

Continuing the Growth Journey





Reporting 2016

Business Report



004

Introduction

004 Message to Shareholders

008 Ageas in numbers

010

Strategy Report

012 Who we are

014 Strategy in action

Ambition 2018:
A continuing journey
focused on delivery

Working with millennials
on tailor-made insurance

Partnership with a difference
in the Philippines

Employees unite behind
new brand in Portugal

Delivering on promises
to Shareholders

024 Our HR approach

026 Responsible
Entrepreneurship

028

Performance Report

030 Belgium

040 United Kingdom

050 Continental
Europe

060 Asia

072

The Share

074 A year in the life
of the Ageas share

076 Shareholder
structure

077 Analyst coverage

078

Financial data



Dear Shareholders,

As we look back at 2016 we are pleased with our performance achieved during the year. With the exception of the UK, we have delivered some strong results and we are making progress against many of our Ambition 2018 objectives.

Annual reports naturally focus the mind on short term achievements. The Ageas philosophy however reflects a longer term view. Our culture supports sustainable and predictable growth and value creation for every stakeholder from employees and partners to customers and investors. And this mind-set underpins every decision we take.

The Ageas philosophy reflects a longer term view

Proposed gross cash dividend

€2.10

Insurance Solvency II ageas ratio

179%

Eventful year, solid performance

In the past year we have achieved some important milestones on the path to sustainable growth: we started new activities in the Philippines and Vietnam and we completed the acquisition of AXA's insurance business in Portugal; we accomplished a smooth transition to Solvency II; and we agreed a legal settlement with the most significant claimants' organisations.

2016 was a year in which most segments delivered a solid operating performance in both Life and Non-Life. Inflows have continued to grow to EUR 31.7 billion driven in particular by the Asian and Belgium Life businesses but also by Continental Europe. The net insurance result amounted to EUR 721 million, impacted by exceptional charges related to restructuring plans and reserve strengthening in the UK, but boosted

“
Our culture supports sustainable and predictable growth and value creation for every stakeholder.”



by the proceeds of the sale of the Hong Kong activities, and reflecting also a resilient performance in Belgium and improved results in Asia and Continental Europe. The balance sheet remained solid with shareholders' equity at EUR 9.6 billion and strong insurance solvency ahead of target at 179%. Based on these solid fundamentals the Board proposed to shareholders a total



Christophe Boizard
CFO



Guy de Selliers
de Moranville
Vice Chairman



Filip Coremans
CRO



Jane Murphy
Member



Lionel Perl
Member



Lucrezia Reichlin
Member



Roel Nieuwdorp
Member



Antonio Cano
COO



Jan Zegering Hadders
Member



Richard Jackson
Member



Yvonne Lang Ketterer
Member



Jozef De Mey
Chairman



Bart De Smet
CEO

Board of Directors

The DNA of our company is to 'do' and then 'talk'

gross cash dividend of EUR 2.10 over 2016, including an exceptional component of EUR 0.40 related to the Hong Kong divestment. 2016 was a year in which our choice to create a well-balanced and diversified business model across different markets, different products and different channels has been well proven.

The right choices for a promising future

At the same time many of our predictions about the future of the market and customer's expectations are being validated on a daily basis. We see this in the way our own business is evolving but also in the actions of our competitors. We believe we have made the right strategic choices within Ambition 2018 and this will help us to participate in this evolution.

We can now look to a future where the uncertainties from the past are almost removed. We are regaining our full financial and strategic flexibility allowing us to focus on the development of our insurance activities. And we are confident that in time this will make Ageas an increasingly attractive investment.

Naturally there will always be new challenges on the horizon. But the one positive from a crisis is that you emerge stronger from it and with valuable experience to call upon. Crises force you to act, to leave your comfort zone and to reflect on how you will continue. We did just that and this is what drove us towards the path of sustainable growth.

But that's the past. Companies are never rewarded for past achievements, but only for what they do in the future. We need to constantly deliver, perform, and adjust to the market reality whatever that is. Ageas has proven repeatedly its ability to do just that. For good reason the DNA of our company is to "do" and then "talk." Delivering what we say we will do is all that matters. 2016 was a year that proved this.

Bart De Smet Jozef De Mey

Bart De Smet
CEO Ageas

Jozef De Mey
Chairman Ageas

Ageas in numbers

Overall 2016 was a solid year for the core insurance business and a year in which the Group continued to work hard towards delivering against its Ambition 2018 targets.

The economic environment continued to be challenging for many of our markets but despite this we achieved excellent results in Belgium and Continental Europe and improved results in Asia. However the results in the UK were disappointing due to some

exceptional charges in the fourth quarter. Unfortunately these charges prevented us from realising the combined ratio target set out as part of our Ambition 2018 strategy, and masked excellent progress in markets such as Belgium, the Group's home market. Inflows continued to increase across both Life and Non-Life and a robust balance sheet is underpinned by a solvency level, ahead of the Ambition 2018 target, and supported by a solid net cash position.

Based on this and despite the impact of the exceptional charges in the last quarter of the year, Ageas proposed to shareholders an increased gross cash dividend of EUR 2.10 per share made up of a regular dividend related to the Insurance result and an additional amount linked to the capital gain from the sale of the Hong Kong activities.

Group net result

€27 million

Insurance: EUR 721 million
General Account: EUR -694 million

Gross inflows (100%)

€31.7 billion

Life: EUR 25.4 billion
Non-Life: EUR 6.3 billion

Insurance net result

€721 million

Life: EUR 704 million
Non-Life & Other Insurance: EUR 18 million

Life technical liabilities

€74.5 billion

Gross inflows (Ageas's part)

€14.1 billion

Life: EUR 9.7 billion
Non-Life: EUR 4.4 billion

Shareholders' equity

€9.6 billion

or EUR 46.56 per share

10.6%

Return below the target range mainly due to exceptional changes in the UK

11-13%
RETURN
ON EQUITY

93 bps
25 bps

Guaranteed margin above target range, Unit-Linked below target range due to Hong Kong divestment

LIFE
OPERATING MARGIN
GUARANTEED 85-90 BPS
UNIT-LINKED 40-45 BPS

#5
Financial
Targets

59%

Above the range as the dividend includes an exceptional component of EUR 0.40 related to the Hong Kong divestment

40-50%
DIVIDEND
RANGE

<97%
COMBINED
RATIO
NON-LIFE

101.1 %

Due to the impact of terrorism, adverse weather events and one-offs in the UK

SOLVENCY II
RATIO
175%

179 %

Strong Insurance Solvency II_{ageas} ratio, above target



Strategy Report

012 Who we are

014 Strategy in action

Ambition 2018:
A continuing journey focused on delivery

Working with millennials
on tailor-made insurance

Partnership with a difference
in the Philippines

Employees unite behind
new brand in Portugal

Delivering on promises to Shareholders

024 Our HR approach

026 Responsible Entrepreneurship

**Ageas, an international company
with a local identity and one focus:**

**Being there for
its customers**

Ageas is an international insurance company backed by 190 years of experience in the insurance market.

Present in 16 countries across Europe and Asia, the company offers Life and Non-Life insurance solutions to millions of Retail and Business customers, accessible through a broad range of channels.

As such, Ageas helps customers plan for the long term while protecting them against unforeseen risks to their welfare.

Distinguished by an expertise in partnerships, Ageas has developed long term agreements with market-leading local financial institutions and distributors around the world allowing it to stay close to the local customer.

Wherever we operate, we do so with one focus: the customer. And with one goal in mind: to provide our customers with peace of mind when they need it most.



The Ageas team in 2016

(Full Time Equivalent - Consolidated entities)

Belgium

6,208

United Kingdom

3,953

Continental Europe

1,714

Asia

67

Corporate Centre (incl. Intreas)

138

Total

12,080



Ambition 2018: a continuing journey focused on delivery

When Ambition 2018 was launched in 2015 it was the next stage in a journey that started in 2009 when Ageas was newly established. Every three years we have revisited our plans to ensure they reflect the priorities, the challenges and the opportunities we see for our business and our customers. Back in 2009 the focus was on regaining trust and getting our house in order. Through Vision 2015 we developed clear strategic choices and financial targets reflecting our core values and strengths. Ambition 2018 allows us to continue the momentum with **expanded choices and targets** and as a stakeholder driven company, viewing the world through the eyes of customers, partners, employees and investors.

Our world is changing, and Ambition 2018 provides us with a platform to **anticipate and prepare for the future, ensuring we stay relevant and attractive to our stakeholders**, ready to benefit from future developments. Whilst focusing on our operational and financial performance, we are making important and carefully selected choices about the way we are organised, the role of digitisation in our relationship with our customers and partners, and other key innovations that we expect will create value for all our stakeholders and where we can have an impact. An additional innovation budget is helping to kick-start new projects that have the capacity to be exported across borders.



In the past year we have developed a range of **new partnerships**, whilst expanding our geographic footprint in Europe and Asia. We have set up new JV's in Vietnam, the Philippines, Laos and Cambodia, and we established Ageas Seguros following the acquisition of AXA's insurance business in Portugal.

In line with our efforts to create **a positive omni-channel experience** for our customers we launched My Global Benefits, a secure online platform that provides a unique overview of our Group Life customers' retirement and health covers in Belgium; and we designed a WhatsApp based motor insurance product in Turkey; alongside other online and mobile solutions in Belgium, the UK, Asia and Continental Europe.

Future success means **staying close to our customers**. Therefore we continuously invest in initiatives that help enhance our dialogue with customers. We are also starting projects around connected homes and connected cars to ensure that we understand the future impact of

these innovations on our customers and the industry.

Our enhanced **data analytics** capabilities are driving greater awareness of the potential use of data across the Group, in line with our objectives to create smart synergies and increase knowledge sharing. The newly established Ageas Academy, which focusses on strengthening the competences that we need as a group to meet current and future challenges, has also helped accelerate knowledge sharing and group wide cooperation.

So Ageas has made good progress in the first 12 months, but the journey towards 2018 and beyond continues with the ultimate goal to deliver on our promises.

Join us on that journey as we share examples of our strategy in action.





Working with millennials on tailor-made insurance

Back Me Up has evolved from the Group's commitment to explore new innovative solutions within the context of Ambition 2018, and it's also an investment in the next generation. Created **by** and **for** young, inde-

pendent minded people as a new way to insure their "stuff", it's a product of co-creation, protecting the three items they value the most at any given time combined with travel, mobile screen and key cover in one

neat bundle. Back Me Up gives a fresh take on traditional insurance making it both attractive and relevant to millennials. Flexible, easy to use through digital channels and relevantly explained, with the customer in full control.



A key route into insurance was the idea of insuring your experiences by protecting your stuff.

Luce, Lead Researcher for the Back Me Up Project

Consumer researcher Luce tells her story:

I'm not from the world of insurance but I **am** a millennial with a background in art and publishing. I have had the opportunity to connect with people from very diverse backgrounds; smart, creative people who are happy to share opinions. For quite some time I wasn't aware that Ageas was the insurer behind the product, so the feedback the company received on every single aspect of the project was candid and unfiltered.

Flexibility is a critical factor

The product needed to be attractive to millennials, but we also quickly honed in on the fact that for our demographic target group it is all about **"experiences"**. And a key route into insurance was the idea of insuring your experiences by protecting your stuff. So, you're tapping away on your smart phone at an amazing festival and you lose it. It's more than losing a phone; you have lost the experience and the ability to share

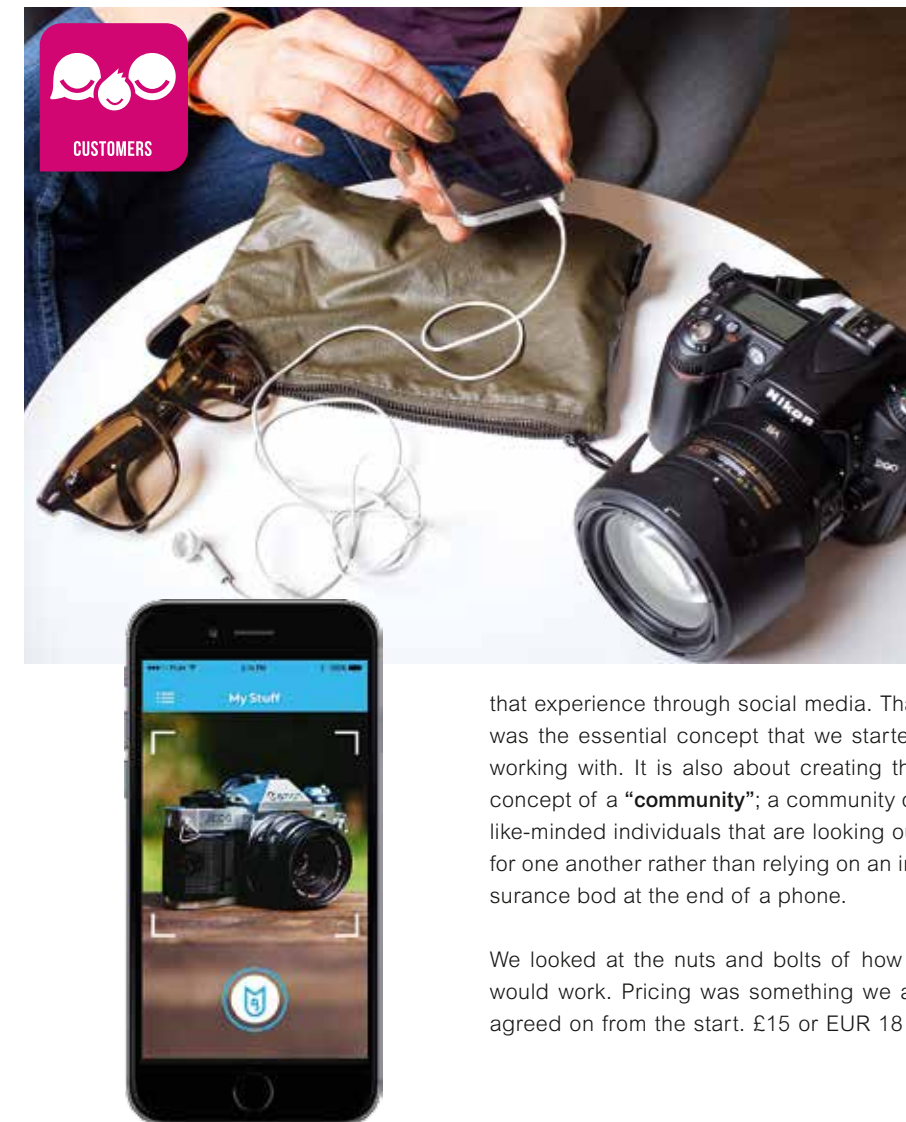
month in London just about covers the cost of a couple of drinks in a pub! The fact that you could take a photo, upload-and-go through a smart phone to get protection for what you really cherish was appealing. Speed matters but the most critical demand of all was **flexibility**. The fact that there is no ongoing contract, that you can change the three items insured as often as you like, and that you are in control is attractive.

Millennials were happy to engage, volunteering their own sob stories based on past experiences that included mobile insurance policies that didn't pay out when they needed them to. By the time you reach your 20's you probably have quite a valuable laptop, you might have a camera and a bicycle – but try getting contents insurance when you live in a shared rental with friends!

As well as carrying out street research with the target market we also reached out to our own circle of friends. Many of mine are already beginning to become movers and shakers in their respective careers and I value their feedback. I organised an "insurance party", using a rather intriguing invitation to tempt them to come along. They came, we talked into the night, and I got the feedback I needed with some fun along the way.

Today the Ageas team continues to reach out for feedback to ensure that the service feels true to our original vision. I tested the helpline before it went live, ringing in each day with a different fictitious scenario. Ageas wanted to train its own staff but also wanted to know whether the response I heard was the one I expected to hear.

It has been a great experience, and I am really quite proud of the Back Me Up product as I helped to make it happen.



that experience through social media. That was the essential concept that we started working with. It is also about creating the concept of a **"community"**; a community of like-minded individuals that are looking out for one another rather than relying on an insurance bod at the end of a phone.

We looked at the nuts and bolts of how it would work. Pricing was something we all agreed on from the start. £15 or EUR 18 a



Partnership with a difference in the Philippines

When Ageas joined forces with East West Bank in a 50/50 joint venture, it was a case of two parties uniting behind a vision to create a **game changing digital brand** in the Philippines. The decision to enter the Philippines reflected the Group's strategic choice to expand its footprint in promising Asian markets. Unlike traditional insurance, this new disruptor brand would offer simple, flexible and highly targeted insurance solutions customised to the needs and lifestyles of a younger, professional target market. Troo, meaning "cool" in urban language, is just that. Its contemporary colourful design and approach helps the company connect with tech-savvy Filipinos. Troo is truly **redefining the meaning of insurance** starting from the inside.

Lois Dalida, Head of HR at Troo shares her thoughts on the Troo meaning of partnership:

The one word that summarises why the joint venture between Ageas and East West bank works so well is "**respect**". I see it every day. Both partners respect each other's **expertise**, the **strengths** each other brings to the brand, as well as the different **opinions**. They appreciate the way people think and welcome the innovation that stems from this.

Ageas benefits from East West Bank which has a large branch network in the country providing the perfect bancassurance channel and customer base for this new insurance proposition: young professionals looking to build their first home or purchase their first car; people starting to build their careers and accumulate wealth. There is a genuine desire by the joint venture partners to only sell products that are relevant, which means understanding the individual, their lifestyle and their spending habits. Typically Filipinos believe you need to die in order to benefit from insurance....that is a concept we want to do away with!

Joining from a traditional insurance company, Troo felt very different. A very open and collaborative way of working that is even reflected in the workspace environment, with no barriers to instant communication. That's quite unusual in this market.

Ageas brings **global insurance expertise**, but there's more... Ageas exposes people to other locations and cultures outside the traditional classroom setting to inspire new ideas and ways of thinking. I experienced this myself when I had the opportunity to learn more about the employee engagement practices of the Group. While the concept of employee engagement surveys

is not new in the Philippines, these are rarely done with employees in their first year. Based on what I saw and learned, we initiated a local survey much sooner than we might have done which is an important element in bedding in a new culture.

After less than a year Troo is already creating quite a stir in the market. There is a lot of curiosity. Friends in the industry are reacting to what they see whether it is our website or our collateral material. Next to clear and informative they view it as creative and fun. It doesn't feel like an insurance brand, it is very different.

For both partners, people matter. And the idea of creating a well-diversified employee profile was deliberate. People come from the insurance industry but also from the hospitality and other customer facing industries. When we recruit we lay out clearly who Troo wants to be in the market. Those who get excited about the concept of being a game changer you instinctively know will fit in. It's a certain mind set.

But once on board it's all about living by the 3 characteristics that Troo represents: Being authentic; being bold; and being charismatic in everything we do. I'm proud to be associated with that.



The one word that summarises why the joint venture between Ageas and East West bank works so well is 'respect'.

Lois Dalida, Head of HR at Troo

Employees unite behind new brand in Portugal



When Ageas acquired AXA's insurance business in Portugal it wasted no time in preparing for its rebrand to Ageas Seguros; a new beginning for the business and a new chapter for its people. Ageas has been active in Portugal since 2005 through the Occidental and Média brands and joint venture with Millennium bcp Bank in Life. This acquisition allowed Ageas to have an even

greater impact on the market. With more than 2000 professional agents nationwide as well as a direct channel, the business was propelled overnight to No.2 in the Portuguese market. Successfully integrating a new business to create a cohesive and strong face to the external world requires hard work and commitment; the secret ingredient... the people who work there.

Maria Armanda Duarte, a former AXA employee, experienced the transition to Ageas Seguros at first hand

When you find yourselves part of something new you want to feel proximity to your new parents, you want to create new relationships, you want to understand the plans and the part you will play. You want to know you belong. When I look back at those early days, it was all about proximity, employee motivation and trust and we felt that immediately. Ageas was really walking the talk of Ambition 2018 by engaging with employees.

The process of integration is a complex one. Across the many different work streams that were created covering every aspect of the business, the Ageas team was really present, offering help and support during these important early days. We felt their presence in a very positive way. Ageas was equally interested in learning from us. I liked that aspect of the culture. Most of the values that Ageas represents are similar to those that we knew before, but there was one important point of differentiation, the concept of being "local".

That is a big one. Portugal is a major market and we are a new brand; Ageas wanted to learn about our local positioning, the characteristics of this market and how we work day to day. That was a very positive signal. We learned from the Group and the Group learned from us. Ageas thinks global but acts local – it lives its values. The other two values that resonated particularly strongly with me were "teamwork" and "passionate to deliver".

Ageas understood the important role communication would play in successfully integrating the business. It communicated a consistent message across the Group in a very transparent and human way, tailoring the communications to the different audiences whether these were employees, agents, partners, customers or suppliers. It was all about creating trust through an open dialogue, and this continues today. We work in many different locations but we have in place processes that allow us to talk to everyone at once. People were also brought together at events hosted by senior management before and after, the rebranding and that kind of strong support did not

go unnoticed. The Ageas CEO came to Portugal to share the Ageas ambition and to personally connect with everyone on the ground which was hugely appreciated. After the rebranding it was important to maintain energy and excitement levels around the new brand. New and innovative campaigns were developed and displayed in every building and launch events were held with employees before taking the message to the outside world. That's a nice touch.

Today everyone understands what Ageas is all about. They see a company that wants to deliver new solutions to the market in an innovative way, creating a reference point for insurance. It's exciting to be a part of that. We have new tools and a new attitude and the strong momentum is continuing.

Senior management have taken time to share their vision and strategy with us and that was well appreciated. It is important to have clear knowledge about what we are doing, our market, our strategy and plans and what is expected. If you are clear about the positioning then you can go on and do the job, together.



The Group was interested in learning from us. I liked that aspect of the Ageas culture.

Maria Armanda Duarte, former AXA employee

Ageas delivers on its promises to Shareholders

Perhaps the best way to judge the overall performance of Ageas is to go back in time to the painful events of 2008. I became president of the Flemish Investors Federation, VFB, in 2007 and as the representative of many thousands of retail investors in the former Fortis Holding, I was a close witness to what happened at that critical moment and in the years that followed.

At the end of 2008 the Fortis Bank had to be rescued by BNP Paribas and the only assets the shareholders of Fortis Holding were left with were some insurance companies in Europe and Asia, some cash and several very complex financial instruments. In 2010 Fortis Holding was renamed Ageas signalling the start of a new, prosperous and transparent path for the company.

Some people might question the decisive importance of excellent management at such times, but just look at what happened at Ageas: the new management of Ageas did a really remarkable job. Ageas recognised that it needed to regain trust: the trust of clients and partners, especially in Asia; the trust of the many authorities; and importantly the trust of shareholders, especially the numerous small shareholders who in many cases were also insurance clients. And trust is something personal, something with a face. The availability of the CEO, Bart De Smet, for investors and the media at many events was exemplary. Trust returned faster than expected, and the stock price recovered.



Ageas is a casebook study in how to deal with a corporate catastrophe.

Paul Huybrechts, former president of the Flemish Investors Federation (VFB)

Shareholder value built on a foundation of respect

The return made by the first believers was spectacular. With strong financials, a clear strategy, stable and growing dividends and major share buybacks Ageas became one of the favourite Belgian stocks for local retail shareholders. That shareholder value was built with respect for all stakeholders in an international insurance company.

After 2008 difficult legacy problems remained that had to be tackled. That process took time but next year most of them could be solved. The complex financial instruments inherited from the Fortis Holding continue to be professionally managed and the remaining obligations no longer inhibit the company. Extremely important is the settlement in 2016 of the many civil court procedures which were initiated after 2008. The proposed compensation is fair for former and existing shareholders. The past can finally be left to historians. I believe that in the coming years Ageas will continue to grow

and consolidate its leadership positions and it will successfully export its know-how across the 16 countries in which it operates. Ageas is a casebook study in how to deal with a corporate catastrophe. That's what insurance companies are about, no?

A working partnership that supports the business

2016 saw a quite active employer market with **greater opportunities for job seekers** and also an increased war for talent amongst companies. With an attractive employee value proposition Ageas aims to be well positioned to retain and attract top talent in this competitive environment.

This year has also seen a strong level momentum behind the talent and succession planning process with the clear involvement of the Executive team and the Board. This reflects the Group's intention to continuously invest in the senior leadership team fostering internal mobility and succession.

HR has played a key role alongside the business in many of the milestone events this year, contributing for instance to the successful organisation and cultural integration of the newly acquired business in Portugal. We **worked in tandem with the local team** to oversee a fluid transition to Ageas Seguros. In Asia new business developments were supported by appropriate staffing. And in the Philippines it was all about embracing a new, young, dynamic workforce in a market where Ageas took time to learn how things work on the ground from those that know best.

New tools and reporting through cross-entity collaboration

Ambition 2018, Ageas's current strategic plan, has led to new requirements for HR data reporting. Through a well-developed and user-friendly dashboard Ageas can now, amongst other information, take an integrated, group-wide look at employee engagement. The talent and learning management tool developed in Belgium that supports all aspects of the HR process has been shared and adopted across the Group also illustrating the **power of cross-group collaboration**.

The **Ageas Academy**, an integral part of Ambition 2018, was established as a clear business driven initiative. It has seen many people take advantage of the available training programmes. As well as "rebranding" existing programmes such as the Ageas Leadership programme, the Academy has introduced several new initiatives including the framework for a country by country deep dive exercise. Based on existing customers, small groups came together to do some "blue sky" thinking over 10 days to develop new product and customer propositions that are turned into concrete plans and then presented to partners for consideration and ultimately execution.



“ Cross-entity collaboration is key for HR to create added value to the business.”

Eddy Debrulle, Group HR Director

The Ageas Culture is strengthening and HR has continued to keep a finger on the pulse through the culture survey testing among other things, the perceived clarity of the mission and how involved people feel.

Increased focus on networking and collaboration

As Ageas looks forward, more will be done to link people not only to their local entity but to the Group as a whole. The concept of a talent exchange programme is being explored allowing people to rotate in and out of short term assignments based on specific projects. The idea is **to create a network of people in the company that really know people on the ground, making collaboration a real face to face event**.

Adding value by giving back to society the Ageas way

When Ageas puts down its roots in a market, it's doing more than just establishing a physical business presence. We are setting up a home. As an international insurer we believe wherever we operate and reside in the world we have a duty of responsibility towards every stakeholder. Some call it CSR; we think of it as "Responsible Entrepreneurship". Put simply, it is about making a difference by creating long-term sustainable solutions around the issues that matter most locally. It is about helping to create opportunities for people and businesses to grow and flourish; improving the quality of life of those we impact through our presence. Each market is unique however and Responsible Entrepreneurship can be interpreted in many different forms.

Positively impacting the lives of everyone we touch

We actively engage with our **13,000+ employees** around the world to create the best possible environment and help them achieve their personal ambitions. We contribute to the well-being of **our customers** at critical stages in their life, providing them with peace of mind when they need it most.

We work with **our partners** on the basis of mutual respect and trust, adding value to the partnership wherever possible. We deliver long-term sustainable growth to our **investors** who trust us to deliver on our prom-

ises, in the correct way. And through our support of a broad range of philanthropic activities, we engage, enrich and improve the lives of people in the **communities** in which we operate.

Whilst Ageas is an international insurer with operations in 16 countries around the world, we believe strongly in **local empowerment**. We trust our team on the ground to identify the right projects and to participate in the best way. And while "making a difference", we always try to involve our own people.

They say a picture says a thousand words ... take a look at some of the projects we have been involved in during 2016.



Cargeas encourages employees to roll up their sleeves to improve children's lives, giving time off to help the "Fondazione L'alberto della Vita"



12,000 take up challenge as Ageas Seguros turns pink to help prevent breast cancer



Ageas UK contributes towards safer roads through work with the Road Safety Foundation and the Older Driver Task Force



AG Insurance employees ascend the mighty Col de la Madeleine in MOVE4Cancer fundraiser



Ageas Asia Regional Office working to protect and provide for the interests of young people through Pok Leung Kuk programme



Belgian employees adopt Olympian spirit in "We are all Olympians" fitness challenge in aid of SOS Children's Villages

The background of the page is decorated with various colorful geometric shapes, including rectangles and squares, in shades of pink, purple, orange, yellow, blue, and green, arranged in a modern, abstract pattern.

Performance Report

030 Belgium

040 United Kingdom

050 Continental Europe

060 Asia



Performance Report

Belgium

The **No. 1** player in the **Life** insurance market and No. 2 in **Non-Life**, AG Insurance is the **clear market leader** in the Belgian insurance market.

We tailor our products to the needs of both individuals and companies through distinct market segments that include: Life Retail and SME, Group Life and Non-Life. Our customers can access our full range of insurance products via more than 3,000 independent brokers as well as the branches of our distribution partners, BNP Paribas Fortis, Fintro and bpost bank/bpost banque.

AG Insurance is also the **largest real estate group** in Belgium through its subsidiary AG Real Estate, which manages a diversified portfolio of real estate assets valued at around EUR 5.5 billion.



“
Once again the team delivered a strong performance in what was a very turbulent year.

Hans De Cuyper, CEO Belgium

A solid foundation supporting future opportunities

As we look back at our performance in 2016 it is impossible to ignore the challenges posed by the tough economic environment. But despite this, **we maintained our profitability** levels against a backdrop of low interest rates, and we **achieved a combined ratio below 97%**, helped by our well-diversified business model.

We have taken a number of actions this year and in prior years to ensure that we remain efficient and competitive, developing an attractive product offering at the right price for the market, while paying special attention to cost management. Today we enjoy a clear market leading position in Belgium and one of the best expense ratios in the market.

At a business level, we have faced challenges in Non-Life including emerging risks such as terrorism, which became a harsh reality for Belgium in the early part of 2016, and incidents of severe flooding. While growth has been somewhat moderate this year, the portfolios remain structurally very healthy.

In Life, we've seen good results and growth in inflows, despite the lowering of the guaranteed interest rates at various times throughout the year. Despite the low returns these products remain attractive to customers even in a low interest rate environment.

In independent studies with brokers including those by IMCA and Bent Hurst, AG has achieved the highest scores for both its product range and services towards partners and customers. This recognises AG Insurance's efforts to collaborate with partners and its strong commitment towards customers over many years.

Digitisation as a route to customer proximity

AG Insurance has embraced Ambition 2018, **accelerating the digital transformation, engaging with the customer in a true omni-channel experience, and embedding data analytics** into key processes. We are delivering real digital solutions for distribution partners including our banking partner, the broker channel and large corporate clients. And this is just the start; a pipeline of additional initiatives is planned in 2017. Thanks to new digital platforms, bank clients can now consult their insurance portfolio through their online banking application. Brokers will in the future be able to offer the same insights into insurance contracts to their clients through their own website. And in the corporate Employee Benefits market "My Global Benefits" was launched as a platform that allows corporate clients to offer their employees online access to their pension status.

Net result

In million euro

390.6

Developments in **Data Analytics** are allowing us to **better manage costs** whilst improving customer service. By building robust statistical models based on our historical claims experience and other available known data we are vastly improving accuracy with respect to car and property repairs.

Today we enjoy a clear market leading position in Belgium

Combined ratio

96%

Well positioned for new opportunities

We are not expecting any turnaround in the environment in the short term, but we have taken the right steps to ensure we are strategically well positioned. We **anticipate potential new opportunities emerging from pension reforms**, and in the Employee Benefits space, changing regulation alongside the work we do in healthcare should also help us to get closer to corporate employees. Digital is also facilitating the **potential for new eco-systems** whereby we will in future be able to create innovative product and service offerings and a new form of customer engagement beyond traditional insurance.

Gross inflows

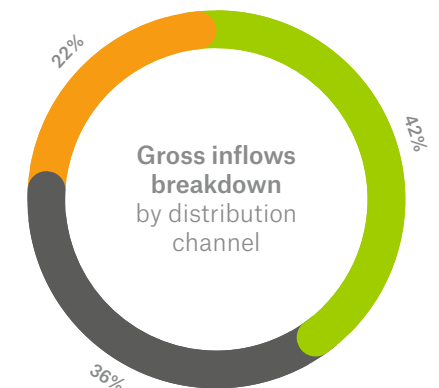
In billion euro

6.1

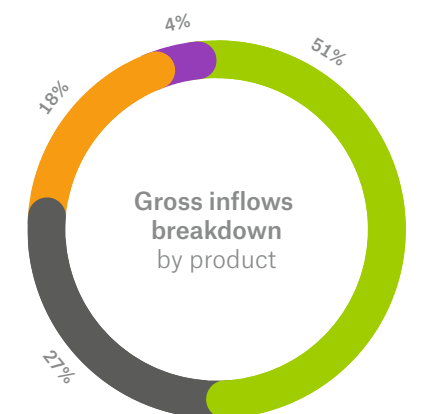
Playing our role in the wider community

AG Insurance prides itself on being **"Supporters of your Life"** and this starts with the commitment of staff to go the extra mile for customers. But it extends also to the involvement of our people in solidarity programmes that are supported by hundreds of employee volunteers. AG Insurance, through its subsidiary AG Real Estate, is also playing an increasingly important role in infrastructure finance. This year we delivered our 100th school within the "Scholen Van Morgen" programme on time and on budget and we are on track to deliver the full 200 schools by 2018. AG Insurance also supported the Belgian Olympic and Paralympic teams at the Rio Olympics.

As market leader we have a responsibility to contribute in a positive way to the evolution of the insurance market. We are proud therefore that our CEO chairs Assuralia, the Belgian insurance industry association, which plays such an important role in this time of change for the insurance market.



| | |
|-------------------|-----|
| Bank | 42% |
| Broker | 36% |
| Employee Benefits | 22% |



| | |
|---------------------|-----|
| Individual Life | 51% |
| Non-Life (excl. HC) | 27% |
| Group Life | 18% |
| Health Care | 4% |

Brands

AG Insurance
AG Real Estate

Brokers

3,948

N° 1 Life

28.6% market share

Staff (FTE)

6,208

N° 2 Non-Life

15.8% market share

Policyholders

3.7 million

New digital platform offers transparency on benefits

My Global Benefits is a unique digital platform designed by AG Insurance to respond to one of the biggest opportunities in the relationship between employers and employees: bringing transparency and clarity on fringe benefits provided to the employees. According to Benoit Halbart, Director of Marketing and Communications Employee Benefits at AG Insurance: "AG Insurance saw an opportunity to provide a secure platform that would give employees an overview of all the fringe benefits related to insurance provided by their employer."

Through this platform employees can find information on their insurance for retirement, death, disability and health. In addition, they can settle administrative matters, such as the



“

We are the only insurer in Belgium that provides complete and transparent information on insurance related fringe benefits.

Benoit Halbart, Director of Marketing and Communications
Employee Benefits at AG Insurance

online declaration of hospitalisation and other medical expenses. The platform also provides information about key moments in life such as pregnancy, illness and retirement. AG Insurance is the only insurer to provide transparent information on additional coverages related to Health insurance, disability and outpatient care, directly to the employees via digital platforms within their company.

AG Insurance also saw an opportunity to improve communications around pensions. Whilst insurers are obliged to keep members informed of their accrued rights, there is plenty of room to improve and make communications more user-friendly. My Global Benefits explains things simply, and data is up to date.

According to Halbart: "Products and services will continue to be rolled out in the coming months, and by the end of 2017 the platform should be fully accessible to all companies that rely on AG Insurance for these types of fringe benefits."

Milestones 2016



Hans De Cuyper
appointed
Chairman of
Assuralia

**Homeras, a Home Repair
+ Assistance + Solutions
service goes live**



**AG Insurance sponsors
Belgian Olympians and
Paralympians in Rio while
taking up an Olympic
challenge for charity**



**AG Real Estate
to build the
administrative
centre of the City
of Brussels**



**"Scholen van Morgen"
project reaches 100th
school milestone**

**My Global Benefits brings
transparency for employees
on fringe benefits via new
digital platform**



Performance Report

United Kingdom

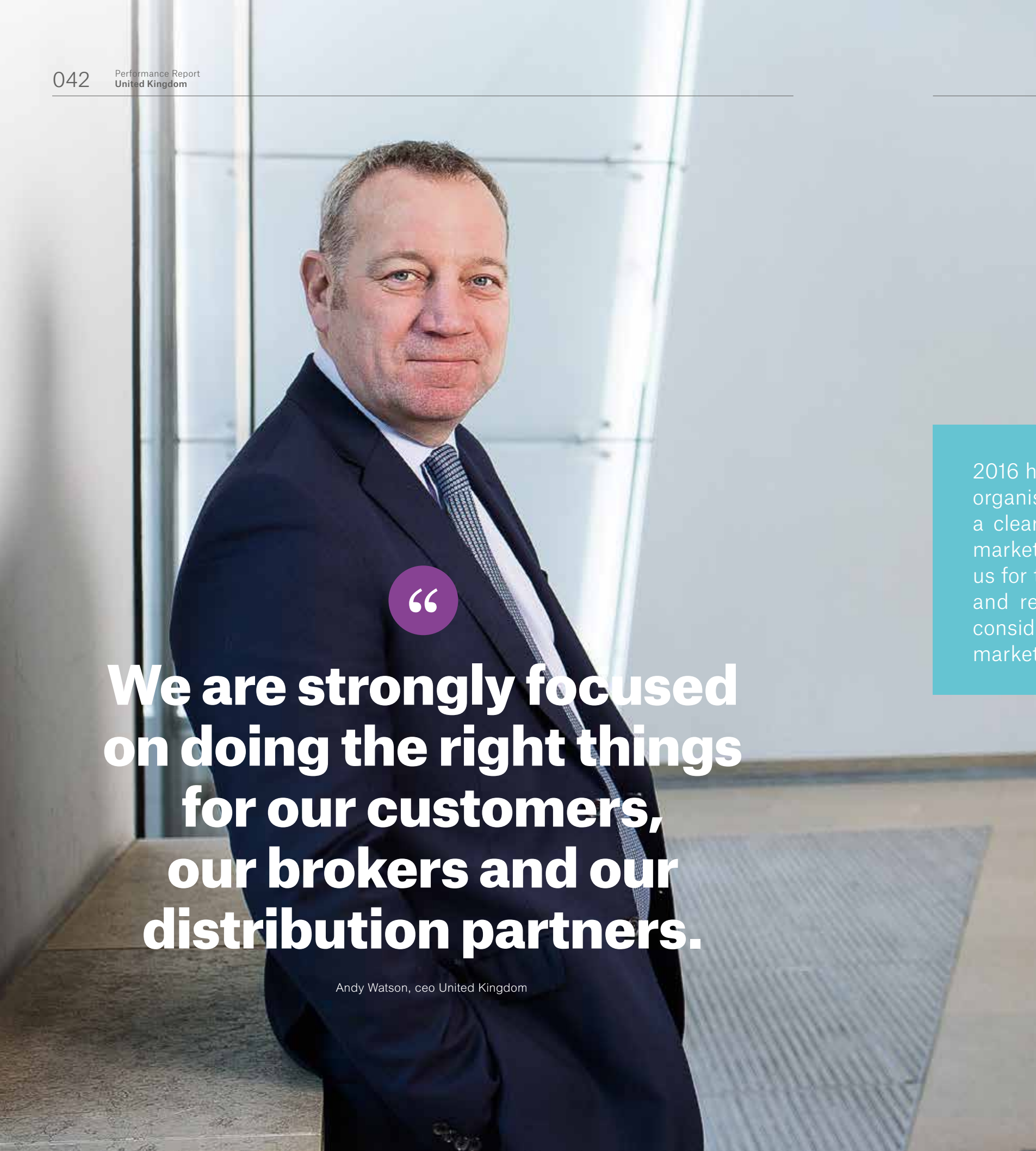


Ageas UK provides **Non-Life** products through a range of channels, including brokers, high-profile affinity partners and direct to the customer through its own brands. Through Tesco Underwriting, our joint venture with Tesco Bank, we also provide Motor and Home insurance to over 1 million of Tesco Bank's customers.

We offer a complete range of branded and white-labelled insurance propositions in personal lines and small Commercial insurance packages and have expertise in niche and scheme business to support customers with non-standard insurance requirements. In addition, through our owned brand — RIAS and through our long-term partnership with Age UK, we offer a range of specialised products tailored to the needs of customers aged 40+.

We are the No. 2 Motorcycle insurer and No. 3 private car insurer in the UK* and have been accredited the Institute of Customer Service, ServiceMark, for all three of our core personal lines insurance product areas – Home, Motor and Travel.

*Based on volume



We are strongly focused on doing the right things for our customers, our brokers and our distribution partners.

Andy Watson, ceo United Kingdom

A year of transition for Ageas UK towards a strong unified business model

2016 has been a year in which we redesigned and rationalised our UK organisation and brand portfolio. The new single business model with a clear focus brokers, partners and direct in combination with new marketing approaches among others in the digital space will prepare us for the future. This initiative, in conjunction with exceptional losses and reserve strengthening, unfortunately impacted our UK result considerably. In time however, this should strengthen our position in a market with changing regulations and consumer needs.

2016 has been a year of transition for Ageas in the UK. Separate underwriting and retail businesses have been brought together into a single insurance business with three distinct channels to market: brokers, partners and direct. Through this transition, a redesigned governance model and a new centralised organisational structure has been put in place that helps us to improve our efficiency while allowing us to focus on the distinct dynamics of each channel. The changes bring economies of scale for the business and an opportunity to reinforce our single company culture.

Over the last few years, the UK market has experienced regulatory and insurance distribution changes, as well as changes in the way that price comparison sites display their

prices. This has caused some pressure on part of our business, and while we have taken robust steps to stem the decline, this has not been sufficient to improve performance. Regrettably, this has meant that three operational sites were no longer sustainable and, after consultation with our employees, we have made the decision to reduce this to two operational sites and close our Glasgow office. Additionally, we took one-off charges related to exceptional underwriting losses in Special Risks and we strengthened reserves in anticipation and also after the announcement of the Ogden discount rate review related to personal injury claims. The combined impact of these events led to an overall negative result in the UK in 2016.

In our continued efforts to simplify our face to the market, we have taken steps to rationalise our brand portfolio, withdrawing smaller brands such as Castle Cover, Auto Direct, Cover Direct and Done Deal from the market. This allows us to focus more on the development of our core brands in the UK.

Significant growth in specialist portfolios

Despite a year of transition, revenues have grown in Motor, Home and Commercial lines. Across the market, motor pricing has increased, while household premiums continue to fall, despite ongoing impact from weather events. We have made good progress in the broker channel with brokers increasingly likely to choose Ageas because they value our personal touch, our attention to detail and our excellent claims service. But more than anything they know that we will support them to grow their business. This is evidenced by an increase in the Net Promoter Score that measures how likely it is that brokers will recommend us, rising to +55 from +47 in 2014. We were also voted by brokers as Personal Lines Insurer of the Year at the Insurance Times Awards in December. Outside of conventional insurance, specialist portfolios including motorbikes, classic cars, caravans and thatched properties have grown 40%, and this is set to continue.

Good progress is being made in the SME sector through initiatives like Darwinsure, a bespoke online product developed alongside broker Darwin Clayton, and through a major new strategic partnership with Towergate providing underwriting capacity of EUR 71 million each year for the next five years in the area of Commercial Motor, property and liability products.

Net result

In million euro

-156

Combined ratio

112%

Ageas explores innovative digital solutions

In the context of Ambition 2018 we are continuously exploring and evolving new innovative customer solutions including among others Back Me Up, a direct digital proposition targeted to and co-created with millennials.

We are also looking into modernising our marketing capabilities illustrated by the Back Me Up approach, reflecting increased demand for digital solutions and the need for stronger social media engagement to reach customers.

Partnerships remain central to our strategy in the UK and in 2016 a new proposition with Age UK was launched in support of the extended 10 year relationship and we have secured a new five year partnership with Connells Estate Agency.

Within the framework of Ambition 2018, we are paying special attention to the trends likely to impact our role as insurer in the future. Ageas UK was engaged early on in the evolution of telematics technology, and today it is taking steps to ensure it is well positioned to respond to developments and opportunities in the connected cars space. Separately we are also making progress in other areas such as connected homes alongside established players and start-ups.

We will continue to compete hard and fair in our chosen markets

Gross inflows

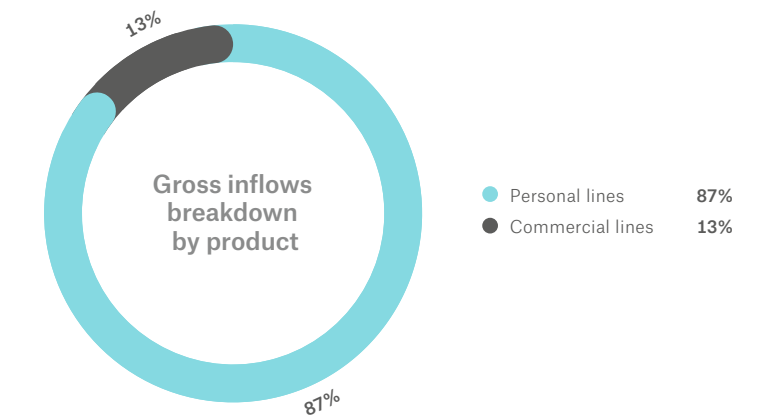
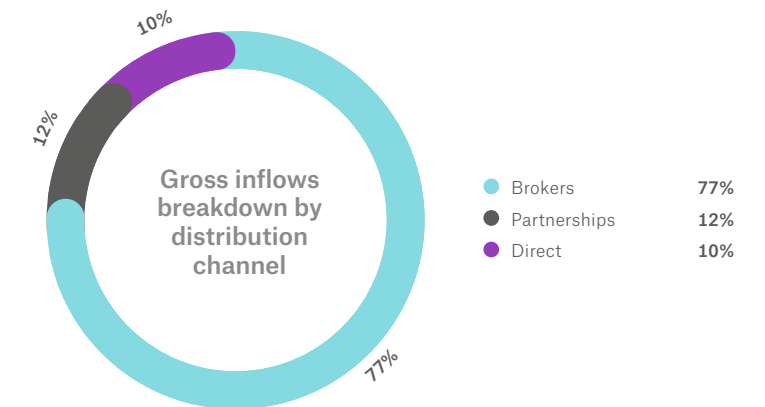
In billion euro

2.2

Doing what it takes to stay competitive

The UK market will continue to evolve, and we anticipate the role of the aggregators will grow in both the Motor and household sectors. We will continue to compete hard and fair in our chosen markets through new propositions, and with ongoing focus on cost efficiencies and underwriting and pricing capabilities. We will continuously look at the efficiency of our systems, our processes, our use of data and the investment needed in new skills.

Ultimately customers judge insurers on the quality of their claims service, and we are proud of our record in this area which is consistently rated highly by our customers and the industry. **Insurance is fundamentally a person to person business, despite technological developments, and it is our focus on people that will continue to be the bedrock of our success.**



Brands

Ageas Insurance
Tesco Underwriting
RIAS
Back Me Up

Active customers

±6.5 million

Staff (Headcount)

4,694

Vehicles insured
N° 3 in Private Motor

+3.6 million

Brokers

2,300

Homes covered

2,050,000



“

The results demonstrate the potential to transform third party claims across the entire industry.

Rob Smale, Claims Director Ageas UK

Industry collaboration improves the claims experience for all

Ageas has launched a new automated third party portal known as Verify, in collaboration with Aviva and the portal developer Validus. The award-winning platform has revolutionized the way third party motor claims are managed with the majority of these claims now being settled within just 24 hours, benefitting both the insurer and the customer. Traditionally a third party recovery could take on average 250 days to complete. The new portal removes the need for lengthy correspondence that only delays the settlement and increases the cost of the claim.

Streamlining third party subrogation claims has been a major problem for the UK insurance industry for a number of years. Between them, Ageas and Aviva deal with more than 30 other insurers, handling in total around 350,000 claims involving third parties. Ageas and Aviva alone transfer between them millions of pounds in third party recoveries each year.

In its first year, this new platform has already delivered significant results, and it has received three noteworthy industry awards.

This market-leading cloud-based portal now manages customer's third party claims more cost-effectively and efficiently than ever before. It uses key identifiers to find and match the opposing claim. If both insurers have uploaded the same liability decision, the claim is automatically moved into an 'awaiting payment' queue. The system allows workflow automation to flag exceptions if there is a liability dispute. The data from the portal is also providing greater insight into how liability decisions can be made quicker, ultimately helping to reduce premiums for customers.

Since its launch, another 13 insurers have now also signed up to the platform, following the lead of Ageas and Aviva, with more insurers approaching Ageas to learn from its experience.

Claims Director, Rob Smale said: "Our collaboration on this technology helps to address an industry wide issue. The system has attracted significant interest from other major insurers and sparked interest to develop an industry solution. The results demonstrate the potential to transform third party claims across the entire industry."

Milestones 2016



Award winning claims portal launched with Aviva

Ageas and Towergate partner on EUR 355 million Arista capacity deal

Darwinsure is launched to small businesses



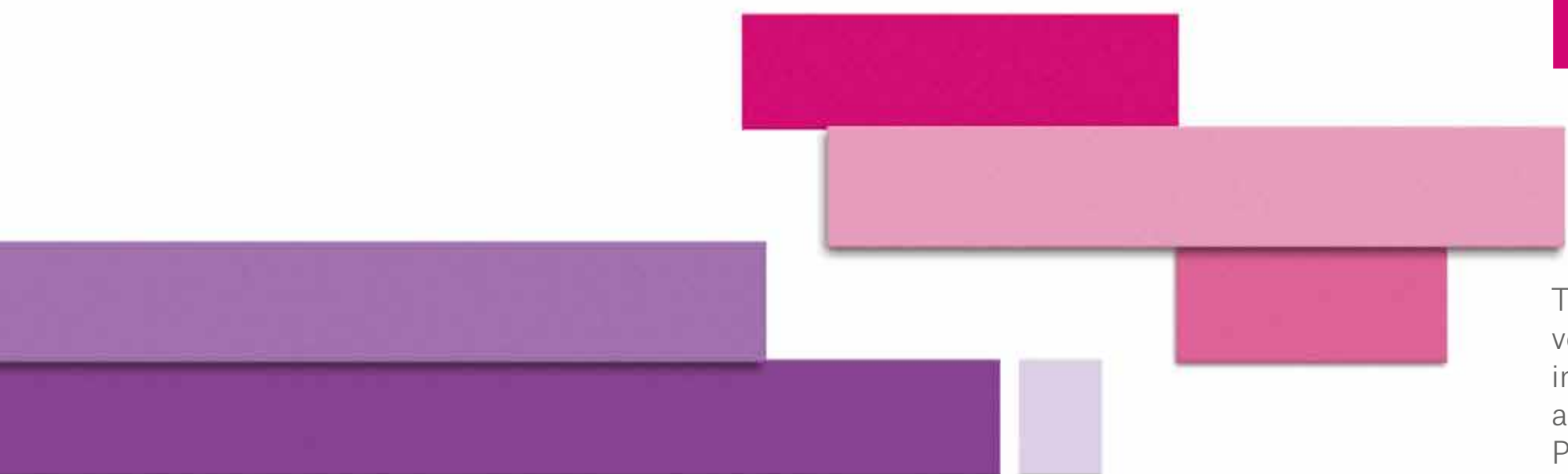
Back Me Up goes live for millennials

Publication of Older Driver Task Force report



Ageas named Personal Lines Insurer of the Year

Ageas announces proposal to close Glasgow office



Performance Report

Continental Europe

Through a number of wholly owned subsidiaries and joint ventures, Ageas is, aside from Belgium, active in **5 markets** in Continental Europe: France, Luxembourg, Italy, Turkey, and Portugal. Our largest single business within this region, Portugal is also home to Médias, a clear market leader in the local Health insurance sector.

Across the region, we offer a broad range of insurance products and services that span both **Life and Non-Life**. Our products can be accessed through a number of different distribution channels, including brokers and agents, but mainly via bank branches.

“
**Our entities in
Continental Europe
achieved strong results
while continuing to focus
on operational excellence.**

Steven Braekeveldt, CEO Continental Europe

A strong performance and transformational year for the region

Continental Europe continued to face the challenge of difficult economic conditions in 2016 notably low interest rates and volatile interest rate spreads, competitive markets, political uncertainty, and regulatory changes. Despite this, all entities reported excellent operational profits. One country in particular, Portugal, took centre stage in what can be described as a transformational year.

When Ageas completed the acquisition of the Portuguese AXA insurance business in the spring of 2016 it was propelled to the No.2 position in the Portuguese insurance market. Added to the existing businesses of Occidental and Média, Ageas has achieved a business of significant scale and a strong base from which to grow in the future.

Ageas Seguros gains traction as new brand

The newly acquired business was re-branded to Ageas Seguros and after only 6 months, brand awareness reached 32% thanks to some highly innovative campaigns.

This new and differentiated insurance brand is resonating well with employees, customers, agents and partners; a brand built on shared values, a spirit of entrepreneurship, innovation and customer service. Sales increased more rapidly than expected and customer satisfaction has started to improve. However, the rebranding to Ageas Seguros is part of a longer journey. A complex process of disentanglement, transformation and integration will continue throughout 2017 including a major upgrade of the IT infrastructure necessary to support the business and customer requirements of the future.

Net result

In million euro

90**Adding value to the customer experience**

In terms of performance, all entities achieved solid operational results. In particular the Portuguese businesses Médis and Ocidental continued to perform very strongly.

In Portugal and Turkey we undertook an analysis of the Motor and Healthcare businesses to identify ways of adding greater value to the customer. The outcome of this work is now being baked into our processes to improve the customer experience. In France we are successfully implementing a new strategy with a major digital component that targets the important IFA market.

Digitalisation is gaining ground in most of our markets. In the future customers of Médis in Portugal will have their own webpage related to the products they have with us. In Italy we continue to look for ways of improving our efficiency, and reflect on extending our bancassurance distribution channel. Turkey kicked off an integrated customer journey process, and the focus has been on the sale of profitable products in a market where certain lines are loss making. Turkey has also benefited from efforts to deepen the relationship with the banking channel.

In our efforts to put Ageas Seguros on the map with customers, we are linking various initiatives to the positioning of the brand. This differentiated approach is gaining traction and helps to position the brand as something very different. Sponsorship of the

Combined ratio**88.7%**

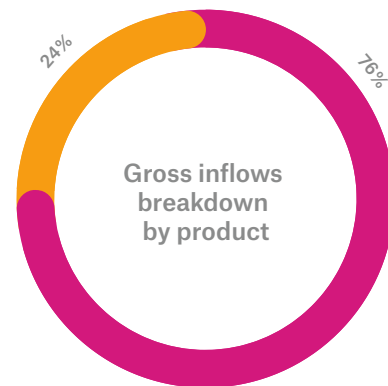
5km breast cancer run achieved nationwide TV coverage of the brand. An innovative campaign supported by agents to create greater health awareness during the summer months was successfully rolled out on the beaches of Portugal. Ageas, and also Continental Europe is also a very active user of social media with highly developed campaigns in many markets leading to a healthy rise in the number of followers. Winning the 2016 Grand Prize of the Portuguese Association of Corporate Communication (APCE) in the Social Media category is a tremendous recognition for all the efforts and creativity of the Ageas Seguros' team in this domain. As part of the effort to increase customer centricity and in line with Ambition 2018, Ageas is institutionalising the tracking of our Net Promoter Scores across all entities on a monthly basis.

As we look to the future, the environment is expected to remain volatile exacerbated by the prospect of political uncertainty in some markets and continued regulatory changes.

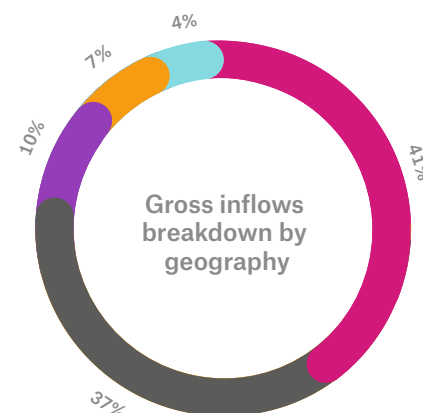
One of our top priorities as a business will be to continue the integration of the Portuguese business in an orderly manner while increasing customer satisfaction. We will continue to demonstrate our ability to innovate and we will take steps to increase customer satisfaction across all markets. We will continuously screen the market for potential opportunities to grow organically or through the right transactions.

Gross inflows

In billion euro

5.4

● Life 76%
● Non-Life 24%



● Luxembourg 41%
● Portugal 37%
● Turkey 10%
● France 7%
● Italy 4%

Robot technology increases efficiency and boosts employee satisfaction

The launch of Aksigorta's Robot Transformation Project in Turkey was an important milestone in the company's digitalisation programme. It represents a first for both the insurance industry and for Turkey. It also creates a win-win for both customers and employees. Customers benefit from access to 24/7 service via "virtual employees", whilst actual employees can be directed towards more fulfilling and value adding jobs.

The benefits are multiple including increased efficiency, reduced costs and greater employee satisfaction. The burden of repetitive tasks is removed from the daily workflow of employees and robots can be easily integrated into many processes to complete tasks quickly and efficiently without human intervention. Robots have been utilised specifically in Fleet Car Insurance, completing a variety of different processes from policy creation to opening of claims files, preparing 20,000 policies and opening 5,000 claim files since launch in September.



Our Robot Transformation Project is based on the customer-oriented service understanding of Aksigorta. It improves the customer experience through instant and constant access, increases efficiency for the company and offers greater job satisfaction for our employees.

Metin Demirel, CIO Aksigorta

Luxembourg

| | | |
|-----------------------|------------------|------------|
| Brand | Active customers | Staff |
| Cardif Lux Vie | + 78,000 | 269 |

France

| | |
|---------------------|---------------------------------------------------|
| Brand | Staff |
| Ageas France | 202 |
| Active customers | IFA's (Independent Financial Advisor) and Brokers |
| 114,970 | 1,530 |
| Life | |
| 100% Owned | |

Portugal

| | |
|----------------------------------------------------------------------------------------------------------------------|------------------|
| Brands | Staff |
| Millenium bcp Ageas Ageas Pensoês Gere Grupo Ocidental Médis Ageas Seguros Seguro Directo | 1,250 |
| Non-Life | Overall |
| N°3 | N°2 |
| Life | Active customers |
| N°2 | 1,740,232 |

Italy

| |
|--------------------------|
| Brand |
| Cargeas |
| Branches |
| 1,525 (UBI Banca) |
| Staff |
| 250 |
| Homes covered |
| 240,000 |
| Active customers |
| 802,000 |

Turkey

| |
|----------------------------------------------|
| Brand |
| Aksigorta |
| Branches |
| 841 (Distribution partner AKBANK) |
| Non-Life |
| N°5 |
| Staff |
| 610 |
| Brokers and agents |
| 2,585 |
| Active customers |
| 2 million |

Milestones 2016



Luxembourg creates a “buzz” with innovative social media launch of OptiPension+



Médias teams up with Nova University to launch “start-up” incubator Healthcare City

Aksigorta awarded for simple, accessible Motor insurance through Digital Innovation



Ageas in Portugal just got bigger, as new employees are welcomed to family

France adds digital edge with launch of Ageas Patrimoine



Cargeas recognised for 25 years of partnership in Future Bancassurance Awards

Ageas Portugal highlighted for excellence in social media awards



Performance Report

Asia

Ageas has 6 partnerships in the region and operates through these in **9 markets** across Asia. In addition the Group has its Asian regional office in Hong Kong. We offer our customers a range of **Life and Non-Life products** through different channels of choice — including agents, brokers, bank branches, and digital. We have well-established partnerships in China, Malaysia, Thailand, and India and in 2016, we established new partnerships in the Philippines and Vietnam.

In all of our markets, we develop joint ventures with highly respected local partners and financial institutions, and many of these partnerships have existed for more than a decade. These partnerships provide us with important access to customers and knowledge about the local market.

A year of change in a region that continues to deliver

“

The Hong Kong sale and new market expansion reflect our focus on profitable and sustainable growth. New sales, excellent persistency, and a strong team performance led to another strong year.

Gary Crist, CEO Asia

2016 was another strong year for Ageas in the region in spite of significant volatility in financial markets as well as global political uncertainty. It was also a year of quite radical change in the region. We completed the sale of our Hong Kong insurance activities and segregated the shared services creating a stand-alone regional office.

We launched a new business in the Philippines under the name of Troo, and alongside our Malaysian partner, Maybank, we have established a Life operation in Singapore which is showing promising early results. At the same time we have been laying the foundation for the launch of our business in Vietnam in early 2017.

A strong performance in tough market conditions

In China, Taiping Life once more performed very strongly in difficult conditions. This is underpinned by continued focus on disciplined execution and a market leading performance in terms of agency reten-

tion, activation and productivity of a force that has now grown to more than 250,000 agents. Persistency rates have also been exceptional across both the agency and bank channels. As we look forward, the

Net result

In million euro

394

Combined ratio

85.1%

market will evolve due to planned regulatory changes around short term high guarantee return products and single premium products in the bancassurance platform.

Another good year in Thailand saw Muang Thai retain its position as the market leader in new business, with persistency rates that are the best in the market, and good solvency levels. Whilst the country is going through a transition in terms of the political and social environment, the business continues to outperform. Malaysia has also been operating against the backdrop of tough financial conditions, but by focusing on the core bancassurance platform, we are seeing very strong growth in terms of regular premium new sales versus the market. A lot of preparatory work has been done in readiness for the detariffication of the Motor market in Malaysia, including among other things the development of new pricing models. When motor detariffi-

cation will come into effect, it is expected to have an impact on the market as insurers can freely tailor their products and price them according to risk profile and customer preferences leading to greater choice for customers.

And in India we continue to reap the benefit of a strong banking platform which has seen an increase in sales in 2016.

Partnerships sit at the heart of our success in Asia

Gross inflows

In billion euro

18

Growing alongside our partners

Partnerships sit at the heart of our success in Asia, and these tend to be longstanding relationships that run deep. In addition to our move into Singapore in support of Maybank, we have also extended our geographic reach by working alongside our Thai partner, Muang Thai launching Life operations in Cambodia and Life and Non-Life businesses in Laos.

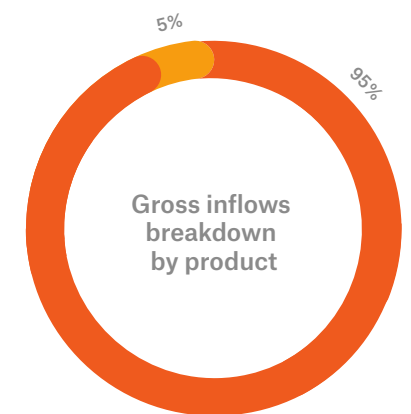
In line with Ambition 2018, we are also working alongside our partners on a range of digital initiatives. We have established a regional analytics team that is providing support across the whole region on a range of special projects ranging from retention, cross selling, fraud and new customer acquisition.

Our new business proposition in the Philippines is another example of our digital strategy in action. The approach is allowing us to be more communicative and responsive to the customer in what is a young, dynamic, tech savvy market.

The Ageas Academy has also provided an important framework for Ageas to explore untapped customer driven opportunities in both the Philippines and Thailand.

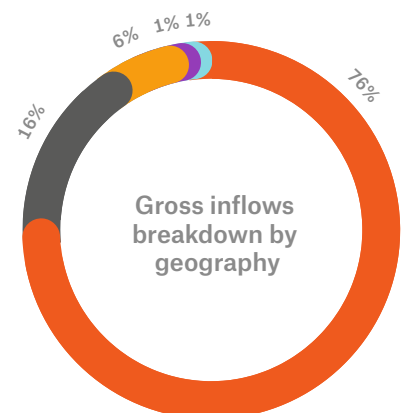
Continued focus on flawless execution will be important in 2017

As we look to the future, we must be ready for the unexpected and continue to focus on what we do well. Ageas remains well positioned across the region and we have a strong fundamental base. We have started well in Singapore and the Philippines and we have a good launch platform in Vietnam. The priority now is to continuing to execute well, ensuring that we are focused on the fundamentals of our business. At the same time we will continue to look carefully at potential market opportunities in markets like Indonesia as an example, provided they meet our strict criteria for market entry and M&A.



Gross inflows breakdown by product

Life 95%
Non-Life 5%



Gross inflows breakdown by geography

China 76%
Thailand 16%
Malaysia 6%
Hong Kong 1%
India 1%



This was an exciting opportunity to expand our footprint into Singapore alongside a trusted and valued partner in Maybank.

Sue Chi Kong, CEO Etiqa Singapore

Expanding alongside trusted partners

As Ageas explores opportunities to grow in Asia it is perhaps no surprise that it would choose to do so alongside existing partners. Ageas has aligned itself with long-standing Malaysian partner Maybank, to establish a Life operation in Singapore. The partnership between Ageas and Maybank in Malaysia dates back to 2001 and in Singapore the business operates under the name Etiqa Singapore.

Singapore is a vibrant and fast growing market and despite a population of just 5.5 million it is home to a large number of high net worth individuals. This is also an attractive market for Life products and the business is already producing very promising results. As a country, insurance penetration rates in Singapore are relatively low at 7.25% compared to the other more developed markets in Asia, and this represents

an opportunity. Singapore also benefits from one of the best developed regulatory and governance frameworks in Asia. Looking to the future, the business has got off to an excellent start in this promising yet challenging market.

China

| | | |
|---------------------------------------------|---------------------|---------------|
| Brand | Active customers | Staff |
| China Taiping Life Insurance Co Ltd. | + 16 million | 27,677 |
| Life | Agents | |
| N° 9 in gross inflows | 260,000 | |

India

| | |
|-------------------------------------------------|--------------------|
| Brand | Branches |
| IDBI Federal Life Insurance Company Ltd. | 3,014 |
| Active customers | Brokers and agents |
| 452,878 | 7,936 |
| Staff | |
| 2,129 | |

Malaysia

| | |
|-----------------------------------------------------------|------------------|
| Brands | Active customers |
| Maybank Ageas Holdings Operating under ETIQA brand | 3,758,768 |
| General takaful (net written premiums) | Agents |
| N° 1 | 11,262 |
| Cars covered | Staff |
| 1,570,309 | 1,948 |

Thailand

| | | |
|---------------------------------------------|------------------------------|--------------------|
| Brands | Active customers | Staff |
| Muang Thai life Muang Thai Insurance | 3.1 million | 3,843 |
| Life | Non-Life | Brokers and agents |
| N° 2 in total premium | N° 4 in total premium | 29,500 |

Vietnam

| |
|-------------------------|
| Brand |
| MB Ageas Life |
| Life |
| Start-up company |
| Staff |
| 64 |

Philippines

| |
|-------------------------|
| Brand |
| Troo |
| Life |
| Start-up company |
| Active customers |
| 107,149 |
| Staff |
| 401 |

Hong Kong

| |
|------------------------|
| Regional Office |
| Staff |
| 67 |

Milestones 2016



Troo, new Life insurer in The Philippines, open for business

Sale of Life activities in Hong Kong completed

MB Ageas Life receives license to operate in Vietnam

Muang Thai Life wins Prime Minister's Insurance Award 2016 for 10th consecutive year

IDBI Federal receives 'Bancassurance SME Leader' award



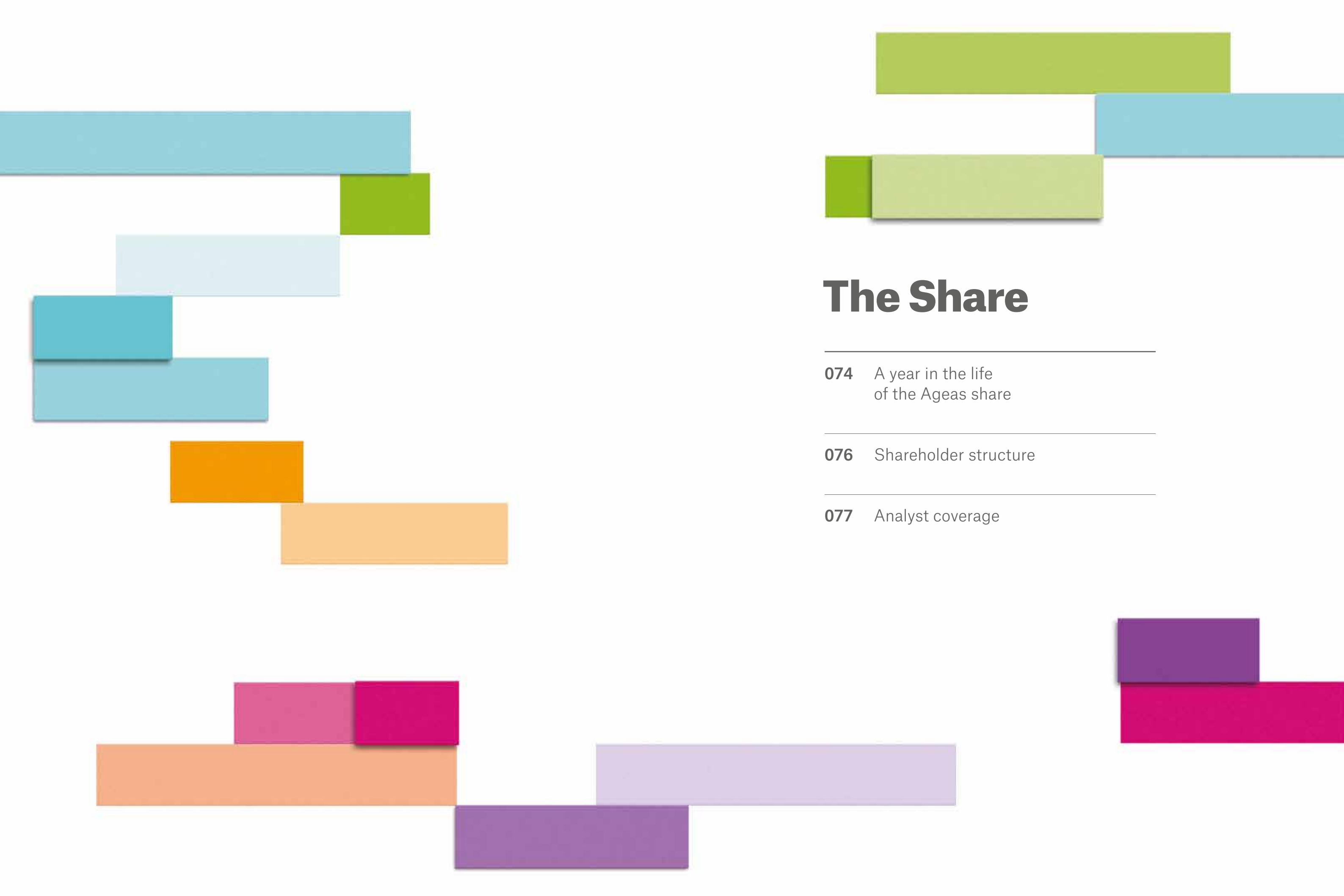
Muang Thai Group launches operations in Cambodia and Laos

eTiQa

Insurance & Takaful

Etiqa named Best General Insurance Company in Malaysia

Taiping Life named the "2016 Most Valuable Insurance Brand"



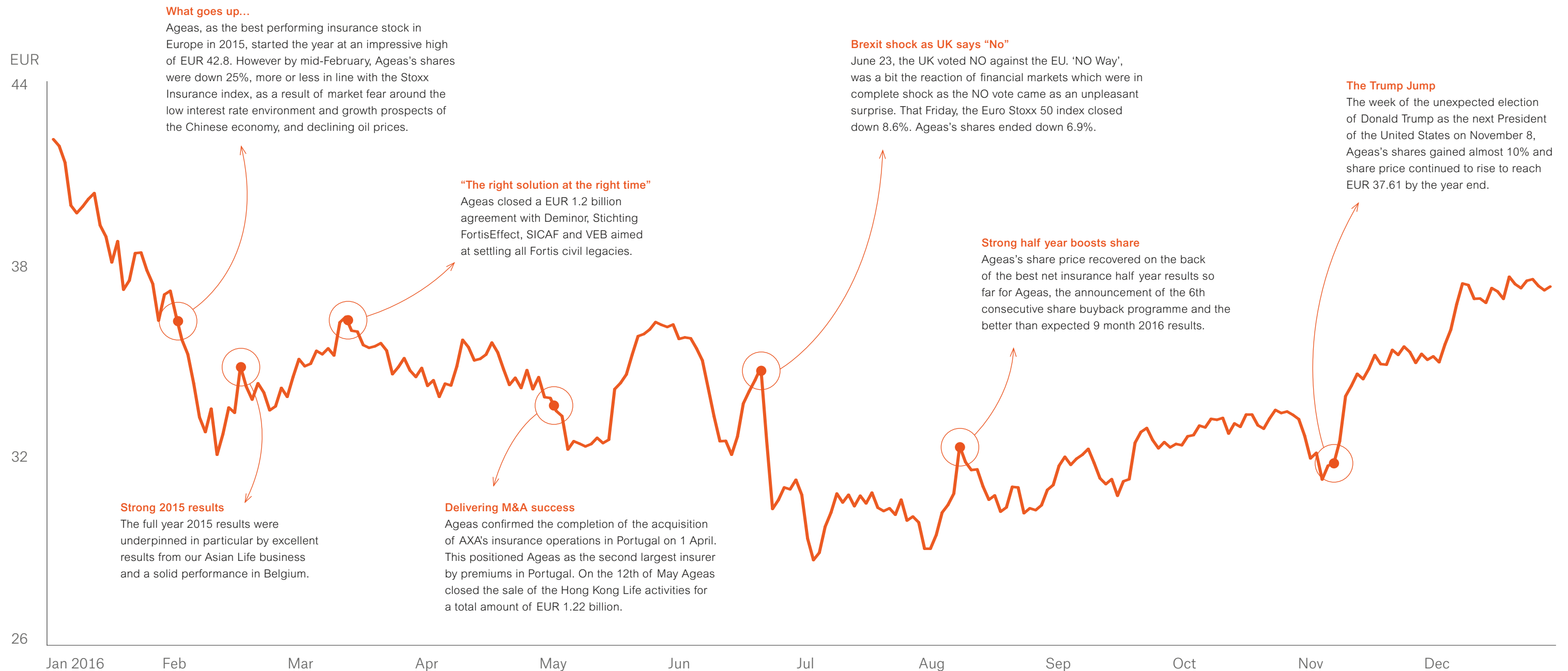
The Share

074 A year in the life
of the Ageas share

076 Shareholder structure

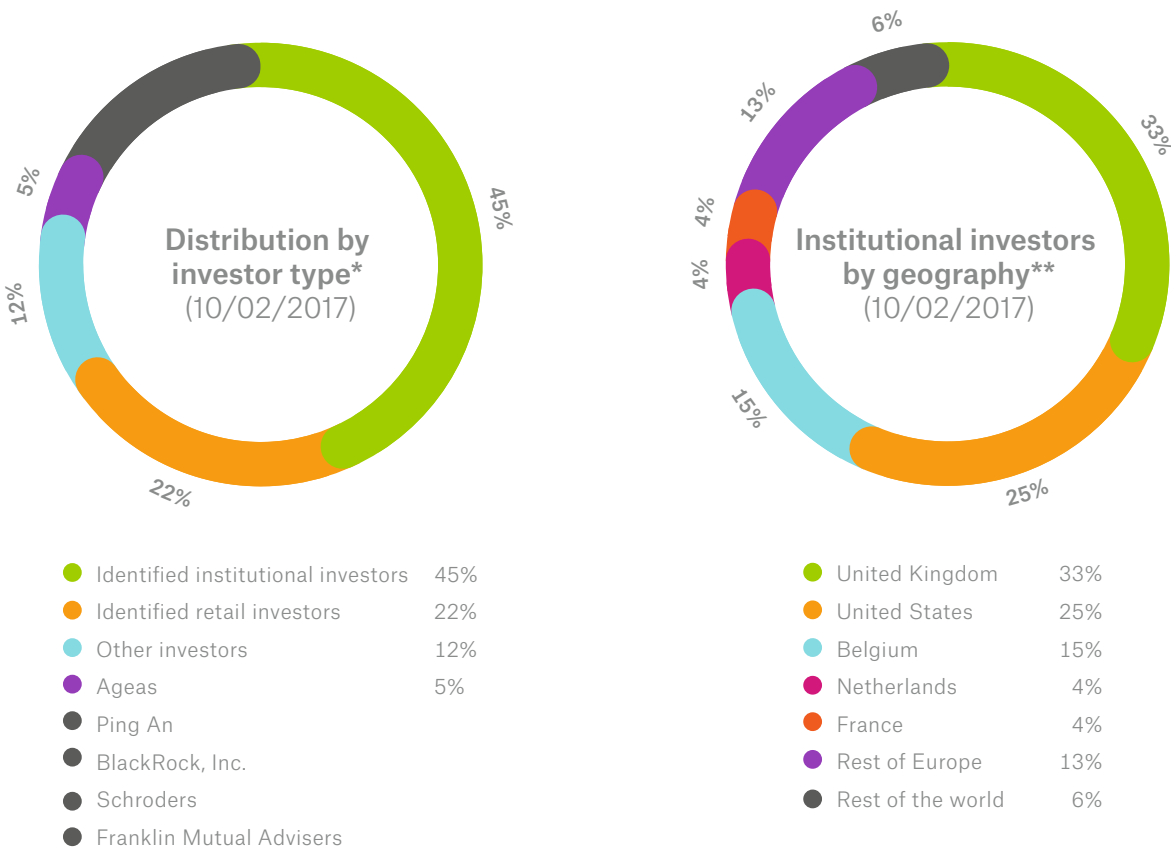
077 Analyst coverage

A year in the life of the Ageas share



Shareholder structure

Ageas's Shareholder base is well balanced and well diversified in terms of geographic split and shareholder composition, with the majority of shares held by institutional investors spread across the major markets of the US, the UK and the rest of the world. Retail shareholders also represent a significant proportion of the total, with the majority of these residing in Ageas's home market of Belgium.



* Estimated by NasdaqOMX.
** Based on number of shares as at 10 February 2017 and on last notificatons received.
For "Identified retail" and "Identified institutional" investors estimated by NasdaqOMX.

Analyst coverage

At the end of 2016, the Ageas share was covered by 14 analysts, 9 of whom gave a positive or neutral rating. More details can be found on the company website at ageas.com/en/investors/analyst-coverage

Financial share data (consolidated figures)

| | 2016 | 2015 | 2014 |
|----------------------------------------|-------------|-------------|-------------|
| Number of outstanding shares | 216,570,471 | 223,778,433 | 230,996,192 |
| Earnings per share (EUR) | 0.13 | 3.57 | 2.13 |
| Gross cash dividend per share (EUR) | 2.1 | 1.65 | 1.55 |
| Book value per share (EUR) | 46.56 | 53.59 | 46.6 |
| Market Capitalisation (in EUR billion) | 8.1 | 9.6 | 6.8 |

Financial Data

Income statement (in EUR million)

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------------------------------------|----------|----------|----------|----------|----------|
| Gross inflow (at 100%) | 31,653.8 | 29,791.5 | 25,781.3 | 23,220.4 | 21,269.3 |
| Gross inflow (Ageas's part) | 14,093.1 | 13,705 | 12,463.9 | 11,698.1 | 11,244.6 |
| Group net profit | 27.1 | 770.2 | 475.6 | 569.5 | 743 |
| — of which Insurance | 721.2 | 755.1 | 736.8 | 654.2 | 624.4 |
| — of which General Account (incl. Eliminations) | -639.9 | 15.1 | -261.2 | -84.7 | 118.6 |

Statement of financial position (in EUR million)

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------------------------------|-----------|-----------|----------|----------|----------|
| Total assets | 104,293.5 | 104,485.8 | 103,559 | 94,782.6 | 97,085.7 |
| Life Technical Insurance liabilities | 74,481.7 | 74,123.2 | 74,818.4 | 69,225.5 | 68,782 |
| Shareholders' equity | 9,560.6 | 11,376 | 10,223.3 | 8,525.1 | 9,799.4 |

Share information (in EUR)

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|-------------------------------------------------------------------|---------------------|-------|-------|-------|-------|
| Earnings per share | 0.13 | 3.57 | 2.13 | 2.49 | 3.13 |
| Gross cash dividend per share | 2.10 ⁽¹⁾ | 1.65 | 1.55 | 1.40 | 1.20 |
| (1) EUR 0.4 related to the divestment of the Hong Kong activities | | | | | |
| Share price at 31 December | 37.61 | 42.80 | 29.15 | 30.95 | 22.22 |
| Return on equity (insurance) | 10.6% | 11.0% | 11.4% | 10.4% | 10.7% |
| Insurance - (excluding unrealised gains & losses) | | | | | |
| Number of outstanding shares (in millions) | 205.3 | 212.3 | 219.4 | 226.4 | 231.8 |

Other data

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------------------|--------|--------|--------|--------|--------|
| Combined ratio | 101.1% | 96.8% | 99.6% | 98.3% | 99.1% |
| Solvency ratio Insurance | 178.8% | 182.3% | 205.5% | 207.1% | 203.8% |
| Solvency ratio Group | 191.2% | 211.6% | 209.8% | 214.2% | 228.6% |
| Employees (FTE) | 12,080 | 11,919 | 12,204 | 12,570 | 13,335 |





ageas SA / NV
Rue du Marquis 1 bte 7 - Markiesstraat 1 bus 7
1000 Brussels
Belgium

reporting2016.ageas.com