



General Meeting of Shareholders

27 and 28 April 2011

Speech of Bart De Smet, CEO

Good morning, Ladies and Gentlemen,
Shareholders,

In my turn, I'd like to welcome you all to this Annual General Meeting.
As the Chairman said, I'm going to briefly remind you about our strategy, which we announced in September 2009, and tell you about our achievements last year.

Ageas emerged from the collapse of the Fortis group and the disappearance of the banking operations and the Dutch insurance activities. A new name, but Ageas soon gained recognition as an international insurance group, thanks to the more than 180 years of experience it can fall back on and its past achievements.

Ageas aspires to be a solid international insurance group, noted for its partnerships in Europe and Asia. Let me briefly go into this.

Firstly, there is our geographical presence. We focus on Europe and Asia, which together account for approximately 70% of the global life insurance market and over 50% of the non-life market.

We have divided the group's operations into four segments.

- In Belgium, our home market, our majority interest in AG Insurance has made us the country's biggest insurer.
- In the United Kingdom we are particularly strong in non-life insurance. We are, for example, number two in car insurance and number four in the personal lines insurance market.
- We also operate in various European countries through our Continental Europe segment, in which Portugal predominates.
- Lastly, we have been present in Asia for more than ten years and this segment now accounts for over a third of the group's premium income.

A second important feature of Ageas is our preference for entering into alliances with major distribution partners. This multi-local approach links up our insurance expertise and experience with partners who know the local market well and possess an extensive distribution network. This approach is unique in the insurance market and we certainly act as a benchmark for others in this field.

Thirdly, we want to be a solid insurance group, with a strong capital base, with buffers that far exceed the Solvency II minimum requirements, with a conservative investment profile, and with an intense focus on risk management.

The importance that we attach to risk management was underlined further as on 1 January this year we have extended the Management Committee of Ageas with the designation of Emmanuel Van Grimbergen. As Group Risk Officer, he reports to Kurt De Schepper.

To ensure sustainable profitability, we test our activities at regular intervals against three key criteria:

1. they must have sufficient critical mass to be able to compete effectively in their market and to be able to comply with the Ageas quality standards;
2. they must make a material contribution to Ageas's results;
3. the return on the activity must be higher than the cost of invested capital. In fast growing markets, value creation is another important factor.

Before making a new investment, we look into whether these three criteria can be met within a short time.

Based on these three criteria, we continued to streamline our portfolio, having already wound down our entity in Russia and sold the non-life operation in Luxembourg. We disposed of our life activities in both Ukraine and Turkey because they no longer met the minimum requirements I've just mentioned.

We saw further growth in the United Kingdom due on the one hand to the successful launch of Tesco Underwriting, a joint venture with Tesco, and on the other to the acquisition of Kwik-Fit Insurance Services. Kwik-Fit is an insurance intermediary whose main activity is selling personal lines over the internet. It has brought us a customer list of more than 600,000 policyholders.

Very recently – on 24 March – we added still further to our UK retail activities by taking over Castle Cover. This intermediary specialises in insurance for the over 50s, a rapidly growing and very attractive market segment. Together with RIAS, our intermediary which also focuses on this niche, Ageas now services some 1.3 million customers in this segment.

These acquisitions have given us a top position in the UK market for personal lines, via a multi-distribution and multi-brand approach. They also allow us to realise significant synergies.

We also endeavoured to optimise the performance of our core activity, with rate rises, stricter claims management and additional measures at Car and Fire Insurance. These actions, even combined with the steps taken previously, were unable to compensate for the adverse impact of the severe weather in Belgium and the United Kingdom. But we are convinced that once their full effect is felt, they will make a significant contribution to the recovery of profitability at Non-Life.

We restructured our investment portfolio, halving our exposure to Southern European countries and increasing our investments in corporate bonds and equities.

Lastly, following the launch of the joint venture with UBI Banca in Italy in 2009, we have recently announced a promising new alliance with Sabanci Holding in Turkey. Ageas is acquiring 31% of Aksigorta, the fourth largest non-life insurer in Turkey. The combination of a fast growing market with a lot of potential, access to a strong agent network and the extensive banking network of Akbank with our technical expertise and experience in non-life insurance and bancassurance should turn Aksigorta into a leader in the Turkish market.

This acquisition should be finalised in the second quarter this year.

Ladies and Gentlemen,

Bruno Colmant will go over our 2010 results in a moment, but I can say now that our commercial performance – with 14% growth – has certainly lived up to our expectations. The financial figures are unfortunately below target, although they can still be labelled resilient, given the aftermath of the financial crisis, the doubts about the eurozone and the heavy claim burden due to the extremely bad weather.

But as I've already said, we have further streamlined our activities, restructured our investment portfolio, raised our rates, further strengthened our operations and forged new alliances in order to safeguard our profitability in the years ahead.

We also maintain our dividend policy of paying out between 40% and 50% of our earnings from our insurance activities to shareholders. The proposed dividend on which you will vote shortly remains unchanged compared to last year, at 8 euro cents per share.

2011 will be a year in which to prove ourselves.

First of all, our operational performance needs to improve. We have already taken several steps in the right direction, but this certainly remains our top priority.

Then we need to further strengthen our insurance activities wherever necessary or whenever the opportunity arises.

It is also important to make headway with the various legacy issues. This will prevent our General Account from being unnecessarily burdened by legacies from the past and allow us to give our full management attention to our core activity – insurance.

Our capital management must naturally be monitored rigorously and lastly we must ensure that we are well prepared for the various legislative changes: the new Solvency II requirements, for example.

But when I see the enthusiasm, the dedication and the professionalism of my staff, I am convinced that everything possible will be done to achieve these strategic objectives and that we will be successful.

Thank you all for coming here today and for your interest in our company. I will now give the floor back to the Chairman.

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