PRESS RELEASE

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Ageas expands on strategic and financial targets during Annual Investor Day

Ageas is today hosting an Investor Day in London for analysts and investors, focusing specifically on its worldwide Non-Life activities. CEO Bart De Smet will also use this opportunity to outline the company's main areas of focus for the next three years, elaborating on the company's strategic choices and key financial targets for 2015.

In September 2009, Ageas, as a newly formed group, set a number of priorities, more specifically:

- Streamlining the insurance portfolio
- Selectively growing the business organically and via acquisitions
- Optimising operational performance

It also committed to continue managing proactively its legacy issues related to the financial turmoil in 2008, in order to maximise long-term value.

Since then, Ageas has made significant progress towards these objectives:

- *Streamlining the insurance portfolio*: activities in Russia, Ukraine, Germany, Turkey (Life), Luxembourg (Non-Life) and reinsurance have either been sold or closed down

- *Selectively growing the business*: new partnerships in the UK, Turkey (Non-Life) and Italy reinforced our respective market positions. We extended our partnerships in Thailand and Luxemburg (Life) and inflows have grown by around 20% since 2008. In the same period the mix of Life vs. Non-Life inflows has evolved from 80/20 to a more balanced 70/30 proportion[1]. This is related, among other factors, to the successful launch of our partnership with Tesco in the UK in October 2010. The acquisition of Kwik Fit Financial Services and Castle Cover has resulted in a solid position in Retail and an even more diversified revenue base for our UK activities. Lastly the significant efforts made in Asia, together with our commercial partners and the entry into the Turkish Non-Life market, have substantially increased the proportion of inflows from emerging markets from 23% at end 2008 to 40% at end of June 2012

- *Optimising operational performance*: in Non-Life the combined ratio improved from 102.5% at end 2009 to 98.3% at end of June 2012, whereby the corrective measures taken were reflected in a much better performance especially by Motor (from 108.3% to 96.5%). In Life, operating performance has been under pressure as a result of the persistent financial crisis in the past years. In response to this, Ageas significantly de-risked its balance sheet towards Southern European countries. Nevertheless, Ageas has managed to maintain sizeable and sustainable profit streams, benefiting from its geographical diversification and balanced product mix.

With respect to the legacy issues, substantial progress has been made, in particular through the CASHES transaction with BNP Paribas earlier this year and more recently through the agreement on the Dutch legal proceedings with ABN AMRO and the Dutch State. Besides this, the simplification of the legal structure and the reverse stock split of ageas SA/NV shares at the beginning of August were major milestones.

[1] Including the non-consolidated partnerships at 100%.

Ageas has constantly sought the ideal balance between risk and return when investing its cash. In the past years EUR 740 million in cash has been employed on making acquisitions, approx. EUR 600 million was paid out in dividend, while an amount totalling up to EUR 450 million will be returned to the shareholders via completed and currently ongoing share buyback programmes. At the same time, Ageas has reimbursed EUR 740 million of debt (EMTN programme) and maintained a very strong capital position with solvency ratios for its insurance operations constantly above 200%.

Strategic choices and targets for the next three years

The difficult economic and financial climate will continue to be a reality for the foreseeable future. Continuing low interest rates, significant regulatory changes within a limited time period, and slowing growth in mature markets have resulted in a number of challenges. In this context, Ageas has made a number of strategic choices, which are not a radical shift compared to the past, but are aimed at anticipating these challenges.

- Ageas will continue to focus on its insurance capabilities and insurance expertise
- Ageas wants to be where its customers want it to be in terms of channel mix
- Ageas remains committed to its commercial partners and their customers
- Ageas will continue to strive for a diversified product offering, spread over Life and Non-Life products
- Ageas wants to ensure the profit streams in its mature markets while maximally capturing growth in the emerging Asian and European markets where it is present today

These strategic choices aim to:

- Become less dependent on investment income
- Increase the relative proportion of capital invested in high growth markets
- Reap the benefits of the diversification in our product and distribution mix

Ageas has translated these choices into the following financial targets, which it intends to meet at the latest by the end of 2015:

- A further rebalancing of the insurance portfolio between Life and Non-Life towards a 60/40 split
- A continued focus on operational excellence in Non-Life with the objective of structurally reducing the combined ratio to below 100%
- A return on equity of at least 11% for the insurance activities
- A sustained focus on Europe and Asia, with at least 25% of capital deployed in emerging markets

CEO Bart De Smet commented: "*We are satisfied that we have delivered well against the strategic objectives set in 2009 and the time is now right to build on these strong foundations. The choices we are making for the future are logical in the current market environment and a natural continuation of our profile which has evolved over the past years. Our strong market positions, proven strengths and capabilities give us confidence that we can succeed in this journey. We continue to believe that diversification is key and relates to our geographic choice for Europe and Asia, our strive to work with various commercial partners, which should result in the best distribution network in each country in which we are present, and lastly our product mix in Life and Non-Life. In this context, we aim to further strengthen our position in emerging markets and to further shift the balance between our underwriting income, fee income and investment income. A gradual increase in the relative proportion of Non-Life activities will be instrumental in reaching this objective. Our commercial partners remain a critical element to the success of Ageas. I'm convinced that together with all my colleagues at Ageas, we can turn the choices made into a successful strategy and create long-term value for all our stakeholders."*

Presentations can be followed through audio webcast on http://www.ageas.com/en/Pages/investor.aspx.

Ageas is an international insurance company with a heritage spanning more than 180 years. Ranked among the top 20 insurance companies in Europe, Ageas has chosen to concentrate its business activities in Europe and Asia, which together make up the largest share of the global insurance market. These are grouped around four segments: Belgium, United Kingdom, Continental Europe and Asia and served through a combination of wholly owned subsidiaries and partnerships with strong financial institutions and key distributors around the world. Ageas operates successful partnerships in Belgium, UK, Luxembourg, Italy, Portugal, Turkey, China, Malaysia, India and Thailand and has subsidiaries in France, Hong Kong and UK. It is the market leader in Belgium for individual life and employee benefits, as well as a leading non-life player, through AG Insurance, and in the UK, it has a strong presence as the fourth largest player in private car insurance and the over 50's market. It employs more than 13,000 people and has annual inflows of more than EUR 17 billion.

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