ageas SA/NV

Société Anonyme/Naamloze Vennootschap

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SPECIAL REPORT BY THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

on the use and purpose of the authorized capital

prepared in accordance with Article 604 of the Belgian Companies Code

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This report is drawn up in accordance with Article 604 of the Belgian Companies Code, to support the proposal that will be made to the Extraordinary General Meeting of Shareholders, to grant to the Board of Directors the authorization to increase the share capital of ageas SA/NV (also referred to as the "Company") with a maximum amount of EUR 100,800,000, enabling the issue of 240,000,000 shares, and to cancel, as the case may be, the balance of the authorized capital, as mentioned in Article 9 a) of the articles of association of the Company, which, on the date of publication in the Belgian State Gazette of the amendment of the articles of association approved by the Extraordinary General Meeting of Shareholders, remains unused. The Board of Directors proposes that this authorization will be granted for a period of three years with effect as from the date of publication in the Belgian State Gazette of the resolutions of the Extraordinary General Meeting of Shareholders approving this proposal.

I. AUTHORIZATION TO INCREASE THE SHARE CAPITAL OF AGEAS SA/NV WITH A MAXIMUM AMOUNT OF EUR 100,800,000

1. Authorized capital granted on 27 April 2011

On 27 April 2011, the Extraordinary General Meeting of Shareholders granted to the Board of Directors of the Company the authorization to increase the share capital with a maximum amount of EUR 84,000,000 enabling the issue of 200,000,000 shares (at an accounting par value of EUR 0.42) to cover commitments entered into in the context of the issue of certain financial instruments. On the date of this report, the entire amount of EUR 84,000,000 remains unused.

2. Authorization requested from the Extraordinary General Meeting of Shareholders

2.1. Rationale

The main reasons for having recourse to the authorized capital procedure relate to the flexibility and rapidity that this procedure offers to enable the Company to meet its obligations entered into in the context of the issue of the financial instruments listed in section 2.2 a. These obligations are estimated to amount to 160,000,000 shares out of the requested authorisation to issue up to 240,000,000 shares, representing approximately 10% of the total share capital of the Company.

In accordance with the provisions regulating ageas SA/NV and ageas N.V. and which, among other things, result from the twinning of the shares of both companies, the Board of Directors aims to be able to use this technique in the most flexible way, in the interest of the Company and with the option, each time the law permits, of deviating from the preferential subscription right of the existing shareholders or to carry out the capital increase by means of a contribution in kind.

2.2. Objectives

a. Use for existing commitments

The authorized capital must predominantly enable the Board of Directors to cover the commitments taken in the context of the issue of the hybrid financial instruments described hereafter.

Under the terms of these outstanding instruments, ageas SA/NV and ageas N.V. have committed themselves to use all reasonable efforts to have sufficient authorized capital at all times to meet their potential obligations to issue shares in the context of these instruments.

In certain circumstances, as further specified in the relevant contractual terms of the financial instruments, Ageas may be compelled to pay coupons which are due in new shares of ageas SA/NV and ageas N.V. ("Alternative Coupon Settlement Method" or "ACSM").

Each time the contractual terms require that ageas SA/NV and ageas N.V. jointly and severally use all reasonable efforts to have sufficient authorized capital at all times to meet these potential obligations. For this reason ageas SA/NV annually requests its shareholders to approve an authorized capital which can be used solely for this specific purpose.

This request notably concerns the following instruments:

- The issue in October 2004 by Fortis Bank of so-called Directly Issued Perpetual Securities with a total nominal value of EUR 1,000,000,000, with an annual coupon of 4.625% until 27 October 2014 and a variable quarterly coupon of 3-month Euribor plus 1.70% thereafter. The ACSM obligation is triggered in the event of, among other things, certain solvency events affecting Fortis Bank. More specifically, ageas SA/NV and ageas N.V. have undertaken to (use all reasonable efforts to) have sufficient authorized capital at all times to cover the payment in shares of one year of coupons (i.e. one annual coupon or four quarterly coupons);
- The issue in June 2006 by Ageas Hybrid Financing S.A. of so-called Perpetual Securities with a total nominal value of EUR 500,000,000, with an annual coupon of 5.125% until 20 June 2016 and a variable quarterly coupon of 3-month Euribor plus 2% thereafter ("HYBRONE"). The ACSM obligation is triggered in the event of, among other things, certain solvency events affecting the Ageas group. More specifically, ageas SA/NV and ageas N.V. have undertaken to (use all reasonable efforts to) have sufficient authorized capital at all times to cover the payment in shares of one year of coupons (i.e. one annual coupon or four quarterly coupons);
- The issue in February 2008 by Ageas Hybrid Financing S.A. of so-called Perpetual Securities with a total nominal value of US$ 750,000,000, with a semi-annual coupon of 8.25% ("NITSH I"). The ACSM obligation is triggered in the event of, among other things, certain solvency events affecting the Ageas group. More specifically, ageas SA/NV and ageas N.V. have undertaken to (use all reasonable efforts to) have sufficient authorized capital at all times to cover the payment in shares of one year of coupons (i.e. two semi-annual coupons);
- The issue in June 2008 by Ageas Hybrid Financing S.A. of so-called Euro Denominated Perpetual Securities with a total nominal value of EUR 625,000,000, with an annual coupon of 8% ("NITSH II"). The ACSM obligation is triggered in the event of, among other things, certain solvency events affecting the Ageas group. More specifically, ageas SA/NV

and ageas N.V. have undertaken to (use all reasonable efforts to) have sufficient authorized capital at all times to cover the payment in shares of one year of coupons (i.e. one annual coupon);

- The issue in May 2002 by Ageasfinlux S.A. of so-called Undated Floating Rate Equity-linked Subordinated Hybrid ("FRESH") Capital Securities with a total nominal value of EUR 1,250,000,000, with a variable quarterly coupon of 3-month Euribor plus 1.35%. The ACSM obligation is triggered, among other things, in the event that ageas SA/NV and ageas N.V. do not pay a dividend (i.e. interim and final dividend taken together) in relation to any financial year with a yield of at least 0.5%. More specifically, ageas SA/NV and ageas N.V. have undertaken to (use all reasonable efforts to) have sufficient authorized capital at all times to cover the payment in shares of one year of coupons (i.e. four quarterly coupons);
- The issue in December 2007 by Fortis Bank of so-called Convertible And Subordinated Hybrid Equity-linked Securities ("CASHES") with a total nominal value of EUR 3,000,000,000, with a variable quarterly coupon of 3-month Euribor plus 2%. Due to a partial conversion of EUR 1,888,250,000 of these securities, the nominal value of still outstanding securities was reduced to EUR 1,111,750,000. The ACSM obligation is triggered, among other things, in the event that ageas SA/NV and ageas N.V. do not pay a dividend (i.e. interim and final dividend taken together) in relation to any financial year with a yield of at least 0.5%, as well as in the event of certain solvency events affecting Fortis Bank or the Ageas group. More specifically, ageas SA/NV and ageas N.V. have undertaken to (use all reasonable efforts to) have sufficient authorized capital at all times to cover the payment in shares of one year of coupons (i.e. four quarterly coupons).

It should be noted that in respect of part of these instruments, the issuing entity (and the evolution of its solvency) is no longer under the control of ageas SA/NV and ageas N.V., which has an impact on the risk of the ACSM being triggered.

Assuming a Euribor rate of 1.10% and an Ageas share price of EUR 1.50, the maximum number of shares to be issued by ageas SA/NV and ageas N.V. if the ACSM were triggered simultaneously on all aforementioned financial instruments is approximately 160,000,000 shares per annum.

b. Use for general purposes

Because of the Company's commitments due in the context of the issue of the hybrid financial instruments, substantially exceeded 10% of the Company's share capital, the Board of Directors did not propose to the Extraordinary General Meetings of Shareholders of 2010 and 2011 to grant the authorization to increase the share capital of the Company to be used for general purposes.

This year, the commitments set out in section 2.2 a represent less than 10%. The Board of Directors therefore plans to use the remainder of the 10% for general purposes, with a view to achieving the following objectives taken individually or together:

- to bring in fresh capital for the Company or for one or more of its subsidiaries, either from all investors or on a specific market (issue in favour of unspecified persons), or from one or more specified persons;
- to fund investment opportunities that are in line with the strategy of the Ageas group;
- to remunerate one or more contributions in kind;
- to make it possible to remunerate shareholders in a particular manner, such as by paying a share dividend;

- to reorganise the equity structure, amongst other things by incorporating reserves into the capital, with or without the free allocation of shares or by incorporating the share premium account;
- to take an initiative to motivate all or some managers and staff of the Company or the Ageas group;
- to cover commitments to be made by the Board of Directors in the context of any issue of financial instruments;
- to cover any other circumstances or objectives which the Board of Directors may deem appropriate.

Therefore, in terms of number of shares, the Board of Directors proposes to be authorized to issue 80,000,000 shares for general purposes.

2.3. Amount requested

Therefore, the Board of Directors proposes to the Extraordinary General Meeting of Shareholders to grant a authorization which, if approved, authorizes the Board of Directors to increase the share capital of the Company, in one or more transactions, with a maximum amount of EUR 100,800,000, which represents about 10% of the Company's share capital.

In the event that the Extraordinary General Meeting of Shareholders does not approve the Authorization, the balance of the existing authorized capital will not be cancelled. .

The Board of Directors further proposes that this authorization will be granted for a period of three years, with effect as from the date of publication in the Belgian State Gazette of the resolutions approved by the Extraordinary General Meeting of Shareholders.

This capital increase may be achieved, amongst other means, by contributions in cash (with or without cancellation or limitation of the preferential subscription right of the existing shareholders) or in kind, by incorporation, with or without the issue of new shares, of available or non-available reserves, share premium accounts, claims, the issue of bonds convertible into shares or bonds with subscription rights, as well as by subscription rights which may or may not be attached to another security.

II. CORRESPONDING AMENDMENT TO THE ARTICLES OF ASSOCIATION

The corresponding amendment to the articles of association described below assumes that, as past experience suggests, the First Extraordinary General Meeting of Shareholders of 19 March 2012 will not be able to validly deliberate and decide because the quorum of 50% of the capital is not attained and that only the second Extraordinary General Meeting of 25 April 2012 will be able to deliberate and decide.

In the event that the Extraordinary General Meeting of Shareholders votes in favour of the requested authorization as set out above and the balance of the existing authorized capital is consequently cancelled, Article 9 would be amended as follows:

- Paragraph a) would be amended as follows:

  "*a) Subject to the Twinned Share Principle, the board of directors is authorized to increase the Company capital, in one or more transactions, with a maximum amount of one hundred million eight hundred thousand euro (EUR 100,800,000). This authorization is granted to the board of directors for a period of three years starting on the date of the publication in the Belgian State Gazette of the amendment to the articles of association of the Company resolved by the extraordinary general meeting of shareholders of 25 April 2012.*"

Brussels, 17 February 2012

For the Board of Directors of ageas SA/NV

Bart De Smet
Chief Executive Officer

Jozef De Mey
Chairman