



VFB Dag van de tips
10 October 2015
Bart De Smet, CEO

PART 1**WHAT WE HAVE DONE**

Achievements Vision 2015

PART 2**WHAT WE SEE**

Challenges for the Insurance sector

PART 3**WHAT WE WILL DO**

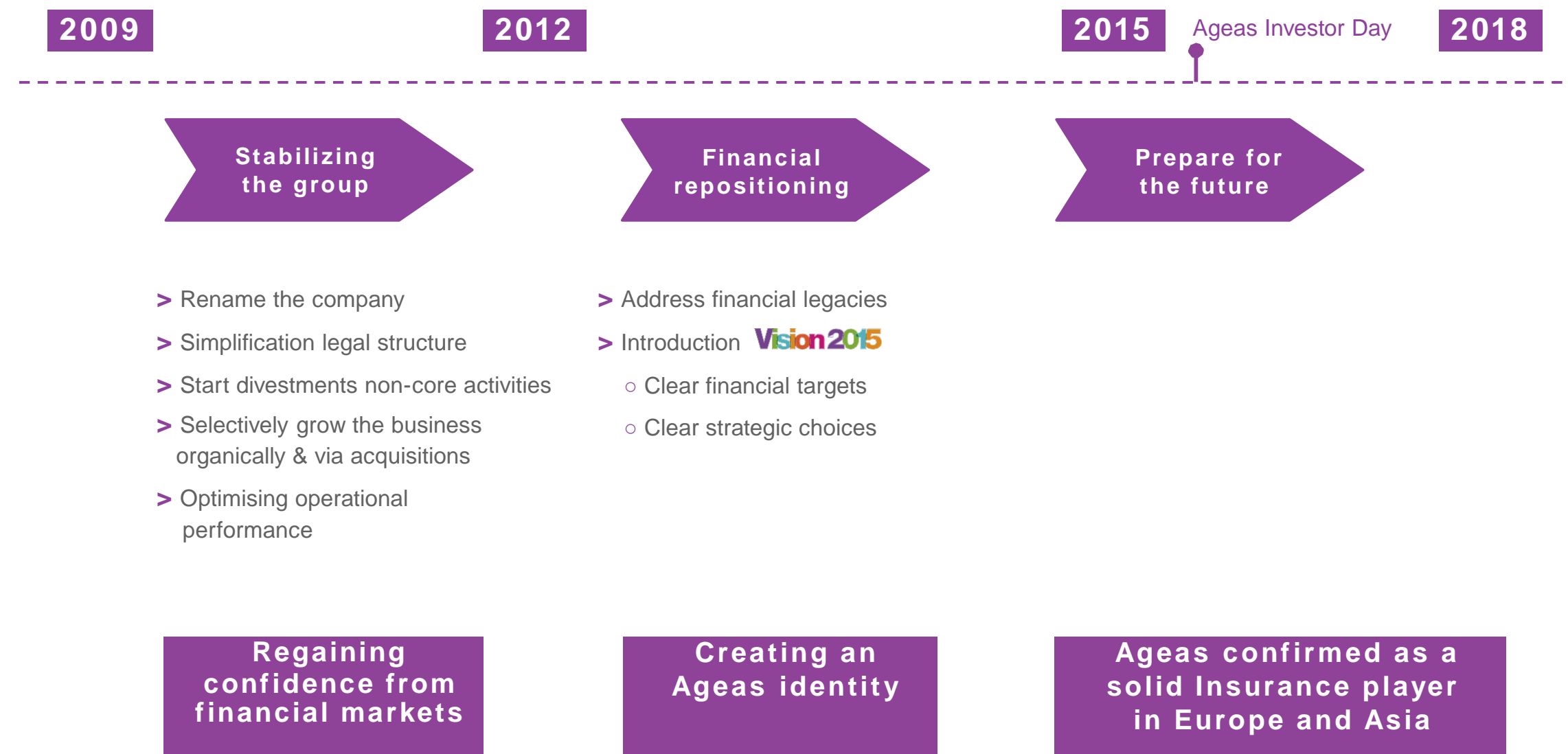
Our Strategy going forward



PART 1
WHAT WE
HAVE DONE

> Achievements Vision 2015

Main achievements since 2009

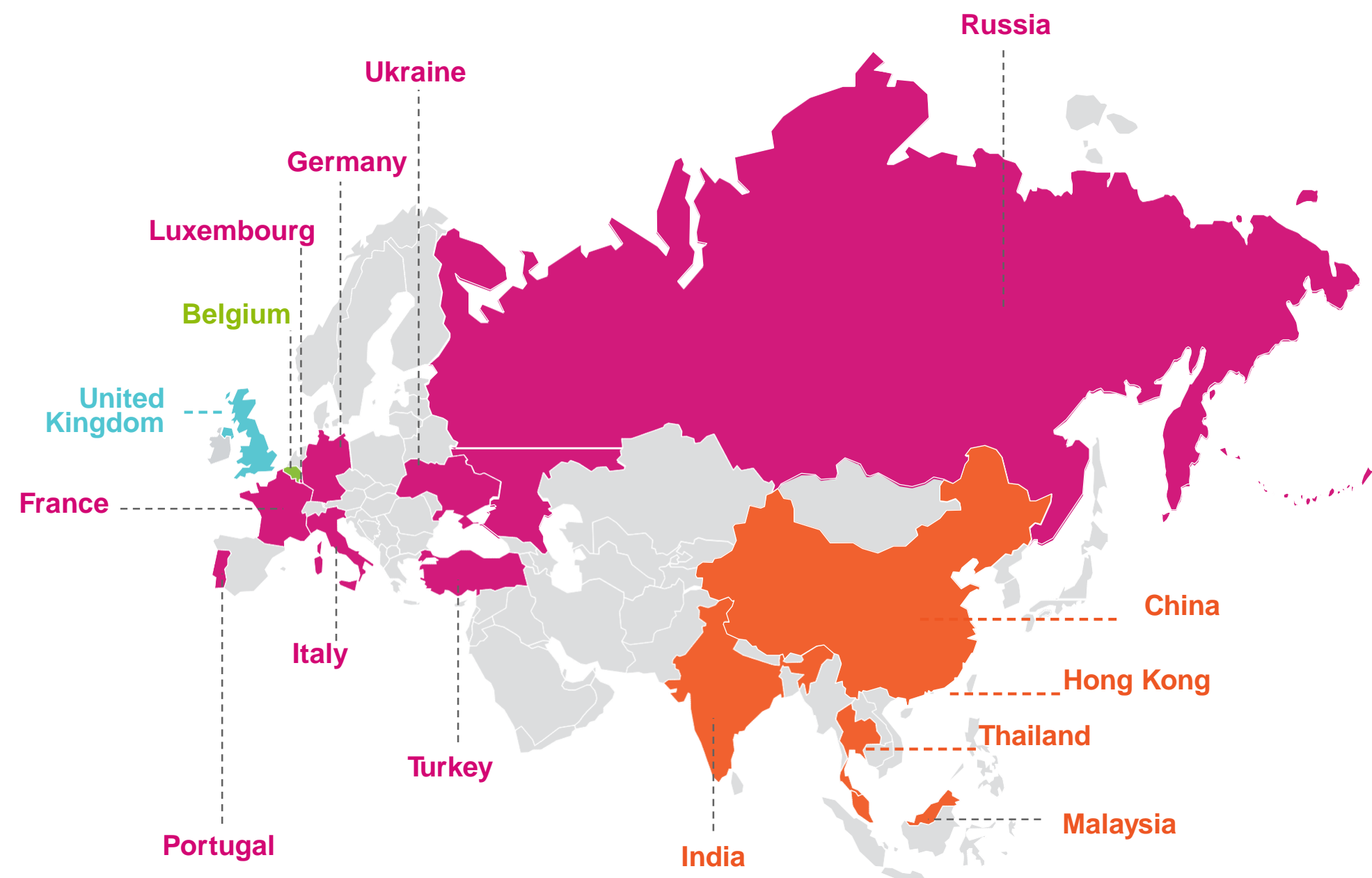


PART 1
WHAT WE
HAVE DONE

> Achievements Vision 2015

Ageas in 2009

Active in 15 countries
Focus on Europe
& Asia



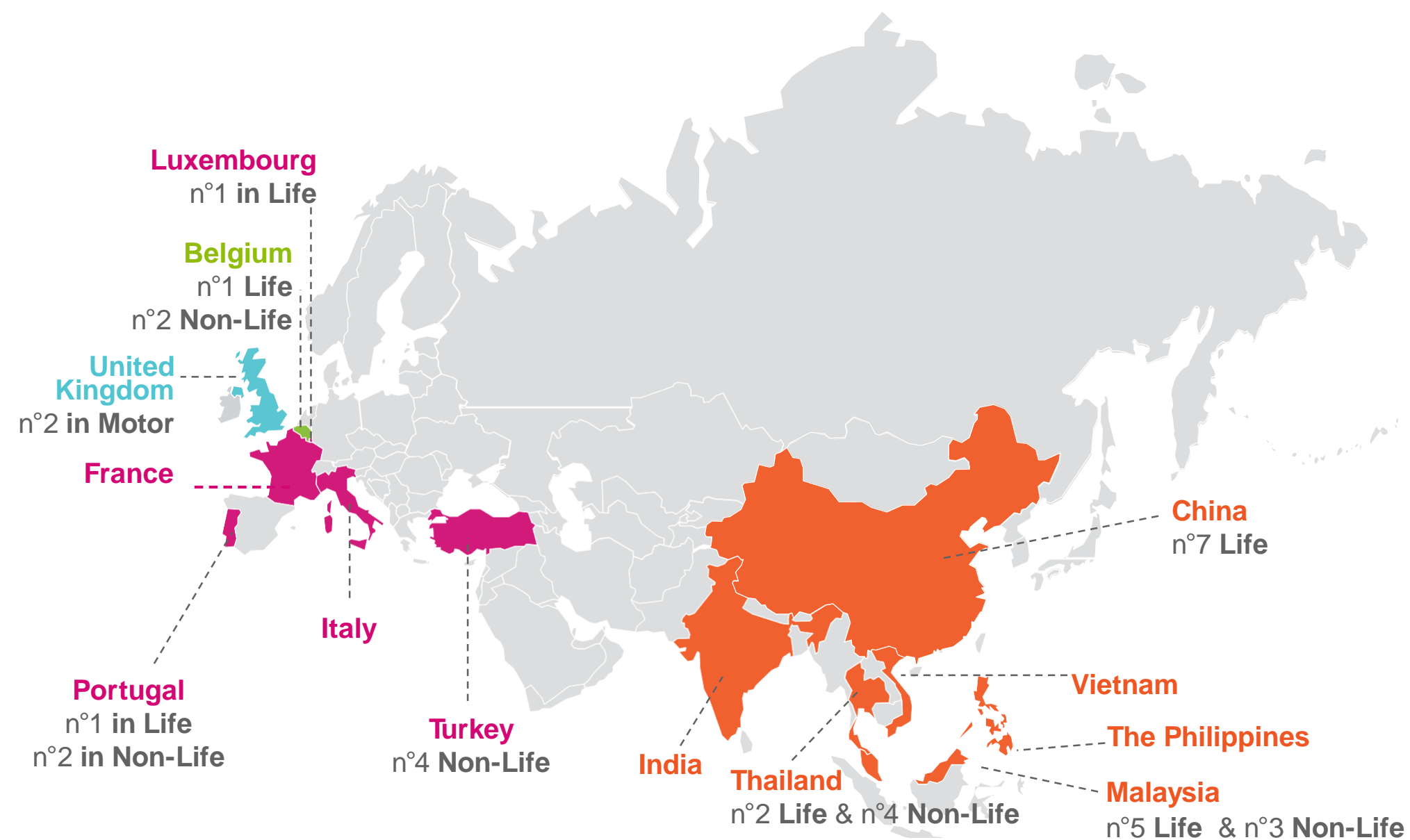
PART 1
WHAT WE
HAVE DONE

> Achievements Vision 2015

Strong positions in main countries

Active in 13 countries
Focus on
Europe & Asia

Strong positions
in main countries



PART 1
WHAT WE
HAVE DONE

> Achievements Vision 2015



Results
Vision 2015

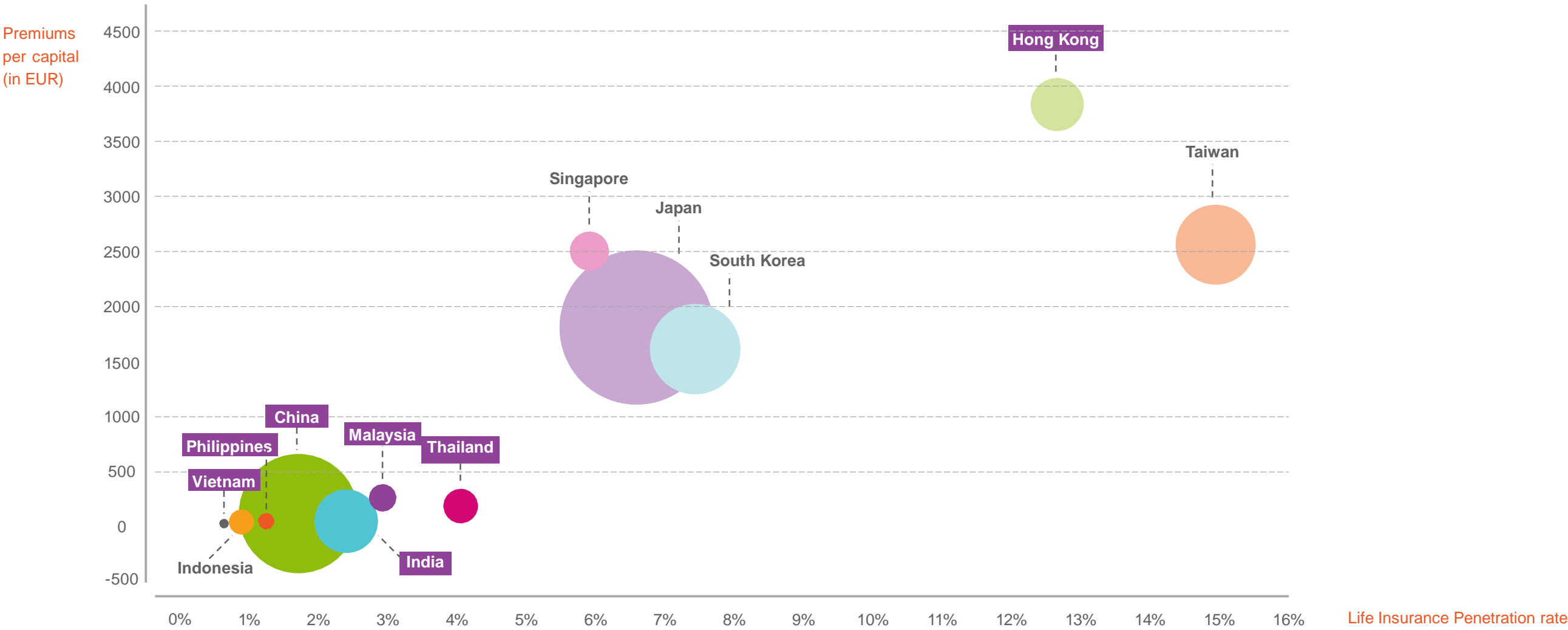
Major achievements
since 2011

Asia

- Asian Geographical Expansion
- Presence in 7 major Asian markets

After sale Hong Kong full focus on low Insurance penetration rate markets

source: Axco Global Statistics



PART 1
WHAT WE
HAVE DONE

> Achievements Vision 2015



Vision 2015

What were the
conclusions?

6 Values

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

5 Strategic
Choices



FOCUS ON
INSURANCE



PARTNERSHIPS



EUROPE & ASIA



MULTI-CHANNEL
DISTRIBUTION



WELL BALANCED
PORTFOLIO
LIFE & NON-LIFE

4 Targets



PART 1

WHAT WE HAVE DONE

> Achievements Vision 2015



Vision 2015

5 strategic choices

What have we delivered?



Resolution of numerous General Account legacies and divestment of smaller entities along with investments in several existing European markets led to an increased **focus on our insurance capabilities**



Additional distribution channels (Portugal, Cargeas (Italy)) & by striking new affinity deals (Volkswagen, Virgin Money) led Ageas **to be where our customers want us to be**



Extension of existing partnerships and entering into new Partnerships in Vietnam and The Philippines showed **our commitment to our partners and their customers**



Acquisitions in Non-Life in UK, Portugal and Italy and divestments of UK Life & Hong Kong Life. Diversification within Life (shift from single to regular premium and Unit-Linked) led to a **better balance and a diversified** product offering







New market entries in Asia (Philippines and Vietnam) & strengthening of existing in Europe (Portugal, Italy) led Ageas **to capture growth in mature and emerging markets in Europe and Asia**

PART 1 WHAT WE HAVE DONE

> Achievements Vision 2015

What did we say in 2012?

Our Vision 2015 Targets

		2011	2014	H1 2015	H1 2015 pro forma sale Hong Kong
	Inflow at Ageas' part	66 / 34	67 / 33	69 / 31	68 / 32
	Non-Life	100.1%	99.6%	95.2%	95.2%
	Insurance Insurance excl. UG/L		8.8% 11.4%	10.6%* 14.9%	11.0%* 16.0%
		15.2%	17.5%	20.0%	22.2%

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

To **balance our portfolio** between Life and Non-Life towards 60/40 in terms of inflows

To be **efficient in Non-Life** with a combined ratio structurally below 100%

To increase our **Return On Equity** in Insurance to a minimum of 11%

To deploy **at least 25%** of our capital in emerging markets in Europe and Asia

In 2013 other objectives were set:

> Improve profitability consolidated Life activities through better operating margin

> Increase profits from non-consolidated markets

> Cash upstream to fund regular dividend & corporate costs



PART 1
WHAT WE
HAVE DONE

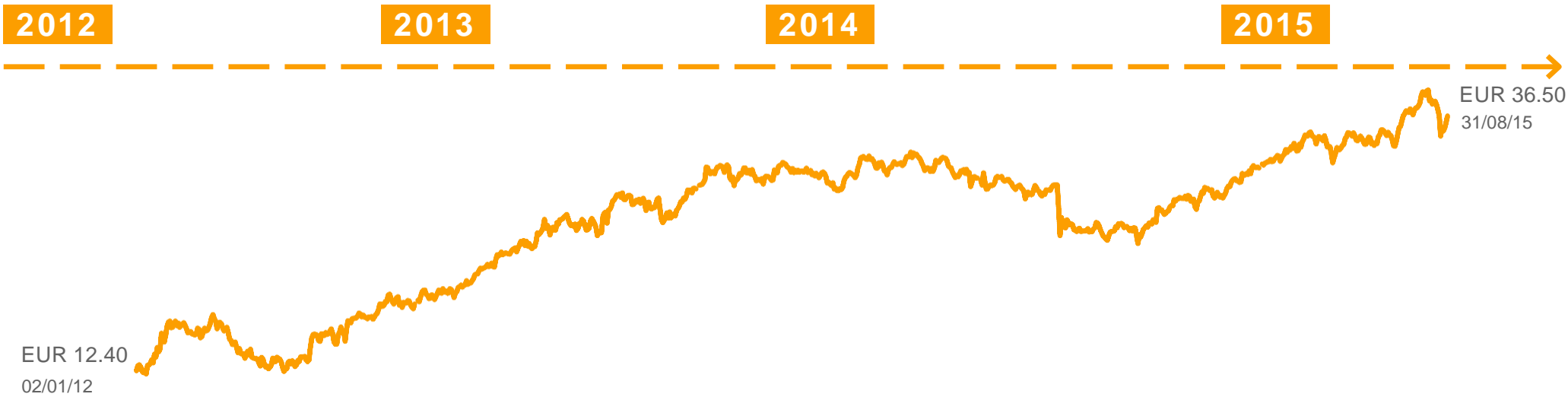
> Achievements Vision 2015

Results
Vision 2015

Ageas
Shareholder
Return
since 2011

Simple
shareholder
return

204%



Total
shareholder
return

282%

(Return including reinvestment of dividend)

≈ EUR 1.3 bn
dividends & capital reduction

- > ≈ EUR 770 mio dividend paid in 2012, 2013 & 2014
- > EUR 222 mio capital reduction paid in 2013
- > ≈ EUR 330 mio dividend paid in 2015

4 buy back plans successfully completed for
a total amount of EUR 900 mio

- > +/- 15% of outstanding shares bought back and cancelled
- > Launch 5th buyback plan of EUR 250 mio in August 15



PART 1

WHAT WE
HAVE DONE

> Achievements Vision 2015



Results Vision 2015

**Re-establishing &
repositioning
Ageas since 2009
has been success-
ful**

- > Substantial progress made in reorganisation insurance portfolio
- > Partnerships further deepened out, solidified and secured for the long term
- > Market positions in core markets strengthened
- > Financial and operational performance strongly improved in a sustainable way
- > Focus to manage balance sheet & upstream excess capital
- > Ageas has delivered upon its promises

Repositioning Ageas has been
successful & Ageas **ready** to take up
next challenge

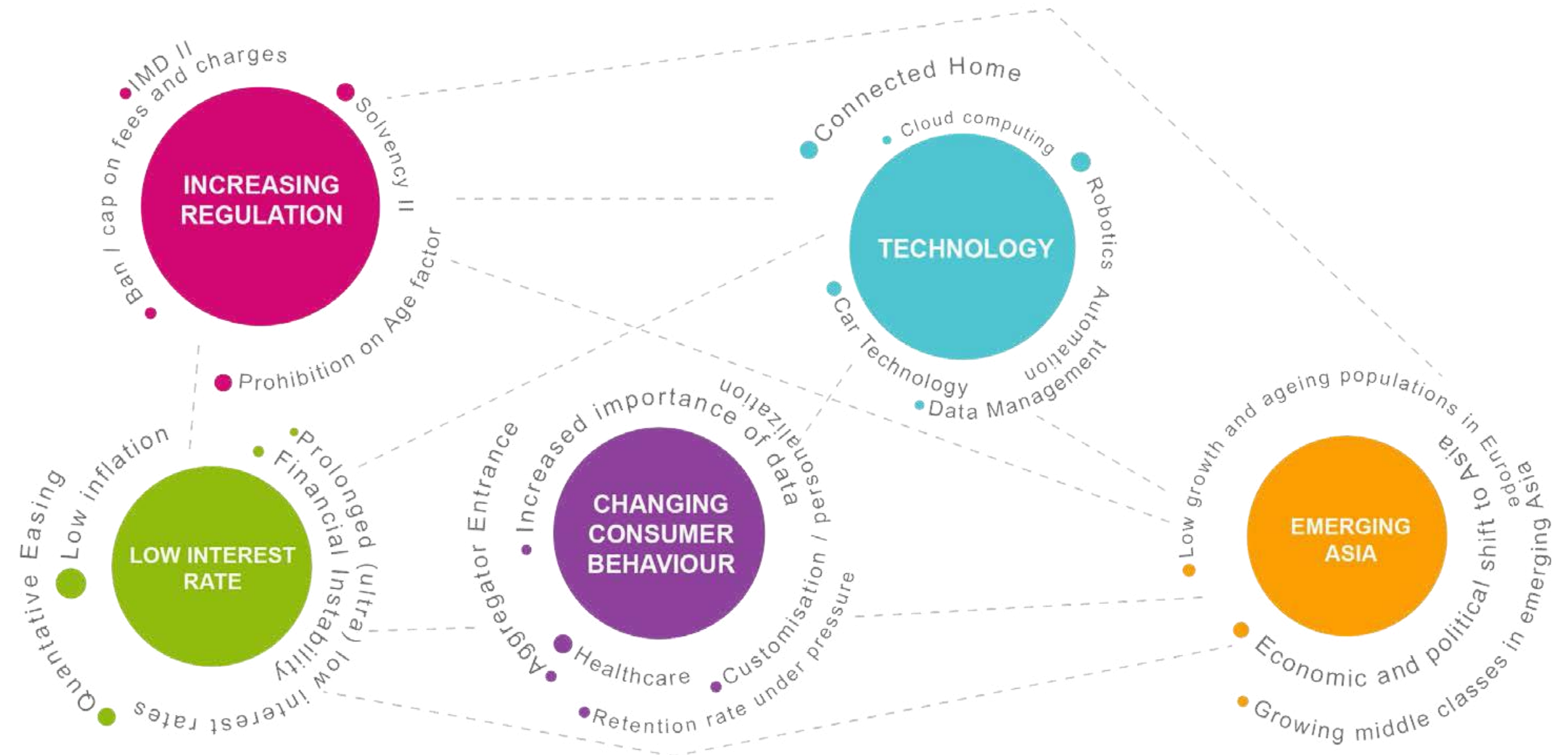
PART 2

WHAT WE SEE

> CHALLENGES

What we see today

A fast changing world. The insurance sector faces major challenges



PART 2

WHAT WE SEE

> CHALLENGES

Challenges for the insurance sector

Conclusion



The insurance industry is faced with **technological, economic, regulatory** and **social developments** which put pressure on incumbent insurance companies and force them to **rethink their business models**

We believe that **Ageas** is well placed to adapt to this challenging environment and benefit from these trends and increase technological capabilities:

- > Strong solvency and profitability
- > Strong market positions in mature and growth markets
- > An increasing number of strong partnerships
- > Increasing technological capabilities via own investments and links with non-traditional partners

PART 3

WHAT WE
WILL DO

> STRATEGY GOING FORWARD

I Answers to the challenges

I Organizational response

I 2018 Targets

Strategy
2018

“ Our **2018 strategy** builds on achievements
Vision 2015 and strives for **continuity**.
We **maintain our values** and will **sharpen** our
strategic choices and **financial targets**
where possible and will **focus more** on the
qualitative goals ”

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Strategy 2018

1. Increasing Regulation

Solvency II major
regulatory change in
years



> Solvency II: Solid base for a smooth transition

Ageas uses Solvency II_{ageas} for capital management & risk appetite

- > Floored by **Local** Solvency constraints
- > **High quality** of Own Funds without any material reliance on **transitional measures**
- > Remaining **uncertainties on Insurance level manageable**
- > **Contingent liabilities** General Account excluded

Target Insurance Solvency II_{ageas} 175%

- > FY'14 & 6M '15 Solvency position comfortably above target

Risk appetite 40% Own Funds

- > **Clear limit** on risk taking & acceptable volatility levels
- > Resulting **sensitivities manageable**
- > **Effective** risk position clearly within **limits**

Ageas will continue to deliver on its commitments

- > **Continuation** of Ageas's policy on **upstream & dividend** pay-out
- > Material impact on **business choices** already factored in day-to-day management

PART 3

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Strategy
2018

1. Increasing
Regulation

Solvency II major
regulatory change in
years



> From simplistic but stable Solvency I to realistic but
more volatile Solvency II

FY '14	BE	UK	CEU	ASIA	Ageas insurance	Ageas group	NCP @ LOCAL SOLVENCY
Solvency I	189%	231%	176%	273%	206%	210%	*
Standard Formula	243%	106%	147%	120%	177%	206%	278%
Solvency II ageas	242%	139%	138%	138%	186%	216%	278%
6M '15							
Solvency I	215%	241%	173%	312%	234%	235%	*
Standard Formula	252%	105%	150%	127%	178%	210%	294%
Solvency II ageas	252%	139%	133%	141%	188%	221%	294%

* In Solvency I framework Non-European NCP's are included in Insurance ratio on IFRS equity basis whereas in Solvency II these NCP's are not taken into consideration, but shown separately based on Local Solvency.

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Strategy 2018

2. Growth Markets

**Ageas remains
focussed on
Europe and Asia**



- > Ageas will build on its position as **a credible insurer** in Europe and Asia
- > We will continue to explore opportunities to **strengthen existing core markets**
- > We **maintain** our **goal of investing 25% of the Insurance Equity** (excl. UCG) in growth markets
- > The recent entry in The Philippines and Vietnam illustrates Ageas' capability to conclude new partnerships in **growth markets in Asia**
- > We will focus on opportunities to enter **high growth markets in Europe** and Asia.
- > Emerging Asia & Western Europe together will account for **55%** of absolute growth in Life and **44%** in Non-Life in 2010-2020.
- > **Stable cash flows** from mature (European) entities should ensure funding for expansion and finance dividend payments
- > Future opportunities should respond to strict criteria of growth potential, distribution reach and financial criteria

PART 3

WHAT WE
WILL DO

> STRATEGY GOING FORWARD

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Strategy 2018
3. Low Interest
Rate
Environment

Maintain a close
match between
Assets and
Liabilities



Back book*
vs fixed income investments

* Based on figures end November 2014



- > Ageas has chosen for a **matched portfolio** in Belgium, its main European Life business
- > **AG Insurance Assets** and **Liabilities** are fully **matched**, a yield decrease does not affect cash flows
- > A **further yield decrease** will **not affect future cash flows** on the existing book

PART 3

WHAT WE
WILL DO

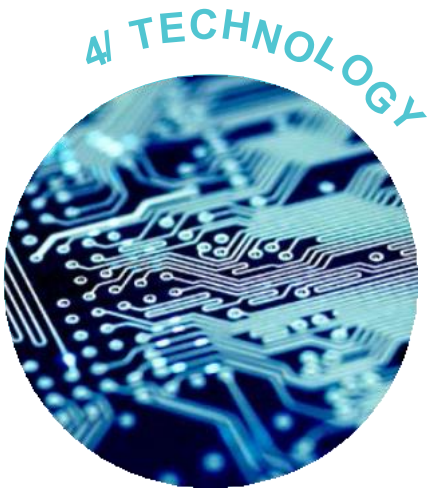
> STRATEGY GOING FORWARD

- I Answers to the challenges
- I Organizational response
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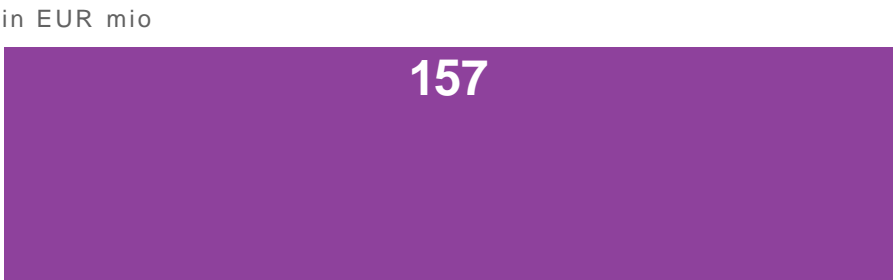


Strategy
2018
4. Technology

Ageas' investments
in innovative
projects



2013
2015



2016
2018



> Ageas currently already commits more than **EUR 300 mio** in new technological developments in 2013-2018, or **EUR 50 mio a year**

> As of 2016 Ageas commits an additional **EUR 25 mio per year** is made available for innovative products



Connected homes



Autonomous cars



Wearable technology / Sensors



24/7 Connected

PART 3

WHAT WE
WILL DO

> STRATEGY GOING FORWARD

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I Organizational response

I 2018 Targets



Strategy 2018

5. Changing Consumer Behaviour

Ageas Ambition:
**Getting closer to
the customer**



Ageas wants to come closer to the customer within the existing distribution mix and by adding new channels

- < 1 > We will build a closer relationship with our customers by delivering personalised products and convenience
- < 2 > We will interact with our customers whenever and however they want
- < 3 > Data & customer analytics will play an increasingly important role

To get closer to our customers, many initiatives are ongoing. A few examples:

Belgium - AG Insurance : cross and upsell campaigns in close cooperation (co-branded) with distributor, using the 'Familis' and 'Modulis' approaches, combining bundling with additional advantages

UK - Kwik-Fit : integrated use of social media to communicate (marketing to service, e.g. weather alerts), including apps, Facebook and Twitter

Asia – Muang Thai Life : Dedicated team to facilitate all online marketing activities on Facebook, Twitter, YouTube and LINE. MTL is number 1 in insurance with over LINE 22 million followers. The loyalty club, "Smile Club", engages policyholders by various activities

PART 3

WHAT WE
WILL DO

> STRATEGY GOING FORWARD

| Answers to the challenges

| Organizational response

| 2018 Targets

How we will organise ourselves

- 1 Ageas as **synergy manager** to empower local teams and supported by strong partnerships
- 2 **Partnership** model to be continued and extended
- 3 Local approach, **central COO department** pivotal to enhance cross-segmental co-operation
- 4 Our organization builds on a strong set of **local and central skills and expertise**
- 5 Creation **Ageas Academy** to prepare current and future higher management level for new challenges



PART 3

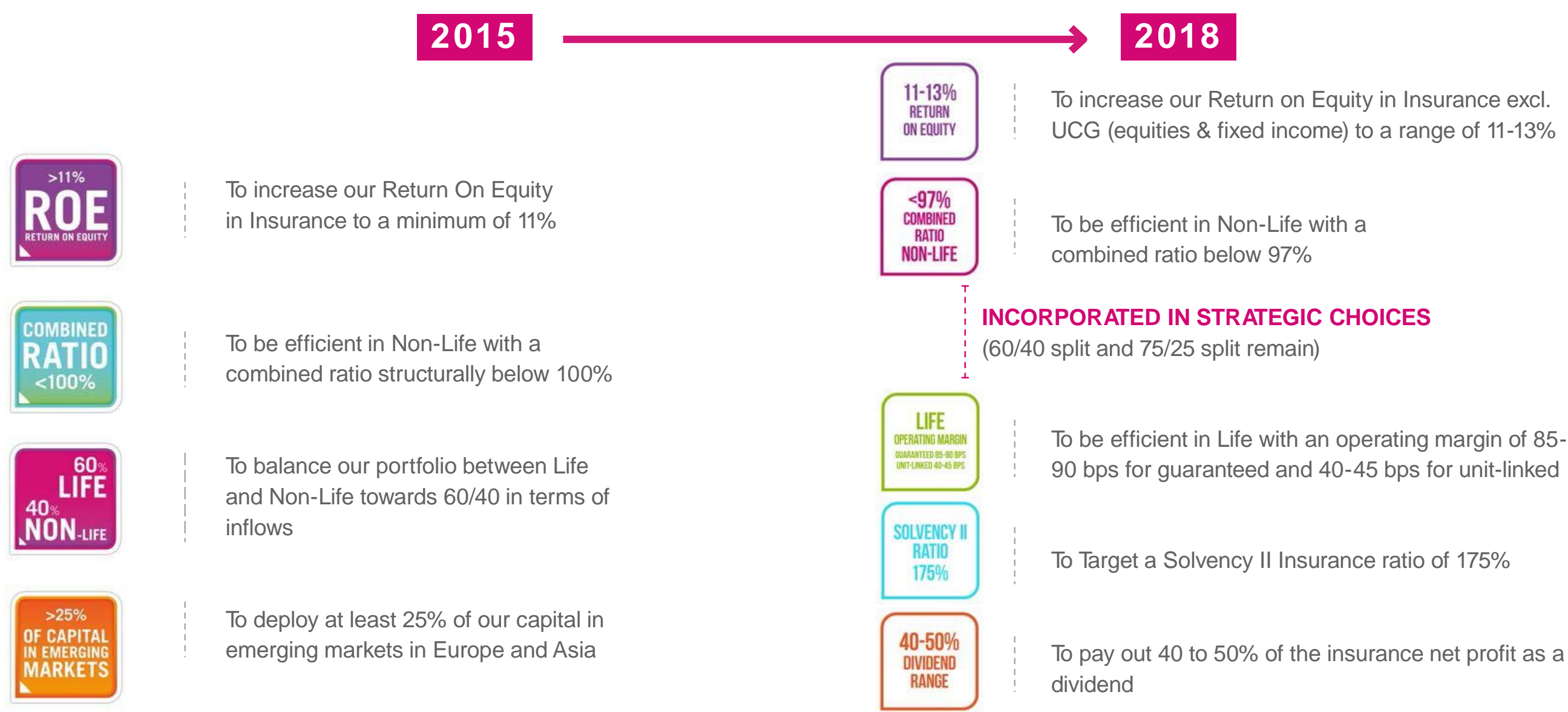
WHAT WE
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Our 2018
Insurance
targets



PART 3

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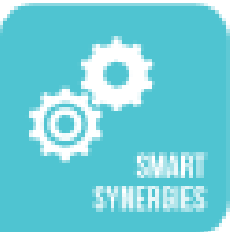
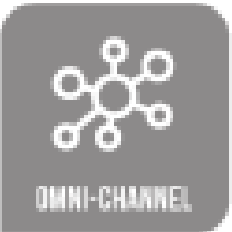
What are the
conclusions?

Same
6 Values

Extend to
7 Strategic
Choices

Extend to
5 Targets

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



PART 3

WHAT WE
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Conclusion



We are ...

- > **A top insurer in Europe and Asia**; growing in our existing markets and exploring new opportunities
- > Experts in insurance; offering **Retail and Business** customers **personalised** solutions in **Life** and **Non-Life** insurance
- > **Evolving as an insurer** by constantly investing in relevant skills and capabilities with a strong **entrepreneurial** culture
- > **A partner in insurance**; with a proven competence in developing strong and dynamic partnerships with leading companies in the local market
- > Organised in a way that allows us to reap the benefits of **local autonomy**; **adding value** by **sharing** group-wide best practices
- > **Well diversified** with a **balanced portfolio** spanning both the **mature** and **growth** markets of Europe and Asia

We deliver on our promises

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