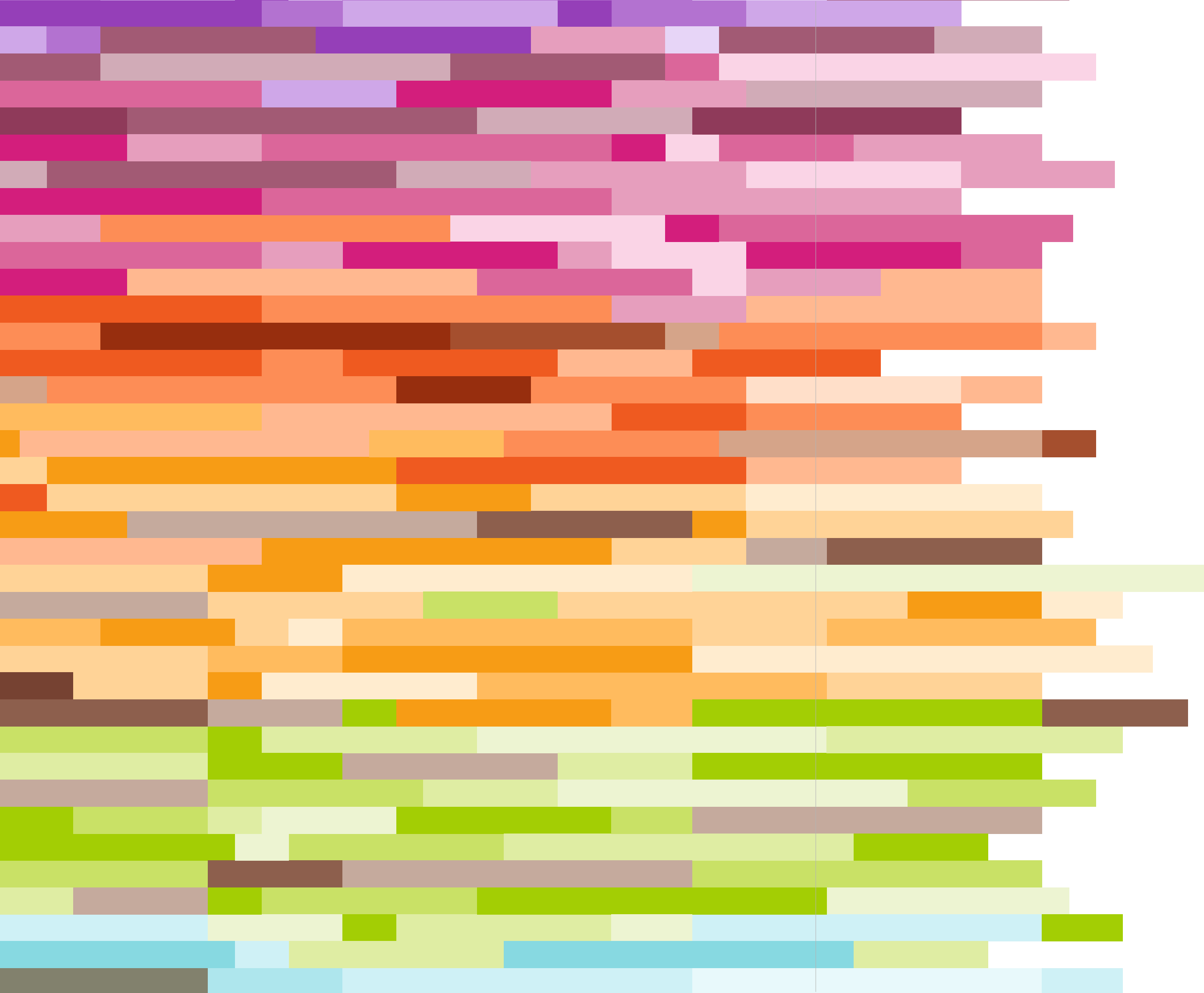


Partners in Insurance

2015

Business Report

ageas



Reporting 2015

Business Report

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Message to Shareholders

Dear Shareholders,

2015 was a year in which we delivered for our shareholders. Almost EUR 3 billion in market value was created. Ageas has quadrupled its market capitalization compared to 2009. We announced a smooth transition to Solvency II and a strong solvency ratio target of 175%. A 5th consecutive share buy-back programme was launched for EUR 250 million. Based on our 2015 results we will propose to shareholders a 6.5% increase in the gross cash dividend to EUR 1.65 per share.

But just as the ink began to dry on our 2015 performance, we made an important announcement related to the Fortis legacy. Together with a number of claimant organisations we have reached an agreement on what we believe is a fair and reasonable settlement of EUR 1,204 million to compensate those impacted by the Fortis events of 2007 and 2008. This is an important step forward for shareholders but also for our company. It allows us to regain full strategic and financial flexibility, and it means we can fully focus on the core insurance business and the delivery of our strategy. Whilst the process itself may take at least 2

New JV's in high growth markets and M & A transactions reflect our strategic choices.

years of years to complete, we are hopeful that this agreement will finally help draw a line under these legal proceedings.

Looking back at our actual performance in 2015, it is fair to say it was a busy year for Ageas. In line with our Vision 2015 choices, we announced the divestment of our Hong Kong activities for EUR 1.2 billion, one of the biggest deals made by a Belgian company last year, and our intention to acquire AXA Portugal for EUR 191 million that should propel Ageas to No. 3 in the Non-Life market in Portugal. We expect both transactions to be completed in the first half of 2016. We also entered two new markets in Asia. New Life partnerships were set up with Military Bank and Muang Thai in Vietnam, a highly populated country with low insurance penetration rates, and

with EastWest Bank in the Philippines, one of the fastest growing economies in Asia. And the creation of Intreas, an internal Non-Life re-insurance vehicle, illustrates how we are leveraging the power of the Group.

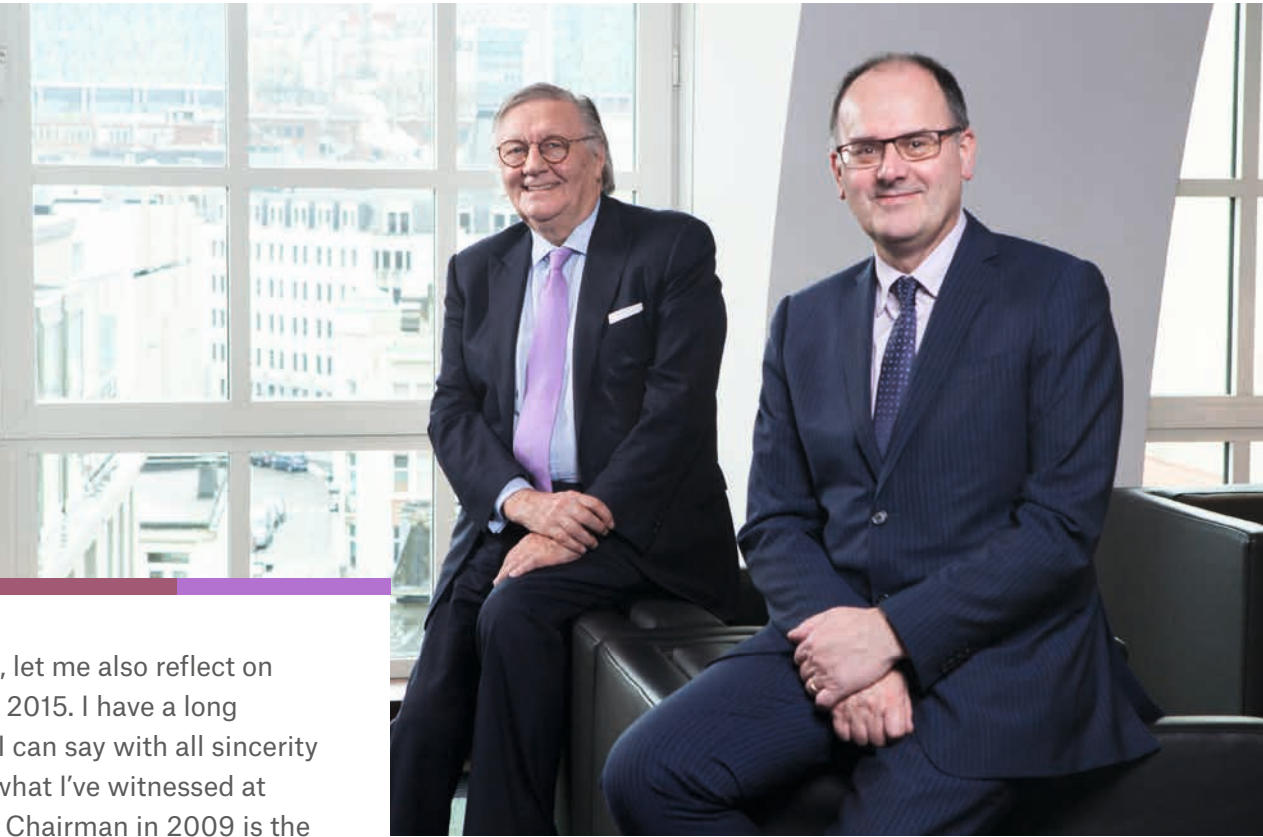
Our financial results in 2015 demonstrate the underlying strength of our insurance business with both net profit and inflows evolving positively with good overall momentum across both Life and Non-Life. The results were underpinned in particular by a record performance in Asia and solid results in Belgium. We achieved these results against a backdrop of volatile markets in both Asia and Europe and the negative impact of the UK December floods. We reported an insurance net profit of EUR 755 million and Group inflows increased some 16% to EUR 29.8 billion. At the same time we have made important progress in our operating performance reaching a combined ratio of 96.8% supported by an excellent operating performance in Belgium and Continental Europe. Importantly we ended the year with a strong balance sheet including EUR 11.3 billion in Shareholders' Equity, and a Solvency I Insurance ratio at 226%. Under the new Solvency II regime, the ratio for insurance stands at 182 %, which is above our target of 175 %.

Solvency II target

175%

Proposed gross cash dividend

€ 1.65



“As Chairman of Ageas, let me also reflect on Ageas beyond the year 2015. I have a long career behind me, but I can say with all sincerity that, without a doubt, what I’ve witnessed at Ageas since becoming Chairman in 2009 is the achievement I’m most proud of.

But it didn’t just happen. It is the result of great teamwork across the Group by many people with different backgrounds and experiences, working together in a very professional and transparent way, and openly sharing knowledge and expertise.

The history books will show that teamwork was the essence of our Vision 2015 strategy, and you will see that it is also deeply engrained in our Ambition 2018 strategy as a differentiator: we are creating synergies, bringing knowledge together from our various regions, while recognizing the power of local autonomy. The ability to successfully share best practices between markets and to learn from the experience of quite different worlds is fundamental to our strategic approach.”

Jozef De Mey, Chairman Ageas

We have seen double-digit growth, but more importantly sustainable growth.

As we look back at Vision 2015, we view it as a success: first and foremost, it brought more financial focus across the Group at a time when it was really needed. It allowed us to align everyone around a set of clear targets and choices. And while, for various reasons, we have today not yet reached all of those targets, we have made significant progress. We have seen double-digit growth, but more importantly sustainable growth. We have continued to demonstrate our ability to work in successful collaboration with our commercial partners, and we know from positive customer feedback that we are doing the right things.

Consistency will pay off

The cliché “Never change a winning strategy” is very true. It was one of our early conclusions when setting out to develop the Ambition 2018 strategy. There was no need to suddenly change everything and throw overboard all the good things that have been done. To do so would have suggested our **Vision 2015** strategy was wrong. We firmly believe that it was the right approach, and it provided us with the ideal platform to launch Ambition 2018. We also believe that consistency will pay off. And while our targets will be fine-tuned where needed, and our focus will be sharpened in certain areas, the main challenge is to prepare the company for the fast-changing world around us.

Board of Directors



Jozef De Mey
Chairman



Bart De Smet
CEO



Christophe Boizard
CFO



Filip Coremans
CRO



Guy de Selliers
de Moranville
Vice Chairman



Jane Murphy
Member



Lionel Perl
Member



Lucrezia Reichlin
Member



Davina Bruckner
Member



Richard Jackson
Member



Roel Nieuwdorp
Member



Steve Broughton
Member



Jan Zegering Hadders
Member

Yearly investment in innovative technology

€75 million

Nobody can predict with certainty how fast things will change, but one thing's for sure: there is no way back and the genie is well and truly out of the bottle. This will also be a cultural change for our company, of course, requiring additional skills, new ways of working, the identification of different types of partners, and the challenge of competing against new competitors. Therefore, as of 2016, Ageas has made a commitment to invest an extra EUR 25 million per year, on top of the EUR 50 million already committed, in innovative technology projects. It is a challenge — but exciting at the same time — and it is this more qualitative aspect of the strategy that is the differentiator between Vision 2015 and Ambition 2018. **We're building on our Ageas strengths and adding a new dimension to our story.**

We officially closed out Vision 2015 on 31 December 2015, but our plans for Ambition 2018 started much earlier. We view it as the next leg in a journey we began in 2011. We are on the same road but with renewed strategic choices and extended financial targets. **It is a long-term approach, not one focused on short-term wins. It's a marathon, not a sprint.** We are proud of what has been achieved on our Vision 2015 journey. It provided us with a strong platform for growth.

We are grateful to the entire management committee for their strong and determined leadership and to every single person in the company who has contributed towards our success. As we look forward to the next 3 years, we do so knowing that our shareholders are relying on us to do the right thing. **We know what is expected of us and we will not disappoint. Consistency matters. Performance matters.**

We will turn our ambition into a reality

Bart De Smet
CEO Ageas

Jozef De Mey
Chairman Ageas

Ageas in numbers

2015 was another good year for Ageas. It was also a year in which Vision 2015 was brought to a close, and Ambition 2018 was launched to the market accompanied by refined targets. Ageas delivered a strong insurance profit in 2015 underpinned by a record performance in Asia and solid results in Belgium. This was achieved against a backdrop of volatile equity markets in Europe and Asia. Inflows increased across both Life and Non-Life and the balance sheet remained strong, with solvency levels ahead of target, and a solid net cash position. The combined ratio improved, despite the impact of the UK December floods, and thanks in particular to an excellent operating performance in Belgium and Continental Europe. 2015 was also a year in which Ageas delivered for its shareholders culminating in a proposed gross cash dividend of EUR 1.65 per share.

Group net result



Insurance: EUR 755 million
General Account: EUR 15 million

Gross inflows (100%)



Life: EUR 23.5 billion
Non-Life: EUR 6.3 billion

Gross inflows (Ageas's part)



Life: EUR 9.3 billion
Non-Life: EUR 4.4 billion

Life technical liabilities



Insurance net result



Life: EUR 573 million
Non-Life & Other Insurance: EUR 182 million
Driven by a record performance in Asia and solid results in Belgium.

Shareholders' equity



Or EUR 53.59 per share.

Insurance Solvency I



Solid solvency ratio and higher than prior year (206%).

Insurance Solvency II Ageas



Comfortably above the 175% target

Gross dividend 2015 proposal



In line with the Ageas dividend policy to pay out 40 to 50% of the Insurance net profit. An increase of 6.5 % compared to 2014.

Combined ratio



Ahead of the refined 97% target. Excellent operating performance in Belgium and Continental Europe partly offset by the impact of the December UK floods.

Net cash position



Cash return to Shareholders

Buy-back



Dividend





Ageas and EastWest Bank announce the start-up of a new **Life insurance joint venture in the Philippines**.

Ageas confirms its intention to **acquire AXA's insurance operations in Portugal** in line with our Vision 2015 strategy to strengthen our position in a core market and grow in Non-Life, while adding an agency and a direct distribution channel.

Ageas announces the **sale of the Life business in Hong Kong** in line with the strategy to focus on growth markets in the Asian region.



Antonio Cano is appointed Chief Operating Officer, replacing Barry Smith.

in brief

Ageas, Military Bank and Muang Thai Life Assurance announce the **start-up of a new Life insurance joint venture in Vietnam**, a promising market with low insurance penetration rates and a high population of more than 90 million people.

Ageas announces a **new EUR 250 million share buy-back programme**: the 5th consecutive share buy-back in as many years.

Ageas unveils its **3-year strategy—Ambition 2018—** at annual Investor Day at which Ageas also updated the market on **Solvency II plans** which have now received regulatory approval.



Strategy Report

Who we are

Our Vision

Our strategy in action

Our HR approach

Responsible Entrepreneurship

Ageas: an international insurer with a local identity

United Kingdom

Belgium

Luxembourg

France

Italy

Portugal

Turkey

Employees 2015 - Full Time Equivalent

6,163

Belgium

4,289

United Kingdom

879

Continental Europe

462

Asia

126

Corporate Centre

11,919

Total

Being there for our customers

Ageas is an international insurance company backed by 190 years of experience in the insurance market, concentrating on property, casualty, life and pensions. 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. By offering a range of Life and Non-Life products—accessible through a broad range of channels—Ageas helps customers plan for the long term while protecting them against unforeseen risks to their welfare.

China

India

Hong Kong

Thailand

Vietnam

Philippines

Malaysia

Our vision

We are continuing on our journey to be...

A top insurer in Europe and Asia, growing in our existing markets and exploring new opportunities.

Experts in insurance, offering **Retail and Business** customers personalised solutions in **Life and Non-Life** insurance.

Evolving as an insurer by investing in relevant skills and new capabilities that reflect our **commitment to innovation** and a **strong entrepreneurial culture**.

A **Partner in insurance** with a proven competence in developing **strong and dynamic** partnerships with leading companies in the **local** market.

Organised in a way that allows us to reap the benefit of **local autonomy**. **Adding value** by sharing Group-wide best practices.

Well diversified with a **balanced portfolio** spanning both the **mature and growth** markets of Europe and Asia.

Our strategy in action

Vision 2015 A continuing story

Ageas has a clear vision of where it wants to be in the future, and what it will take to get there. We know the **role** we want to play, the **type** of company we want to be, and the **impact** we want to have on our stakeholders. As a **stakeholder-driven** company, we believe that delivering against the expectations of our stakeholders is really what matters. As we look back on Vision 2015 and forward to Ambition 2018, the strong focus on delivery is a consistent theme.

Vision 2015 – the right plan at the right time

Vision 2015 provided us with an opportunity to unite as a Group on the back of a set of five strategic **choices**, four financial **targets** and six **values**. The strategy brought with it important focus. It allowed us to look to the medium term, and helped us to prioritise our actions. It brought important financial focus across the Group, and we look back on it as the right plan at the right time. Our achievements in the past three years have been crucial stepping stones in an on-going journey.

Over the past three years, we have made **consistent progress** in line with our strategy—the most visible gain is the substantial improvement in the operating performance of our different businesses. While for various reasons we have not reached all of our targets to date, we view Vision 2015 as a success and are pleased with our progress thus far. We have delivered double-digit growth in our net profit, but more importantly sustainable growth. And our Combined ratio is ahead of target.

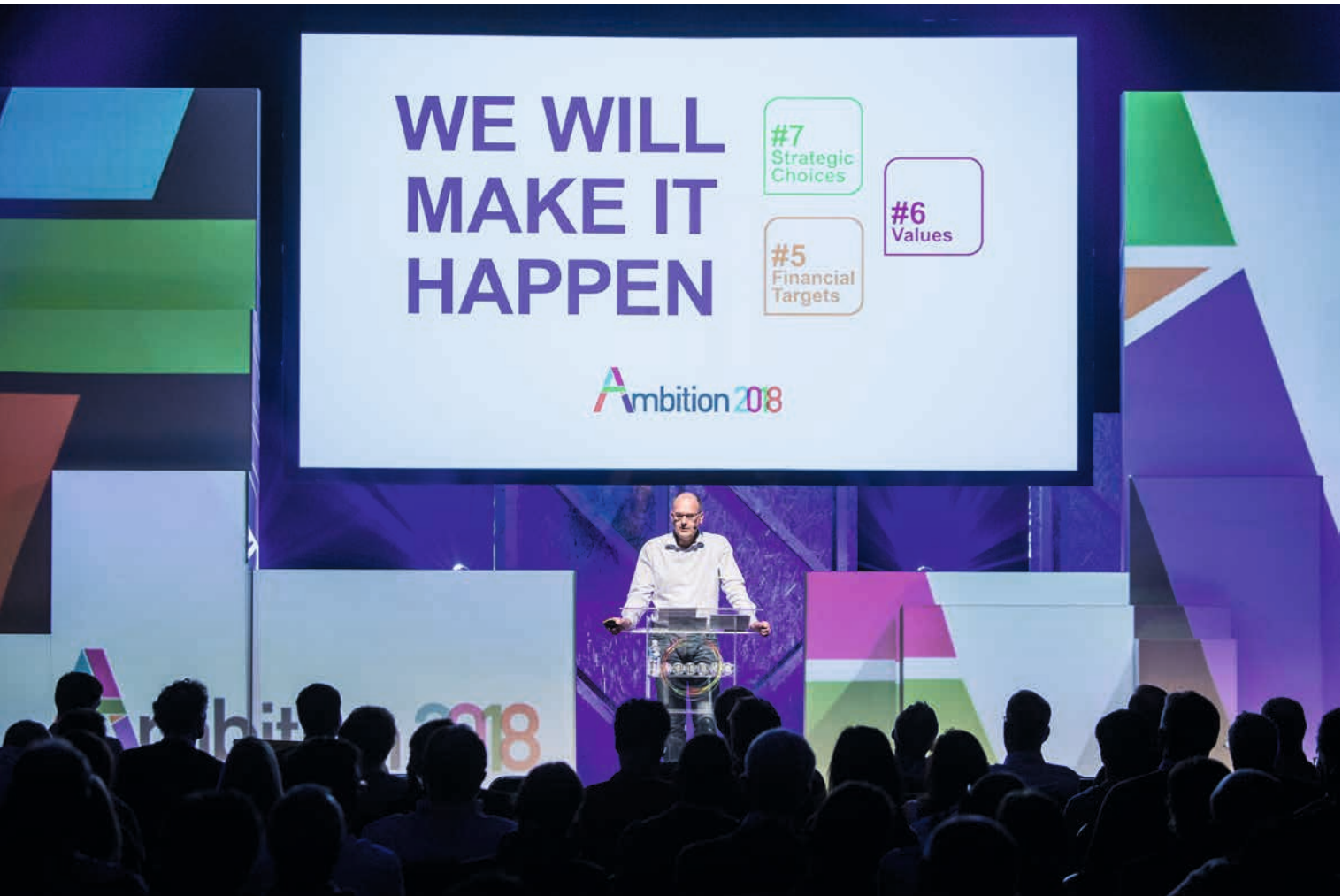
We added new distribution channels and made important value-added acquisitions in Europe. And we entered new growth markets in Asia, underscoring our ability to work in successful collaboration with commercial partners.

It's important to know where you have come from to understand where you are heading. **The end of Vision 2015 was an important milestone in our journey—but it is not the end of the road, rather the end of the beginning.** As we move into the next phase in the evolution of our strategy, we are confident that the choices we have made and the targets we set for ourselves were the right ones.

Moving forward from Vision 2015, we are continuing the journey of growth to Ambition 2018.

Ageas's Vision 2015 financial targets

	Target by end 2015	Position end 2015	Position end 2014	Position end 2013	Position end 2012
% Life / Non-Life inflows at Ageas's part	60/40	68/32	67/33	67/33	67/33
Combined ratio	<100 %	96.8 %	99.6 %	98.3 %	99.1 %
Return on Equity of Insurance activities	11 %	7.9 %	8.8 %	8.3 %	8.7 %
Return on Equity of Insurance activities (excl. unrealised capital gains/losses)		11 %	11.4 %	10.4 %	10.7 %
% capital in emerging markets	25 %	21.1 %	17.5 %	12.6 %	12.1 %



A long-term stakeholder approach as the key to sustainable growth

Building naturally on the achievements of Vision 2015, Ambition 2018 lays out our strategic plan for the next 3 years. It focuses on 7 strategic choices and 5 financial targets, and reconfirms our 6 values, consistent with Vision 2015. As we embark on this next stage in our journey, we do so confident that we are making the right choices to secure our future as an insurer.

Continuity is important, and our Ambition 2018 plan builds upon proven Ageas strengths and the things that differentiate us from others: a commitment to partnerships, a strongly embedded local business model, and a culture that recognises and promotes the benefits of knowledge sharing.



#7
Strategic
Choices



OMNI-CHANNEL



EUROPE & ASIA



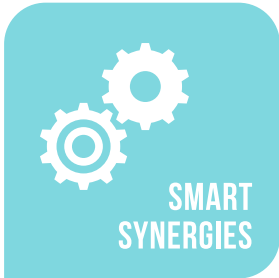
PARTNERSHIPS



FOCUS ON
INSURANCE



CLOSE TO
THE CUSTOMER



SMART
SYNERGIES



WELL DIVERSIFIED
PORTFOLIO

As we set out to define Ambition 2018, we considered what we had learned through Vision 2015, what had changed, and what might impact Ageas in the future. We recognise that the world is changing and that our role as insurer is also evolving. Change is being driven by many factors including developments in technology, the economy, regulation, and social or demographic trends. And in developing our strategic plan, we considered each of these factors and their potential impact.

Challenges facing insurers

Technology and digitisation are among the big game changers and challenges facing insurers. New trends around connected homes, wearable technology sensors and autonomous cars will impact the lives of our customers and, therefore, our role as insurer. To better understand these developments, Ageas will invest in new skills in a number of ways, including expanding our partnership model to embrace wider third-party collaboration with specialists. And we will adopt a more structured approach to knowledge-sharing across the Group, creating the Ageas Academy, Centres of Expertise and Platforms for collaboration.

Consumer behaviours are also changing. Customers are more discerning, seeking greater control and demanding the highest levels of service. As a part of that evolution, they expect a greater degree of customisation and personalisation. To meet this need, we are investing in data analytics to enable us to customise the customer experience and get closer to our customers. We will also use the data advantage to engage with our customers at an earlier stage, shifting the emphasis more towards risk prevention.

Passionate
Focused *to deliver.* Entrepreneurial.
on customers. Teamwork.
Trusted. Local.

#6
Values



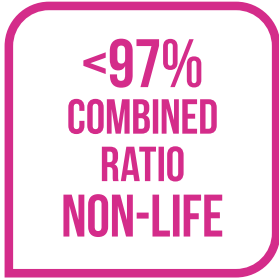
11-13%
RETURN
ON EQUITY



#5
Financial
Targets



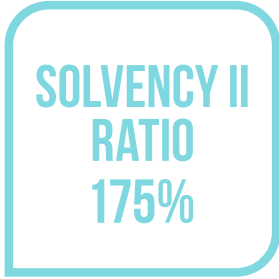
LIFE
OPERATING MARGIN
GUARANTEED 85-90 BPS
UNIT-LINKED 40-45 BPS



<97%
COMBINED
RATIO
NON-LIFE



40-50%
DIVIDEND
RANGE



SOLVENCY II
RATIO
175%

Partnership is part of our DNA

And we will continue to focus on building strong partnerships, including new partnerships with local distributors and specialised partnerships outside our industry for the benefit of our customers.

With Ambition 2018, we have chosen to stay focused on Europe and Asia. We will strengthen our core markets and focus on new opportunities in high-growth markets, particularly in Asia. We will grow further in Non-Life and in core protection products in Life. We will embrace new technologies as an opportunity to improve and enlarge our product offering, and we've made a commitment to invest in innovative technology-led projects.

Ambition 2018 is underway, and the next stage in our journey has begun. And as consumer behaviours change, we will keep exploring ways to get closer to our customers, tailoring our distribution to their demands and creating a positive customer experience across all channels.

HR embraces its role as a trusted business partner

If it matters to the business, it matters to us

In its role as a **trusted partner to the business**, HR made an important impact on the Group in 2015. The launch of 'Ambition 2018' will further challenge the business—and thus the HR community—to develop new skills and new ways of collaborating.

The concept of **working in partnership** underpins everything we do within Group HR. We collaborate with colleagues and partners to meet a wide variety of demands that range from advising on organisational issues through to sourcing talent and skills, developing people and setting up incentive programmes. We do so with high respect for local autonomy—supporting local entities and segments where we **add value** as a Group.

That value was particularly evident in the important contribution HR made to the M & A files pursued by the Group this past year. Together with the local HR teams, Group HR ensures that the right people and the right skills are in the right place at the right time—whether that's in Portugal, the new markets of Asia, or elsewhere.

As people make the difference, we constantly strive as a Group to ensure that we invest heavily in the development of our staff and our leadership. This past year, special attention was paid to the key areas of talent management and succession planning in particular for the Top 250. This is an important investment, and one we will continue to make to assure our future.

Engagement fuels action

According to Eddy Debrulle, Group HR Director: "Ageas is a company where individuals can make an impact by the things they do." This is one of the reasons people choose to work with us, and it's also the reason we engage closely with those who can make a difference in what we do.

In 2015 we created momentum and energy around our Employee Value Proposition, whose foundation was laid in 2014. We have been driving the message home and making the EVP live and breathe in the organisation, each time adding a specific local emphasis. In addition to development and reward programmes and increased communication, we have raised the importance of our



"Ageas is a company where individuals can make an impact by the things they do."

Eddy Debrulle
Group HR Director



Ambition 2018 ensures we are all pulling in the same direction.

employee engagement survey, an important barometer for measuring employee engagement and act accordingly.

"You know you are engaging with your people when you hear them talk about 'my company' rather than 'my employer'," says Eddy Debrulle.

And, to add further weight to the EVP programme, internal KPIs around employee engagement have been introduced in our Ambition 2018 employee statement.

Enhanced mobility programme supports knowledge sharing

Mobility continues to be important as Ageas looks to increase its ability to share knowledge. We make people aware that they work in a Group that is larger than their own entity. In this context, we've increased our transparency around potential job openings in the different entities. We are exploring more short-term assign-

ments related to special projects, and we will be promoting more talent exchange across the Group. Our historical focus on geographic mobility has also evolved to now include functional mobility, allowing people to move more between different job families.

Helping to deliver Ambition 2018

As Ageas looks to attract new skills to the Group, as part of Ambition 2018, HR has an important role to play. Being close to the customer, using data to improve the customer experience, leveraging new technologies, and finding better ways to structure and reward knowledge sharing and innovation all represent challenges for the HR department. For the business to succeed, it needs to develop the right leadership and enhance key skills. The decision to launch the **Ageas Academy** was born from these challenges, and it is now poised to go live.

Also in our approach towards recruitment, additional creativity will be needed to bring new expertise into the Group. For example, as we look to increase our knowledge in the digital space, concepts such as **co-sourcing** and new partnerships will have to be explored.

The world of insurance is changing, and the HR community is adapting to that new world and the challenges it presents as a **'people' partner in the business of insurance**.

Ageas Academy will help deliver Ambition 2018

Hans De Cuyper, CEO of AG Insurance

Ageas has launched an initiative to set up a new bespoke training and development platform – the Ageas Academy – in response to the challenges highlighted in our Ambition 2018 strategy. It is a business-led initiative that will be deeply embedded in our organisation and governance model, and accountable to the business. Hans De Cuyper, CEO of AG Insurance, adds that “the Ageas Academy will form a cornerstone to transform our promises to partners into success stories.”

As part of our work around Ambition 2018, we recognised that the world of insurance is going through a period of substantial change. To be successful we have to **embrace new skills and new technical capabilities**. The Ageas Academy provides us with a platform to help make that happen. Through the Academy, we are also **investing in the leadership of Ageas**, putting people at the top of our Ambition 2018 agenda. Through a process of continuous improvement, and by challenging our senior management and high potentials, we are ensuring our future.

A platform underpinned by collaboration and partnership

The development of the Academy is a powerful example of cross collaboration and partnership on a major scale. HR plays a critical role as the facilitator of this initiative, but the programme is strongly supported by the most senior levels of management, from the COO to business and functional areas and external partners. And while local training programmes already exist, and will continue to do so, the concept of the Ageas Academy allows us to take things to the next level.

The good news is that an abundance of experience already exists across the Group and through our external partners. We needed a structure that would enable knowledge sharing in a more disciplined way. And where new skills are required, we will import the right expertise and expose our senior managers to the latest thinking around a range of future-oriented topics.

A shared learning environment that differentiates us

The Academy will increase collaboration and will further improve skills by exposing management to best practice through many different media. It also represents an opportunity for our partners. Our external partners will share their expertise across the Group, but at the same time these same partners will tap into this unique learn-

"Partnership is part of our DNA, and the Academy allows us to spread our leadership learnings on partnerships into our organisation."

ing environment to enhance their own capabilities. It is a shared learning experience that differentiates Ageas and enhances our efficiency and our response to the customer. Hans De Cuyper, CEO of AG Insurance, stresses that “Partnership is part of our DNA, and the Academy allows us to spread our leadership learnings on partnerships into our organisation.”

The Academy will be structured around **three faculties: Customer Focus and Business Development; Leadership and Management; and Risk and Finance**. Each faculty has a dedicated senior business sponsor responsible for content to ensure its relevance to our strategic objectives. As a bespoke and ‘invented here’ Academy, the programmes offered will reflect the strategic priorities of Ambition 2018. The work of the Academy will extend beyond the classroom to include learning partnerships, online and virtual programmes, platform events and a dedicated website.

The formation of the Ageas Academy provides us with a visible platform for Group-wide knowledge sharing, and it will help keep us firmly focused on delivering against our Ambition 2018 priorities.



Responsible Entrepreneurship

A way of life for Ageas

Ageas views the concept of Corporate Social Responsibility as an integral part of its business. This ethos defines who we are as a Group and what we represent. As an insurer, our philosophy is to always add value to everything we do. This extends to the way we engage with our stakeholders and give back to society. We call it 'Responsible Entrepreneurship'. It is about creating long-term sustainable solutions around important societal issues. It is about playing a tangible role in society. It is about creating opportunities for people and businesses to thrive, grow and innovate. Through our actions, we enable communities to flourish.

Working with our partners on the basis of mutual respect and trust, we add value wherever possible.

Making a positive long-term difference to the lives of our stakeholders

Adding value means positively impacting the lives of those we touch. This interaction takes many forms. As an employer, we engage with **our 12,000 people** around the world to create the best working environment by focusing on issues that matter to them. We exist for **our customers**, helping them to achieve their personal ambitions, and providing peace of mind when they need it most.

Working with **our partners** on the basis of mutual respect and trust, we add value wherever possible. Our **investors** know we deliver long-term sustainable growth and appreciate that we conduct ourselves correctly. And finally, we recognise our responsibility to **the communities** in which we operate. Through our support of a broad range of philanthropic activities, we engage, enrich and improve the lives of people in these communities.

Leveraging the Group's assistance across the company is always encouraged, but we strongly believe in **local empowerment**. Insurance is a local business and the needs of the local community can best be identified and supported by those who work on the ground. In light of this, most of the local projects we support and conduct, and how they are executed, are left to the responsibility of local operating companies.

While there is much evidence that we are making a real impact, we also realise this is, and will always be, a work-in-progress as the needs of society change and we look for ways to expand our role as a good corporate citizen.



We engage in a broad range of projects around the world. These are just a few examples of how we make a difference.

Etika Takaful comes to aid of flood victims in Malaysia

Etika Takaful, in collaboration with Islamic Aid Malaysia (IAM), ramped up their efforts to aid the victims of the Kelantan floods by participating in the construction of some 46 new homes. The homes were financed by Etika Takaful's zakat fund and its customers' tabung amal jariah—which, in line with the core principles of takaful, is derived from the distribution of surplus contributions.

Describing this effort, Ahmad Rizlan Azman, CEO Etika Takaful, stressed that "Caring for people is absolutely vital for the sustainability of our business. We strive to provide convenience and meaningful lives to families who have been left homeless by the floods."

Ageas UK expands work with road safety foundation around needs of older drivers

As part of its work with the Road Safety Foundation, Ageas UK last year threw its weight behind the Older Drivers Task Force, which stemmed from one of the key recommendations coming out of the Making Road Safety Pay report commissioned by Ageas. It is a response to the specific challenges facing the fast-growing population of older drivers. As Britain's third largest motor insurer with a significant share of the older driver insurance market, Ageas UK saw this as a very natural fit with its business focus.

By 2030, the number of drivers over 70 will grow by another 50%. It is important that we improve our understanding of what older drivers and their families need and want when it comes to safe driving, and what role new technologies can play in keeping older drivers safe on the road.

The aim of the Task Force is to provide practical support for older drivers and their families in the form of a comprehensive



native national strategy. Initiatives to be considered include a focus on self-help, driver assistance technologies, better in-vehicle protection and road design for older drivers. The Task Force will review national and international evidence and best practice. It is expected to report its findings to government in mid-2016.

AG Real Estate provides support to refugees

AG Real Estate stepped up to the plate, supported by the City of Brussels, in opening up more than 1000 square metres at Canal Wharf to refugees, providing them with a place to go and a place to interact alongside a number of core support groups.

Canal Wharf is a residential project situated along the canal in Brussels. NGOs and local associations—including Samu, Oxfam, Doctors of the World, and the Civic Platform—wanted to provide a decent shelter for the refugees. A number of services were made available to the refugees

on-site such as providing a meeting place with refreshments, a school and activities for children, legal advice, medical assistance, a barber, laundry, etc.

Through these kinds of collaborative actions, AG Real Estate is providing important assistance to those facing difficult times. "By making this space available, we are taking responsibility and demonstrating our human values," says Serge Fautré, CEO of AG Real Estate.



Aksigorta unites to support the needs of the Turkish community

Working in the community is common practice for Aksigorta in Turkey, and the scope of initiatives undertaken by the company broadly reflects the country's social needs.

The Aksigorta Fire and Earthquake centre within the Istanbul Technical University Science Centre provides a hands-on interactive experience to young children. It also aligns well with Aksigorta's core business. Using the most advanced technology of its type, fire and earthquake simulators help educate children about the reality of catastrophes.

Alongside this type of corporate-led initiative, employees also sit front and centre in the company's efforts in the community, giving their time on a voluntary basis. A Social Responsibility Club, supported by the company, has been established through the initiative of employees. The revenue from a local charity bazaar, where employees sold products they had manufactured, allowed the Club to donate basic stationary equipment to 7 local schools, provide financial aid to talented children who have lost a parent, and provide basic provisions like toothbrushes and toothpaste to those most in need. Aksigorta employees also united behind an important campaign to raise awareness of important initiatives around the 'provision of safe blood' and 'Turkish stem cell' projects.



Fire and earthquake simulators help educate children about the reality of catastrophes



Performance Report

Belgium

United Kingdom

Continental Europe

Asia

An aerial photograph of a Belgian city, likely Brussels, showing a dense urban landscape with numerous buildings and a prominent Gothic church spire in the center. The sky is clear and blue.

Performance Report

Belgium

The No. 1 player in the **Life** 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 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.

"2015 was a strong year for AG Insurance. All our core activities contributed to the growth and profitability of the company. At the same time, we continued innovating and preparing our business for the digital world of the future."

Hans De Cuyper
CEO Belgium



A focus on turnaround in 2015

2015 was the year that AG Insurance continued to improve its operational performance in general, and in Non-Life in particular. We have achieved a Combined ratio below 97%, as we aspired to do in Vision 2015. This was the result of the fact that firstly, compared to last year, there was no single weather event weighing down our performance, but more importantly we took decisive pro-active actions to prune our portfolio and adjust our tariffs.

Successful transition towards Unit-linked

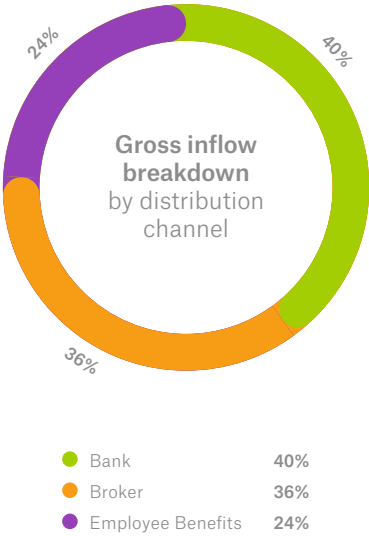
As the dominant player in the Life market, we continue to explore ways to offer attractive returns to customers for our savings products despite the negative backdrop of continuing low interest rates. And while this situation does not impact our existing book, for new business we are witnessing a reduced appetite for short-term investment products. We have been very successful in converting part of this into Unit-Linked business, and we launched new Unit-Linked offerings through private banking alongside the space we already occupy in retail banking with BNP Paribas Fortis.

The appetite for pension-related products remains high and we continue to grow in this segment. New regulations designed to reduce the pension gap could lead to new business opportunities in 2016.

AG Real Estate continues to be important within AG Insurance. We have rebuilt our real estate exposure, following the sale of 39% of Interparking last year, concluding a number of important transactions in Belgium and abroad. Our Employee Benefits business has remained

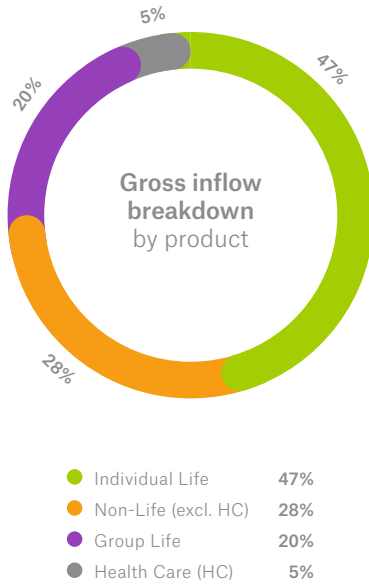
Gross inflows

€5.7 billion



Net profit

€384 million



Combined ratio

94.7%



AG Real Estate
Boulevard Anspach,
Brussels

strong and, through digital developments, we started to connect directly with employees rather than only with the employers themselves.

AG Insurance retains top position in broker community

As the No. 1 player in Life and the No. 2 player in Non-Life, we are still viewed as the leader in products and service quality. An external survey among brokers conducted by ICMA confirmed our position as No. 1 in customer service, a position we have held for 9 of the past 11 years. We received the FVF ‘Gulden Regel’ award from brokers for our support of the digitisation of the broker community. And once again, in 2015, we won the DECAVI Life Insurance ‘Trofee van de Makelaar’.

Digitisation is becoming a reality

As the market leader, we also follow closely trends in customer behaviours, and in this context the growing influence of technology. Digitisation is starting to impact the way we do business—particularly on the servicing side—and we expect this to be important in our ongoing efforts to get closer to the customer. We have a clear strategy on how we will integrate these new technologies into the way we do business in support of our distribution channels, and we have created a dedicated digital transformation office to ensure we have a coordinated approach across the business.

Recognising the increasing importance of data, we are also strengthening our data analytic capabilities. In this context, we are completely revamping our motor repair workshops based on historical statistical data. And in 2016 we will put greater emphasis on data analytics as part of our efforts to strengthen our ‘Business to Business to Customer’ relationships. We are evolving away from a linear relationship between the broker and the customer towards a more triangular model that allows us to get closer to our customers alongside our partners. At the same time, we are increasing the support to our distribution partners, providing them with access to stronger technological platforms. In short, we will embrace the digital revolution and leverage big data for the benefit of the end customer, our partners and ourselves.

2016 is about creating stability and a meeting of minds around the customer

As we look forward to 2016, we view this as a year to stabilise our performance in Non-Life at the levels we see today while aiming for more profitable growth.

The broker channel and bancassurance remain business-critical for us in Belgium, and in building out our digital capabilities we are also developing tools that strengthen the presence of our bank partners and the brokers. Together with those partners, we want to ‘get closer to the customer’ and increase our engagement with consumers, based on new technologies.

Brands

AG Insurance
AG Real Estate

Brokers

4,000

Policyholders

3 million

N° 1 Life

27.7% market share

N° 2 Non-Life

16.5% market share

Staff

6,163



In the news

Belgium

Working with partners is part of life at AG Real Estate

AG Real Estate invests in a wide range of real estate projects alongside a diverse range of partners and investors. Next to bonds and equities, real estate is an asset class that provides important returns at a time of prolonged low interest rates.

Even though AG Real Estate is the leading real estate asset manager in Belgium, its portfolio is anything but domestic. Among its 2015 investments AG Real Estate acquired a 36% partnership stake in a portfolio of suburban big box retail space, the largest transaction of its kind in Germany. In France, the company made its first office investment in Lyon, purchasing off plan the iconic 'FACTORY' building within the Ynfluences Square city block. Also in the Lyon area, a nine-year lease with BUT will provide a 60,000 m² logistics platform.

And closer to home, AG Real Estate acquired shares in the holding company that owns the VAC Ghent office building. In Brussels, work has begun on The Mint, the hottest retail location in downtown Brussels. Through this project, AG Real Estate has taken centre stage as the leading developer of prime commercial real estate in Europe. Together with Groep Heylen, AG Real Estate also set up a new 50-50 joint venture to invest in logistics real estate in Belgium and the Netherlands.



AG Real Estate
Kouterhof, Ghent

AG Insurance responds to climate change

AG Insurance also launched a new motor product, OmniNature, which responds to a need arising from climate change and the increased frequency of damage from freak weather-related incidents such as hail, storm, floods, etc.

The estimated cost of car damage from a simple hail storm is in the region of EUR 2,500. Customers whose car is too old for full comprehensive insure can choose to cover themselves specifically against these acts of nature. This way, OmniNature allows customers to maintain protection for their car in the specific case of climate-related damage at a reasonable cost.



Hans De Cuyper
CEO Belgium

Leadership change at AG Insurance

As part of a management reshuffle, Hans De Cuyper, a Belgian national, has been named CEO of AG Insurance, the largest single business within Ageas. He replaces former CEO Antonio Cano, who has assumed the role of Chief Operating Officer for the Ageas Group.

Hans brings to this role extensive management experience and a track record of success with Ageas spanning more than 10 years. Over that time, he has held a number of positions including Director Risk & Finance, CFO and CEO in our Asia Operations, where he was head of Etiqa Insurance and Takaful in Malaysia. Hans joins the Group Management Committee.

This year's milestones

**Strong operational
results in Belgium
lead to a Combined
ratio of 94.7%**

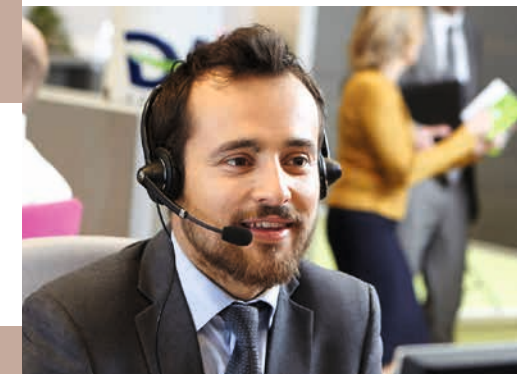


**AG Insurance maintains
top position as Brokers'
favourite insurer**



**AG Real Estate restructures
portfolio at home and abroad**

**Hans De Cuyper
replaces Antonio
Cano as CEO,
AG Insurance**



**Customer and employee
initiatives underpin
'Supporter of your Life'
concept at AG Insurance**

Creating customer value through partnership

Jean-Luc Claes, Risk Manager of Tiense Suiker

When AG Insurance launched the **'Supporters of Your Life'** concept, it was a solid reaffirmation of the company's commitment to its customers but it was also a restatement of the brand promise. That 'promise' is based on a clear vision of what insurance is and what it should be in the future.

Our role as an insurer is to be a trusted reliable partner to our customers. That's the way we prefer to conduct our business. We need and want to be there for them at every key stage in their life, not just when things go wrong. That means closer collaboration with customers on an on-going basis. And this is being achieved through both physical contact and also, when appropriate, through digital solutions.

It's the people that make the difference

'Supporters of Your Life' is about people. People make a difference to the lives of our customers by going the extra mile. The way we treat people, and the quality of service we provide to them, are critical factors when establishing strong client relationships. By motivating an army of 4,000 'supporters' across the company, we are helping create real momentum behind our efforts to go the extra mile. We are evolving away from the traditional image of an insurer as someone who collects premiums and pays out claims, to a role that adds value to the customer on a more permanent basis. That relationship is built on providing customers with services that go beyond the norm. It is about focusing on prevention, preparation, and the simplification of all of our processes.

"We found a partner that thinks *with us*"

Tiense Suiker, a business customer of AG Insurance, has a workforce of 600 employees and AG Insurance provides accident coverage across 7 contracts. They are supported by Safety Consultants from AG Insurance, an internal team of prevention specialists, who among other things carry out periodic safety audits across all sites to assess risk and preventive measures, from which a concrete list of recommendations is presented to the company. As Risk Manager, Jean-Luc Claes of Tiense Suiker emphasises that "in the Safety Consultant department of AG Insurance we have found a partner that genuinely thinks *with us*." He adds that "thanks to their expertise and their external perspective, Tiense Suiker is better able to assess risk levels and to work out a true prevention plan for the long term. We talk as mature partners, respecting each

other and without hidden agendas. All problems are discussed and jointly analysed to find structural solutions. We sit down annually with the broker, the claims management team, as well as underwriting and the Safety Consultant at AG Insurance to discuss how things can be improved."

The customer experience is all that really matters

We place the needs of the customer first, at every touch point in the client relationship. CEO of AG Insurance, Hans De Cuyper, emphasises: "We must ensure a permanent commitment to the customer from a positive

"We place the needs of the customer first, at every touch point in the client relationship."

angle: prevention and assistance, with personal advice and constant support in all phases of life. **We represent a customer- and solution-oriented approach, whereby employees and agents think alongside the customer.** How people think about us links directly to what they experience, and therefore the way they are served by our staff."

In addition to the advisory role we play for companies like Tiense Suiker, the 'Supporters of Your Life' concept extends to a broad range of initiatives. For instance, we redesigned our website with a lot of peripheral information for customers, provided access to learning centres and answers to FAQs, and we created a client-focused newsletter. In the important area of customer service, we are paying more and more attention to explaining upfront the process, procedures, next steps, and customers rights in cases where customers are victims. We are also benefiting from the way we are able to leverage data, ensuring that our offering to customers is targeted precisely to their needs. We must always add value in our interactions, and data helps us do that. 'Supporters of Your Life' is a way of life for the employees of AG Insurance. It is integrated as a concept into every aspect of their life as an employee, to the customer's benefit.

An aerial photograph of London, England, featuring the Tower Bridge in the foreground, the River Thames, and the City of London skyline in the background. The image is split vertically by a thin white line.

Performance Report

United Kingdom

Ageas UK provides **Non-Life** products through a range of channels, including brokers, high-profile affinity partners and the Internet, as well as direct to the customer through our brands RIAS and Castle Cover and via Kwik Fit Insurance. With 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 brands—RIAS and Castle Cover—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.

"We aspire to be respected by brokers and partners and trusted by our customers. Even though we've been through a period of significant change for the business and we're facing challenging market conditions, we're delighted that brokers, partners and customers continue to give the level of service we provide, especially to customers in their time of need, very high ratings."

Andy Watson,
CEO UK



A solid performance in a challenging market

In 2015, our business in the UK operated in a challenging market environment. And following the sale of Ageas Protect, we began the year exclusively focused on Non-Life and continuing our multi-channel approach supporting brokers, partners and our own retail business.

It's been a tough few years for motor insurers, with prices falling against the backdrop of increased claims costs linked to the emergence of a compensation culture. We began to see an increase in prices during the course of last year in reaction to claims trends, which is encouraging for the market. But, at the same time, we also saw a higher number of motor accident claims due to more traffic on Britain's roads as a result of the improved economy. To manage our position in this market, we took deliberate pricing action and were among the first insurers to increase premiums, which the market has now followed.

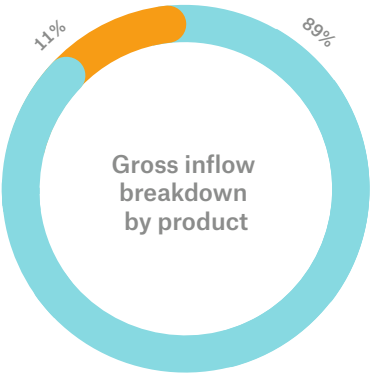
Household insurance premiums have also been falling during this same period, and this looks likely to continue among very competitive market conditions.

New and extended partnerships in 2015

2015 was also a year in which the important role that our partners play in our success was reinforced. We agreed a 10 year extension to our contract with Age UK, a relationship that will span an unprecedented three decades. Agreements of this tenure are rare in the world of insurance, and ours is a reflection of the trust and confidence both parties have in one another. We also launched a new

Gross inflows

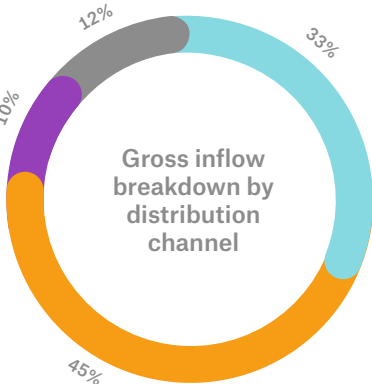
€2.5 billion



- Personal lines 89%
- Commercial lines 11%

Net profit

€30 million



- Direct 33%
- Brokers 45%
- Partnerships 10%
- Managing General Agents & Delegated Authorities 12%

Combined ratio

102%

insurance proposition with Virgin Money, a significant consumer brand in the UK with values that are closely aligned with those of Ageas. For the customer, this will mean, for instance, the same pricing irrespective of the channel they use.

Alongside our partnerships, the broker community is absolutely critical to our success. We do everything we can to support brokers, and our relationship was given an important boost in 2015 when we received our first interactive financial rating from Standard and Poor's and Fitch. This is particularly important when trading with Commercial brokers who seek to work with A-rated insurers. The initial A positive rating awarded to us by Standard and Poor's in March was subsequently improved to A stable in November, providing further affirmation of our financial strength and giving our brokers and partners the confidence that we'll be able to meet their customers' needs.

Being there for our customers

At the end of 2015, we saw once more the devastation that can be created as a result of heavy flooding. It's at times like these that the customer needs us the most, and we're extremely proud of the work of our claims handlers during these difficult periods. Many of the team received specific flood training or re-training in the past year to

"We constantly aim to distinguish ourselves through customer service."

ensure they understand the impact of such events on the customer. We aim to focus on managing the predicament of our customers from finding alternative accommodation to accessing emergency funds.

In the Commercial lines sector, our efforts to increase our profitability started to pay off, particularly in our fleet and SME business. This followed a strategic review of how we underwrite and distribute these products and, as a result, we have been more disciplined and targeted in selecting customers and have also developed our digital capability to make it easier for brokers to work with us.

We're proud of our position as the No. 2 specialist in the over-50's market, and we look to support this demographic in a number of ways. Our on-going work with the Department of Transport and the Road Safety Foundation led to our support for a Taskforce that will examine how we can keep older drivers on the road safer and longer. The results of this will be reported in Spring 2016.

We concluded the integration of Groupama Insurances into Ageas Insurance as part of a three-year programme that saw the insurance businesses merge, with the delivery of cost-savings on target and on schedule. We also simplified our Retail business, consolidating a number of legal entities into one, and migrating different IT systems onto a single IT platform.

Our relationship with Tesco Underwriting continues to perform very well, following the extension of our motor and home insurance arrangements with this important strategic partner.

Focused on customer service

As a business, we constantly aim to distinguish ourselves through customer service—and 2015 was no exception. This year in household insurance we achieved a 91.9% rating in the Institute of Customer Service survey—versus 77% for the insurance industry as a whole—and with our nearest insurance competitor rated at 83.5%. Our Motor and Travel business was also accredited with the Institute of Customer Service ServiceMark based on customer feedback.

Investing in digitisation

The digital world is becoming increasingly important to customers as they become more savvy with technology and look for convenience and personalised services. As we aim to get closer to our customers, be they brokers, partners or end-consumers, we need to better understand their behaviours. We view digital as part and parcel of an omni-channel approach and a reflection of the fact that customers want to deal with us however they choose: on the phone, through the website, or through mobile applications. It's also important to them that this be seamless, meaning that they can change the way they deal with us and still have a consistent service. In the longer term, with the connected world gaining pace, we're also staying close to developments around driverless cars and connected homes to understand the impact on customers and the insurance model, as well as to identify the potential opportunities.

Brands

Ageas Insurance
Tesco Underwriting
RIAS
Castle Cover
Kwik Fit Insurance

Staff

4,289

Brokers

2,300

Active customers

±7 million

Homes covered

2,030,000

Vehicles insured
N° 3 in Private Motor

3.8 million



Partnership, a key element of the strategy for Ageas UK

Ageas UK continues to align itself with like-minded brands to meet customer needs, most recently launching a new strategic partnership with Virgin Money for Home and Motor insurance.

Virgin Money is recognised for outstanding customer service and high-quality products, so we were proud to be trusted as their insurance partner in this super-competitive market.

At the same time, we announced a 10 year extension to our partnership with Age UK Enterprises in the traditional areas of Home, Motor and Travel Insurance, alongside some new more specialised product ranges. The relationship between Ageas and Age UK dates back to 2006, and this extension demonstrates their confidence in Ageas and a clear alignment of objectives towards the customer.

These latest developments follow on from a string of other partnerships being confirmed, including the extension of Tesco Underwriting and John Lewis and a new partnership with Volkswagen.



Ageas UK tops customer satisfaction survey

Ageas UK places customer service high on the list of its priorities. In last year's survey by the Institute of Customer Service, Ageas achieved a 91.9% satisfaction rating in the household sector, versus an insurance average of 77.1%. The survey takes into consideration customer effort, satisfaction, loyalty and their likelihood to recommend. Achieving the ServiceMark reflects a commitment to continuous improvement in customer service standards.

Earlier in the year, Ageas also won the coveted 'Insurer Team of the Year' award at the Modern Claims Awards ceremony.



Insurer Team of the Year

This year's
milestones

Ageas UK
completes sale
of Ageas Protect

Ageas receives
first interactive
financial rating
from Standard
& Poor's



Ant Middle named CEO Ageas
UK Retail and Steve Kingshott
CEO Tesco Underwriting



10 year extension to
Age UK partnership in UK



Ageas UK and Virgin Money
launch new partnership

Partnership story

A partnership based on shared values



Anthony Mooney
Director of Financial Services at Virgin Money



When Ageas UK and Virgin Money entered into an agreement that saw both businesses work together to create a range of Home and Motor Insurance products for the UK market, it was a real meeting of minds around a proposition that puts the customer first. But more than that, this is an alignment of two organisations around a number of core values. Virgin Money is a progressive and customer-focused business, and our combined values and expertise are entirely complementary. Put simply, we view things in the same way.

It is fair to say that Virgin Money is a highly regarded brand in the UK market. It already provides award-winning retail banking services to 2.8 million customers through a range of channels including online and mobile, intermediaries, call centres and a national network of 75 stores and customer lounges. Virgin Money looks to provide innovative propositions that are fair and transparent. This aligns with our own desire to get closer to the customer.

Under the terms of this agreement we will provide sales, servicing, administration and claims support, while Virgin Money provides access to a loyal customer base. The products offered will be straightforward and transparently priced, with a focus on helping customers when they need it most.

Delivering what customers want ... together

The Ageas-Virgin Money home insurance proposition guarantees to provide the best possible price for renewal at the first time of asking. Customers also receive a consistent price for home insurance irrespective of whether they buy their policy on the phone, online or through a price comparison website. This addresses through action one of the hassles of buying insurance that customers themselves highlight.

The products are designed to reflect the concerns of customers. Customer feedback reveals that despite the importance of having home insurance in place, the path to securing peace of mind at an acceptable price has historically been stressful and frustrating.

Anthony Mooney, Director of Financial Services at Virgin Money, emphasises that “at Virgin Money, we want our customers to have products that are straightforward and transparently priced. This means moving away from indus-

try practices such as charging admin fees when a customer needs to cancel or make a minor change part way through their policy. Furthermore, we don't want them to face a different price depending on the channel they buy through. And importantly, we want them to trust that we'll be there for them in their hour of need. What excited us about the partnership with Ageas was their same passion to get things right for the customer the first time.” He adds that “working with Ageas, we see our propositions really changing the way that customers view insurance. We know there are lots of things we can change to build a better experience for our customers and, with Ageas's expertise, we know that we can make a big difference. Ageas has proven to be a forward-thinking organisation, addressing the customer needs of tomorrow, and has been able to offer us a bespoke customer proposition backed by its trusted, world-class service.”

"What excited us about the partnership with Ageas was their same passion to get things right for the customer the first time."

Making a mark based on fairness and transparency

For Ageas, the agreement with Virgin Money allows us to work alongside an organisation that is well known for its outstanding level of customer service and the highest quality products. With Virgin Money's fresh approach, and the trust and respect the brand holds with customers, we have an opportunity to turn around the generally negative perception insurers tend to have in the market. Consumer champions, such as Which magazine, are already commenting on the different approach that Virgin Money is taking, praising how easy it is to understand the policy wording, which shows that together we are already making a positive impact.



Performance Report

Continental Europe

Through a number of wholly owned subsidiaries and established joint ventures, Ageas is 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 Médis, the 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.

"Vision 2015 brought us focus. Ambition 2018 encourages us to think about the future and the trends that will be important as we move forward."

Steven Braekeveldt
CEO Continental Europe



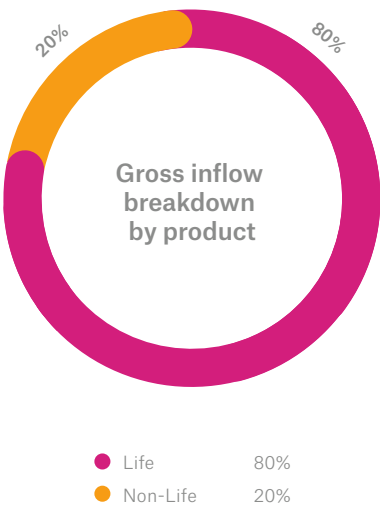
Axa acquisition is a 'game changer' for Continental Europe
As we look back at 2015, the biggest 'game changer' in Continental Europe was the announcement of our intention to acquire the activities of AXA in Portugal. This represents an important milestone in the development of our activities in Portugal and one that provides us with a strong platform for future growth supported by expanded distribution capabilities that include a countrywide agency network, affinities, distribution partners and a small direct channel. This acquisition, which is expected to be completed in the first half of 2016, also aligns with our goal to grow further in Non-Life, as established in Vision 2015 and now Ambition 2018.

More broadly, the region has faced a number of challenges, not least of which are a volatile market environment, regulatory turmoil in some markets and increasing competition. Over the past year, we have shown our ability to adapt as we try to turn challenges into new opportunities. As a result of our actions, we remained profitable across all of our entities, and we are well-positioned when markets return.

2015 was also the year that we completed two major rebranding projects. Our Portuguese business was successfully rebranded to Ocidental, and in Italy UBI Assicurazioni became CARGEAS.

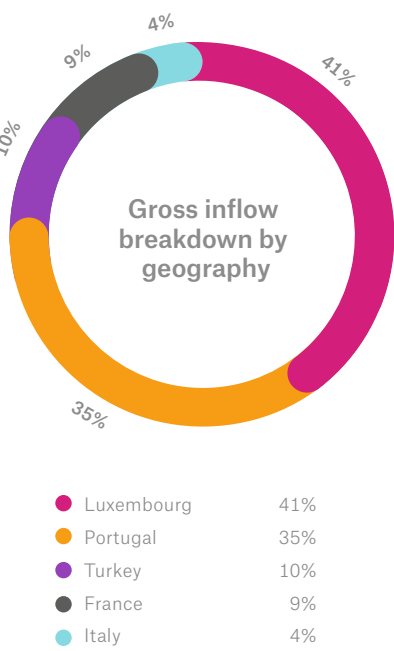
Gross inflows

€5.2 billion



Net profit

€70 million



Combined ratio

85.4%

Customer centricity through digital

In the past year we have put our network to work on a number of projects outside of business as usual. Through several cross-country programmes, we are leveraging the power of knowledge transfer to explore how we can stay competitive in a digitised world, recognising that we need a digital approach to customers to fulfil their expectations in the future.

In Turkey, for the first time we are promoting motor pricing through WhatsApp. As we move forward, this will be expanded to incorporate claims and straight through processing. In a young market with an average age of 28, customers expect mobile solutions and this is what we are providing. In France, we have created a digital signature allowing people to sign using their tablets and other devices. In Italy, we are working with UBI Banca on a digital platform to boost sales, and we have introduced three new customer-focused apps.

A solid performance despite difficult market conditions
Volatile European equity markets and the continuation of low interest rates had a negative impact on what otherwise was a solid operating performance in Life. In Portugal, a market that has been contracting, we managed to significantly out-perform the market with 13% growth in Life. In Non-Life, Portugal and Italy contributed an excellent operating performance. Driven by a solid performance in Accident and Health and helped by benign weather conditions, the results improved compared to the previous year.

As the clear No. 2 in the Portuguese market, Médis is a stand-out performer and Health was a major driver of growth. Médis is also well developed in terms of digitisation, including segment-specific websites that are well known and accessed for information.

Focused on maintaining profitability

In those markets that have faced difficult operating conditions, we have taken pro-active and decisive actions to maintain our profitability. A number of regulatory changes in Turkey, fierce competition and the level of pricing in Motor impacted negatively on our business. We have delib-



erately refocused our agency network on more profitable areas, such as Fire and Accident, until such time as the Motor market returns to more normal levels of pricing and profitability. And longer term, as stability returns, we believe that the measures we have taken will serve us well. In Italy, we are strengthening our distribution, introducing City Agents targeted to professionals and SMEs. In France and Luxembourg, we continue to be challenged by low interest rates. In Luxembourg, we continue to make a strategic shift towards Unit-Linked products versus savings; and in France, we have strengthened our IFA platform, allowing us to boost the sale of wealth management products.

Being where our customers want us to be

As we look to the future, we want to strengthen our bank relationships particularly in Portugal and Italy, where we see a lot of potential to grow. We have established a special workgroup to explore ways of leveraging the bank channel further, taking it to the next level.

We will continue to focus heavily on product design, particularly in the context of low interest rates. And we will continue to invest in our digital capabilities, as we become increasingly customer-centric. We will look to grow in the markets in which we operate and we will look at new distribution channels of importance for our customers. And finally, we will maintain a focus on innovation, particularly in high-growth areas such as Health, where Ageas has considerable experience and expertise.

In the news
Italy

Italy recognised for business repositioning

The rebranding and repositioning of CARGEAS Assicurazioni in Italy did not go unnoticed in the market. The business was recognised for its efforts at the 'Future Bancassurance Awards'—an awards programme that is designed to reward and recognise excellence in the banking and insurance sectors. The award is an important recognition for CARGEAS' staff, whose work made this achievement possible.

The CARGEAS name is new to the Italian market. It represents the union of BNP Paribas Cardif and Ageas. Together they represent a unique heritage, strong international credentials, complementing the company's solid experience in the Italian market.



Brand

Cargeas

Branches

1,530
(UBI Banca)

Non-Life

1
N° Bancassurance

Staff

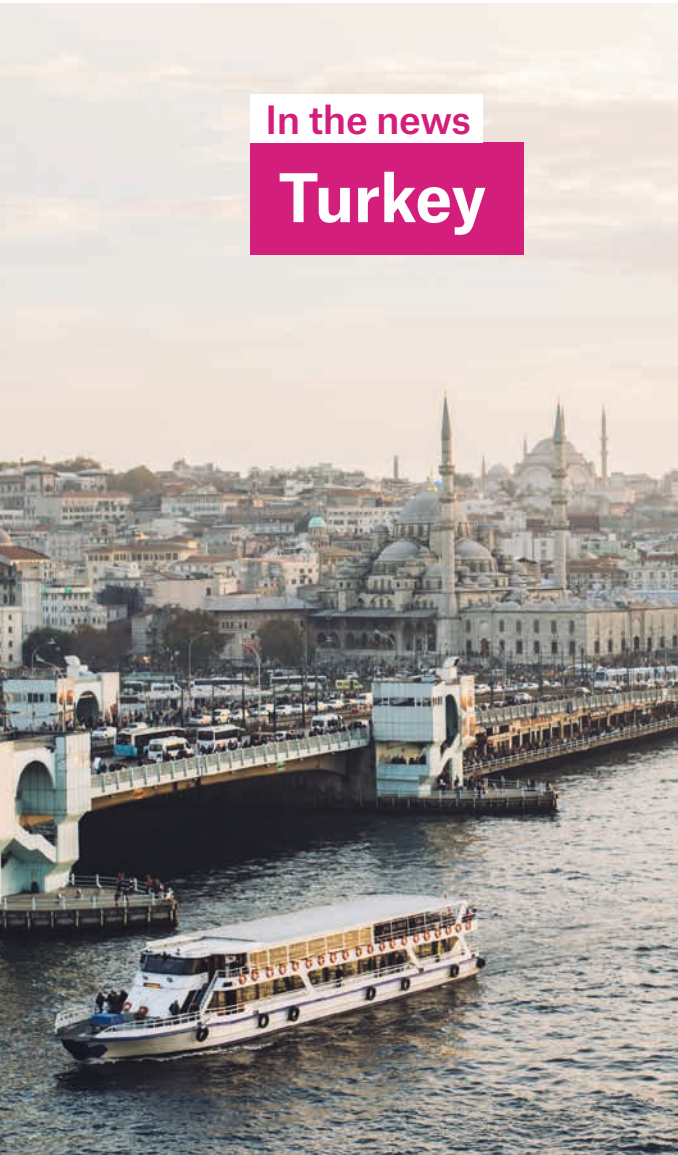
228

Homes covered

224,000

Active customers

777,000



In the news

Turkey

Aksigorta embraces the digital world to reach customers

Getting closer to the customer in simple terms means being where our customers want us to be and providing solutions in a way that is both timely and convenient. Investing in technological solutions is no longer a ‘nice to have’ but an expectation—and Aksigorta in Turkey is delivering. This is the reason Aksigorta is testing social media channels like WhatsApp and Facebook when providing motor quotations.

With a national ID number and a licence plate number, customers can receive quotations in seconds through the messaging platform. Simultaneously, agents are kept advised of the customer proposal in real-time, allowing them to complete the transaction quickly. Customers are supported 24/7 by the Aksigorta call centre, which serves the customer and responds to any queries. This makes for a seamless, fast, well-coordinated response. And the model can also be applied to other insurance products in the future.

Brand

Aksigorta

Branches

990
(Distribution partner
AKBANK)

Non-Life

N° 5

Staff

639

Brokers and agents

2,169

Active customers

2.7 million

In the news

Portugal



Acquisition of AXA should propel Ageas to No. 3 in Non-Life in Portugal

The acquisition of AXA Portugal, which is expected to be completed in the first half of 2016, should represent a significant boost to the Group’s ambitions in this important core market, providing access to more customers through more channels than ever before. It should also accelerate a shift in our business mix more towards Non-Life, in line with Ambition 2018.

The combined operations should raise Ageas from No. 5 to No. 3 in Non-Life with a market share of 14.4%. The Group already enjoys a leading position in Life with a market share of 23% in Funds under management.

AXA is well recognised in Portugal, where it operates a strong Non-Life business, a direct platform, and a small Life business. The acquisition should bring with it a large distribution capability, which includes a countrywide agency network of some 3,400 agents as well as well-established relationships with a wide range of affinities and distribution partners.

Portugal takes a ‘healthy’ approach to partnerships

The concept of partnership is very well embedded in Portugal. In 2015, Ageas and Millennium bcp Bank celebrated an important milestone—10 years of collaboration in insurance. And the commitment to partnership has been underscored in the past year by a number of new agreements that will support further growth in Portugal.

As part of the ongoing expansion of bancassurance, Banco Bilbao Vizcaya Argentaria (BBVA) has become a distribution partner. And through Médis—the dedicated health insurance entity in Portugal—BBVA’s clients will also be able to take out MAPFRE-Médis Health Plans directly through their branch. Customers will also have access to the Médis healthcare system, which includes a network of healthcare providers and a range of other benefits and specialist services. BBVA joins other distribution partners that include AXA, CA Insurance, Carvela, Liberty, MAPFRE, Zurich and Banco Popular.

A new affinity partnership with Holmes Place, a major health club in Portugal, has also been concluded for the distribution of health, personal accident and travel insurance. This partnership extends to the development of a joint prevention and wellness initiative programme.



Brands

Millenium bcp Ageas
Pensoês Gere
Occidental Seguros
Occidental Vida
Médis

Non-Life

N° 5

Life

N° 3

Staff

511

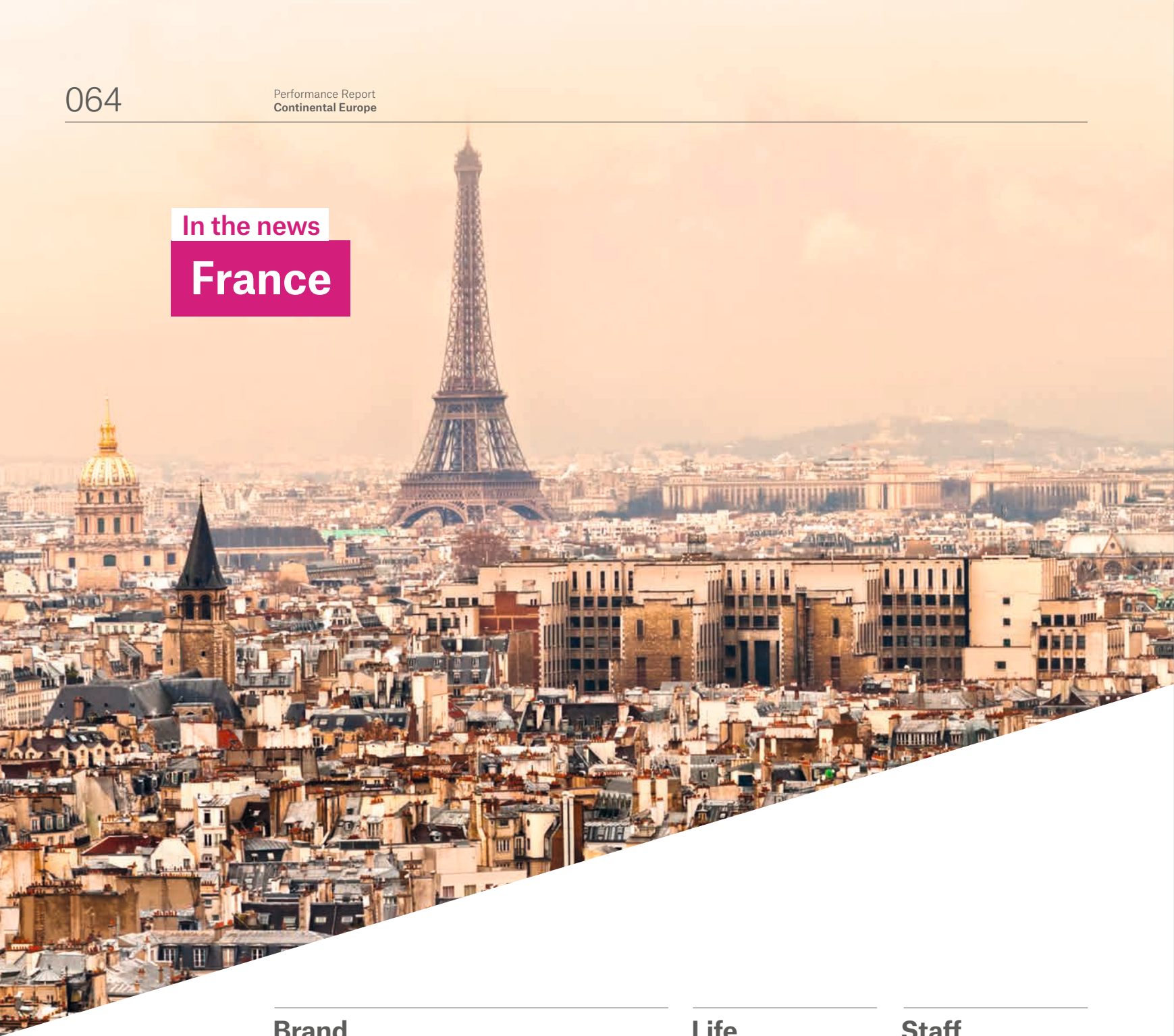
Overall

N° 2

Active customers

2,854,218

In the news
France



Brand

Ageas France

Active customers

115,260

Life

100%
Owned

Staff

167

IFA's* and Brokers

1,547

* Independent Financial Advisor

In the news
Luxembourg



Cardif Lux Vie opens its
doors in Switzerland

The concept of getting close to the customer was taken quite literally by Cardif Lux Vie (CLV) when they decided to open a branch in Geneva. Since many of CLV's customers make deposits in Swiss banks, it made sense to be on the ground in Switzerland. The establishment of a representative office will also facilitate the marketing of CLV solutions to non-resident customers.

Brand

Cardif Lux Vie

Staff

230

Active customers

93,000

This year's milestones

Ageas and Millennium bcp celebrate 10 year partnership in Portugal



Ageas announces its intention to acquire AXA Portugal

Ocidental goes live following rebrand in Portugal

Médias scoops industry awards, including Most Trusted Brand



55 years and counting for Aksigorta in Turkey

Cardif Lux Vie extends reach into Switzerland

Ocidental named Best Life Insurer and Best in Bancassurance



Partnership story

The Ageas approach to Reinsurance



José Leao
Director Reinsurance at Ocidental

Intreas an ageas company

Ageas companies are in the business of managing risk. We assess risk, underwrite risk, and then, in most cases, reinsure part of that risk with external reinsurers. Reinsurance is a valuable tool for insurers to manage their risks, but it can be complex and expensive. In an effort to make the best use of our capital and to retain risks up to the level that is justified from an Ageas perspective, we decided to launch our own internal reinsurance company: **Intreas**.

Risk Management starts at home...

Intreas will reinsure only Non-Life business of companies that are part of the Ageas Group. The concept is about optimising the Group's reinsurance by only purchasing external reinsurance for risks that exceed Ageas's risk appetite. This initiative allows us to retain more value within the Group and to realise diversification benefits under the Solvency II regulation.

A reinsurance partner to our local operating companies

Intreas is an internal reinsurance partner to our local operating companies.

Ocidental in Portugal has already experienced some tangible benefits from its collaboration with Intreas.

First of all, José Leao, Director Reinsurance at Ocidental, emphasises that "the world of reinsurance is still very much based on individuals and on trust. We have estab-

lished a strong relationship with Intreas and this is an important consideration."

Commenting further on the practical experience of working together, Mr Leao said: "In restructuring our reinsurance programme, taking into account the opportunity to collaborate with Intreas, we not only successfully placed our programmes but we did so with improved terms and conditions while maintaining service and support levels. The reinsurance market is truly global and, as an international group, Ageas provides us with greater leverage."

Through this type of collaboration, Intreas and the local entities can also benefit from each other's experiences. José Leao adds that: "Pro-active knowledge sharing enables best practices to surface and this can be shared market to market. This knowledge sharing covers many areas, from best practices in protection, risk management and programme structuring, to new tools available in the reinsurance market to facilitate speedier placement."

Intreas becomes a profit centre

As the role of a reinsurer is to take over certain risks from insurance companies, the premiums that would have been paid externally remain within our Group—which means Intreas will also become a profit centre in its own right. Intreas uses the services of the Ageas Risk department and external experts to help it analyse risk and access specific models for modelling extreme risks.

Intreas went live in July, reinsuring Ageas's main Non-Life insurance portfolios in Portugal, the UK, Belgium, and Italy. The programme will be expanded to include more products and more countries in the future.

"Pro-active knowledge sharing enables best practices to surface and this can be shared market to market."

An aerial photograph of the Hong Kong skyline at sunset. The image shows a dense cluster of skyscrapers and residential buildings along the waterfront. The Victoria Harbour is visible in the center, with several boats and ships. In the background, there are mountains under a warm, orange-hued sky. The overall scene is a vibrant and detailed representation of a major Asian city.

Performance Report

Asia

Ageas is present in **7 markets** across Asia, including a 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 and bank branches.

We have well-established businesses in China, Malaysia, Thailand, and India—and in 2015, we extended our footprint to Vietnam and the Philippines.

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.

"2015 was another strong year for Asia. Each country contributed to this success. Thanks to distribution developments, our profitable product mix, good underwriting and persistency management in both Life and Non-Life, as well as high investment results in volatile financial markets, we achieved a strong net result. 2015 was also a year of strategic alignment of the Asian business. We announced to divest the Hong Kong operations, and entered into two greenfield partnerships in The Philippines and Vietnam. As we move forward we will further build our success in the region leveraging on our unique approach to partnerships."

Gary Crist
CEO Asia



A story of continued growth

2015 was a year in which our Asian business once again delivered a strong return for Ageas. Even with some economic slowdown, particularly in China, the long-term economic fundamentals remain very strong for the region. A fast-growing middle class and low penetration rates in the insurance markets make Asia an attractive region for Ageas and one in which we will continue to invest. With our exceptionally strong local distribution platforms and the power of our Partnership model, we are very well positioned for the long term.

New market opportunities in Vietnam and the Philippines

2015 represented a fundamental shift in our business in Asia. We established two important new joint ventures in Vietnam and the Philippines—both exciting growth markets—and we are in the process of selling our business in Hong Kong.

In bringing these Greenfield operations to fruition, we have taken time to get to know our new partners and to understand the long-term ambitions and expectations of all parties. The focus is now on execution.

We also took the strategic decision to exit Hong Kong, selling our only wholly-owned subsidiary in Asia to JD Capital. This was a significant transaction for Ageas that reflects our ambition to realign our operations towards the fast-growing emerging markets of Asia. We are proud of the business we have built over the past 8 years, and we are grateful to the management team, the staff, and the agency force for their commitment throughout.

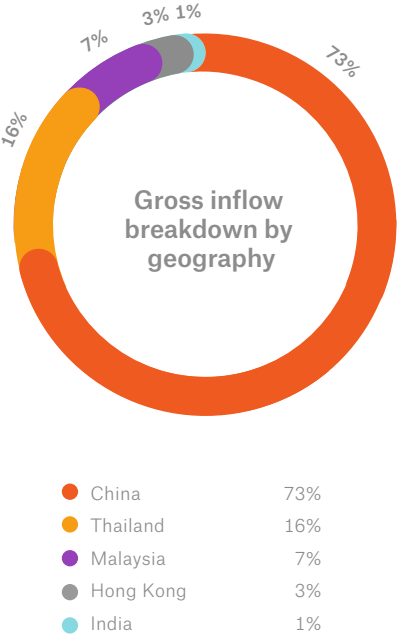
Gross inflows

€16.5 billion



Net profit

€272 million



Combined ratio

91.1%

We remain well positioned to outperform and outgrow the market

Exceptional returns, particularly in China

Our businesses performed well in 2015, with China and Thailand exceeding expectations, outpacing market growth and delivering solid returns. We saw some exceptional results in China, and we managed our way through the market volatility very well. Despite the slowdown in the overall economy in China, GDP growth is still close to 7%. But clearly, the impact of this downtrend is also felt across borders.

In Thailand, we solidified our position as No. 1 for new business, No. 2 in the overall market, and No. 4 in Non-Life with strong fundamental results. In Malaysia, we faced some challenges as financial markets continued to be difficult. We performed well in Non-Life, and we saw a return to growth in the bancassurance Life channel through the sale of regular premium products. In India, we gained market share with a new management team in place providing strong momentum. We are seeing increased productivity, expansion of the branch network, and a return to the launch of new products.

Building a strong customer proposition

Across the region we are investing in our digital capabilities, responding to an increasing demand by our customers for omni-channel access. This will be increasingly important in the future, alongside the ability to leverage data. We have established a regional office for analytics so that we can understand and use data more effectively. And as we look to further strengthen our position, we are also focused on building a stronger digital proposition with the customer.

As we look forward, we can expect a more difficult economic and political environment in the region, but reflecting also the wider volatility of the financial markets globally. We are moving into a period of greater uncertainty but there will continue to be growth. We remain well positioned to outperform and outgrow the market. With the new investments we have in Vietnam and the Philippines — alongside our strong positions in Thailand, Malaysia and China, and the emerging stronger position in India — we are excited and confident about the future. We will continue to look for in-market growth and inorganic growth opportunities in the region, including Indonesia.

Contributing towards the Group's ambition

The initiatives we have undertaken in the past 12 months reflect our strategic ambitions. The repositioning of Asia through the announced sale of Hong Kong, which we expect to be closed in the first semester of 2016, and the opening up of Vietnam and the Philippines, contribute to our goal of 25% being invested in the emerging markets. And the proportion of protection in our Life portfolio is quite high, as the composition of that portfolio extends beyond traditional savings including critical illness, mortality risk, etc. We are also continuing to invest in our people — adding new skills at the regional level as well as within our joint ventures. And it is the exceptional talent that we enjoy as a Group that has allowed us to successfully conclude two new joint ventures and one major divestment — in addition to an exceptional business performance — in the past 12 months.

New markets, new opportunities... Asia growth continues

As Ageas strives to extend its reach in the fast-growing emerging markets of Asia, it has sought out partners that could make this a reality. The result allows Ageas to enter 2 new markets, in addition to the 4 in which we were already active.

A joint venture with EastWest Bank in the Philippines will focus on building a premier bancassurance business in one of Asia's rapidly growing markets. This start-up will tap into EastWest Bank's distribution network, the 7th largest bank network in the Philippines.

And in Vietnam, Ageas has joined forces with existing partner, Muang Thai, and Military Bank to form a tri-party joint venture. This joint venture will benefit from Military Bank's network and 2 million customers, while leveraging the insurance expertise of Ageas and Muang Thai Life. And so the Asia growth story continues...

In the news

Thailand

Muang Thai wins multiple awards at Prime Minister's Insurance Awards

Muang Thai showed the industry why they are the market leaders in insurance by scooping multiple awards at the 2015 Prime Minister's Insurance Awards.

For the 9th consecutive year, Muang Thai Life took 1st place for Outstanding Management in the Life category. In addition, Muang Thai Life was also the winner in the Insurance Promotion Public Award. Muang Thai Insurance was awarded 3rd place in the Non-Life category.

Pink rules in the world of bancassurance in Thailand

There was much cause for celebration when the entire bancassurance sales force in Thailand got together at the beginning of 2015. Muang Thai Life has been strengthening its bancassurance business for over a decade, and for the third consecutive year it has been ranked No. 1 in the market based on New Business and No. 2 Total Premiums.

The focus moving forward is on expanding in the Healthcare sector and embracing Digital to enhance productivity and efficiency. The customer remains top-of-mind, with efforts to improve service quality and the overall customer experience through the bank channel.

And the dress code for the event? Anything pink of course... reflecting Muang Thai's vibrant and highly distinctive brand.



Brands

Muang Thai life
Muang Thai Insurance

Active customers

4.5 million

Life

N° 2
in total premium

Brokers and agents

37,500

Non-Life

N° 4
in total premium

Staff

3,657



In the news

Malaysia

Etiqua Takaful putting customers first in motor

Private car owners in Malaysia can now enjoy affordable coverage for both drivers and passengers following the introduction of the Drivers and Passengers Personal Accident protection. The plan—available online through Motortakaful.com, Etiqua Takaful Berhad’s direct motor online portal—complements existing Shariah compliant comprehensive cover for private cars.

Etiqua unveils its first online family Takaful plan

Etiqua Takaful has launched i-Double-Secure, its first online family Takaful plan. The plan gives customers unrivalled ease and convenience in purchasing coverage instantaneously through www.etiqua.com. This flexible product also allows customers to choose the level of benefits and the duration of the plan.

Etiqua Takaful scoops top award

Etiqua Takaful was named ‘Best Takaful Provider’ for the 3rd consecutive year in the coveted Annual Islamic Finance News awards. This category is one of the most fiercely contested awards at this annual event, which took place in Kuala Lumpur. Etiqua Takaful triumphed over 80 nominated companies.

Brand

Maybank Ageas Holdings
Operating under ETIQA brand

Life/Family
Takaful

N° 5

General/
Takaful

N° 2 in Net premium

Cars covered

1,544,842

Active customers

3,272,639

Agents

24,183

Staff

2,216

In the news

India

IDBI Federal uses sport to engage with its customers

IDBI Federal in India is helping a nation to get fit. It is also creating brand awareness by engaging with its customers on a topic they care about deeply: sport, with a special focus on enhancing people’s lives through improved fitness and good health. By sponsoring various sports-related events involving professional athletes, families and other interested parties, IDBI Federal is helping to bring a positive change in people’s lives.

A number of initiatives are also aimed at identifying the sporting talent of tomorrow. For instance, by partnering with recognised cricket associations, such as the Mumbai Cricket Association and the Karnataka State Cricket Association, IDBI Federal seeks to identify future talent in the field of Cricket – a sport that is synonymous with India. The goal of the Star Sports Young Heroes programme—which reaches some 650 schools—is to discover the next generation of top football players.

And if running is more your thing, IDBI Federal Life Insurance sponsors two long-distance running events – IDBI Federal Life Insurance Spice Coast Marathon and IDBI Federal Life Insurance Kolkata Marathon.



Brand

IDBI Federal
Life Insurance
Company Ltd.

Life

N° 11 in new business

Staff

2,170

Branches

2,979

Active customers

439,000

Brokers and agents

9,963



In the news
China

Taiping Life demonstrates
the power of digital

Taiping Life in China is continuously investing in technological solutions at every touch point in the customer journey, from sales through to customer service. It is revolutionising the customer experience leading to higher efficiency and improved levels of customer satisfaction.

The entire sales process, from proposal preparation to policy receipt acknowledgement and call back, can be done electronically through the agent's tablet or through social media channels like Wechat, a popular Chinese social media application with functionality similar to WhatsApp and Facebook. By embedding customised servicing functions, all of these separate activities can be achieved by just one customer interaction.

In addition, Taiping Life is rolling out e-CSR, supplementing the work of the human customer service representative. e-CSR has functionality similar to a text-based version of Apple Siri and it provides an automatic response to customer enquiries through the corporate homepage or Wechat. This has resulted in consistent and uninterrupted customer service at a reduced cost. In 2015, the system recorded an accuracy rate of 96.7% and a response rate of 97.9% across 400,000 customer interactions.

The next stage will be the introduction of a vocal version to further enhance the customer experience.

Brand

Taiping Life
Insurance
Co Ltd.

Life

N° 6 in gross
inflows

Staff

23,417

Active customers

+14 million

Agents

220,000

In the news
Hong Kong

Ageas reaffirms
commitment to
Asia following
Hong Kong sale

As part of a decision to realign the business more towards the high-growth emerging markets of Asia, Ageas agreed the sale of its Hong Kong Life Insurance business to JD Capital (Beijing Tongchuangjiuding Investment Management Co. Ltd.) for EUR 1.2 billion. We expect to close the sale in the second quarter of 2016.

Over the past 8 years, the Hong Kong business has created substantial value for our shareholders in what is a dynamic mature market. We believe that JD Capital is ideally placed to continue that work and develop this business further in the future.

Looking to the future, Ageas remains firmly committed to Asia, with a focus on developing the 6 growth markets in which we are present, while exploring further organic and inorganic opportunities in the region's high-growth markets.

Brand

Ageas
Insurance
Company
(Asia) Ltd.

Staff

437

Life

100%

Owned (In the process
of being divested)

Tied agents

2,716

Active customers

224,076



This year's milestones

**Etiqua named Best
Takaful Provider for
3rd consecutive year**

eTiqa
Insurance & Takaful

**New tri-party JV in
Vietnam first to involve
an existing JV partner**

**Announced sale of Hong
Kong reflects strategy and
focus on emerging markets**



**China continues to
grow agency network
to 220,000**



**Muang Thai
maintains top
position winning
industry awards**

**Ageas enters into
new joint venture
in the Philippines**



Partnership story

Expand to Asia alongside our partners

Ageas has a long-held ambition to expand its presence in the fast-growing insurance markets of Asia. Therefore, our decision to enter Vietnam and the Philippines was no real surprise. These highly-populated countries have relatively under-developed insurance markets and both offer huge potential. And while each of these markets is different, we benefit from our ability to transfer knowledge and experience gained from a successful track record in the region. In both markets, it is our ambition to be the country's pre-eminent bancassurer, focusing exclusively on Life insurance, our dominant business line in Asia. We are not doing this alone, of course. We have established new joint ventures with highly respected and well-known local partners in both Vietnam and the Philippines.

Tri-party collaboration in Vietnam

Vietnam has been high on Ageas's wish list of new markets for some time, and for good reason. Even with a popu-

lation of almost 91 million, less than 1% of the people have a life insurance policy. This makes Vietnam one of the least penetrated markets in Asia, and also one of the most exciting in terms of potential.

Our banking partner in this venture is Military Bank, the 6th largest bank in Vietnam, and also a very well-recognised brand. The bank enjoys considerable access to potential insurance customers through its 217 branches and 2 million existing customers. Describing what distinguishes Ageas as a partner, Mr. Vu Hong Phu, Chairman of the Executive Committee of MB Ageas Life, says it is "the eagerness to engage for the long term, their enthusiasm to exploit the potential market opportunity and their willingness to share knowledge and experience that mattered most."

We are also working alongside Muang Thai Life (MTL), our long-term partner in Thailand. The creation of a new



Mr. Vu Hong Phu
Chairman of the Executive
Committee of MB Ageas Life

"Ageas has the eagerness to engage for the long term and the willingness to share knowledge and experience."

"There is space for an entity that can offer real value and knows how to execute with determination. It is a march towards relevance, and we are optimistic about the prospects."



Mr. Tony Moncupa Jr.
CEO & President EastWest Bank

tri-party joint venture collaboration, including an existing partner, is a milestone for us. Mr. Sara Lamsam, President and CEO of Muang Thai Life Assurance, stresses the importance of "mutual respect and trust" in a partnership. He adds that "Ageas thinks along with you."

Branded as MB Ageas Life, the new entity has entered into a 15-year exclusive distribution agreement with Military Bank. "MB Ageas Life must distinguish itself in a market that is attracting a lot of interest. The unique blend of skills across different partners will help the company succeed," explains Mr. Phu. "As a green field operation, we can also learn from the successes and failures of others in the market in designing a good value proposition for customers." And in terms of the approach: "We will start small, gathering momentum and growing through innovation, and ultimately delivering good value-for-money products."

Tapping into strong growth opportunities in the Philippines

In the Philippines, Ageas has joined forces with EastWest Bank in a true 50/50 partnership, creating EastWest Ageas Life. Commenting on the 'fit' between the two companies, Tony Moncupa Jr., President and CEO of EastWest Bank, emphasised that important considerations are "shared values, shared ambitions, a strong connection with management, complementary activities and expertise in insurance and partnerships."

"With the right people, vision and culture, anything is possible," Mr. Tony Moncupa Jr. adds. "The rest – marketing, innovation, service delivery – will inevitably follow suit. It is our observation that we have the basic ingredients to succeed, and the partners in this joint venture are hungry enough to make this work."

As a start-up company, we will benefit from access to EastWest Bank's fast-growing customer base. With more than 400 branches, the bank has the 7th largest distribution network among banks in the Philippines. This market is expected to be one of the fastest-growing economies over the next 20 years thanks to favourable demographics, healthy economic growth and increased foreign investment. With a growing middle class dominated by a relatively young population, EastWest Ageas Life aspires to make an impact in this nascent insurance market.

The Philippines is also the 5th largest Life market in South East Asia – but with penetration levels at 1.5%, one of the lowest in Asia, here again there is huge potential for growth. The approach will be differentiated by the adoption of a needs-based approach to sales and product development.

Mr. Tony Moncupa Jr. believes that "there is space for an entity that can offer real value and knows how to execute with determination. This is just like the story of EastWest Bank over the past 9 years. It is a march towards relevance, and we are optimistic about the prospects."

When facing expansion, choosing a partner is always the most critical decision. Success means that we must be aligned with our vision, purpose, culture and strategy. It takes trust. It doesn't happen overnight. These partnerships take time to become successful. But when thinking long term, the choice is an important one. We are not looking to plant flags but to enter markets on the basis of a real long-term customer proposition that allows us to build a meaningful presence in the market. In both Vietnam and the Philippines, we have aligned ourselves with highly-respected partners in order to achieve this.

Ageas
thinks along
with you



The Share

Delivering Shareholder Value

Shareholder structure

Analyst coverage

2015 was a year of value creation for Ageas

As we look back at the evolution of our share price in 2015, this was an exceptional year. The Ageas share gained more than 45% over the course of the year, making it the **best performing insurance stock in Europe** and topping the STOXX Insurance Index. It was a year of true value creation. Over the course of the year, an additional EUR 3 billion in value was created, making Ageas a company with a market cap of almost EUR 10 billion.

Our total shareholders return for the year, including the reinvestment of the dividend, amounted to 52.12% compared to a 7.4% average return in the Euro STOXX 50. And this was also the year that our share price exceeded the EUR 40 mark for the first time in Ageas's history, ending the year at EUR 42.80.

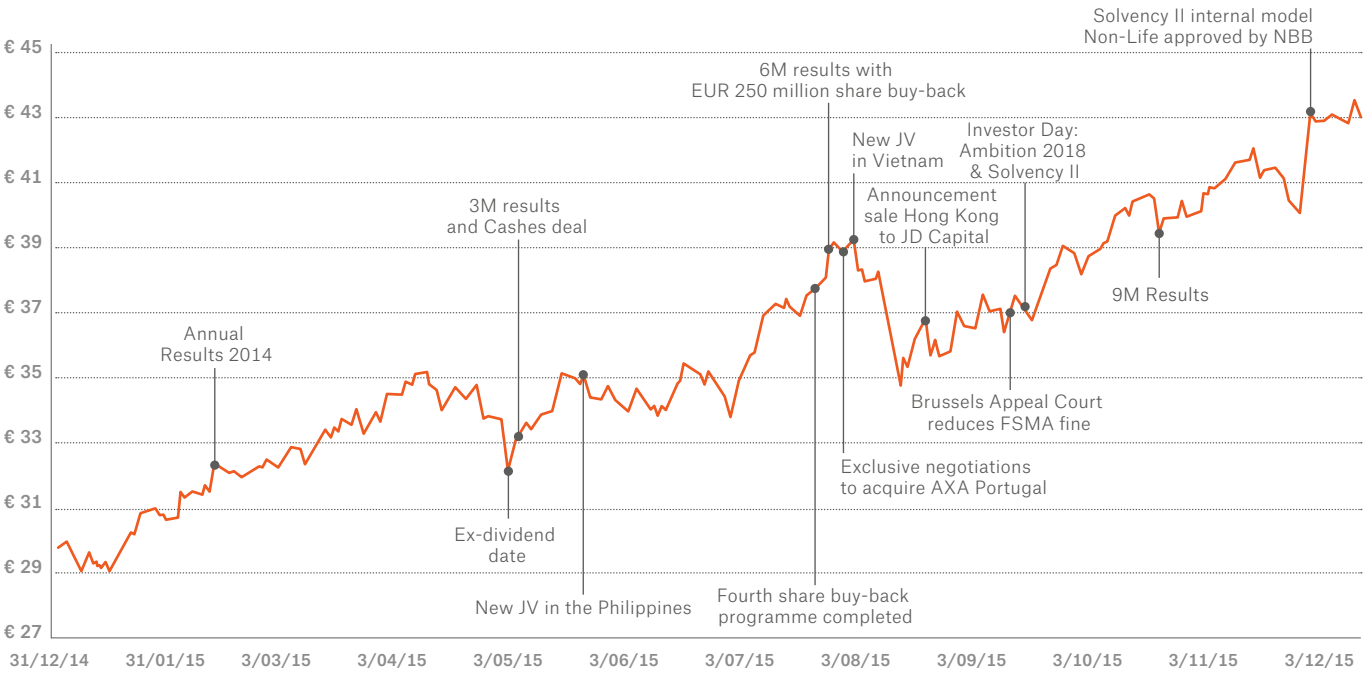
Alongside a solid first half performance, we announced

our 5th consecutive share buy-back programme in as many years for EUR 250 million. We also increased our dividend by 11% in 2015, with a pay-out ratio of 45%, in line with our dividend policy.

The evolution of the share price and the key events that impacted upon the share can be seen in the graph. And as you can see, **2015 was a busy year for the Group**, and one in which we saw a number of positive developments against our Vision 2015 strategy. This was clearly acknowledged by the investment community at various points in the year.

For instance, we delivered on our promise to **invest in the growth markets of Asia**, by announcing the start-up of a new life insurance joint venture in the Philippines alongside EastWest Bank. We also launched a new life insur-

Ageas's share price evolution over 2015



Delivering Shareholder Value

Ageas believes in the importance of creating long-term value for its shareholders. As we look back at the past four years, we are proud that we have delivered on that promise. Our share price has evolved positively, increasing in value by 257%. And our total shareholder returns increased 348%, reflecting the pay-out of EUR 1.3 billion in dividend payments to shareholders and a capital reduction. In addition, we concluded four consecutive share buy-outs totalling EUR 900 million.

Total shareholder return
(since 2012)



ance venture in Vietnam together with Military Bank and our partner in Thailand Muang Thai Life Assurance. We made progress in **strengthening our position in a core market**, announcing exclusive negotiations to acquire AXA's Portuguese insurance operations, while adding a direct distribution channel.

The **announced sale of Hong Kong Life** for EUR 1.2 billion ticked a number of different boxes within the Vision 2015 strategy, and again investors acknowledged the strategic and financial logic in this significant transaction. First of all, it was ROE enhancing, it improved our business mix towards Non-Life activities, and it resulted in a larger share of insurance capital being invested in emerging markets.

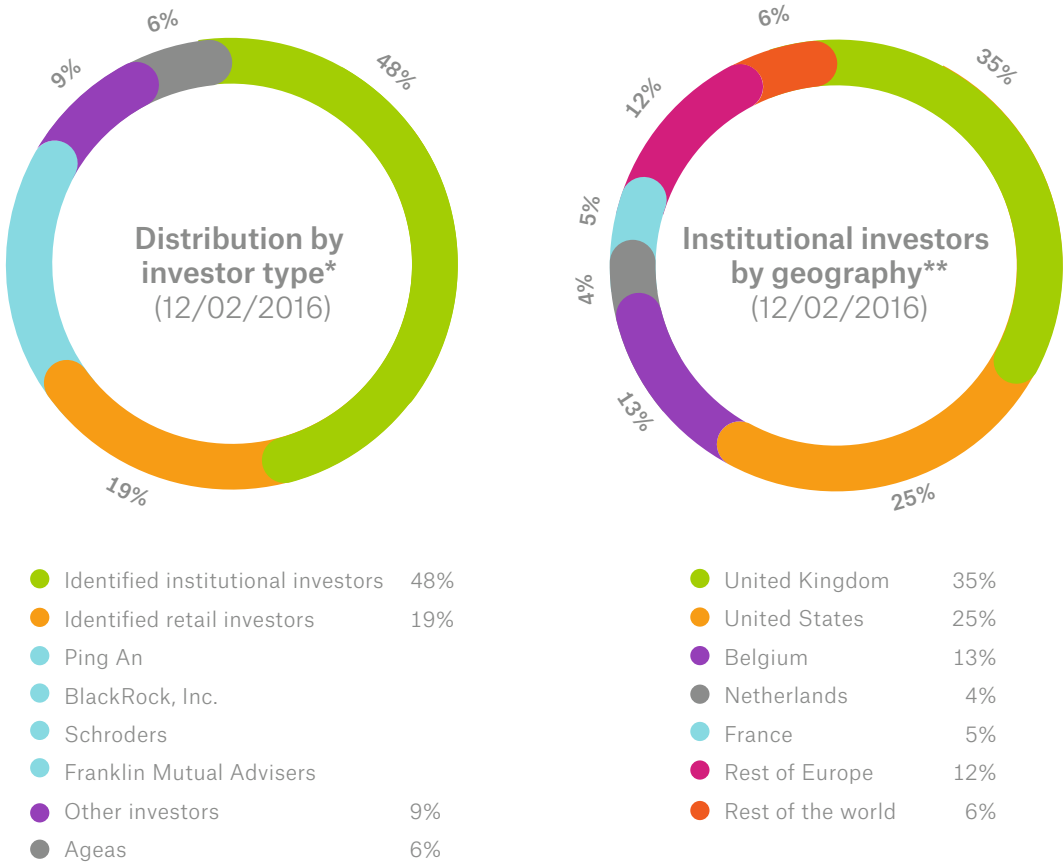
The 2015 Investor Day in London was a particularly important gathering. It provided a launch pad for our **new 3-year strategy — Ambition 2018** — and it was also the perfect platform for announcing our approach towards SolvencyII. Ambition 2018 allowed us to sharpen our strategic choices and financial targets, including a refined ROE target of 11-13%.

In anticipation of SolvencyII, which went live in January 2016, we published Solvency II numbers which are comfortably above the **Ageas Insurance Solvency II target of 175%**. We also highlighted quality and sustainability as the hallmarks of our approach, meaning no aggressive leverage and high-quality Own Funds without any material reliance on transitional measures. Even after severe stress tests, Ageas is adequately capitalised, and the National Bank of Belgium formally approved the Solvency II partial internal model for Non-Life at the end of the year.

2015 was a remarkable year for the company, and one in which **we brought Vision 2015 to a successful conclusion**, while announcing the birth of our new 3-year strategy: Ambition 2018. This is a natural evolution that allows us to move forward on the basis of consistency and continuity with a new set of targets to deliver in the future.

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 12 February 2016 and on last notificatons received.
For "Identified retail" and "Identified institutional" investors estimated by NasdaqOMX.

Analyst coverage

At the end of 2015, the Ageas share was covered by 15 analysts, 13 of whom gave a positive or neutral rating. More details can be found on the company website at <https://www.ageas.com/en/investors/analyst-coverage>

Financial share data (consolidated figures)

	2015	2014	2013
Number of outstanding shares	223,778,433	230,996,192	233,486,113
Earnings per share (EUR)	3.57	2.13	2.49
Gross cash dividend per share (EUR)	1.65	1.55	1.40
Book value per share (EUR)	53.59	46.60	37.65
Market Capitalisation (in EUR billion)	9.6	6.8	7.2

Financial Data

Income statement (in EUR million)

	2015	2014	2013	2012	2011
Gross inflow (at 100%)	29,791.5	25,781.3	23,220.4	21,269.3	17,220.0
Gross inflow (Ageas's part)	13,705.0	12,463.9	11,698.1	11,244.6	9,721.7
Group net profit	770.2	475.6	569.5	743.0	(578.2)
— of which Insurance	755.1	736.8	654.2	624.4	(313.1)
— of which General Account (incl. Eliminations)	15.1	(261.2)	(84.7)	118.6	(265.1)

Statement of financial position (in EUR million)

	2015	2014	2013	2012	2011
Total assets	104,485.8	103,559.0	94,782.6	97,085.7	90,579.3
Life Technical Insurance liabilities	74,118.4	74,818.4	69,225.5	68,782.0	64,395.7
Shareholders' equity	11,376	10,223.3	8,525.1	9,799.4	7,682.8

Share information (in EUR)

	2015	2014	2013	2012	2011
Earnings per share	3.57	2.13	2.49	3.13	(2.27)
Gross cash dividend per share	1.65	1.55	1.40	1.20	0.80
Share price at 31 December	42.80	29.51	30.95	22.22	12.00
Return on equity (insurance)	7.9%	8.8%	8.3%	8.7%	(5.3%)
Based on the annualised net result divided by the average shareholders' equity of 1 January and 31 December.					
Number of outstanding shares (in millions)	212.3	219.4	226.4	231.8	240.6

Other data

	2015	2014	2013	2012	2011
Combined ratio	96.8%	99.6%	98.3%	99.1%	100.1%
Solvency ratio Insurance	226.4%	205.5%	207.1%	203.8%	207.0%
Solvency ratio Group	227.9%	209.8%	214.2%	228.6%	236.9%
Employees (FTE)	11,919	12,204	12,570	13,335	12,557



