

# PRESS RELEASE

Brussels, 1 June 2021 – 19:00 (CET)



## Ageas presents its new three-year strategic plan: Impact24

Today, Ageas communicates its next 3-year strategic plan, Impact24, for the period 2022-2024. Impact24 is a long-term sustainable growth strategy that builds on the Group's unique footprint in Europe and Asia and the tangible achievements of the current plan Connect21.

Over the past 3 years Ageas has been delivering well against the Connect21 strategic choices, values, and financial targets. As we move into a new strategic cycle, that performance allows the Group to consider new growth opportunities, supported by a strong company culture, proven capital and risk management discipline, a robust balance sheet, a future oriented management team and highly committed employees.

Impact24 also signals the start of the next chapter for Ageas under the leadership of new CEO Hans De Cuyper, building on the strong legacy left by his predecessor Bart De Smet. In fact, it is the success of choices made in the past that provides us with a strong platform for future growth. In developing Impact24, we continue to recognise the benefit of the geographical spread of our business and our well-diversified and well-balanced portfolio, and the resilience this brings to the Group.

**CEO Hans De Cuyper commented:** *"In announcing Impact24, we are marking the next stage of our development as a Group, building from a place of strength and sustained performance. Ultimately, we are making choices and investments for the long-term not just the next three years. It is the strength of our Core business that gives us the confidence and capacity to invest in future growth and a higher ambition. We know we can do even more. But we don't just care about what we do but also how we do it. So, sustainability sits at the heart of our business model. It will impact on the way we design our products, the investments we make, our long-term partnerships, and the environment we want to create for our people to grow. Ultimately, we want to deliver a sustainable shareholder return. 2024 is a milestone year for Ageas. It marks the conclusion of the Impact24 plan but also a milestone in our history as we celebrate 200 years as an insurer. Impact24 allows us to reflect on the past 200 years but also to take action today that will impact on our future."*

## About Impact24

### Strengthening and growing the Core

Through Impact24 we first and foremost aim to **strengthen and grow our Core business by unlocking the full potential that we know exists within our current business and by broadening the scope and scale of that business.** We are convinced that our existing business, combining **solid and stable operations in Europe with growth markets in Asia**, remains fundamentally attractive, with a few important near-term and long-term trends shaping the opportunities on the horizon. Consequently, we expect our Core to deliver a substantial part of our financial ambitions.

In seeking to achieve greater potential from the Core business, our local operating companies will each have their own plans to leverage above and beyond where they are today, **taking a growing share of the market evolution** within each country. Alongside this, we will **improve our distribution and commercial excellence** for our customers. To turbo-charge our progress we will **further deploy technology and data**,

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and enhance our customer experience by redesigning the end-to-end customer journey. Leading operational efficiency and digitisation should lead to a richer work experience for our employees and help prepare us for new market dynamics.

### Pursuing new opportunities for Growth

Ageas closely monitors trends and changing market conditions through a Group-wide Think2030 initiative, and those trends have influenced our strategic choices. We took time to understand future trends, identifying new opportunities where Ageas has the capability to act and create impact. And **we are ready to take up an active role in ecosystems and the platform economy, to grasp the opportunities offered by increased digitisation**. This translates into selected long-term investments ranging from EUR 200 to 320 million, for new growth that complements our strengths, anticipating the impact of low interest rates, and adding new capabilities along the way. To fuel further growth, we are focusing on adjacent business in **Health, Protection, Digital platforms & Reinsurance** at Group level, with **Home, Mobility and Life & Savings** being our Local priorities.

For Ageas, **working alongside strong partners is part of our DNA** and this puts us in a strong position to engage with the **current and future winners** including the next-gen players who provide access to new pools of customers and growth. We have a strong belief going forward in bancassurance, brokers and agents. As well, we recognise that new roads to connect with customers are being developed, with a demand for new types of products and covers. And while we will continue to invest more in our current distribution channels, we also want to tap into these new markets and customer segments, as we are convinced both are winners for the future. We want to participate in this cross market and cross sector development, meaning that we will look to invest in new partnerships that allow us to leverage the strengths of Digital platforms and Ecosystems.

In our **M&A** policy for Impact24 we give priority to **opportunities to strengthen our leading positions in existing markets in Europe and Asia**, with a clear preference for Non-Life, Health or Life protection. We seek to add a **4th controlled entity** to diversify the earnings and dividend upstream, and we will consider M&A to unlock **new sources of growth in digital transformation and partnership platforms**.

### Sustainability and long-term thinking at the heart

Impact24 is a **long-term sustainable growth strategy**. The choices and investments we make are not just for the next three years but for the years that follow on through 2030 and beyond. We will put sustainability considerations at the heart of our decision-making to innovate, understand risk, drive growth, and build a more inclusive and sustainable future. In short, **we will embed sustainability in everything we do**. We have a duty of care and responsibility to future generations, as we had for the past 200 years. We have selected Environmental, Social and Corporate Governance (ESG) priorities based on where we can make the most impact: sustainable products, sustainable investments, the work environment and greenhouse gas (GHG) emission reduction. We commit to offer products and services that are fully transparent and stimulate our customers in the transition towards a more sustainable world. By 2024, we will also have invested EUR 10 billion in initiatives supporting this transition e.g. social housing, energy efficient building, renewable energy, positive contribution to CO2 reduction, helping companies in the transition, etc. compared to EUR 6.5 billion today.

### A Local model with Group benefits

To achieve Impact24, we will tap into the current footprint of the Group while continuing to apply our success formula of local empowerment. Local is an important part of the way we stay close to our customers and it provides competitive advantage. But the Group is also more than the sum of its parts. Ageas as a Group brings deep insurance expertise, strong capital management and discipline, extensive distribution knowledge, a culture of partnerships, human capital and importantly a long-term perspective to the local market leading companies.

Ultimately the plan should deliver a top performance in balance for all stakeholders, with an increased focus on our societal engagement. But, more than that. Against each of our stakeholders we have developed KPI's which illustrate our desire to be held accountable for the promises we make.

- For **investors** we will deliver a progressive dividend per share for a total cumulative amount of EUR 1.5 to 1.8 billion;
- Our **customers** can expect a best-in-class customer experience with a top quartile NPS and the assurance of a continuous improvement in our performance;
- For our **employees** we want to provide a Great Place to Grow and reach top quartile eNPS wherever we operate;
- **Partners**, both traditional and next gen should expect high level partner satisfaction scores making us the partner of choice for current and future winners;
- Our **societal engagement** will continue to increase, translating into top quartile scores across the most relevant ESG rating agencies.

A new Chief Development Officer role (CDO) will be created to coordinate all transversal initiatives and support the Groupwide implementation of Impact24. The CDO role will be added to the Ageas Management committee and report to Filip Coremans (MD Asia).

**In summary, Impact24 incorporates 8 strategic choices:**

1. **Customers and People** first
2. *To* Strengthen & Grow the **Core**
3. *And* Pursue new opportunities for Growth in **Health, Protection, Digital platforms & Reinsurance**
4. Partnering with **Current & Future winners**
5. Reinforcing **Tech & Data** capabilities
6. *In* A **Local model** with **Group** benefits
7. *With* Leadership positions in **Europe & Asia**
8. *And* **Sustainability and Long-term thinking** at the heart of everything we do

**And the following targets:**

As well as the strategic choices, we also put forward a **set of new and sharpened financial and operational targets alongside a series of non-financial targets**. And in line with our strengthened commitment towards sustainability we have developed **8 specific ESG targets**.

**4 Financial Targets**

- Solvency II ratio 175%
- Holding Free Cash Flow, cumulative amount EUR 1.7 to 2.1 billion
- Progressive dividend per share, cumulative amount EUR 1.5 to 1.8 billion
- Average EPS growth<sup>1</sup> 6-8%

**3 Operational Targets**

- Non-Life combined ratio 95%
- Life guaranteed margin 85-95 bps
- Life unit-linked margin 30-40 bps

**3 Non-financial Targets**

- Customers NPS Top quartile
- Employee NPS Top quartile
- Impact24 skills plan 100% achieved

**8 Sustainability Targets**

- Percentage of GWP from products that stimulate the transition to a more sustainable world 25%
- Percentage of products that have been reviewed for transparency 100%
- Investments making a positive contribution to transition towards a more sustainable world EUR 10 billion
- Level of ESG-integration of our investment decisions 100%
- Carbon emissions of our investment portfolio Net zero by 2050 at the latest
- Carbon emissions of our operations (scope 1 & 2) Neutral
- GLASS CEILING INDEX (Via Women in Finance):
  - o ratio % Women in senior management/ total % women in company 70% ratio
  - o Balanced (M/F) Succession pipeline Top 800 50-50
- GENDER DIVERSITY INDEX (via Women on Board):
  - o Equal participation of women at decision level Top quartile

Ageas is a listed international insurance Group with a heritage spanning almost 200 years. It offers Retail and Business customers Life and Non-Life insurance products designed to suit their specific needs, today and tomorrow. As one of Europe's larger insurance companies, Ageas concentrates its activities in Europe and Asia, which together make up the major part of the global insurance market. It operates successful insurance businesses in Belgium, the UK, France, Portugal, Turkey, China, Malaysia, India, Thailand, Vietnam, Laos, Cambodia, Singapore, and the Philippines through a combination of wholly owned subsidiaries and long term partnerships with strong financial institutions and key distributors. Ageas ranks among the market leaders in the countries in which it operates. It represents a staff force of over 45,000 people and reported annual inflows of over EUR 36 billion in 2020 (all figures at 100%).

<sup>1</sup> Based on earnings excluding RPN(I) and one-offs