



# An introduction to Ageas

# An international insurance Group with a focus on Europe and Asia

## AGEAS SA/NV

Internal Reinsurance with Life & Non-Life license



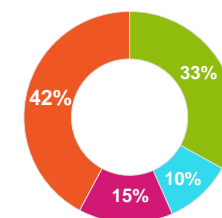
## BELGIUM

Life & Non-Life  
#1 Life  
#2 Non-Life  
#1 real estate

## ASIA

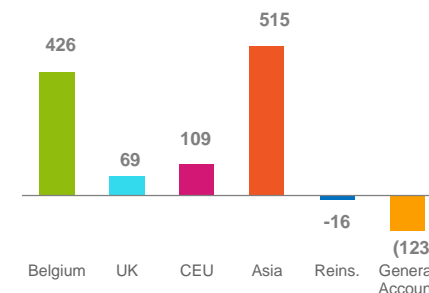
Life & Non-Life  
7 partnerships in 9 markets  
#5 Life in China  
#2 General takaful in Malaysia  
#2 Life & #4 Non-Life in Thailand

GROSS INFLOWS @ageas part  
2019 TOTAL: EUR 15.0 bn



■ Belgium ■ United-Kingdom  
■ Continental Europe ■ Asia

GROUP NET RESULT  
2019 TOTAL: EUR 979 Mio



## UNITED-KINGDOM

Non-Life  
#6 private car insurer  
#6 domestic property insurer

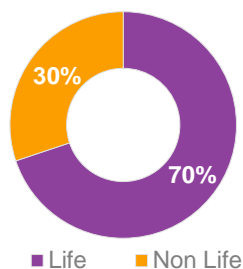
## CONTINENTAL EUROPE

Life & Non-Life  
Portugal, Turkey & France  
#2 Life & #3 Non-Life in Portugal  
#4 Non-Life in Turkey

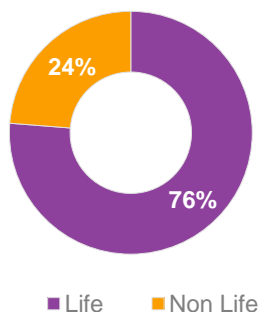
# Diversified product portfolio

## Focus on Individuals & SME

GROSS INFLOWS @ageas share  
2019 TOTAL: EUR 15.0 bn



GROUP NET RESULT  
2019 TOTAL: EUR 979 Mio

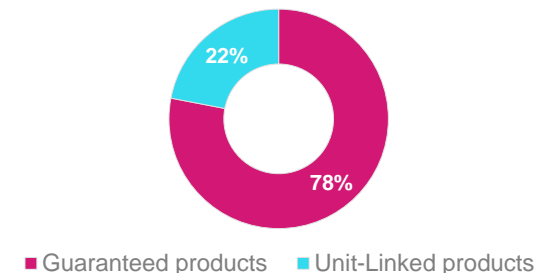


### LIFE

mostly guaranteed products



2019 GROSS INFLOWS LIFE  
(consolidated entities)

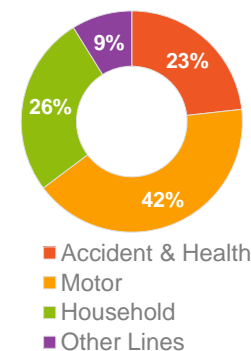


### NON-LIFE

mostly driven by Motor & Household



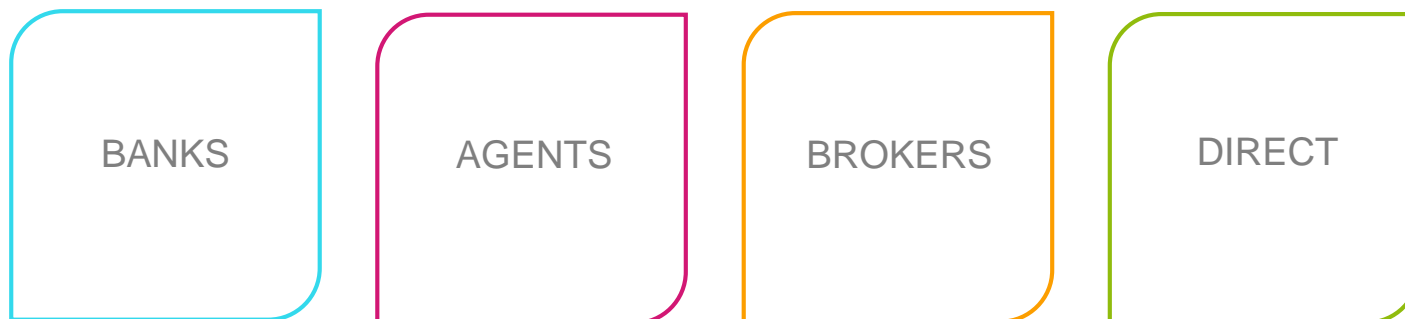
2019 GROSS INFLOWS NON-LIFE  
(consolidated entities)



### INTERNAL REINSURANCE

with Life & Non-life license

# Multiple distribution channels to reach our clients



Proven competency in developing strong, long-term and dynamic **partnerships** with leading companies in their local market



# Management structure

## EXECUTIVE COMMITTEE



Bart De Smet  
CEO



Christophe Boizard  
CFO



Antonio Cano  
COO



Filip Coremans  
CDO



Emmanuel  
Van Grimbergen  
CRO

## MANAGEMENT COMMITTEE



Gary Crist  
CEO Asia



Hans De Cuyper  
CEO Belgium



Ant Middle  
CEO United Kingdom



Steven Braekeveldt  
CEO Continental  
Europe

Four geographic segments supported by a lean corporate Head Office

# Sustainable development

## Ageas committed to adhering to the entire set of UN



Based on a detailed mapping of its current products and investments and its core competences, Ageas has chosen to actively work around 10 out of the 17 goals.

Signatory of:

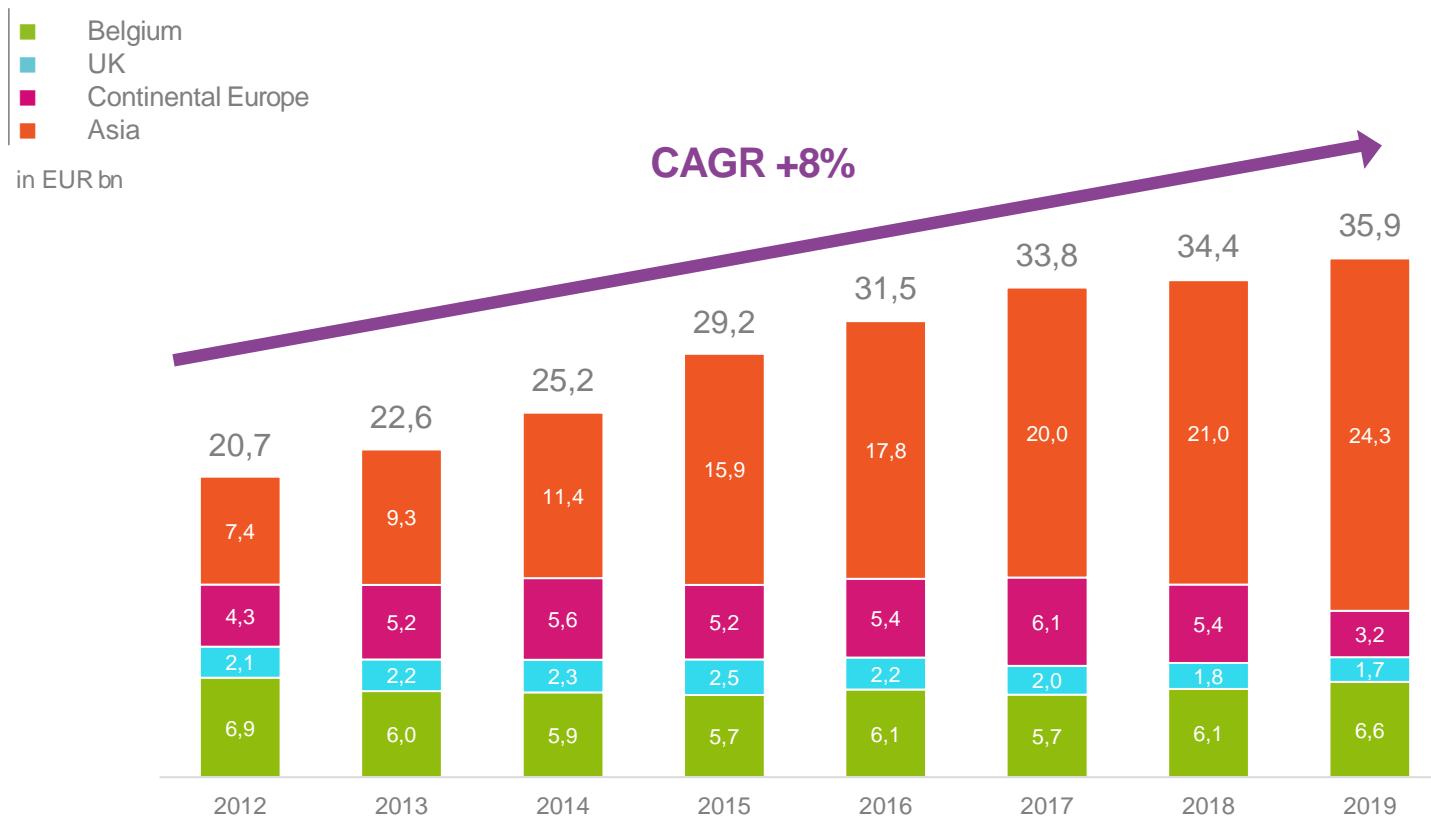


*Ageas Group has committed to incorporate ESG issues into its investment analysis and decisions and signed on behalf of all its consolidated entities the UN PRI*



# A PROFILE OF PROFITABLE GROWTH

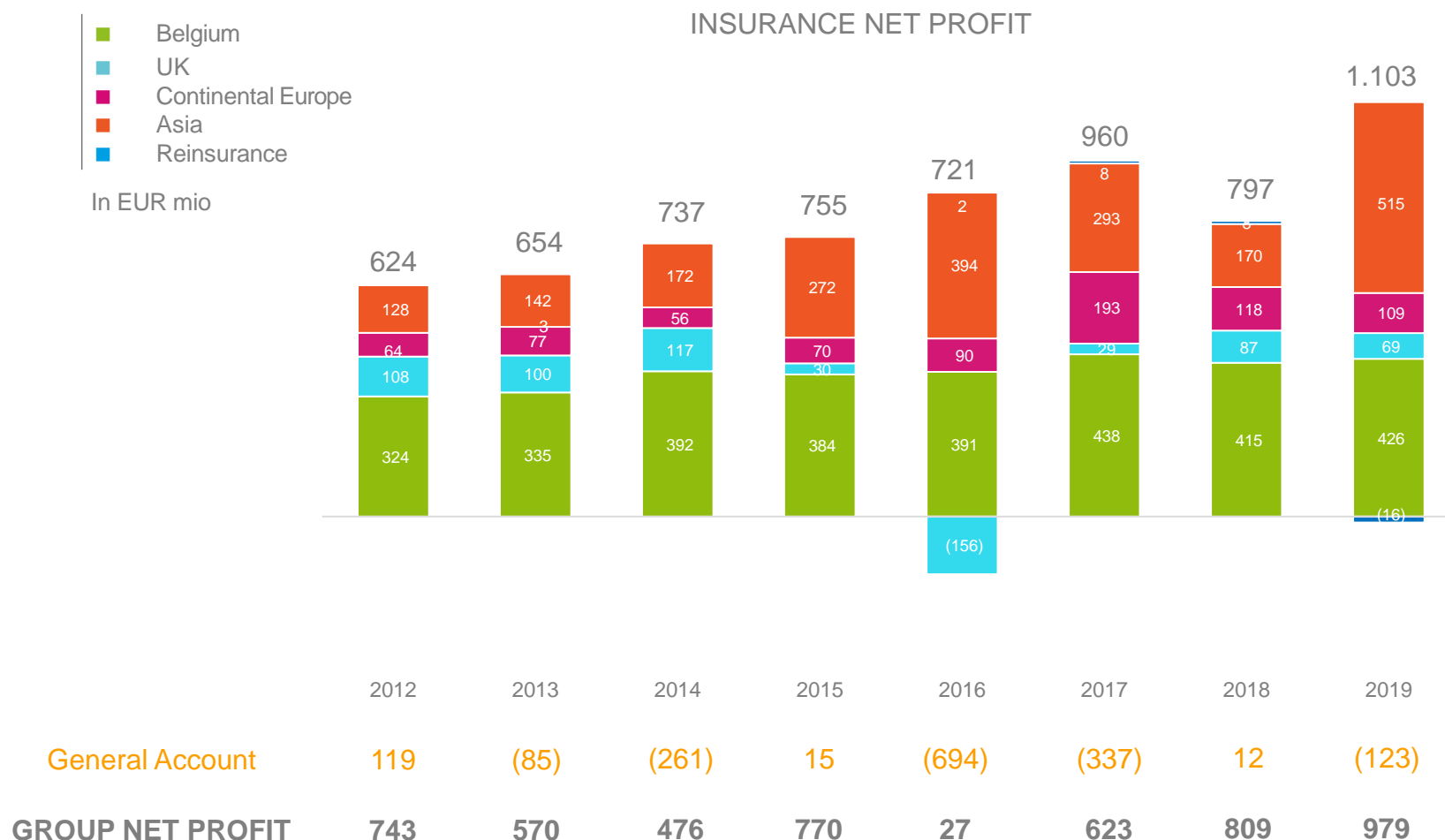
# Consistent inflow growth



All non-consolidated partnerships have been included at 100%  
Excluding UK Life and Hong Kong

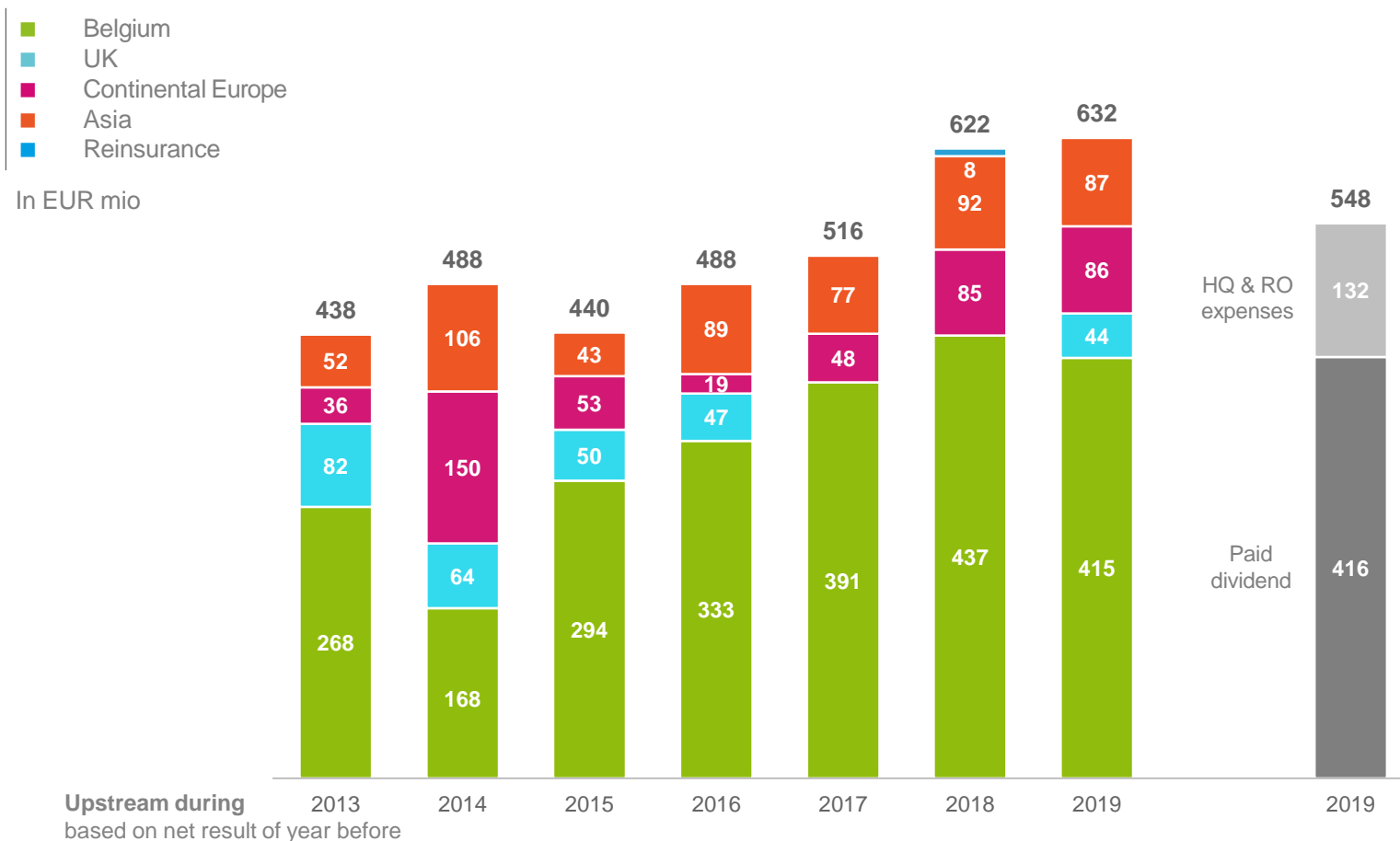


# Underlying Group net profit capacity of EUR 850-950 mio



# Disciplined cash upstream from local entities

## Upstream more than covering dividend and holding costs

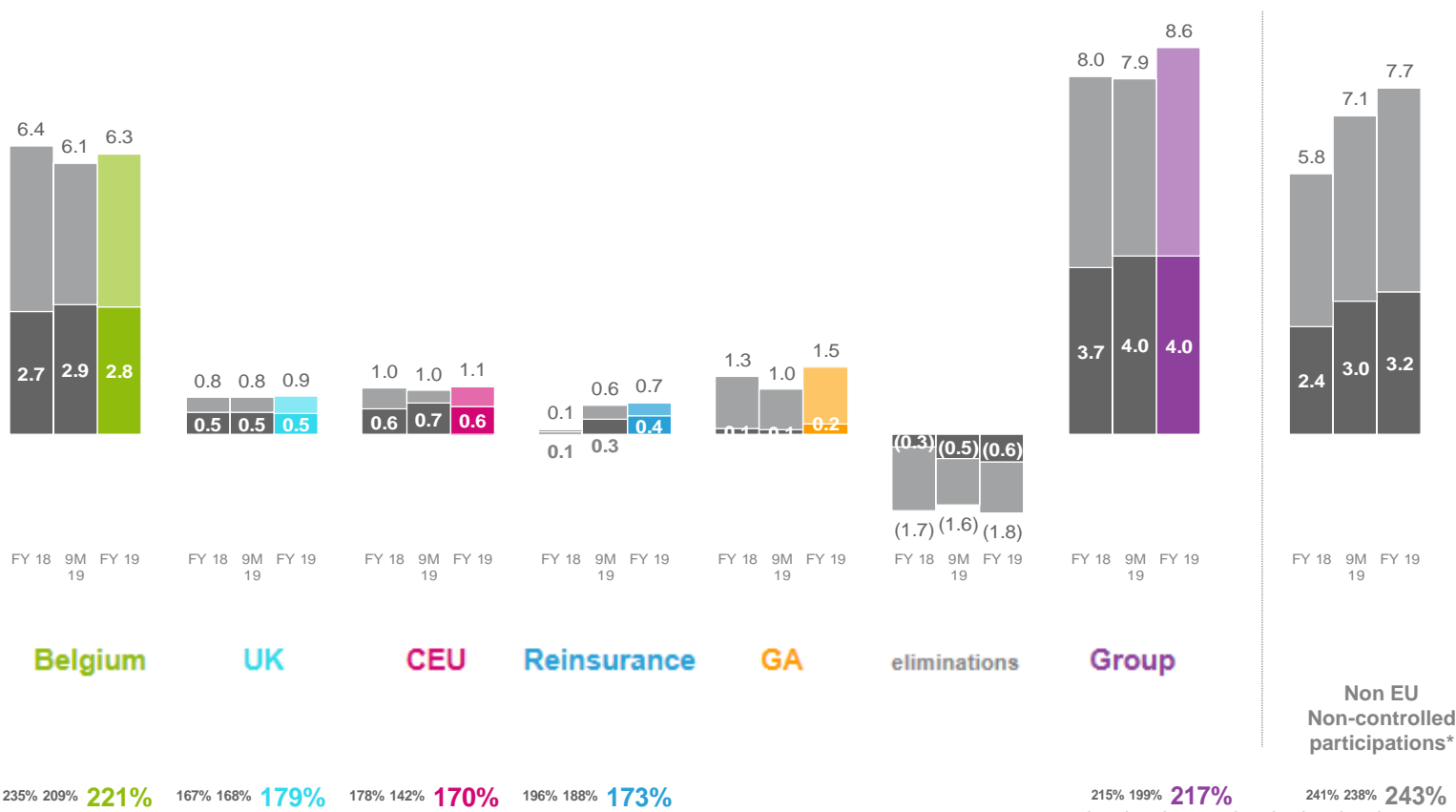


# Strong Solvency II<sub>ageas</sub> position

In EUR bn

Own Funds

SCR

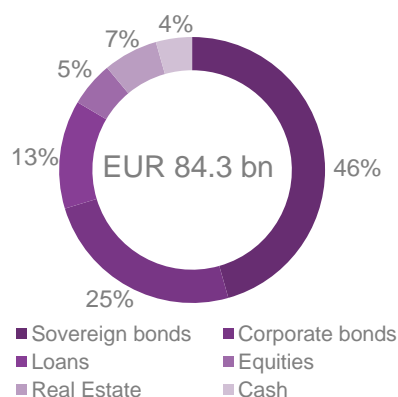


Solvency II<sub>ageas</sub>  
in %

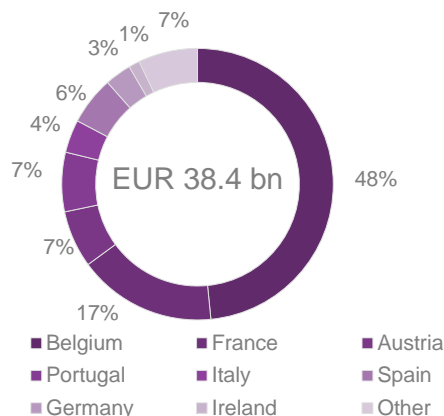
# Solid & diversified investment portfolio

## Stable asset mix & high quality investments

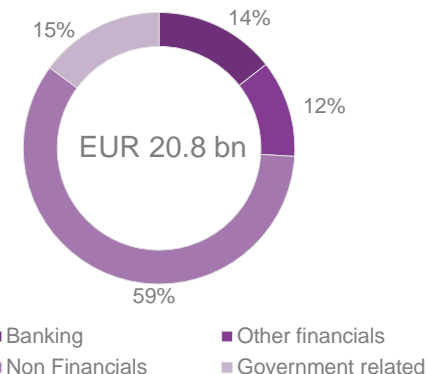
Total investment portfolio



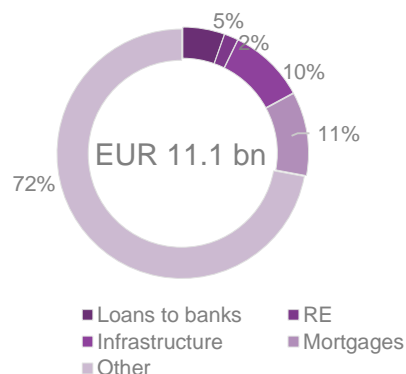
Sovereign bond portfolio: over 99% investment grade – EUR 6.4 bn UG/L



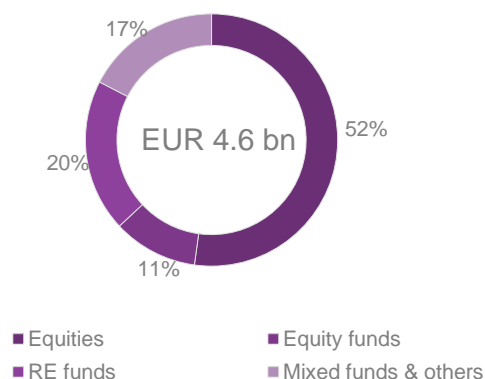
Corporate bond portfolio: over 91% investment grade – EUR 1.5 bn UG/L



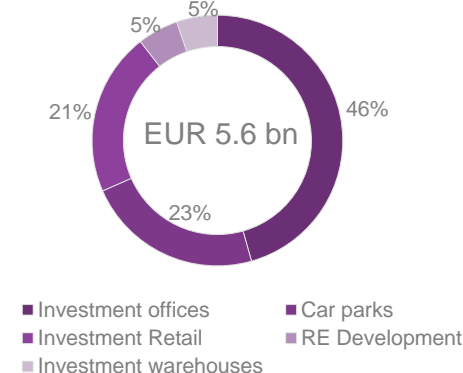
Loan portfolio



Equity portfolio: EUR 0.8 bn UG/L



Real Estate portfolio: EUR 1.9 bn UG/L not reflected in equity



**4 REGIONS,  
14 COUNTRIES**

# Belgium

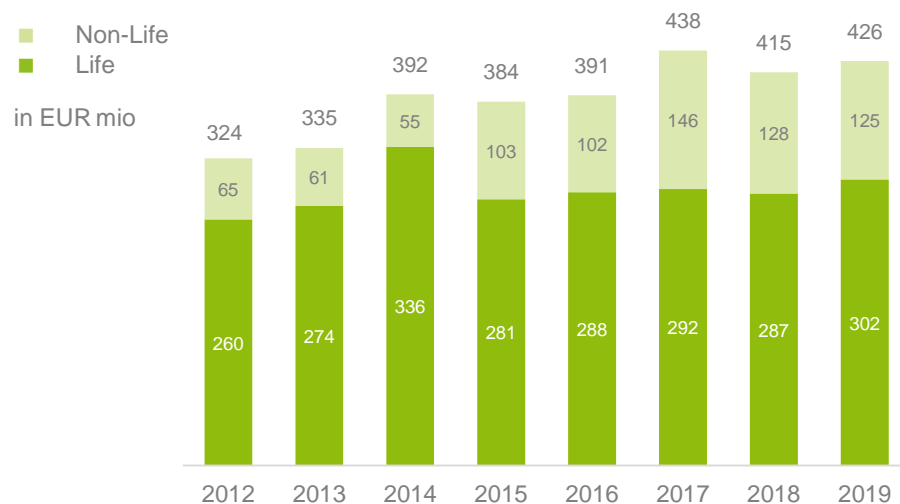
## A market leader with robust profit levels



#1 Life 29% market share  
 #2 Non-Life 16% market share  
 #1 Real Estate EUR 6.5 bn real estate value



BELGIUM INSURANCE NET PROFIT



Policyholders

3 mio

2019  
Gross Inflows  
(@ageas' share)

EUR 5.0 bn

2019  
Net Result

EUR 426 mio

2019  
Combined ratio

95.2%

# United Kingdom

## Focus on restoring profitability



#6 Private car

#6 Domestic property



**TESCO** Underwriting Limited



Staff

3,200

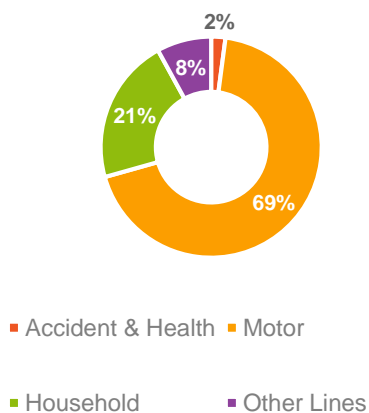
Brokers

2,300

Active customers

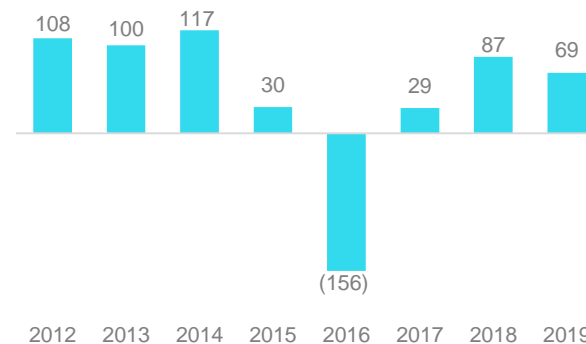
5 mio

2019 GROSS INFLOWS  
(@100%)  
EUR 1.7 bn



UK INSURANCE NET PROFIT

In EUR mio



Excl. Net result UK Life

# Continental Europe

## Portugal 3rd home market



3 markets : Portugal, France and Turkey

(Italy divested in 2017 & Luxembourg in 2018)

#2 in Life and #3 in Non-Life in Portugal

#4 Non-Life in Turkey



Staff

2,300

2019 Combined ratio

91.2%

2019 Gross Inflows  
(@ageas share)

EUR 2.2 bn

2019 Net Result

EUR 109 mio

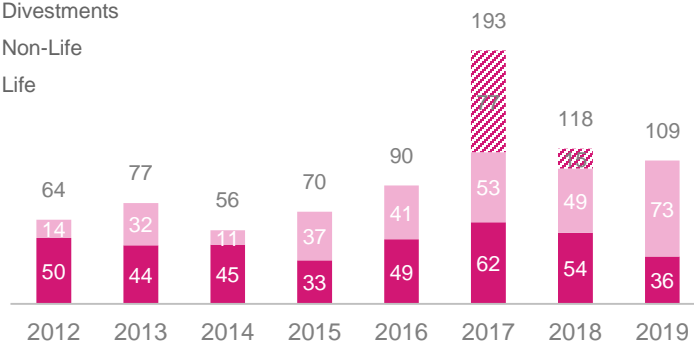
### CONTINENTAL EUROPE INSURANCE NET PROFIT

In EUR mio

■ Divestments

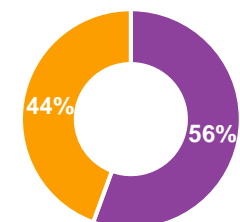
■ Non-Life

■ Life



### 2019 GROSS INFLOWS (@100%)

EUR 3.2 bn



■ Life ■ Non-Life

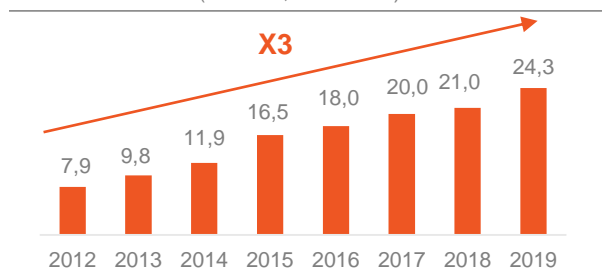


# Asia

## A fast growing contribution



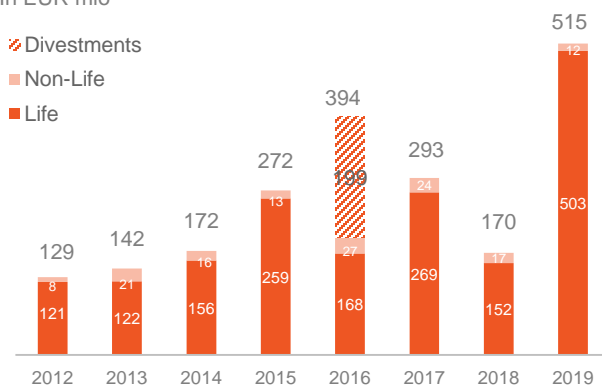
GROSS INFLOWS  
(@100%, in EUR bn)



ASIA INSURANCE NET PROFIT

In EUR mio

Divestments  
 Non-Life  
 Life



### Partnerships in 9 markets :

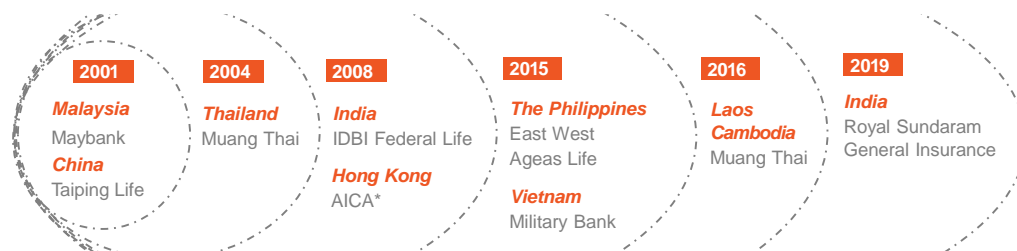
China, India, Malaysia, Thailand, Vietnam, Philippines, Singapore, Laos, Cambodia

#5 Life in China

#1 General in Malaysia

#3 Life & #4 Non-Life in Thailand

### EXPANDING OUR REACH THROUGH PARTNERSHIPS



\*AICA was sold in 2016

2019 Gross Inflows  
(@ageas share)

EUR 6.2 bn

2019 Net Result

EUR 515 mio

2019 Combined ratio

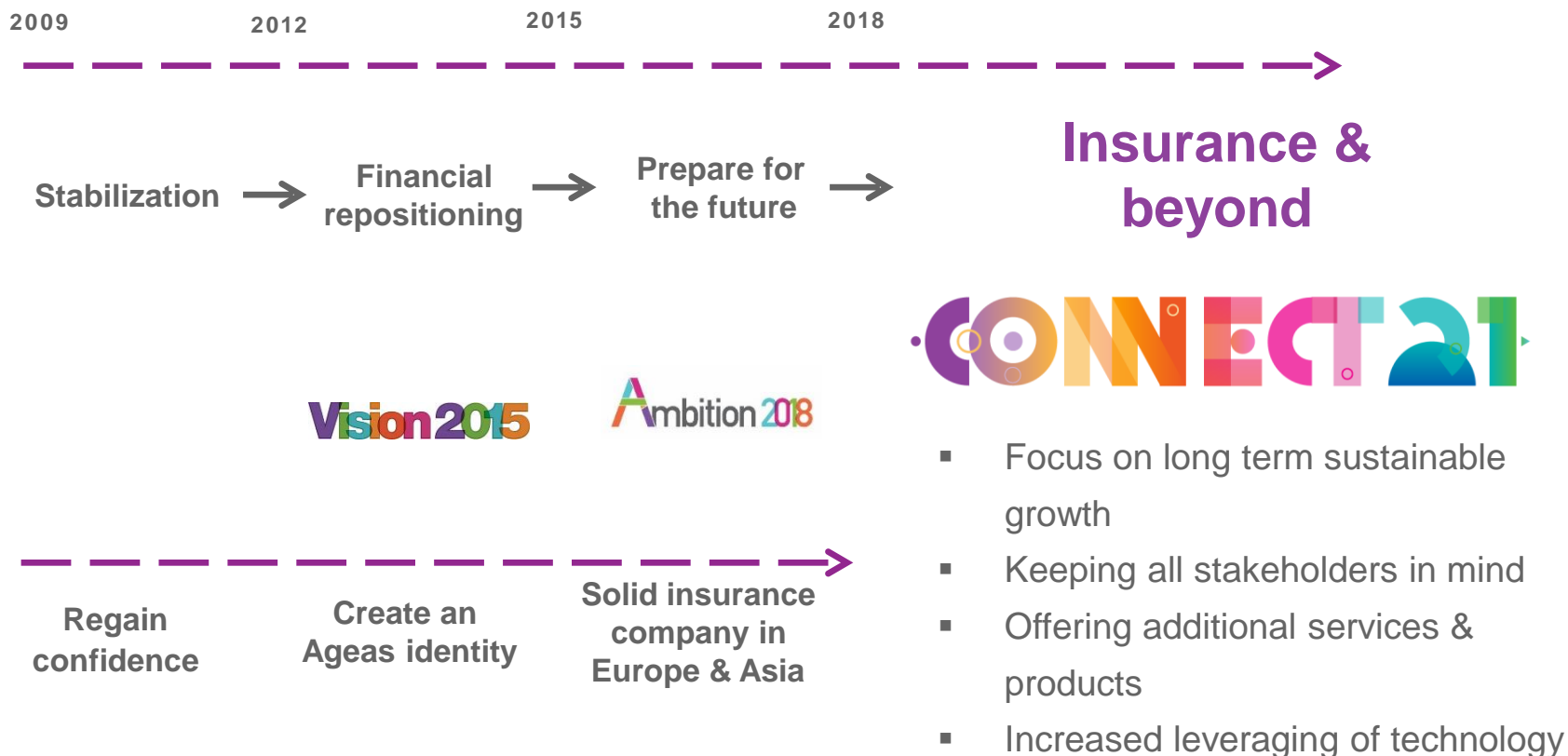
100.9%



# STRATEGY

# Connect 21, our 3-year strategic plan

## An evolution from the past & preparing for the future



# Connect21

## A reflection of our Group's Strategy, Values and KPI's



Our strategy is to:

**A great customer experience**

**To prevent, prepare, protect & assist**

**By leveraging technology**

**With partners and through alliances**



**Creating smart synergies**

**Empowering local autonomy**

**Focusing on Europe and Asia**



**96%**  
**Combined Ratio**

**85 - 95 bps**  
**Guaranteed Life Margins**  
**30 - 40 bps**  
**Unit-Linked**

**175%**  
**Solvency II Ratio**

**≥ 50%**  
**Dividend Pay-Out**

**Share Buy-Back**  
**≥ EUR 150 m**  
**except if M&A**

**5-7%**  
**Earnings/share CAGR**

# M&A Strategy

## M&A Criteria

### CRITICAL SIZE

- Local presence
- Compete effectively in its market or niche
- Comply with Ageas's quality standards

### MEANINGFUL CONTRIBUTION

- In the medium term
- Significant enough to justify management time

### RETURN IN EXCESS OF COST OF EQUITY

- while taking into account
  - business specificities
  - expected value creation

#### BUSINESS GROWTH OPPORTUNITIES

Flexibility for opportunities where Ageas believes its expertise can create growth & improve the business

#### NON-LIFE

Clear preference for Non-Life

#### EXISTING MARKET

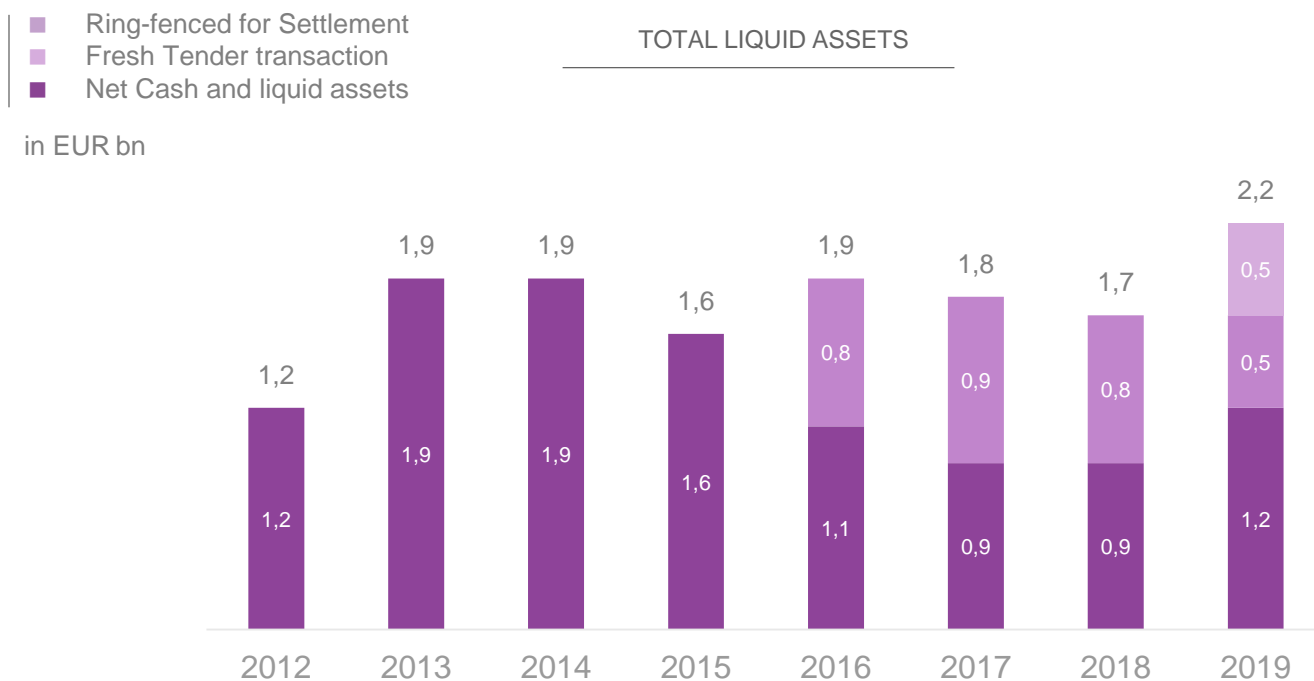
Priority to strengthen positions in existing markets

#### FAST GROWING EMERGING MARKETS

Further expansion in fast growing emerging markets while respecting financial targets and continuing to build on a successful partnership model

# M&A Strategy

Total available cash estimated at around EUR 1 bn



**Financing in case of a compelling M&A transaction can come out of:**

- Available Net Cash
- Projected future cash flows
- Debt issuing capacity

# IDBI Federal Life

## Increase of existing participation in India Life to 49%

### KEY TRANSACTION TERMS

- Announced August 6<sup>th</sup>
- Agreement with IDBI Bank
- Intention to acquire an additional 23% stake while Federal bank intends to acquire an additional 4%
- New shareholding structure is envisaged to be Ageas 49%, Federal Bank 30% and IDBI 21%

### PRICE

- INR 5.1 bn (≈EUR 57 mio)

### VALUATION

- P/EV end march 2020 : 1.1
- Price on 2019 Earnings: 13.2

### FINANCING & CAPITAL IMPACT

- Fully in cash
- ≈ 2pp impact on Solvency

### TIMING

- Subject to regulatory approval
- Closing expected before year end 2020

# IDBI Federal Life (cont.)

## Increase of existing participation in India Life to 49%

OPPORTUNITY TO EXPAND IN  
REGIONS WHERE AGEAS IS  
ALREADY PRESENT

WITH A SOLID & AMBITIOUS  
COMPANY

IN MARKETS WITH STRONG  
POTENTIAL

- Increased presence in India Life
- Expansion in fast growing markets
- Set up in 2006
- Continued growth in inflows - EUR 245 mio (@100%) in 2019
- Profitable within 6 years - net result of EUR 20 mio (@100%) in 2019
- High potential for growth - expected growth (2020 – 2025) to come 14 to 15% CAGR (source: IRDAI, BCG analysis)
- Low insurance penetration rate (<3%)



# Taiping Reinsurance

## Subscription to capital increase – Transaction overview

### KEY TRANSACTION TERMS

- Announced August 27<sup>th</sup>
- Agreement with China Taiping Insurance Holding
- To subscribe to the capital increase of its wholly controlled subsidiary Taiping Reinsurance CO. Ltd. (Taiping Re)
- Leading to 25% participation

### PRICE

- HKD 3,100 mio (around EUR 340 mio)

### VALUATION

- P/B 2019 : 1.02 (BV 2019: HKD 9,041 mio)
- Price on 2019 Normalized Earnings: 13.5  
(based on 2019 net result restated with average 2013-2019 combined ratio)

### FINANCING & CAPITAL IMPACT

- Fully in cash
- ≈ 9pp impact on Solvency
- Sizeable transaction, replacing 2020-2021 SBB

### TIMING

- Subject to regulatory approval
- Closing expected in Q4 2020

# Taiping Reinsurance (cont.)

## Subscription to capital increase - Rationale

UNIQUE OPPORTUNITY TO TAP INTO  
NON-LIFE MARKETS IN ASIA

WITH A SOLID & AMBITIOUS  
COMPANY

IN MARKETS WITH STRONG  
POTENTIAL

A REINFORCEMENT OF  
SUCCESSFUL PARTNERSHIP

LEADING TO A MUTUALLY  
BENEFICIAL COOPERATION

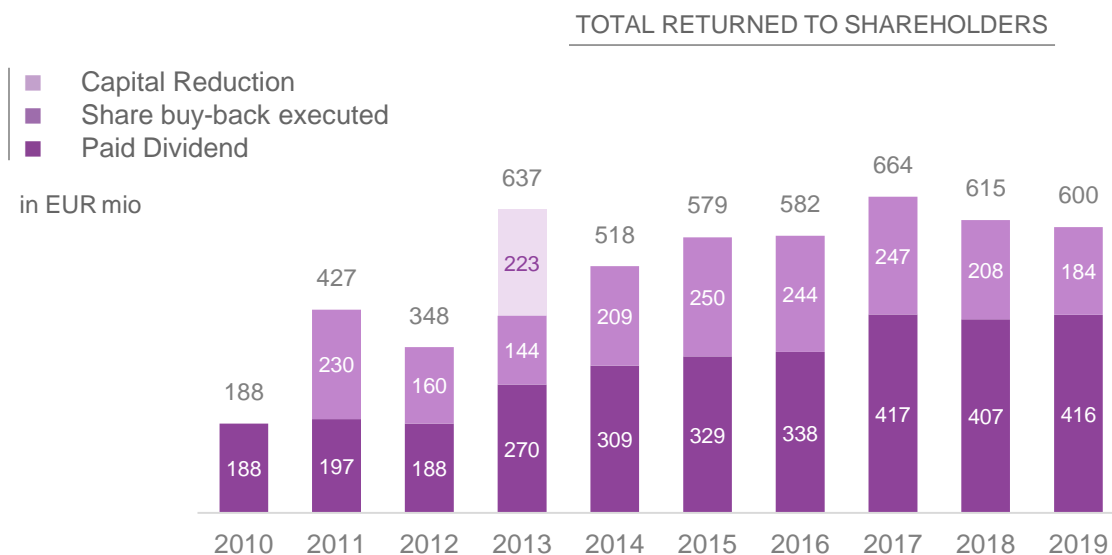
- Increased presence in Non-Life
- Expansion in fast growing markets
- Further diversification of product portfolio towards reinsurance
- Well-established reinsurer with a strong client base
- Ambitious growth strategy
- Strong growth & solid track record of profitability
- Backed by a strong, resourceful & state-owned parent
- Positive sector outlook for Asian reinsurance market
- Low insurance penetration rate
- Long-term (2001) & successful partnership with China Taiping
- In line with the strategic cooperation agreement signed in 2017
- For Ageas: Unique entry point in the reinsurance market
- For Taiping Re: Capital to support growth & expertise on Europe



# INVESTMENT CASE

# Shareholders return

## EUR 5.6 bn returned to shareholders since 2009



Target dividend payout ratio  
under Connect21

≥ 50%

Intended  
Cash dividend 2019  
of  
EUR 2.65  
up 20%

9 consecutive share buy-back programmes

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Gross amount/share in EUR	0.80	0.80	1.20	1.40	1.55	1.65	1,70 +0.40	2.10	2.20	2.65
Payout ratio	50%	-	43%	47%	45%	45%	59%	42%	58%	50%
Dividend yield	3.7%	4.7%	4.6%	4.4%	5.0%	4.9%	5.3%	5.1%	5.3%	5.0%
Shares entitled to dividends as of 1 January (in million)	245.8*	228.1*	227.2	221.8	214.8	207.7	201.4	195.1	190.4	186.6

\*restated for the reverse stock split in 2012

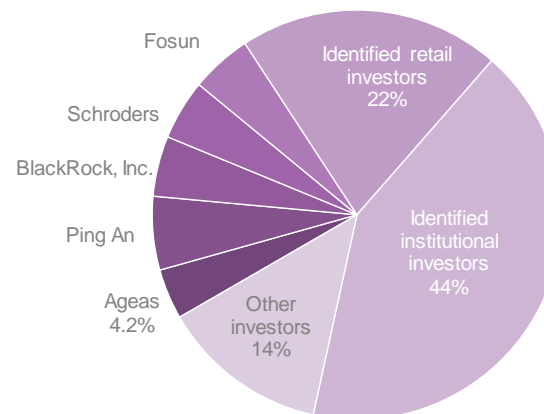
# Shareholders return

## Total value creation x15 in 11 years

### AGEAS' SHARE

Listed on Euronext Brussels  
BEL 20 index  
ISIN BE0974264930  
Bloomberg AGS BB  
Reuters AGES.BR

SHAREHOLDERS at 31/12/2019



SHARE PRICE (in EUR)

**Simple** shareholder return  
826% or **22% / year**

**Total** shareholder return  
1431% or **28% / year**



# Settlement in full execution mode

## Court's decision to declare the settlement binding on 13/07/2018

- Publication of binding declaration notice on 27/07/2018 launched execution of the settlement
- Early filing & opt-out period ended on 31/12/2018
- Limited number of opt-outs received for ≈1% of total settlement amount
- Opt-out cases from settlement
  - Mr. Modrikamen: out-of-court settlement reached on 8 June 2020
  - Patrinvest: first instance in favour of Ageas, appeal filed by plaintiff
  - Cebulon: initiated legal proceedings on 14 July 2020, introductory hearing before the Utrecht court of first instance on 9 September 2020
- Computershare Investor Services plc acting as independent claims administrator
- Further information available on [www.FORsettlement.com](http://www.FORsettlement.com)

## Claims filing ended on 28/07/2019

- ≈290K claims received of which ≈228K have received early payment as at end of June 2020
- So far more than EUR 780 mio compensation paid to eligible shareholders
- Due to higher than expected number of claims, dilution likely in certain cases
- 70% of estimated per share compensation guaranteed for claimants filing before 31/12/2018
- Claims validation and payments to continue in 2020

# Conclusion

## BUSINESS MODEL STRENGTHS

Balanced portfolio  
Markets/products/channels

Strong positions in **mature**  
European countries  
+  
Growth potential in Asian  
**emerging** markets

Proven expertise in growing  
through **partnerships**

## FINANCIAL DISCIPLINE & LEGACIES SOLVED

Strong capital position  
(FY 2019)

Shareholder's equity  
EUR 11.2 bn

Group Solvency II<sub>ageas</sub> 217%

Cash upstream from operating  
entities more than covering  
dividend and holding costs

Resolution of most **legacies**  
from the past

## AMBITION FOR THE FUTURE

Clear strategic priorities  
to prepare the Group for the  
future

### Financial targets Connect21

- 96% Combined ratio
- Life operating margin  
85-95 bps guaranteed  
30-40 bps unit-linked
- SII ratio 175%
- 5-7% EPS CAGR

### Strong commitments to shareholders

- ≥ 50% dividend pay-out
- Share buy-back ≥ EUR 150mio  
except if substantial M&A

Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Future actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in Ageas's core markets, (ii) performance of financial markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) increasing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the Economic and Monetary Union, (x) changes in the policies of central banks and/or foreign governments and (xi) general competitive factors, in each case on a global, regional and/or national basis. In addition, the financial information contained in this presentation, including the pro forma information contained herein, is unaudited and is provided for illustrative purposes only. It does not purport to be indicative of what the actual results of operations or financial condition of Ageas and its subsidiaries would have been had these events occurred or transactions been consummated on or as of the dates indicated, nor does it purport to be indicative of the results of operations or financial condition that may be achieved in the future.

## Investor Relations

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