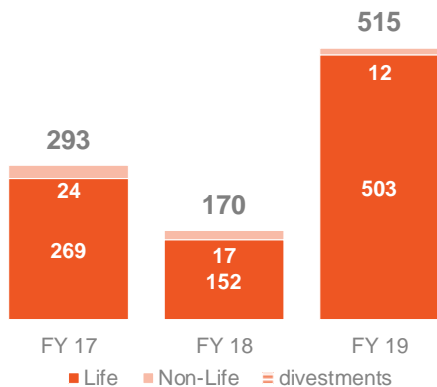
Operating margin Unit-Linked products
In bps avg technical liabilities



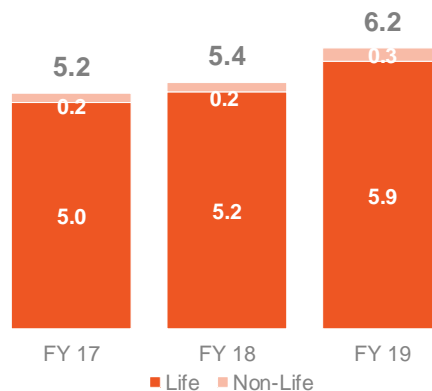
* Inflows excluding Luxembourg, divested in 2018

Asia: Headlines

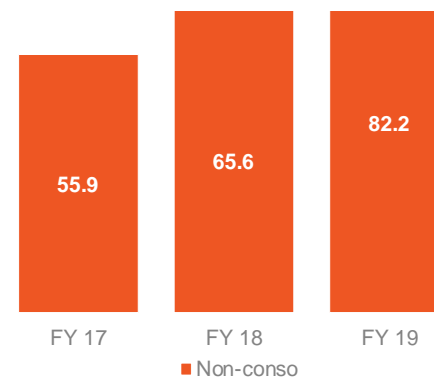
Net result
In EUR mio



Inflows* @ageas share
In EUR bn

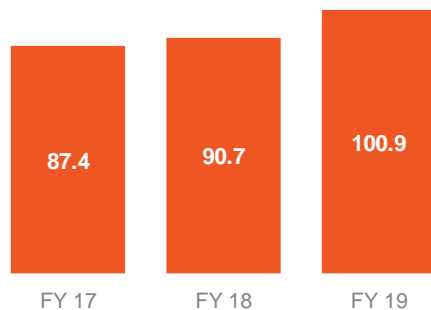


Life Technical liabilities
In EUR bn



* Inflows excluding India Non-Life acquired in 2019

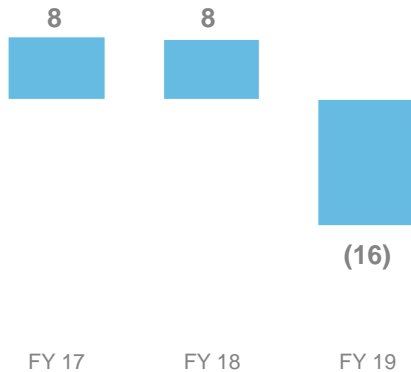
Non-Life combined ratio
In % NEP



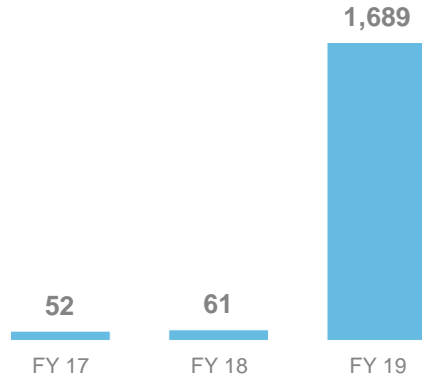
Reinsurance: Headlines

Shift from internal reinsurance through Intreas towards ageas SA/NV

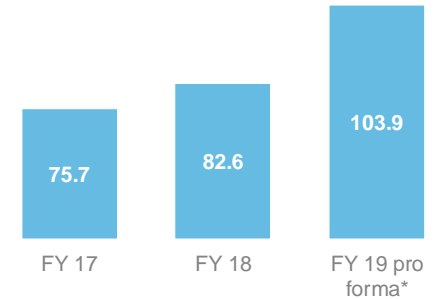
Net result
In EUR mio



Inflows
In EUR mio



Combined ratio
In % NEP



ageas SA/NV reinsurance activities

- Implementation of an internal reinsurance programme within ageas SA/NV in order to enhance capital fungibility in the group
 - Non-Life Quota Share (QS) Treaties: 30% with AG Insurance in Belgium*, 30% with Ageas Insurance Limited in the UK, and 20% with all Portuguese Non-Life Entities
 - Loss Portfolio Transfers (LPT): 30% with Ageas Insurance Limited in the UK, and 20% with the Portuguese Non-Life Entities
 - Cession rates to move to 40% subject to formal approval by local boards (BE & POR)
- The reinsurance protection programme now managed by ageas SA/NV (formerly Intreas)
- The Pillar I Solvency II for ageas SA/NV amounted to 351%



Settlement around Fortis past final & in full execution

Vast majority of civil proceedings terminated

- 14/03/2016**
 - Ageas offers to pay **EUR 1.2 bn compensation** – additional effort of EUR 0.1 bn announced 16/10/2017
 - No **recognition** of any wrongdoing by Ageas
 - Commitment by eligible shareholders to **abandon** any ongoing civil proceeding & not to start any legal proceeding related to the events
- 13/07/2018**
 - Settlement declared **binding** by Amsterdam Court
- 21/12/2018**
 - Ageas decides to waive its termination right, making the **settlement final**
- 31/12/2018**
 - End of opt-out period
- Current status**
 - Over **290K** claim files received of which ≈216K have received early payment
 - End of 2019 ≈EUR 702 mio compensation paid to eligible shareholders of which EUR 140 mio coming from D&O insurers
 - **Limited number of opt-outs** received for ≈1% of total settlement amount
 - Claims validation and payments to continue in 2020
 - Almost all civil proceedings (will be) **terminated**
- Remaining litigations**
 - Please refer to the Contingent liabilities note in the Annual Report



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Investor Relations

