



Competing in the Age of Austerity

Bart De Smet,
CEO Ageas

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Your partner in Insurance

Ageas, a company benefiting from strong fundamentals



- **Balanced insurance portfolio**
 - Life vs Non-Life
 - Europe vs Asia
 - Mature vs emerging markets
- **Strong market positions**
 - Market leader in Belgium
 - Strong distribution partnerships in Europe & Asia
- **Solid & de-risked balance sheet**
 - Southern European sovereign debt significantly down
 - Strong & high quality capital base
- **General Account managed for value**
 - Incl management outstanding liabilities



Key figures Ageas



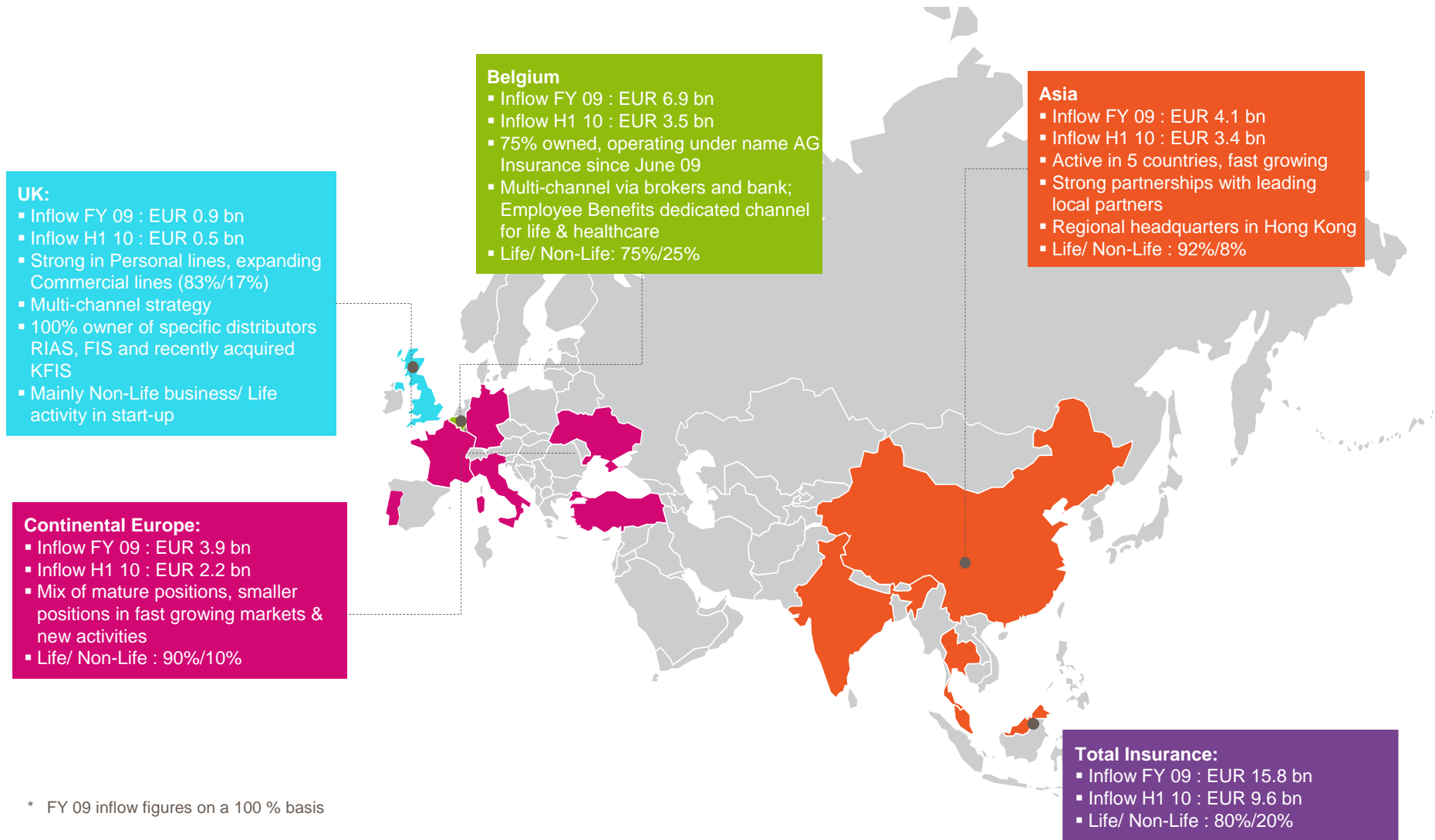
<i>EUR mio</i>	H1 10	H1 09	FY 09
Gross inflow (EUR bn)	9.6	7.9	15.8
Life	7.7	6.3	12.8
Non-Life	1.9	1.6	3.0
Net profit attributable to shareholders	455	896	1,210
Insurance	180	260	505
General Account	275	635	705
Earnings per share (EUR)*	0.18	0.36	0.49
Net equity per share (EUR)	3.70	3.14	3.41
Net shareholders' equity	9,153	7,760	8,431
Belgium**	3,005	2,327	2,859
UK	620	510	513
Continental Europe	983	833	1,002
Asia	1,597	1,170	1,203
General Account	2,948	2,920	2,854
Funds under management (EUR bn)	76.0	68.5	73.0

* Based on average number of outstanding shares

** Net equity 31 December 2009 after 25% minority stake Fortis Bank

Ageas's key markets, Europe & Asia

Financial reporting & segmentation aligned since Q1 10



* FY 09 inflow figures on a 100 % basis

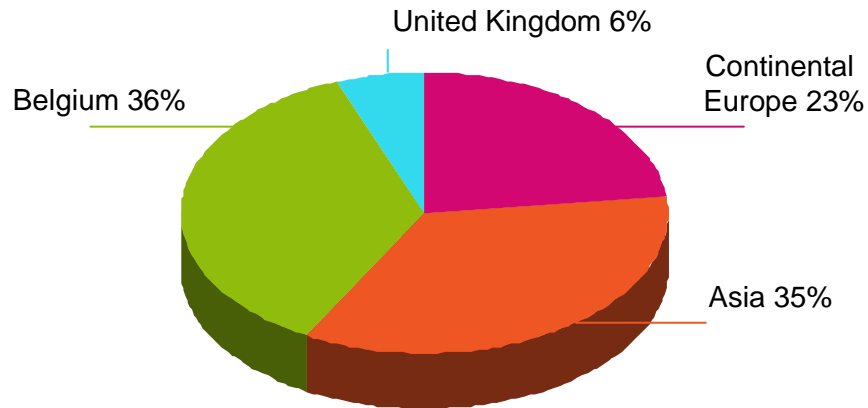
Well spread contribution from various business segments

Asian inflow up from 11% to 35% since 2005



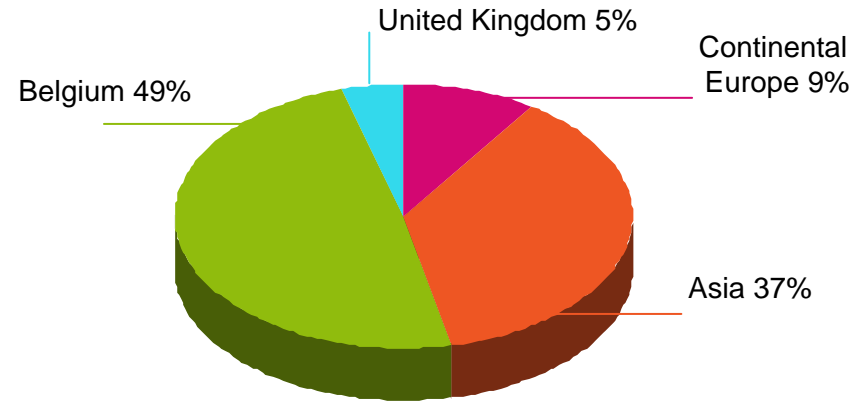
Inflow breakdown by segment

Gross inflow H1 10 = EUR 9.6 bn*



Result breakdown by segment (excl. General Account)

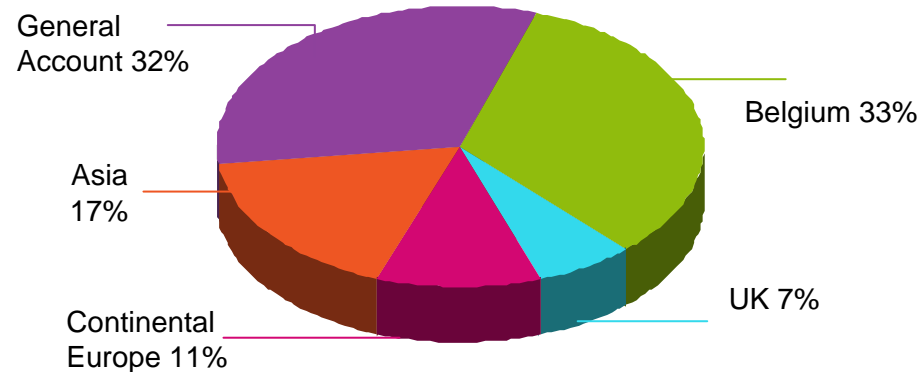
Net result H1 10 = EUR 180 mio



* Including non-consolidated joint ventures at 100%

Equity Breakdown by segment (incl. General Account)

Total shareholders' equity H1 10 = EUR 9.2 bn

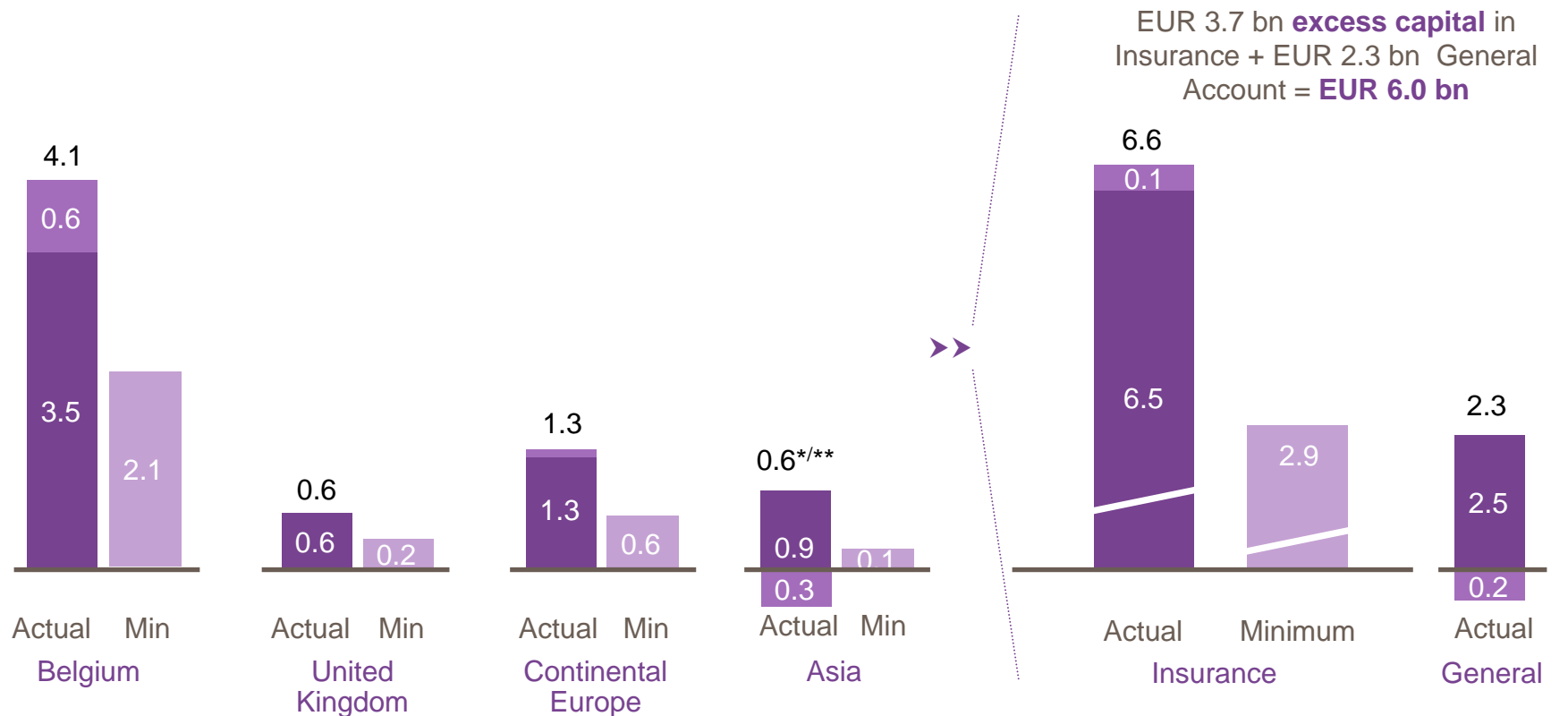


Ageas's core equity EUR 6.0 bn above required regulatory minimum



Base : H1 10 data

■ Other Core Tier 1 capital ■ Core equity ■ Required Regulatory minimum



Total Solvency Ratio

195%	302%	238%	926%	226%
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* Asia : Investments in partnerships are deducted from Total Capital; Given the significant investments in partnerships, total capital is lower than Core capital

** Under local Asian solvency regulation, different valuation rules apply leading to a solvency ratio for FICA of 342% end of June 10.

Ageas's capital of a high quality

Tangible net equity 80% of shareholders' equity



Base : H1 10 data

<i>EUR bn</i>	H1 10	H1 09	FY 09
Reported net Shareholders' Equity	9.2	7.7	8.4
Unrealized gains real estate	0.5	0.5	0.5
Goodwill (incl. RPI)	(1.5)	(1.3)	(1.4)
VOBA (Value of Business Acquired)	(0.5)	(0.5)	(0.5)
DAC (Deferred Acquisition Cost)	(0.6)	(0.5)	(0.5)
Other*	(0.3)	(0.3)	(0.2)
Goodwill, DAC, VOBA related to minorities	0.4	0.3	0.4
25% tax adjustment DAC, VOBA & Other	0.3	0.2	0.32
Tangible net equity	7.4	6.1	6.9

* Includes a.o. management contracts of public car parks

- Operational performance
- Economic outlook
- Strategic positioning
- Regulatory changes



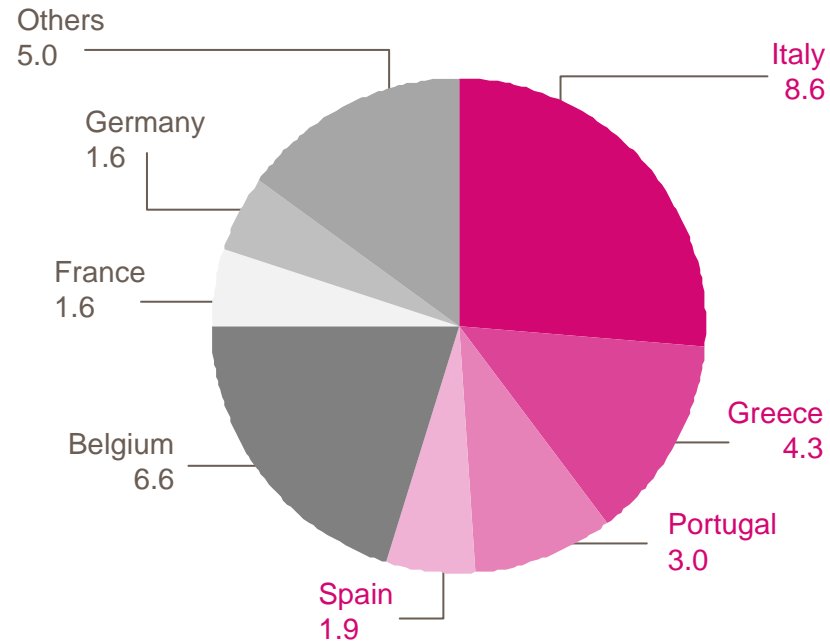
Life Insurance : Investment return vs risk profile investment portfolio

Ageas halved Southern European sovereign bond exposure in H1 10



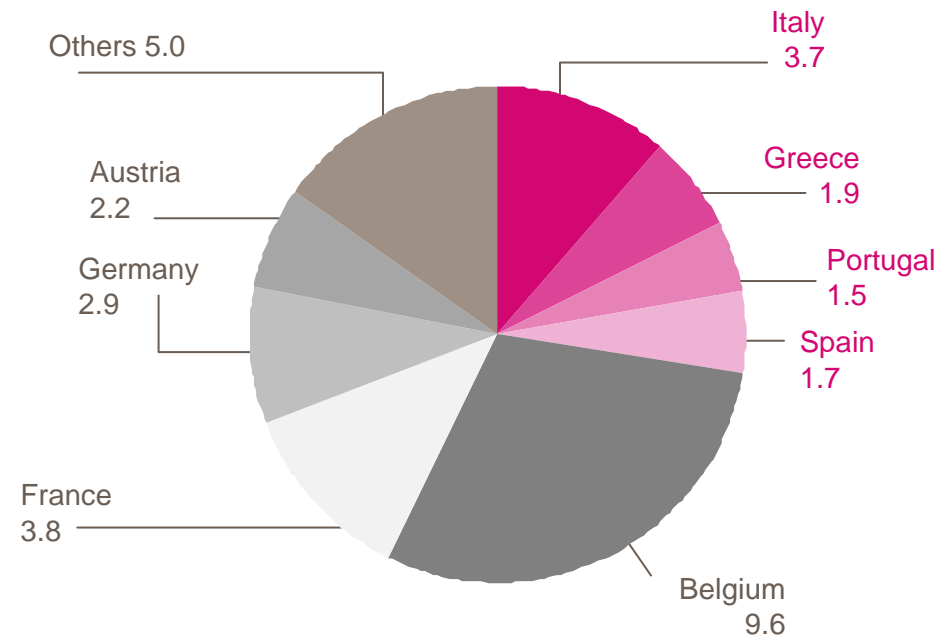
Overview sovereign bond portfolio In EUR bn (at historical cost)

End 09 : EUR 17.8 bn in Southern European sovereign bonds



- Total gross unrealized gains on sovereign bonds of EUR 707 mio end June 10 (vs. EUR 871 mio end 09)

June 10 : EUR 8.9 bn in Southern European sovereign bonds



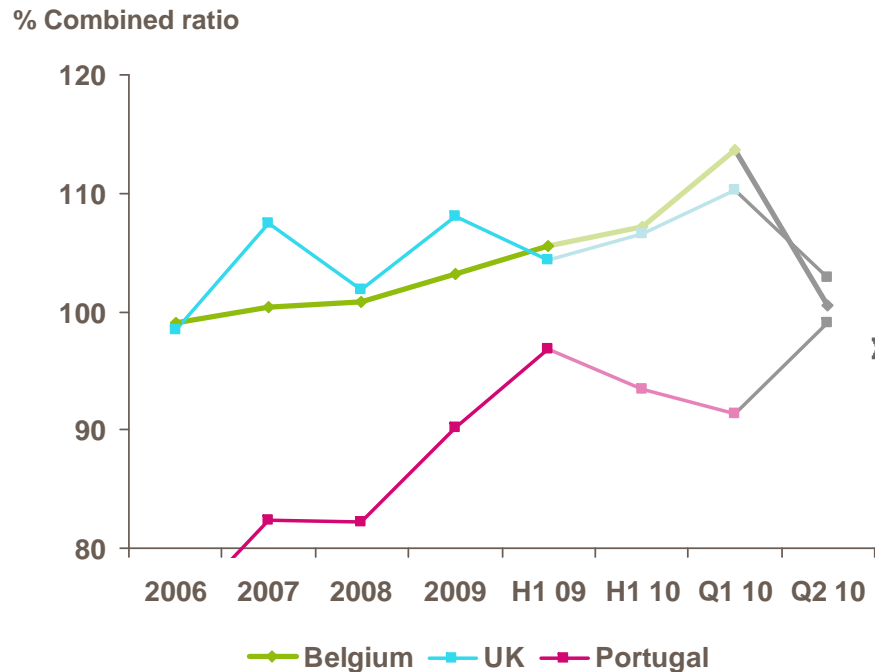
- Negative impact of EUR 55 mio on H1 10 net profit of sovereign sales (incl. lower profit sharing assumptions)
- Reallocation mainly into Belgian, German, Dutch, French, Austrian government bonds + corporate bonds

Non-Life Insurance : Challenge to improve operational performance

First impact corrective measures since Q2 10



**Ageas's combined ratio evolution by business
2005 – Q2 2010**



Operational performance under pressure

- General trend of increasing combined ratios
- Negative impact of weather related events, impacting claims amount & claims frequency → climate change?
- Increased fraudulent or excessive claims → impact economic recession?

Pressure on future Non-Life earnings power

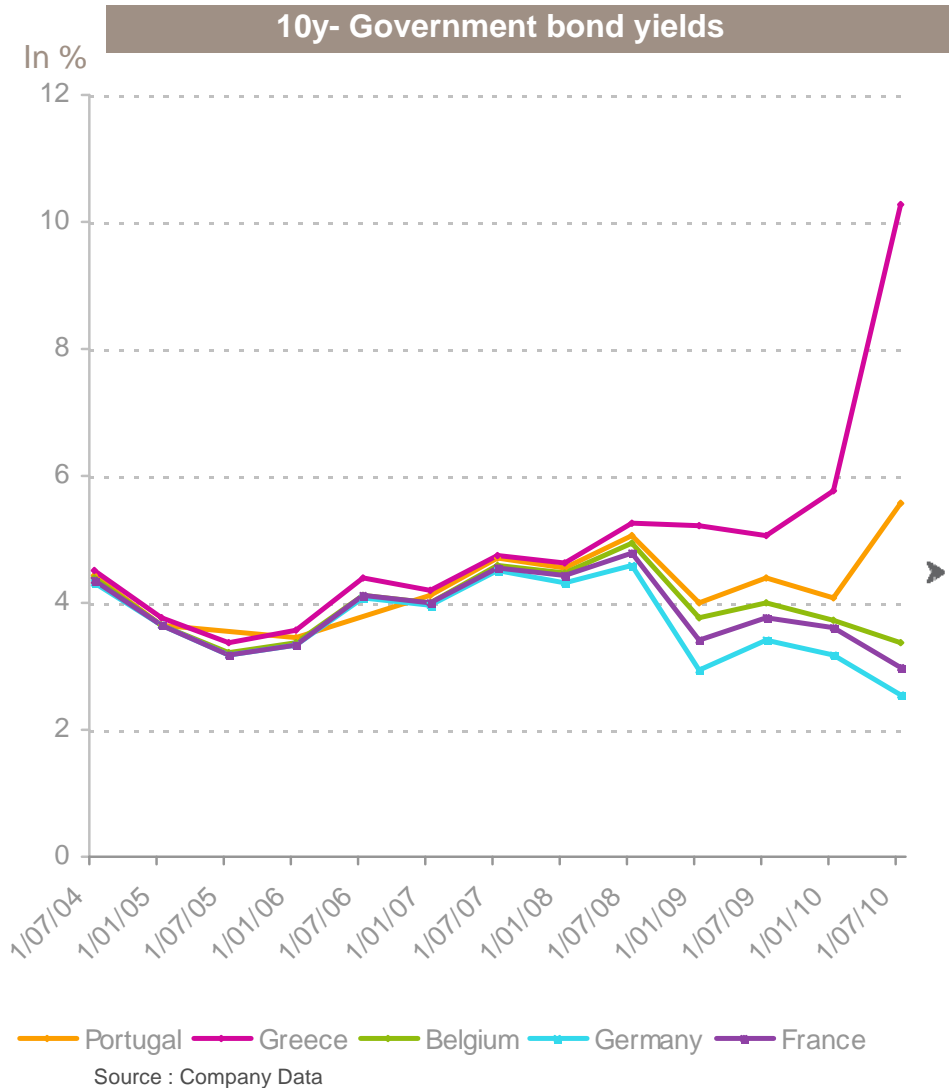
- Potential for reserves releases almost expired
- Fierce competition, specific distribution models stimulate pricing pressure

Corrective measures a must, company & sector wise

- Tariff increases – More discipline
- Stricter claims management
- Cost containment
- Revised policy conditions

Life : Uncertain & low interest rate environment

Creating challenges for a competitive product & investment strategy



Controlled sales growth and adapted product mix

- Inflated high interest rate scenario vs. deflated low interest rate scenario
- Need to adapt product portfolio as a function of risk vs. return : unit-linked, 0%-guarantee products

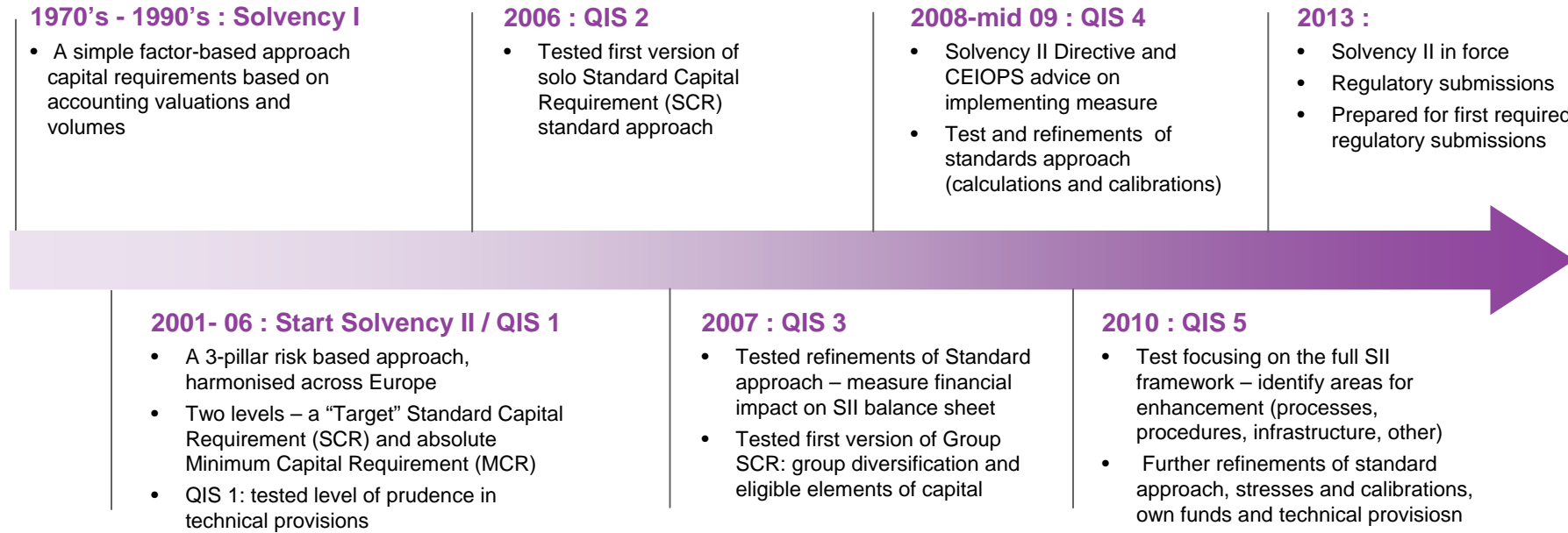
Future investment strategy under study taking into account various possible scenarios

- Ideal asset mix or asset mix scenarios
- Investment strategy
- Organisational implications
- Target returns vs. risk appetite

Ageas's strengths in an uncertain world

- Appropriate match of assets & liabilities
- Presence in markets with different dynamics
- Healthy mix between Life & Non-Life
- Strong capital position helping to absorb shocks

Ageas prepares for Solvency II regulation



- Solvency II programme management in place following a defined internal implementation plan towards Solvency II compliance
 - Participation in previous QIS and impact of CEIOPS advise on implementing measures assessment completed using the QIS 4 framework.
 - Impact of QIS 5 under study, results to be communicated to regulators by Nov 15
- Still significant uncertainty around the Standard Capital Requirements standard approach, but so far all indications show a positive capital position under Solvency II.

Conclusions

- Significant operational challenges ahead for insurance companies
- Future Life business model influenced by new regulation & economic outlook
- Solvency II should contribute to a better balance between risk & return
- Return to pure insurers -> Flexible partnerships & new business models



Cautionary Statements



Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Future actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in Ageas' core markets, (ii) performance of financial markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) increasing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the Economic and Monetary Union, (x) changes in the policies of central banks and/or foreign governments and (xi) general competitive factors, in each case on a global, regional and/or national basis.

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Investor Relations



Tel: + 32 2 557 57 34
+ 31 30 2525 305

E-mail: ir@ageas.com

Website: www.ageas.com

