



PRESS RELEASE

Brussels / Utrecht, 7 February 2012 – 7:30 am

Regulated information – Ageas outlines impact of settlement with Fortis Bank and BNP Paribas

On 26 January 2012, Ageas and Fortis Bank reached an agreement on a partial settlement of the RPN(I)¹ and the full call of the Tier 1² instrument (ISIN BE0117584202) issued by Fortis Bank and for 95% held by Ageas. The settlement and call were both subject to the successful cash tender by BNP Paribas on CASHES³.

On 1 February 2012, Ageas announced that this cash tender was successful and would be done at an offer price of 47.50%.

On 6 February 2012, BNP Paribas exchanged 7,553 of tendered securities out of 12,000 CASHES securities outstanding (62.94%) into 78,874,241 existing Ageas shares. BNP Paribas has committed not to sell these shares for a period of 6 months. The total number of outstanding Ageas shares remains unchanged. However, the number of shares entitled to dividend and voting rights has increased by 3.5%.

The indemnity for a 100% exchange was set at EUR 456 million, so Ageas will indemnify BNP Paribas for EUR 287 million as a result of the above exchange. Furthermore Ageas will pay Fortis Bank an annual indemnification for the 46,439,042 non-exchanged shares underlying the remaining CASHES. In addition, in case BNP Paribas exchanges additional CASHES within a period of 2 years, it will be indemnified within the limits specified for the recent offer.

Impact for Ageas

Positive impact on the Net Cash position of EUR 666 million

- Ageas will receive EUR 953 million for the redemption of the Tier 1 instrument.
- Ageas will pay an indemnity of EUR 287million.
- Net proceeds, to be received on 26 March 2012, will amount to EUR 666 million.

Negative result impact in the first quarter 2012 of EUR 147 million

- **Positive impact due to redemption Tier 1 instrument:** net profit of EUR 131 million due to EUR 159 million higher value Tier 1 instrument compared to its amortized cost value at year end 2011 and EUR 28 million cancellation of the corresponding deferred tax asset
- **Positive impact due to pro rata release of RPN(I) liability:** EUR 21 million
Ageas reviewed the level 3 valuation of the RPN(I) and decided to include a EUR 169 million floor in the valuation in the remaining RPN(I), or 37.06% of the indemnification paid. At year end the RPN(I) amounted to EUR 190 million, so the RPN(I) release amounts to EUR 21 million.
- **Negative effect due to indemnifications:** EUR 299 million
 - EUR 287 million indemnity paid
 - EUR 12 million net loss due to costs related to the transaction, including the best estimate of the fair value of the annual indemnification⁴



Decreased volatility in the results

As long as the model for valuing the RPN(I) generates a liability that is lower than the EUR 169 million floor, the value of the RPN(I) will remain at this floor level; otherwise the value generated by our model for the valuation of the RPN(I) will be applied. The quarterly payments to BNP Paribas and the Belgian State will also be lowered in proportion.

Lower credit risk to Fortis Bank of EUR 2.8 billion

As a result of the EUR 953 million redemption of the Tier 1 and the exchange of EUR 1,8 million nominal amount of CASHES securities outstanding, the credit risk to Fortis Bank will be lowered by more than EUR 2.8 billion.

No impact on Solvency/Equity of the operating insurance companies

The net results stated above will influence the equity of the General Account and Group solvency. The available solvency will decrease with approximately 2%. The solvency of the operating insurance companies is not affected.

¹ The RPN(I) is a financial instrument held by ageas SA/NV and ageas N.V. that results in quarterly payments being made to, or received from, Fortis Bank SA/NV. Each quarterly interest payment (3 month EURIBOR + 20 bps) is paid over a reference amount of a Relative Performance Note (RPN). This RPN was designed to avoid accounting volatility at Fortis Bank SA/NV with regard to the market value changes of the CASHES and its underlying 125,313,283 Ageas shares.

² EUR 1,000 million of Redeemable Perpetual Cumulative Coupon Debt Securities (ISIN BE0117584202) issued by Fortis Bank SA/NV in 2001, for EUR 952.9 million owned by ageas N.V. since 26 September 2011 as result of an exchange for cash with previous holders after Fortis Bank decided not to call these bonds at their first call date, this exchange being in line with a Support Agreement entered into by the former Fortis' parent companies, now ageas SA/NV and ageas N.V.

³ CASHES, EUR 3 billion Convertible And Subordinated Hybrid Equity-linked Securities (ISIN BE0933899800) floating rate (3 month EURIBOR + 200 bps) securities of Fortis Bank SA/NV, with the former Fortis' parent companies, now Ageas N.V. and Ageas SA/NV, as "Co-obligors", issued in 2007, convertible in 125,313,283 Ageas shares.

⁴ based on the assumption that the remaining CASHES will be exchanged within 2 years.

Ageas is an international insurance company with a heritage spanning more than 180 years. Ranked among the top 20 insurance companies in Europe, Ageas has chosen to concentrate its business activities in Europe and Asia, which together make up the largest share of the global insurance market. These are grouped around four segments: Belgium, United Kingdom, Continental Europe and Asia and served through a combination of wholly owned subsidiaries and partnerships with strong financial institutions and key distributors around the world. Ageas operates successful partnerships in Belgium, UK, Luxembourg, Italy, Portugal, Turkey, China, Malaysia, India and Thailand and has subsidiaries in France, Germany, Hong Kong and UK. It is the market leader in Belgium for individual life and employee benefits, as well as a leading non-life player, through AG Insurance, and in the UK, it has a strong presence as the third largest player in private car insurance and the over 50's market. It employs more than 13,000 people and has annual inflows of almost EUR 18 billion.



MEDIA CONTACT

+32 (0)2 557 57 37

INVESTOR RELATIONS

Brussels

+32 (0)2 557 57 33

Utrecht

+31 (0)30 252 53 05

Ageas

Rue du Marquis 1 - 1000 Brussels - Belgium

Archimedeslaan 6 - 3584 BA Utrecht - The Netherlands

www.ageas.com