



PRESS RELEASE

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Regulated information - Ageas takes further impairment on Greek exposure impacting third quarter results

Following the recent events in the financial markets, Ageas has decided to further impair to fair value its entire exposure to Greek sovereign bonds. The total net negative impact on the third quarter results, including an additional impairment charge on equities, amounts to EUR 438 million. But despite these impairments, the insurance solvency ratio remains robust at 210% at the end of September 2011.

Ageas has decided to further impair to fair value¹ its entire exposure to Greek sovereign bonds, including those maturing after 2020. As a result of this decision, the gross exposure² to Greek sovereign bonds decreased from EUR 1.4 billion as at 30 June 2011 to EUR 0.6 billion as at 30 September 2011; the net exposure, after non-controlling interests, went down to EUR 0.5 billion. The net impact on the third quarter result amounts to EUR 353 million negative.

Furthermore, Ageas's net results are impacted by an additional impairment charge on the equity portfolio of EUR 85 million, reflecting the steep decline in equity markets.

The combined net negative impact of both charges on the third quarter results amounts to EUR 438 million.

Notwithstanding the significant impact of these decisions, the group and Insurance solvency ratio as well as shareholders' equity remain very solid. At the end of September 2011 the group and insurance solvency ratio is estimated to be at 270 % and 210% respectively, while shareholders' equity would amount to EUR 7.9 billion or EUR 3.15 per share.

CEO Bart De Smet said: *"Its continuing strong solvency and shareholders' equity to be reported for the third quarter allow Ageas to absorb significant financial shocks. Due to the negative impact of the impairments on our results and taking into account the current situation in the financial markets, Ageas is however not in a position to maintain its earlier provided outlook nor to give any updated forecast on the expected net result for the full year. Nevertheless, based on the strength of the balance sheet and the net cash position, and taking into account the profitability of its insurance activities – excluding impairments – we expect that Ageas will be in a position to propose to the shareholders a dividend payment for the financial year 2011."*³

Ageas will publish its full quarterly financial statements for the third quarter on Wednesday 9 November 2011 at 7.30 CET time.

¹ On average valued at 38% of the historical cost.

² All figures on total exposure are at amortized cost.

³ As at 24 August, Ageas stated the following : "Taking into account the first half impairment charge related to the Greek sovereigns and barring any other significant events outside out of our control, the financial performance of the Insurance operations for the full year is expected to be in line with 2010."



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, Germany, 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 third largest player in private car insurance and the over 50's market. It employs more than 13,000 people and has annual inflows of almost EUR 18 billion.

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