PRESS RELEASE

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Ageas presents its strategy for the next 3 years

Continuing the growth journey - Vision 2015 to Ambition 2018

- New 3 year strategy, Ambition 2018, will build on the successes of Vision 2015 allowing Ageas to further expand in Europe and Asia.
- Focus will be on the 7 strategic choices and 5 financial targets, based on the strengths of Ageas and reflecting anticipated industry developments that will keep Ageas at the forefront of insurance in chosen markets.

Ageas today presents its 3 year strategy, Ambition 2018. Continuity, new and updated strategic choices and financial targets, and an innovation-led approach to the customer are the key components of the plan.

Having established the company as a stand-alone insurance Group in 2009, Ageas set out to create a clear identity and regain its position as a solid insurance company in Europe and Asia.

With clear strategic choices and financial targets, the Vision 2015 plan launched in September 2012 helped shape what Ageas stands for today: a sound insurance company, less dependent on investment income, with increased exposure to high growth markets and offering a diversified product and distribution mix (see p3: Additional information).

Ambition 2018 - growing steadily, growing strategically

Ambition 2018 builds on the strategic choices and the achievements of the current strategy through updated financial objectives and strategic choices that leverage Ageas's success so far. The aim is to continue the growth of Ageas across Europe and Asia, by maximising opportunities in both regions and increasing at the same Ageas's long term engagement towards all its stakeholders. Ambition 2018 strengthens what makes Ageas stand out from its peers: win-win partnerships, strong local embedding and agile knowledge transfer. It responds to the way the industry is evolving with a number of key modifications made to reflect this anticipated change driven by societal trends and technological evolutions. Ageas will focus on the following **7 strategic choices** over the next 3 years:

- **To focus on our insurance capabilities** by continuing to invest in core insurance skills for the benefit of our customers and partners
- **To commit to our partners and their customers** to strengthen relationships for the long term, in and outside the industry
- **To expand in mature and growth markets in Europe and Asia**, through growth in existing markets and exploring new opportunities alone or in partnership, to meet the objective of investing 25% of the company's shareholders' equity in growth markets
- **To create a positive customer experience across all channels** through a seamless, integrated and consistent omni-channel distribution approach
- **To have a well-diversified product offering**, targeting growth in Non-Life and core "protection" products in Life
- **To be close to our customer**, putting the customer at the heart of every decision at each stage of the value chain by leveraging technology and acting on improved customer insights
- **To invest in smart synergies** to facilitate innovation and the sharing of knowledge, data and skills across our businesses. To help achieve this Ageas will establish Centres of Expertise around key disciplines.

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Ageas will continue to invest in innovation to stay at the forefront of the technological and consumer changes underway within the industry. Ageas foresees EUR 75 million per year being invested in innovation over the next three years.

The strategic choices and innovation investment will support Ambition 2018's **5 financial targets** that Ageas will aim to achieve on an ongoing basis:

- **Return on equity** in Insurance between 11% and 13% (excluding unrealized gains and losses)
- **Non-Life combined ratio** below 97%
- **Life operating margins** of 85-90 bps for Guaranteed and 40-45 bps for Unit-linked products.
- **Solvency II insurance ratio** of 175 % (see below)
- **Dividend pay-out ratio** between 40% and 50% of the Insurance net profit

Ambition 2018 is supported by a set of **6 Ageas Group values**: Trusted, Focused on customers, Passionate to deliver, Entrepreneurial, Teamwork and Local.

Solvency II

Today Ageas provides an update on the implementation of the Solvency II regulation, which will come into force as of 2016.
Ageas is ready to adopt the regulation and will operate and report accordingly as of the beginning of 2016.

The main conclusions with respect to the implementation of Solvency II at Ageas are the following:

- Ageas will use for calculations either the Standard Formula or an internal model that is in the final stage of approval with the regulator. The internal model uses the volatility adjuster as prescribed by EIOPA.
- Based on calculations, and taking into account the current and targeted risk appetite, Ageas aims for a target of 175%. Quarterly solvency ratios will move in a bandwidth around the target depending on the evolution of external parameters. Ageas will follow the evolution of all parameters, in close contact with the Belgian supervisor.
- The current solvency levels and calculated sensitivities will allow Ageas to continue both its current internal capital upstream and dividend policies.

CEO Bart De Smet commented: *"The financial results and operational achievements of the past 3 years demonstrate that Ageas has made the right strategic decisions and delivered upon its promises. The new 3 year plan will allow us to continue our growth path over the long term together with our staff and partners, for the benefit of our customers and shareholders. Being a top insurer in Europe and Asia, continuously growing our business in new and existing markets, offering the right insurance products to our customers when, where and how they need them, while rigorously working towards our financial targets is the aim of Ambition 2018. And that's what we will deliver."*

Additional information:

Vision 2015 - Strategy and achievements

In September 2012, Ageas presented Vision 2015[1], a strategy for 2013 – 2015 with the objective to reduce dependency on investment income, increase the relative proportion of capital invested in high growth markets and further diversify the product and distribution mix.

Vision 2015 consisted of 5 strategic choices:

- Focus on Insurance
- Committed to partnerships
- Grow in Europe and Asia
- Develop a multi-channel distribution network
- Strive for a diversified product offering spread over Life and Non-Life

The strategy was translated into 4 financial targets:

- Return on equity of at least 11% for the insurance activities
- Combined ratio structurally below 100%
- Insurance portfolio further rebalanced between Life and Non-Life towards a 60/40 split
- A sustained focus on Europe & Asia, with at least 25% of capital deployed in emerging markets

In 2013, Ageas also indicated it aimed for a margin on Life guaranteed products of 85-90 bps and on Unit-linked products of 40-45 bps. At the same time the combined ratio target was tightened to 97%.

Ageas's Vision 2015 financial targets	Target by end 2015	Position 30 June 2015-Pro forma sale Hong Kong	Position 30 June 2015	Position 31 Dec 2014	Position end 2013	Position end 2012
% Life / Non-Life inflows at Ageas's part	60/40	68/32	69/31	67/33	67/33	67/33
Combined Ratio	< 100 %	95.2 %	95.2 %	99.6 %	98.3 %	99.1 %
Return on Equity of Insurance activities	11 %	11* %	10.6* %	8.8 %	8.3 %	8.7 %
% capital in Emerging Markets	25 %	22.2 %	20 %	17.5 %	12.6 %	12.1 %

** ROE H1 2015 provides an estimation of FY 2015 ROE and uses as numerator the HY 2015 net profit multiplied by two.*

Since the end of 2011, Ageas has made substantial progress in a number of areas related to financial and operational performance[2]:

- Financial and operational performance in Belgium has improved, focus on the development of Non-Life activity in the UK has increased, partnerships in Continental Europe have been strengthened or secured and successful expansion into Asian growth markets has been achieved.
- Net inflows at 100% grew 50% to over EUR 25 billion marked by steep growth of the Asian Life business and increasing Non-Life inflows as a result of acquisitions.
- The net insurance result increased 24% to EUR 753 million[3] driven by strong contributions from all segments.
- The combined ratio remained below 100%; the Life operating margin on guaranteed and unit-linked products remained within the targeted range.
- Return on equity including unrealized gains on fixed income amounted to 8.8%, but excluding unrealised gains reached 11.4%, illustrating the significant impact of the increased unrealised gains as a result of the continued low interest rates.
- Net dividend per share nearly doubled from EUR 0.80 per share to EUR 1.55 share while Ageas also executed four share buy-back programmes for a total amount of EUR 900 million. A fifth share buy-back plan of EUR 250 million is currently underway.

1.*See press release 046 published on 24 September 2012*

2. *All figures are based on the end 14 data published*

3.*Compared to a net result 2011 adjusted for impairments on Greek bonds*