



# **Settlement Fortis events in 2007 & 2008**

WHAT WE  
HAVE DONE

# Progress in solving legacies reduced complexity – Net cash strengthened

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2012

- Agreement with BNP on CASHES & Tier 1  
net cash impact of EUR 0.7 bn
- Agreement with ABN AMRO & Dutch State  
closing all outstanding disputes between Dutch State & Ageas & legal proceedings regarding MCS & FCC  
net cash impact of EUR 0.4 bn
- Simplification of legal structure & 10/1 reverse stock split

2013

- Royal Park Investments disposes assets & Agreement with Belgian State on BNP call option  
Net cash impact of EUR 1.2 bn

2014

2015

- 2<sup>nd</sup> agreement with BNP to repurchase remaining CASHES



# Balanced use of cash since 2009 – EUR 1.6 bn net cash at 31/12/15

## 1. Invest in Businesses

- Organic growth
- Selective acquisitions
- Create new partnerships

### ≈ EUR 3 bn including retained earnings

- ≈ EUR 600 mio UK (Tesco, KFIS, Castle Cover, Groupama)
- ≈ EUR 200 mio CE (Italy, Turkey)
- ≈ EUR 200 mio Asia (India, HK, China, The Philippines)
- EUR 100 mio Intreas
- ≈ EUR 1,8 bn retained earnings

## 2. Return to shareholders

- Dividend payment
- Share buy-back

### ≈ EUR 3.2 bn

- ≈ EUR 1.5 bn cash dividend over '09 – '14
- EUR 900 mio share buy-backs launched '11- '14
- EUR 230 mio capital reduction from proceeds of BNP Call Option & RPI
- ≈ EUR 340 mio cash dividend over 2015
- EUR 250 mio share buy-back 2015-'16

## 3. Return to debtholders

- Redemption of EMTN
- Call/tender Hybrids (Hybrone, NITSH I & II)

### Net cash neutral

- EUR 0.9 bn EMTN redemption
- EUR 1.2 bn call NITSH I/II & tender Hybrone



MAIN REMAINING ISSUES  
IN GENERAL ACCOUNT  
ARE LEGAL LEGACIES

# Settlement between Ageas, Deminor, Stichting FortisEffect, SICAF & VEB

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## Rationale

- End uncertainty of legal proceedings
- Fair & reasonable outcome
- Regain full strategic & financial flexibility

## Based on WCAM

- Wet Collectieve Afwikkeling Massaschade
- Out of court settlement declared binding by court
- Binding to all eligible shareholders

## Ageas pays EUR 1.2 bn compensation

- 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
- Amount/share depending on specific characteristics
- More details incl. amount/share public at filing of settlement



# Settlement between Ageas & its D&O insurers

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## Context

- In context of regular governance
- 3 insurance policies covering general responsibility & public rights issue

## Issue

- D&O insurers contested coverage & refused all payments

## Insurers pay EUR 290 mio compensation

- Ageas, all D&O's involved in legal procedures and BNP Paribas Fortis provide full & final release
- Ageas is authorized to use the settlement amount in context of global settlement with claimants organisations



## Financial impact - Sufficient cash available

Settlement	EUR	1,204	mio	→	Capped
Expenses	EUR	45	mio	→	Compensation to claimants organisations for retail representation & WCAM implementation
Expected tail	EUR	62	mio	→	Extra provision for tail risk
Insurers	EUR	(290)	mio		

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<b>Cash out</b>	<b>EUR</b>	<b>1,021</b>	<b>mio</b>	→	EUR 1.6 bn available – payment over period of several years
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Provision FortisEffect	EUR	(133)	mio	→	Provision made in 2014
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<b>P&amp;L impact</b>	<b>EUR</b>	<b>889</b>	<b>mio</b>	→	Impact on Solvency II <sub>ageas</sub>
					Insurance no impact
					Group 20 pp

- No impact on Insurance result
- 2015 dividend of **EUR 1.65** per share remains **unaffected**





DETAILS AGREEMENT  
WITH DEMINOR,  
STICHTING FORTISEFFECT,  
SICAF & VEB

## 4 claimants organisations representing majority shareholders in litigations

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### Organisations acting for interests of claimants

- **Deminor**
  - Belgian retail
  - Benelux & international institutional investors
- **Stichting FortisEffect**
  - mainly Belgian & Dutch retail
- **SICAF**
  - International institutional investors
- **VEB**
  - mainly Dutch
  - retail & certain partners

### Representative organisations

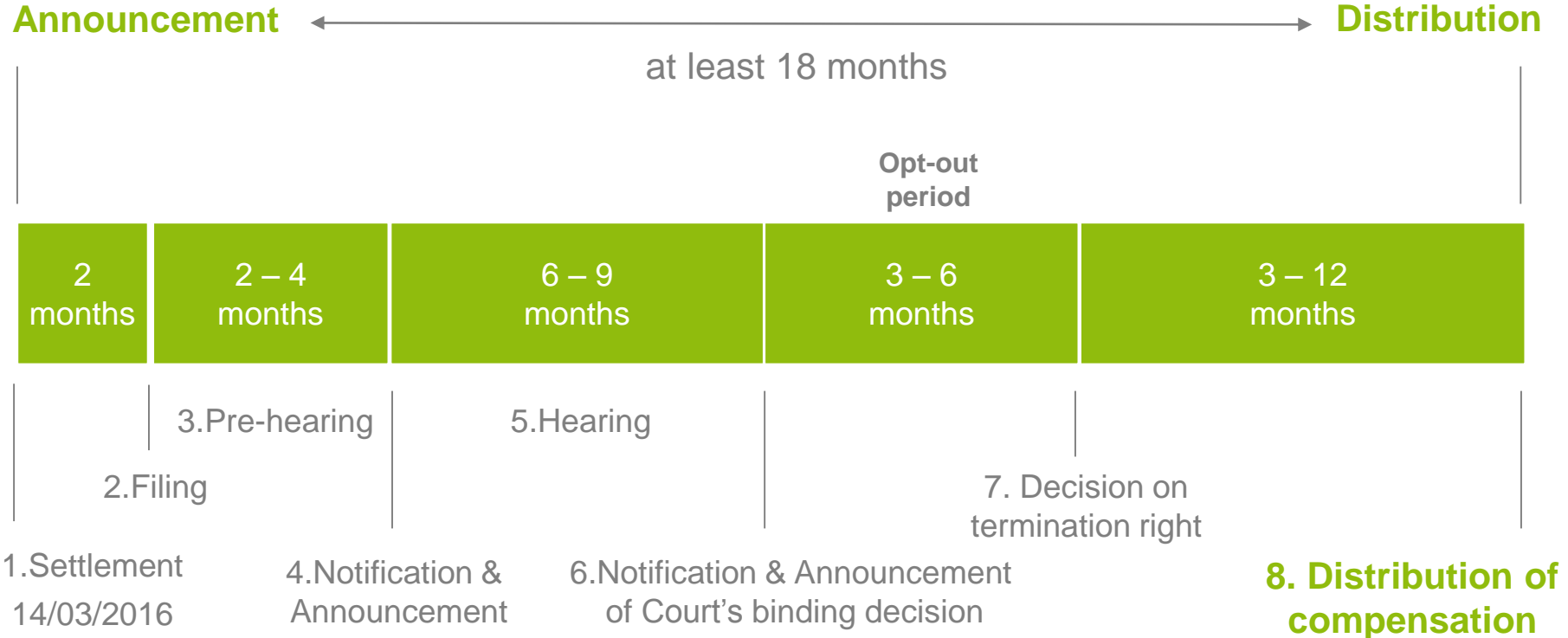
- Represent **a vast majority** of current **active** claimants

### Other active organisations

- Ageas will speak with other representatives before filing
- Widest possible buy in to maximize chances of success



# WCAM indicative timeline - at least 18 months until first payments

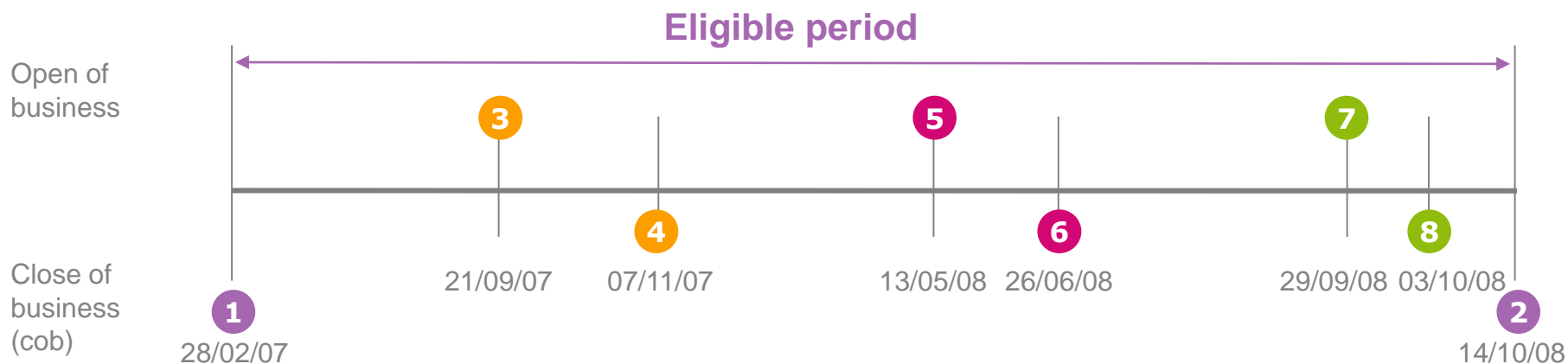


# Settlement of EUR 1.2 bn – main principles for amount per shareholder

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1. 3 reference periods
2. Compensation for both buyers & holders
3. Compensation for both active & non-active claimants
4. Claims form compensation

# Settlement of EUR 1.2 bn - Periods involved



## Periods based on

- Main allegations in various litigation procedures
- Judgments rendered so far

## 3 reference periods

- **21 September 2007 → 7 November 2007 cob**  
Communication subprime exposure, organisation capital increase for ABN AMRO
- **13 May 2008 → 25 June 2008 cob**  
Communication solvency after integration ABN AMRO
- **29 September 2008 → 3 October 2008 cob**  
Communication deal with the Benelux governments



## Settlement of EUR 1.2 bn – specific characteristics of beneficiaries

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### Eligible shareholders

- Shareholders between 28/02/07 cob & 14/10/08 cob
- Administrative compensation

### Buyers

- Purchased shares during & still held these at end of a reference period
- Priority as in similar WCAM procedures & US jurisprudence

### Holders

- Held shares at the end of a reference period
- Taking into account many retail long-term shareholders

### Active claimants

- Initiated legal actions before 14/03/16 or joined an organisation before 31/12/14 which initiated legal actions
- Membership, legal and/or administrative expenses



# CONSEQUENCES OF A SUCCESSFUL SETTLEMENT

# Consequences of the decision of the Court

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## Binding settlement

- Binding to all eligible shareholders
- Explicit opt-out necessary

## Legal

- No recognition of any wrongdoing by Ageas
- Waive all further rights to compensation
- Criminal procedure can't be included
- Civil proceedings in the Netherlands suspended by law
- Civil proceedings in Belgium: most cases suspended awaiting criminal procedure

## Financials

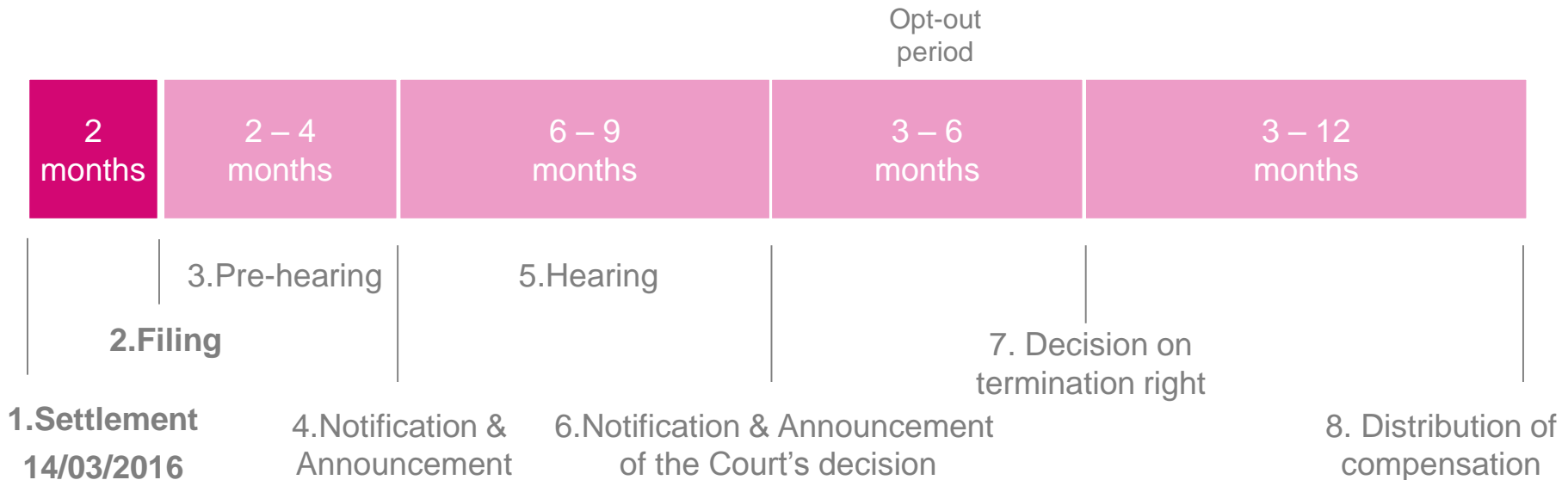
- EUR 1.2 bn is capped maximum
- Sufficient cash available
- Dividend unaffected





WHAT CAN  
YOU DO

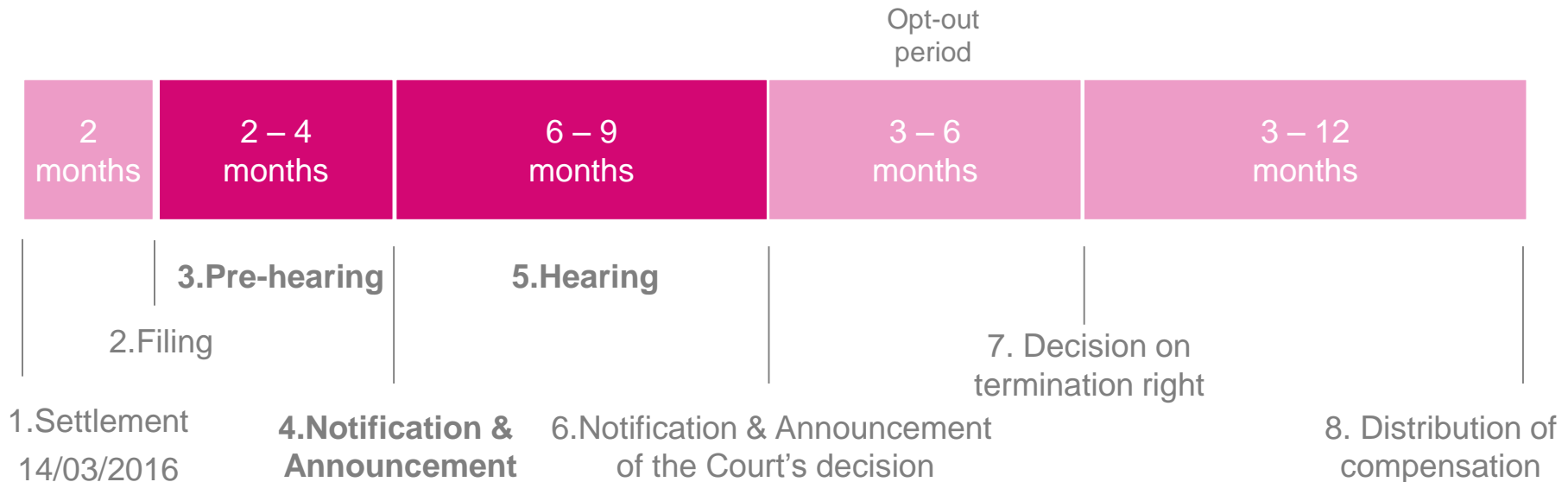
## No need to rush - In a first period you can't do much



1. Global settlement announced
2. Agreement filed before Amsterdam Court of Appeal
  - All **details** will be **public**
  - **Calculation aid** available on website
  - **You can make an indicative simulation of your personal situation**

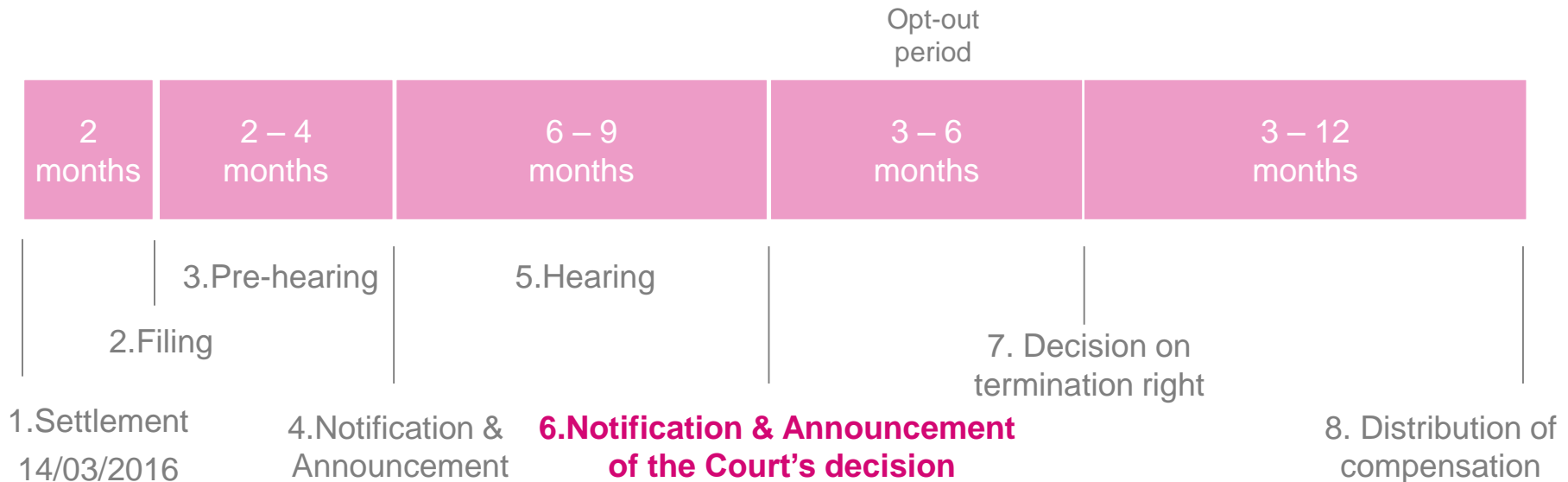


## There is no need to rush - In a first period you can't do much



3. Court hears parties to agreement
4. Court takes decision on procedural matters
5. **All interested parties – so also you** - can be heard by the Court before final decision

# When the final decision is made public, you can take action

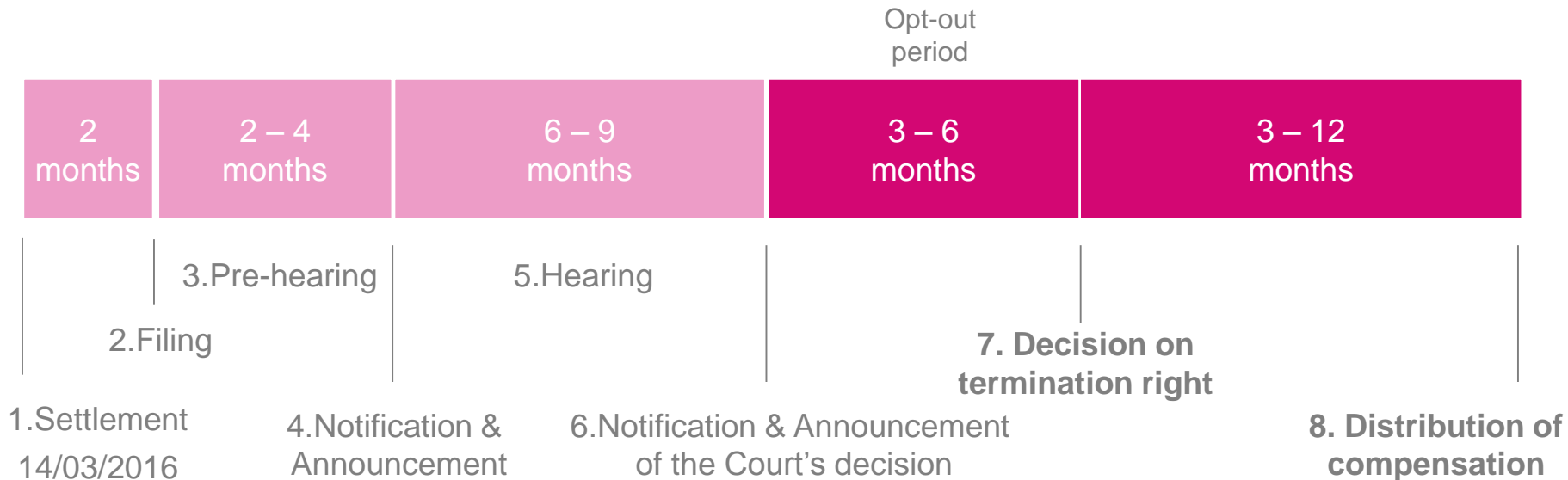


6. Court takes **binding decision** on representativeness & reasonableness.

- **Information about documents & procedure**
- **Your bank** can provide evidence
- **Specialized claims administrator**
- If you don't want to be part of the settlement you need to **opt-out**



## If the opt-out ratio doesn't exceed the agreed limit, payments can start



7. If opt-out > agreed level, Ageas has right to cancel settlement
8. Else, distribution of compensation can start
  - Dedicated Fortis settlement center
  - Only after opt-out final number of eligible shares known
  - Compensation for each individual can be defined



A LOT OF WORK DONE SINCE 2009 ON LEGACY ISSUES  
& INSURANCE OPERATIONS

WE BELIEVE THIS IS THE RIGHT SOLUTION AT THE  
RIGHT TIME

WE WANT TO MOVE FORWARD PROUDLY AS  
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# FOR MORE INFORMATION

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