



PRESS RELEASE

Regulated information

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Ageas reports good first quarter results 2021

Good start to the year

All segments contributing to the strong net result

Sound commercial performance in both Life and Non-Life

Net Result	<ul style="list-style-type: none">▪ The Group net result was EUR 296 million driven by a solid operating performance in both Life and Non-Life▪ Insurance net result increased from EUR 113 million to EUR 318 million▪ Net result in Non-Life amounted to EUR 91 million compared to EUR 24 million in last years' first quarter▪ Life net result of EUR 227 million compared to EUR 89 million last year
Inflows	<ul style="list-style-type: none">▪ The Group inflows (at 100%) were up 6% to EUR 12.6 billion▪ Life inflows (at 100%) were up 4% to EUR 10.4 billion driven by Asia and Belgium▪ Non-Life inflows (at 100%) were significantly up to EUR 2.2 billion including EUR 355 million contribution of Taiping Re
Operating Performance	<ul style="list-style-type: none">▪ Excellent Combined ratio at 91.7%▪ Operating Margin Guaranteed at 92 bps and Operating Margin Unit-Linked at 34 bps. Both margins within the target range
Balance Sheet	<ul style="list-style-type: none">▪ Shareholders' equity at EUR 11.7 billion or EUR 62.71 per share▪ Group Solvency II_{Ageas} ratio remained strong at 195%▪ General Account Total Liquid Assets as at 31 March 2021 at EUR 1.2 billion▪ Life Technical Liabilities excl. shadow accounting of the consolidated entities up 1% compared to end 2020 to EUR 74 billion

A complete overview of the figures and comparison with previous year can be found on page 5 of this press release and on the Ageas website.

Key figures and main highlights on the segments can be found in the Annexes of this press release

Ageas CEO Hans De Cuyper said: "Both commercially and operationally, Ageas performed strongly in the first quarter of 2021. The growth in inflows both in Life and Non-Life and the overall solid operating performance reflects the resilience of our business and our people in a world still affected by Covid. The strong first-quarter performance gives us confidence that we can strengthen our guidance to EUR 900 – 950 million."

"We have also welcomed new colleagues from AvivaSA in Turkey. The investment we made in AvivaSA, provides us with a balanced Life and Non-Life presence in the fast-growing Turkish market. And in the UK, we say goodbye but also thank you to the employees of Tesco Underwriting, wishing them every success in the future development of their business."

Solid business performance to start the year

Inflows during the first quarter were marked by strong growth in Unit-Linked and Non-Life. The Life operating margins and the Non-Life combined ratio reflected the solid operating performance of the consolidated entities. The net result of the non-consolidated entities benefitted to a large extent from the smart timing of capital gains, which combined with the overall solid performance across the businesses contributed to a strong Group net result for the quarter. Covid-19 continued to influence the Life investment income and the Non-Life claims ratio however to a lesser degree than in 2020. Also this first quarter, Taiping Re's contribution was included in the figures for the first time, while the contribution from Tesco Underwriting, the divestment of which closed on 4 May 2021, was no longer incorporated. Also on the M&A front, the closing of the acquisition of a 40 % stake in the Turkish Life insurance and pension company AvivaSa, was announced. The contribution of this joint venture will be reflected in the accounts as from the second quarter of 2021.

The first quarter Group **inflows including the non-consolidated entities** (at 100%) were 6% up compared to last year. Life inflows were driven by new business in Asia including a strong start-of-the-year campaign in China and Group Life in Belgium. Non-Life inflows were up mainly thanks to a strong performance in Belgium and the inclusion of Taiping Re.

The Non-Life **combined ratio** was strong across the consolidated entities and still benefitted from somewhat lower claims frequency in Motor although to a lesser extent than in previous quarters.

The strong **Guaranteed operating margin** of the consolidated entities reflected the sound net underwriting performance while the investment margin reached normal levels again after the severe drop in the first quarter of last year.

The Group **Unit-Linked operating margin** stood at 34 bps, well within the target range thanks to a solid margin in Belgium and a strong recovery in Continental Europe.

The strong performance of the non-consolidated partnerships resulted in a contribution to the **Group net profit** of EUR 156 million. The insurance operations generated a net profit of EUR 318 million marked by a strong Life and Non-Life performance. The net result of the General Account stood at minus EUR 23 million.

Based on the strong first quarter result, Ageas feels confident that it will be able to deliver a full year 2021 result excluding the impact from RPN(I) between EUR 900 and 950 million.

Ageas's **investment portfolio** at the end of the first quarter 2021 amounted to EUR 84.3 billion compared to EUR 85.1 billion at the end of 2020. This decrease is related to lower unrealised capital gains and losses on the fixed income portfolio due to the increase of interest rates. The fair value of the real estate portfolio increased to EUR 6.1 billion with EUR 1.9 billion of unrealised gains in line with the end of 2020.

Life Technical Liabilities excluding shadow accounting of the consolidated entities increased compared to the end of 2020 to EUR 74 billion as a result of the increased inflows in Unit-Linked and Group Life in Belgium. The Life Technical Liabilities in the non-consolidated entities strongly increased thanks to continued growth in inflows and strong persistency levels.

Total **shareholders' equity** increased over the first quarter to EUR 11.7 billion or EUR 62.71 per share driven by the strong net result and the positive impact of foreign exchange differences partly offset by lower unrealised capital gains on the fixed income portfolio.

Ageas's Solvency II_{ageas} ratio increased to 195 %, driven by the strong operational performance and the sharp increase in the risk free curve. The strong contribution of the insurance operations fully covered the accrual of the expected dividend. Asset management decisions taken in response to the lasting low interest rate environment affected the operational free capital generation that stood at EUR 114 million including EUR 14 million in dividends from the non-European Non-Controlled-Participations

The regulatory PIM solvency ratio increased further to 200%

Belgium

Inflows over the quarter remained stable thanks to strong growth in Non-Life (6 %) compensating for the decrease in Life inflows. Life inflows were below last year mainly due to a decrease in Guaranteed savings products partially offset by an increase in Group Life and in Unit-Linked, this quarter also benefitting from a successful sales campaign in the broker channel. Non-Life inflows grew strongly in all business lines thanks to the joint efforts of AG and its distribution partners.

The Life Guaranteed operating margin over the quarter reached 85 bps thanks to a solid investment result and improved net underwriting result more than offsetting the continued lower investment income, from Real Estate. Last year was severely impacted by the volatility of the financial markets. The Unit-Linked operating margin stood strong at 38 bps.

The Non-Life combined ratio was marked by a strong underlying performance benefitting from lower claims frequency in Motor, more than compensating for the adverse weather (3pp impact).

The Solvency position in Belgium increased to 201%, driven by the upward movement of the risk free rate. Asset management decisions affected the Operational Free Capital generation.

UK

Inflows scope-on-scope - taking into account the divestment in Tesco Underwriting - remained stable at constant exchange rate. Continued growth in Household compensated for the lower quote demand across the Motor market due to ongoing restrictions related to Covid-19.

The strong combined ratio and net result were still supported by lower claims frequency in Motor, albeit the benefit has reduced further over the quarter. Part of the strong operating performance is reflected in the net result of the Reinsurance segment.

The strong operating performance resulted in EUR 23 million Operational Free Capital generation.

On 4 May 2021 Ageas UK closed the disposal of its 50.1 % stake in Tesco Underwriting to Tesco Bank for a total consideration¹ of GBP 111 million. In addition the subordinated debt issued by Tesco Underwriting and underwritten by Ageas UK for an amount of GBP 21 million has been reimbursed. The sale offers Ageas the opportunity to crystallise the value that has been created within Tesco Underwriting in previous years and will allow Ageas UK to focus on its core business.

¹ The final amount depends on the evolution of the Net Asset Value of Tesco Underwriting between 31 December 2020 and the closing date.

Continental Europe

Inflows remained solid this quarter. In Life, the increase in Unit-Linked products fully compensated for the decline in Guaranteed products, in line with the strategic decision to adapt the product mix to the continued low interest rate environment. Additionally, the off-balance sheet flexible pension product, launched at the end of 2019, continued to grow and generated EUR 44 million in the first quarter. Non-Life inflows increased 15% at constant exchange rate, with growth in all product lines. Portugal continuously outperformed the market, driven by a solid performance in Health, while Turkey showed strong growth at constant exchange rate.

The Guaranteed operating margin amounted to a solid 131 bps, thanks to a sound underwriting performance, and further supported by continued efforts on expense management. In 2020, the Guaranteed operating margin reflected in the first quarter the positive contribution of a reserve release in Portugal. The Unit-Linked margin recovered to 26 bps compared to the first quarter of last year, which was impacted by higher costs in France related to market volatility.

The combined ratio of the consolidated entity in Portugal stood at a strong 86.1%, with the benefits of lower claims frequency in Motor partly offset by higher claims in Accident & Health. The combined ratio in Turkey was impacted by some large claims.

Excluding the impact of the reserve release in Portugal last year, the Life result was up, driven by the solid underwriting performance. In Non-Life, the increase of the quota share reinsurance programme from 20% to 40% inflated the net result in the first quarter of 2020. Excluding the impact of the internal reinsurance programme, the net profit contribution of the Non-Life activity in Continental Europe was in line with last year. Part of the strong operating performance in Non-Life is reflected in the net result of the Reinsurance segment.

The Solvency position in Continental Europe increased to 172% over the quarter, driven by the positive trend in the risk free rate and the strong operational performance in Non-Life.

On 5 May 2021, Ageas announced the completion of the acquisition of a 40% stake in the Turkish listed Life insurance and pensions company AvivaSA for a total consideration of EUR 140 million (GBP 119 million). Following the transaction, the company is owned 40% by Ageas, 40% by Sabanci Holding with 20% remaining free float.

Asia

Inflows in Asia enjoyed a strong quarter, growing 11% at constant exchange rates. Excluding Taiping Reinsurance, that has been included since December 2020, the growth amounts to 5% at constant exchange rates. This positive trend was driven by the Life segment. In the first quarter inflows grew by 8% and technical liabilities by 11% with all countries contributing to the increase. More specifically in China, the inflows benefitted from high new business volumes thanks to the successful opening campaigns. Although Non-Life inflows were substantially up thanks to the contribution from Taiping Reinsurance, a 3% decline scope on scope was recorded due to the prolonged Covid-19 measures in Malaysia and to the strategic decision to exit crop insurance in India, whereas Thailand recorded solid growth in Non-Life.

The net result in Asia was driven by a continued solid operating performance in Life. Smart asset management decisions, taking advantage of the stock market highs, resulted in strong capital gains, more than compensating for the adverse evolution of the discount rate curve in China. The Non-Life result, which included the positive contribution from Taiping Reinsurance, benefited from higher capital gains, compensating for the deterioration of the combined ratio in India following the exit from crop insurance.

The Solvency position in our Non-European non-controlled entities went up to 221% with the capital generation being more than sufficient to cover the capital requirements to fund the business growth.

Reinsurance

The reinsurance inflows included EUR 441 million from the quota share agreements while an internal Life Reinsurance contract set up with Ageas France generated EUR 7 million inflows.

The Reinsurance result benefited from the lower current year claims frequency recorded at the level of the ceding entities. This more than compensated for the share in the negative result related to adverse weather in Belgium.

General Account

The **net result** of the General Account benefited from a EUR 1.7 million positive contribution from the revaluation of the RPN(i) reference amount liability. Further progress in the handling of claims related to ForSettlement has led to a release of EUR 5 million of the tail risk provision. The first quarter of 2020 included a EUR 310 million capital gain related to the tender transaction on the FRESH securities.

The **total liquid assets** in the General Account remained at the same level as the end of last year, at EUR 1.2 billion. The total amount upstreamed from the operating companies in the first quarter amounted to EUR 73 million mainly coming from Portugal and Turkey.

EUR 550 million of dividends have already been approved by the operating entities and will be upstreamed throughout 2021.

The recent divestment in the UK and acquisition in Turkey will only slightly impact the net cash position in the next quarters.

ANNEXES

Annex 1: Group

KEY FIGURES AGEAS			
in EUR million	3M 21	3M 20	Change
Net result Ageas	295.9	451.6	(34 %)
By segment:			
- Belgium	101.3	12.4	*
- UK	16.0	0.6	*
- Continental Europe	31.4	46.2	(32 %)
- Asia	147.6	74.4	98 %
- Reinsurance	22.1	(20.6)	*
- General Account & Elimination	(22.5)	338.6	*
of which RPN(I)	1.7	55.7	
By type:			
- Life	227.0	89.1	*
- Non-Life	91.4	23.9	*
- General Account & Elimination	(22.5)	338.6	*
Weighted average number of ordinary shares (in million)	187.0	187.6	(0 %)
Earnings per share (in EUR)	1.58	2.41	(34 %)
Gross inflows (incl. non-consolidated partnerships at 100%)	12,646.4	11,961.7	6 %
- of which inflows from non-consolidated partnerships	9,953.4	9,271.7	7 %
Gross inflows Ageas's part (incl. non-consolidates entities)	4,736.5	4,559.2	4 %
By segment:			
- Belgium	1,314.4	1,318.4	(0 %)
- UK	335.3	382.7	(12 %)
- Continental Europe	556.3	545.2	2 %
- Asia	2,530.5	2,312.9	9 %
By type:			
- Life	3,371.9	3,257.2	4 %
- Non-Life	1,364.6	1,302.0	5 %
Combined ratio	91.7%	99.7%	
Operating margin Guaranteed (bps)	92	56	
Operating margin Unit-Linked (bps)	34	28	
in EUR million			
	31 Mar 2021	31 Dec 2020	Change
Shareholders' equity	11,724	11,555	1 %
Net equity per share (in EUR)	62.71	61.80	1 %
Net equity per share (in EUR) excluding unrealised gains & losses	42.42	39.64	7 %
Return on Equity - Ageas Group (excluding unrealised gains)	15.4%	15.5%	
Group solvency II _{ageas}	195%	193%	1 %
Life Technical Liabilities (consolidated entities)	77,783	78,692	(1 %)
- Life Technical Liabilities excl. shadow accounting	74,060	73,692	0 %
- Shadow accounting	3,723	4,999	(26 %)

Annex 2: Capital Position & Investment Portfolio

CAPITAL AND INVESTMENTS

in EUR million	31 Mar 2021	31 Dec 2020	30 Sep 2020		
Group Solvency II_{ageas}	195%	193%	194%		
- Belgium	201%	195%	203%		
- UK	179%	182%	183%		
- Continental Europe	172%	166%	152%		
- Reinsurance	207%	204%	206%		
Group Solvency II_{pim}	200%	199%	179%		
Shareholders' equity	11,724	11,555	11,252		
in EUR billion	31 Mar 2021	31 Dec 2020	30 Sep 2020	31 Mar 2021	31 Dec 2020
Total investments	84.3	85.1	84.3		
of which					
- Government bonds	37.6	38.7	38.4	45%	46%
- Corporate debt securities	19.6	19.9	20.2	23%	25%
- Loans	13.9	13.4	13.2	17%	13%
- Equity portfolio	5.0	4.9	4.3	6%	6%
- Real Estate	6.1	5.9	5.9	7%	7%

Annex 3: Belgium

- Strong performance in both Life and Non-Life

KEY FIGURES BELGIUM

in EUR million	3M 21	3M 20	Change
Net result attributable to shareholders	101.3	12.4	*
- Life	69.7	(5.9)	*
- Non-Life	31.6	18.3	73%
Gross inflows (incl. non-consolidated partnerships at 100%)	1,752.5	1,757.9	(0%)
- Life	1,028.6	1,072.0	(4%)
- Non-Life	723.9	685.9	6%
Combined ratio - before LPT and QS	94.6%	100.3%	
Operating margin Guaranteed (bps)	85	1	
Operating margin Unit-Linked (bps)	38	47	

in EUR million	31 Mar 2021	31 Dec 2020	Change
Life Technical Liabilities	62,176	62,879	(1%)
- Life Technical Liabilities excl. shadow accounting	59,241	58,798	1%
- Shadow accounting	2,936	4,080	(28%)

As from 2019 a new internal reinsurance programme became operational, impacting combined ratio and Non-Life net result.

As from 2020 the cession rate of the internal Quota Share agreement has been increased from 30% to 40%

The combined ratio including the effect of the new internal reinsurance agreement stood at 92.0% YTD.

For more details, please refer to the Investor presentation and the tables on the website.

Annex 4: United Kingdom

- Continued strong result supported by Motor performance

KEY FIGURES UNITED KINGDOM

in EUR million	3M 21	3M 20	Change
Net result attributable to shareholders	16.0	0.6	*
Gross inflows Non-Life (incl. non-consolidated partnerships at 100%)	335.3	423.6	(21%)
Combined ratio - before LPT and QS	90.2%	107.1%	

As from 2019 a new internal reinsurance programme became operational, impacting combined ratio and Non-Life net result.

As from 2020 the cession rate of the internal Quota Share and the Loss Portfolio agreements has been increased from 30% to 40%

The combined ratio including the effect of the new internal reinsurance agreement stood at 89.9% YTD.

For more details, please refer to the Investor presentation and the tables on the website.

Annex 5: Continental Europe

- Solid performance in both Life and Non-Life

KEY FIGURES CONTINENTAL EUROPE

in EUR million	3M 21	3M 20	Change
Net result attributable to shareholders	31.4	46.2	(32%)
- Life	16.9	25.9	(35%)
- Non-Life	14.5	20.3	(29%)
Gross inflows (incl. non-consolidated partnerships at 100%)	782.1	773.3	1%
- Life	379.2	374.4	1%
- Non-Life	402.9	398.9	1%
Combined ratio - before LPT and QS	86.1%	87.3%	
Operating margin Guaranteed (bps)	131	356	
Operating margin Unit-Linked (bps)	26	0	

in EUR million	31 Mar 2021	31 Dec 2020	Change
Life Technical Liabilities (consolidated entities)	15,612	15,822	(1%)
- Life Technical Liabilities excl. shadow accounting	14,825	14,904	(1%)
- Shadow accounting	787	919	(14%)

As from 2019 a new internal reinsurance programme became operational, impacting combined ratio and Non-Life net result.

As from 2020 the cession rate of the internal Quota Share and Loss Portfolio agreements with Portugal has been increased from 20% to 40%

The combined ratio including the effect of the new internal reinsurance agreement stood at 81.9% YTD.

For more details, please refer to the tables on the website.

Annex 6: Asia

- Strong result driven by continued solid operating performance and capital gains

KEY FIGURES ASIA

in EUR million	3M 21	3M 20	Change
Net result attributable to shareholders	147.6	74.4	98%
- Life	139.8	69.2	*
- Non-Life	7.8	5.2	50%
Gross Inflows (incl non-consolidated partnerships at 100%)	9,776.4	9,006.8	9%
- Life	9,039.3	8,583.2	5%
- Non-Life	737.1	423.6	74%
Gross Inflows Life (incl non-consolidated partnerships at 100%)	9,039.3	8,583.2	5%
- Single premium	934.4	710.7	31%
- Regular premium	8,104.9	7,872.5	3%
Combined ratio	102.5%	95.7%	
in EUR million	31 Mar 2021	31 Dec 2020	Change
Life Technical Liabilities	108,294	97,925	11%

Annex 7: Reinsurance

- Strong current year underwriting results more than offsetting weather impact

KEY FIGURES REINSURANCE

in EUR million	3M 21	3M 20	Change
Net result attributable to shareholders	22.1	(20.6)	*
- Life	0.6		*
- Non-Life	21.5	(20.6)	*
Gross Inflows (incl non-consolidated partnerships at 100%)	487.1	690.1	(29%)
- Life	10.8		*
- Non-Life	476.3	690.1	(31%)
Combined ratio	95.2%	104.7%	
Operating margin Guaranteed (bps)	2,712		
Operating margin Unit-Linked (bps)			
in EUR million	31 Mar 2021	31 Dec 2020	Change
Life Technical Liabilities	10	7	34%
- Life Technical Liabilities excl. shadow accounting	10	7	34%
- Shadow accounting			*

Annex 8: General Account

KEY FIGURES GENERAL ACCOUNT

in EUR million	3M 21	3M 20	Change
Net result including eliminations	(22.5)	338.7	*
Unrealised gain (loss) on RPN(I)	1.7	55.7	(97 %)
Total expenses	(20.6)	(29.2)	(29 %)
- Staff and Intercompany expenses	(8.4)	(7.1)	18 %
- Other operating and administrative expenses	(12.2)	(22.1)	(45 %)
	31 Mar 2021	31 Dec 2020	Change
RPN(I)	(418.1)	(419.8)	(0 %)
Royal Park Investments	3.8	3.6	6 %
Provision Fortis Settlement	(137.0)	(246.2)	(44 %)

ANALYST & INVESTOR CONFERENCE CALL:

12 May 2021
10:00 CET (09:00 UK Time)

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