PRESS RELEASE

Brussels / Utrecht 27 May 2011 07:30

Regulated information - **Ageas fully prepared to meet its obligations following decision of BNP Paribas affiliate Fortis Bank SA/NV not to call its Debt Securities 2001 - Ageas decides to qualify the RPN(I) liability as permanent funding**

Fortis Bank SA/NV, a BNP Paribas affiliate partially held by the Belgian State, has decided not to exercise its call option on the 6.5% Redeemable Perpetual Cumulative Coupon Debt Securities 2001 issued by Fortis Bank SA/NV (the "Securities")[1].

Following Fortis Bank SA/NV's decision, Ageas confirms that, pursuant to the terms and conditions of the Securities, it will seek approval from the National Bank of Belgium ("NBB") to acquire the Securities against cash and at par (the "Exchange") on the first call date i.e. 26 September 2011 (the "Exchange Date")[2]. After the Exchange Date, the Securities will be callable by Fortis Bank SA/NV on a quarterly basis.

Ageas will communicate to the market as soon as possible the decision of NBB. Holders of Securities wishing to opt for the Exchange are invited to contact the Trustee for further details on the exercise of the Exchange.

In the event approval is not granted, the Securities will remain outstanding with a floating coupon.

If NBB approves the Exchange, Ageas will hold, as from the Exchange Date, the acquired Securities as financial instruments "available for sale" at fair value. This will affect the **net result** and shareholders' equity of the General Account at the Exchange Date for the difference between the nominal value and the fair value of the Securities at such date. Subsequent fair value adjustments will be reflected in the shareholders' equity. However, as a result of the Exchange, Ageas will be entitled to a quarterly coupon payment of 3-months Euribor + 237 bps on the total amount of the acquired Securities. Assuming 100% of the Securities are acquired by Ageas at the Exchange Date, the yearly net interest income on the cash amount invested is expected to rise by approximately EUR 24 million.

The **net cash position** of Ageas's General Account, which amounted to EUR 2.1 billion at 31 March 2011, will be reduced by a maximum of EUR 1 billion depending on the amount of the Securities acquired. The remaining net cash position will stay at a comfortable level.

Ageas emphasizes that the Exchange will not affect the **solvency position of its insurance operations** for which it reported a ratio of 201% under IFRS at 31 March 2011.

Ageas's **discretionary capital** amounted to EUR 0.2 billion at 31 March 2011. This amount is based on the assumption that EUR 1 billion was set aside should the Exchange occur. After the Exchange, the discretionary capital will be positively adjusted with the amount of cash set aside but not disbursed in the Exchange. Furthermore, following the re-assessment of the nature of the RPN(I) liability[3], Ageas has decided to qualify the RPN(I) as permanent funding. As a consequence the discretionary capital will increase by EUR 0.7 billion, in line with the fair value of the RPN(I) at 31 March 2011.

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, 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 second 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.

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[1] On 10 September 2001, Fortis Bank SA/NV issued EUR 1,000 million of Redeemable Perpetual Cumulative Coupon Debt Securities, benefiting from a Support Agreement entered into by the former Fortis' parent companies, now ageas SA/NV and ageas N.V. This Support Agreement grants Securities' holders the option, should Fortis Bank SA/NV not call the instrument, to request ageas SA/NV and ageas N.V. to exchange the Securities against newly issued Ageas's shares. On 27 and 28 April 2011, the shareholders' meetings of Ageas did not approve sufficient authorised capital for the exchange. Therefore, ageas SA/NV and ageas N.V. will need to settle the exchange for cash, subject to regulatory approval, as provided by the Securities' issuance terms and conditions.

[2] See press release of BNP Paribas Fortis at www.bnpparibasfortis.com

[3] RPN(I) is a financial instrument related to the CASHES, a hybrid debt instrument issued by Fortis Bank SA/NV with ageas SA/NV and ageas NV as co-obligor. The RPN(I) results in quarterly payments being made to, or received from, Fortis Bank SA/NV. The quarterly interest payments are determined as the average of the interest payments to be made on a reference amount, the so called RPN. This RPN is based on the evolution of the market prices of the CASHES securities and the Ageas's share price compared to the original valuation of both instruments.