

Ageas Hybrid Financing

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PRESS RELEASE

Luxembourg, 19 March 2015 09:45

Regulated information – Ageas Hybrid Financing launches a conditional tender offer on €500,000,000 5.125% Perpetual Securities (of which €336,364,000 are still outstanding) (ISIN: XS0257650019)

Ageas Hybrid Financing ("AHF") has announced its intention to invite the holders (subject to the *Offer and Distribution Restrictions* referred to below) of its €500,000,000 5.125% Perpetual Securities (of which €336,364,000 are still outstanding) (the "Securities") to tender their Securities for purchase for cash (such invitation the "Offer").

The Offer is made on the terms and subject to the conditions set out in the tender offer memorandum dated 19 March 2015 (the "**Tender Offer Memorandum**"). Copies of the Tender Offer Memorandum are available from the Joint Dealer Managers and the Tender Agent as set out below. Capitalised terms used in this announcement but not defined herein have the meanings given to them in the Tender Offer Memorandum.

The Offer

ISIN	Status	First Call Date	Maturity Date	Aggregate outstanding nominal amount	Purchase Price
XS0257650019	Perpetual Subordinated	20 June 2016	None	€336,364,000	103.00%

Rationale for the Offer

AHF has decided to launch the transaction to optimise and enhance the capital position of the Ageas Group following the announcement of the intention of AG Insurance SA/NV ("**AGI**") to issue directly new Fixed Rate Reset Dated Subordinated Notes due 2047 (the "**New Securities**").

The Offer

The Offer expires on 27 March 2015 at 4.00 p.m. (Luxembourg time). An announcement on whether AHF will accept tendered Securities will be announced on 30 March 2015.

The amount payable in cash, on the expected settlement date for the Offer (the “**Settlement Date**”), by AHF to a Holder whose Securities are accepted for purchase pursuant to the Offer, will be calculated by multiplying the aggregate nominal amount of such Holder’s Securities which are accepted for purchase by the Purchase Price (as set out above) and (if necessary) rounding the resulting figure to the nearest €0.01 (with €0.005 being rounded upwards). AHF will also pay to each such Holder, on the Settlement Date, any applicable Accrued Interest Payment.

Terms Applicable to the Offer

New Financing Condition

AHF is not under any obligation to accept for purchase any Securities tendered pursuant to the Offer. The acceptance for purchase by AHF of Securities tendered pursuant to the Offer is at the sole discretion of AHF and tenders may be rejected by AHF for any reason.

In addition, on 19 March 2015 the intention of AGI to issue the New Securities was announced. Whether AHF will accept for purchase Securities validly tendered in the Offer is subject, without limitation, to the successful completion (in the sole determination of AHF) of the issue of the New Securities (the “**New Financing Condition**”), unless AHF (in its sole discretion) elects to waive the New Financing Condition.

If the New Financing Condition is not satisfied or waived on or prior to the Settlement Date, AHF will announce the termination of the Offer promptly, and in any event, on or prior to the Settlement Date.

Acceptance and no scaling

If AHF decides in its sole discretion to accept for purchase valid tenders of Securities pursuant to the Offer, it will accept for purchase all of the Securities that are validly tendered pursuant to the Offer and there will be no scaling of any tenders of Securities for purchase.

Securities that are not successfully tendered for purchase pursuant to the Offer will remain outstanding.

Minimum denominations

Tender Instructions must be submitted in respect of a minimum nominal amount of Securities of €50,000, being the minimum denomination of the Securities, and may be submitted in integral multiples of €1,000 above such minimum denomination. Tender Instructions which relate to a nominal amount of Securities of less than €50,000 will be rejected.

Participation in the Offer

In order to participate in, and be eligible to receive the Purchase Price pursuant to this Offer, Holders must validly tender Securities for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by the Expiration Deadline.

Indicative Timetable of Events

The times and dates below are indicative only.

Events

Times and Dates

Commencement of the Offer

19 March 2015

Offer announced. Tender Offer Memorandum available from the Joint Dealer Managers and the Tender Agent.

Expiration Deadline

4.00 p.m. (Luxembourg time) on 27 March 2015

Deadline for receipt of valid Tender Instructions by the Tender Agent in order for Holders to be able to participate in the Offer.

Announcement of Offer Results

As soon as reasonably practicable on the first Business Day following the Expiration Deadline

Announcement of whether AHF will accept (subject to satisfaction or waiver of the New Financing Condition on or prior to the Settlement Date) valid tenders of Securities for purchase pursuant to the Offer.

Settlement Date

no earlier than 31 March 2015, upon settlement of the New Securities offer

Expected settlement date for the Offer.

The above times and dates are subject to AHF's right to extend, re-open, amend and/or terminate the Offer (subject to applicable law and as provided in the Tender Offer Memorandum, including, for the avoidance of doubt, in connection with the New Financing Condition). In the event of any such amendment which results in revocation rights being granted, AHF will announce a revised indicative timetable including any amendment to the Expiration Deadline or any other dates specified above which may be required.

General

AHF may, in its sole discretion, extend, re-open, amend or waive any condition of or terminate the Offer at any time (subject to applicable law and as provided in the Tender Offer Memorandum). Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in the Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made. See "*Amendment and Termination*" in the Tender Offer Memorandum. AHF also expressly reserves the right, in its sole discretion, to delay acceptance of any Securities tendered for purchase pursuant to this Offer. Holders are advised that AHF may, in its sole discretion, accept tenders of Securities for purchase pursuant to the Offer on more than one date if the Offer is extended or re-opened.

Tender Instructions will be irrevocable once submitted, except in the limited circumstances described in "*Amendment and Termination*" in the Tender Offer Memorandum.

Holders are advised to check with any bank, securities broker or other intermediary through which they hold Securities when such intermediary would need to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified in the Tender Offer Memorandum and set out above. **The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines specified in the Tender Offer Memorandum and set out above.**

Holders are advised to read carefully the Tender Offer Memorandum for full details of and information on the procedures for participating in the Offers.

Unless stated otherwise, announcements in connection with the Offer will be made by the publication of such announcements on the website of the Luxembourg Stock Exchange and may also be (a) found on the relevant Reuters International Insider Screen, (b) made by the delivery of notices to the Clearing Systems for communication to Direct Participants and (c) made by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained from the Tender Agent, the contact details for which are set out below. Significant delays may be experienced where notices are delivered to the Clearing Systems and Holders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer. In addition, Holders may contact the Joint Dealer Managers for information using the contact details set out below.

BNP Paribas, HSBC Bank plc and J.P. Morgan Securities plc are acting as Joint Dealer Managers and Lucid Issuer Services Limited is acting as Tender Agent.

Questions and requests for assistance in connection with (i) the Offer may be directed to the Joint Dealer Managers, and (ii) the delivery of Tender Instructions may be directed to the Tender Agent:

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Telephone: + 44 207 595 8668
Attention: Liability Management
Group
Email:

liability.management@bnpparibas.com

JOINT DEALER MANAGERS

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

Telephone: +44 207 992 6237
Attention: Liability
Management Group
Email:

liability.management@hsbcib.com

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London, E14 5JP
United Kingdom

Telephone: +44 20 7134 2468
/
+44 20 7134 3414

Attention: FIG Syndicate /
Liability Management
Email:

FIG_Syndicate@jpmorgan.com
/ emea_lm@jpmorgan.com

TENDER AGENT

Lucid Issuer Services Limited

Leroy House
436 Essex Road
London N1 3QP
United Kingdom

For information by telephone: +44 (0)20 7704 0880
Attention: Thomas Choquet
Email: ageas@lucid-is.com

DISCLAIMER This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If you are in any doubt as to the contents of this announcement or the Tender Offer Memorandum or the action you should take, you are recommended to seek your own financial and legal advice, including as to any tax consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Securities are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Offer. None of the Joint Dealer Managers, the Tender Agent or AHF makes any recommendation as to whether Holders should tender Securities for purchase pursuant to the Offer.

Offer and Distribution Restrictions

Neither this announcement nor the Tender Offer Memorandum constitutes an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this announcement or the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Tender Offer Memorandum come are required by each of AHF, the Joint Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

Nothing in this announcement constitutes an offer to sell or the solicitation of an offer to buy the New Securities in the United States or any other jurisdiction. No action has been or will be taken in any jurisdiction in relation to the New Securities to permit a public offering of securities.

United States

The Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. The Securities may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States as defined in Regulation S of the U.S. Securities Act of 1933, as amended. Accordingly, copies of this announcement or the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to persons located in the United States. Any purported tender of Securities in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Securities made by a person located or resident in the United States or from within the United States or from any agent, fiduciary or other intermediary acting on a non discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each Holder participating in the Offer will represent that it is not located in the United States and is not participating in the Offer from the United States, or that it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States. For the purposes of this and the above paragraph, "United States" means United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

Belgium

Neither this announcement or the Tender Offer Memorandum nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority ("*Autorité des services et marchés financiers / Autoriteit voor financiële diensten en markten*") and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3, §1, 1° and 6 of the Belgian Law of 1 April 2007 on public takeover bids (the "Belgian Takeover Law") as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this Tender Offer Memorandum nor any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" as referred to in Article 6, §3 of the Belgian Takeover Law and as defined in Article 10 of the Belgian law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on

their own account. This Tender Offer Memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this announcement or the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

Italy

None of the Tender Offer Memorandum or any other documents or materials relating to the Offer have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian laws and regulations.

The Offer is being carried out in the Republic of Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 and 7 of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

A holder of Securities located in the Republic of Italy can tender Securities through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Securities or the Offer.

United Kingdom

The communication of this announcement or the Tender Offer Memorandum by AHF and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may be communicated to (1) those persons who are existing members or creditors of AHF or other persons within Article 43 of the Financial Service and Market Act 2000 (Financial Promotion) Order 2005, and (2) to any other persons to whom these documents and/or materials may lawfully be communicated.

France

The Offer is not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Neither this announcement or the Tender Offer Memorandum nor any other documents or materials relating to the Offer have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411 1 to D.411-3 of the French *Code Monétaire et Financier*, are eligible to participate in the Offer. Neither this announcement or the Tender Offer Memorandum nor any other document or material relating to the Offer has been or will be submitted to the clearance procedures (visa) of the *Autorité des Marchés Financiers*.

Ageas Hybrid Financing is a fully owned Ageas company with limited liability under Luxembourg law (*société anonyme*) registered in Luxembourg with the Register of Commerce and Companies under number R.C.S. Luxembourg B116.671. The activity of AHF consists in the issuing of securities ranking *pari passu* among themselves, qualifying as solvency for ageas SA/NV (formerly Fortis SA/NV) and the group of companies it owns and/or controls (the “**Ageas Group**”) and to on-lend proceeds in instruments issued or loans entered into by any of the Ageas Group operating companies that qualify as solvency for such Group entity, with the exclusion of ordinary shares.

Ageas Hybrid Financing

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