



PRESS RELEASE

Regulated information

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Ageas reports on interim results

Solid six months results supported by a strong second quarter

Second quarter net result marked by a solid Non-Life performance supplemented by exceptional items in Asia and the UK
9th consecutive buy-back programme launched

Net Result	<ul style="list-style-type: none"> Six months net result stood at EUR 606 million versus EUR 441 million. Good start to the year continued Q2 net result of EUR 355 million versus EUR 194 million Q2 Life net result more than doubled from EUR 121 million to EUR 262 million as a result of an exceptional result in Asia <p>Net result in Non-Life up 48% from EUR 55 million to EUR 81 million driven by strong performances in Belgium and Portugal and by the Ogden release in the UK</p>
Inflows	<ul style="list-style-type: none"> Six months Group inflows (at 100%) of EUR 21 billion, up 11%, excluding Luxembourg Q2 Group inflows (at 100%) of EUR 8.2 billion, up 7%, excluding Luxembourg Life inflows up 5% scope-on-scope to EUR 6.6 billion and Non-Life up 13% at EUR 1.6 billion (both at 100%) Q2 Group inflows (Ageas's part) up 4% at EUR 3.5 billion, excluding Luxembourg
Operating Performance	<ul style="list-style-type: none"> Combined ratio at 95.7% versus 97.8% Operating Margin Guaranteed at 79 bps versus 110 bps due to timing difference in the investment income Operating Margin Unit-Linked at 22 bps versus 28 bps
Balance Sheet	<ul style="list-style-type: none"> Shareholders' equity at EUR 10.2 billion or EUR 53.07 per share Group Solvency II_{Ageas} ratio at 201% including the benefit from the new debt issue General Account Total Liquid Assets at EUR 1.7 billion, of which EUR 0.6 billion is ring-fenced for the Fortis settlement Life Technical Liabilities excluding shadow accounting of the consolidated entities at 30 June increased by 3% to EUR 73.9 billion

A complete overview of the figures can be viewed on the Ageas website.

Ageas CEO Bart De Smet said: « Ageas achieved its best half-year result ever. This was thanks to a strong performance in Life and Non-Life, an exceptional result in Asia and the positive impact of the Ogden interest rate review in the UK. With the exception of the UK, where we exited underperforming schemes and maintained our strict pricing policy, inflows at six months continued to progress. Given the Group's strong solvency and cash position, the Ageas Board has decided to launch the ninth consecutive share buyback programme. On the 28th of July the claims filing period for the Fortis settlement ended. Against the backdrop of an enormous number of claims filed, claims processing and initial payments remain ongoing. We are satisfied with the progress that has been made so far and look forward to being able to close this chapter in the interest of the claimants, Ageas and its stakeholders.»

KEY FIGURES AGEAS

in EUR million	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Net result Ageas	606.0	441.2	37 %	354.6	193.5	83 %	251.4
By segment:							
- Belgium	194.8	219.8	(11 %)	114.2	83.4	37 %	80.6
- UK	52.0	30.5	70 %	41.2	19.8	*	10.8
- Continental Europe	56.7	53.0	7 %	25.1	26.3	(5 %)	31.6
- Asia	331.4	170.0	95 %	184.5	46.2	*	146.9
- Reinsurance	(34.0)	2.1	*	(22.0)	0.3	*	(12.0)
- General Account & Elimination	5.1	(34.2)	*	11.6	17.5	(34 %)	(6.5)
of which RPN(I)	61.3	8.6		34.3	47.0		27.0
By type:							
- Life	485.1	373.3	30 %	262.1	121.4	*	223.0
- Non-Life	115.8	102.1	13 %	80.9	54.6	48 %	34.9
- General Account & Elimination	5.1	(34.2)	*	11.6	17.5	(34 %)	(6.5)
Weighted average number of ordinary shares (in million)	193.6	198.0	(2 %)				194.1
Earnings per share (in EUR)	3.13	2.23	40 %				1.30
Gross inflows (incl. non-consolidated partnerships at 100%)	21,018.3	20,128.7	4 %	8,209.8	8,276.0	(1 %)	12,808.5
- of which inflows from non-consolidated partnerships	15,338.9	15,057.4	2 %	5,694.0	5,722.5	(0 %)	9,644.9
Gross inflows Ageas's part (incl. non-consolidated entities)	8,442.1	8,029.3	5 %	3,505.0	3,577.5	(2 %)	4,937.1
By segment:							
- Belgium	2,671.7	2,391.3	12 %	1,120.9	1,234.4	(9 %)	1,550.8
- UK	789.3	821.5	(4 %)	409.1	422.8	(3 %)	380.2
- Continental Europe	1,160.2	1,384.5	(16 %)	551.9	644.8	(14 %)	608.3
- Asia	3,821.0	3,432.0	11 %	1,423.2	1,275.5	12 %	2,397.8
By type:							
- Life	6,128.7	5,819.5	5 %	2,408.6	2,556.9	(6 %)	3,720.1
- Non-Life	2,313.4	2,209.7	5 %	1,096.4	1,020.5	7 %	1,217.0
Combined ratio	95.7%	97.8%		93.1%	96.7%		98.3%
Operating margin Guaranteed (bps)	79	110		71	83		88
Operating margin Unit-Linked (bps)	22	28		27	24		18

in EUR million	30 Jun 2019	31 Dec 2018	Change	31 Mar 2019
Shareholders' equity	10,225	9,411	9 %	10,235
Net equity per share (in EUR)	53.07	48.42	10 %	52.05
Net equity per share (in EUR) excluding unrealised gains & losses	35.75	34.98	2 %	36.24
Return on Equity - Ageas Group (excluding unrealised gains)	17.7%	11.9%		14.4%
Group solvency II ageas	200.9%	214.6%	(6 %)	194.1%
Life Technical Liabilities (consolidated entities)	77,803	73,359	6 %	75,949
- Life Technical Liabilities excl. shadow accounting	73,851	71,529	3 %	73,094
- Shadow accounting	3,952	1,830	*	2,855

AGEAS

Quarterly net result almost doubled thanks to the solid operating performance across all regions and exceptional items in the UK and Asia.

The **Group quarterly net result** nearly doubled compared to last year thanks to the solid result of the Asian Life operations and a strong operating performance in Non-Life especially in Belgium and Continental Europe. The net result further benefitted from some exceptional items in the UK and Asia.

Belgium's strong net result amounted to EUR 114 million, driven by both Life and Non-Life, despite limited realised capital gains. In Continental Europe the result in Life was negatively impacted by a EUR 9 million reserve strengthening in Portugal due to the current low interest rate environment and last year's result included a EUR 3 million contribution from Luxembourg. The Non-Life net result reflects the strong performance in Portugal and the increased contribution of Turkey. In Asia, the result benefitted from a retroactive change in tax regime and the positive evolution of interest rates in China. As for the UK, the positive impact from the Ogden rate review (EUR 30 million) was offset by large losses in Motor.

The recently introduced internal reinsurance agreements between ageas SA/NV and the operating entities in Belgium, UK and Portugal had no material impact on the Group's net result for the quarter. It did however have an effect on the results at segment level.

The revaluation of the RPN(i) liability had a positive impact on the Group net result that on a year-to-date base stood at EUR 606 million, up 37% compared to the first half of 2018.

Quarterly **inflows**, excluding Luxembourg, were up 7% compared to last year's second quarter, with Asia and Continental Europe as the main contributors. Belgium continued on its growth path with Non-Life outperforming the market mostly thanks to Accident & Health and continued growth in Group Life. Notwithstanding the strategic decision to exit underperforming schemes and to maintain a strict pricing policy, volumes in the UK were only slightly down and starting to stabilise. Scope-on-scope and at constant exchange rate, inflows in Continental Europe were up considerably, driven by both Life and Non-Life and across all countries. The inflow growth in Asia was driven by renewals of the regular premium products with persistency levels in China at industry-leading standards. Reinsurance inflows included EUR 220 million from the quota share agreements.

The **Life Technical Liabilities** excluding shadow accounting of the consolidated entities increased 3% compared to the end of 2018, driven by the

sales increase. Life Technical Liabilities in the non-consolidated entities rose by 17%.

The **Guaranteed operating margin** for the second quarter was negatively impacted by reserve strengthening in Portugal, while the **Unit-Linked operating margin** was below target mostly due to lower sales in Continental Europe.

The **combined ratio** for the quarter stood at an excellent 93.1%, reflecting the strong current year operating performance in both Belgium and Portugal, further supported by the positive impact of the Ogden rate review in the UK. The impact of the adverse weather in Belgium in the first quarter was more than compensated for, resulting in a strong year-to-date combined ratio of 95.7%. The non-consolidated partnerships reported a combined ratio over the quarter of 90.5% (vs. 95.8%) in Tesco Underwriting (UK), 99.4% (vs. 99.9%) in Turkey (Continental Europe) and 103.2% (vs. 87.9%) in Asia.

Total **shareholders' equity** increased to EUR 10.2 billion thanks to the strong net result and the positive impact of the financial markets on the fair value of the bond portfolio compensating for the dividend payment.

The **Solvency II_{ageas} ratio** at six months stood at a very strong 201% despite the negative impact from the continuing drop in the yield curve, especially in Continental Europe. The **operational free capital generation** stood at EUR 257 million over the first half year, including EUR 94 million in dividends from the non-European Non-Controlled-Participations.

The **total liquid assets in the General Account** amounted to EUR 1.7 billion. The dividend upstream received from the operating companies more than covered the cash-outs related to the share buy-back, the holding cost and the EUR 416 million dividend paid to the Ageas shareholders at the end of May. Capital management actions added EUR 0.3 billion to the Group's cash position, EUR 0.6 billion of which remains ring-fenced for the Fortis settlement.

Contingent liabilities

On July 28 the claims filing period for the Fortis settlement ended. The claims handling and payments are ongoing. Based on the numbers as at 31 July 2019 received from Computershare, the independent claims handler, some 159,000 claims out of approximately 290,000 claims filed, have received partial compensation for a total amount of about EUR 593 million

BELGIUM

Strong second quarter net result driven by solid operating performances in both Life and Non-Life

KEY FIGURES BELGIUM							
in EUR million	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Net result attributable to shareholders	194.8	219.8	(11%)	114.2	83.4	37%	80.6
- Life	145.1	180.9	(20%)	76.6	62.2	23%	68.5
- Non-Life	49.7	38.9	28%	37.6	21.2	77%	12.1
Gross inflows (incl. non-consolidated partnerships at 100%)	3,562.2	3,188.4	12%	1,494.4	1,645.9	(9%)	2,067.8
- Life	2,436.5	2,109.7	15%	1,029.3	1,196.0	(14%)	1,407.2
- Non-Life	1,125.7	1,078.7	4%	465.1	449.9	3%	660.6
Combined ratio - before QS	97.6%	98.8%		91.1%	97.4%		104.2%
Operating margin Guaranteed (bps)	82	108		85	75		78
Operating margin Unit-Linked (bps)	34	43		43	36		26
in EUR million	30 Jun 2019	31 Dec 2018	Change	31 Mar 2019			
Life Technical Liabilities	60,451	57,257	6%	59,186			
- Life Technical Liabilities excl. shadow accounting	57,309	55,866	3%	56,929			
- Shadow accounting	3,142	1,391	*	2,257			

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

The combined ratio including the effect of the new internal reinsurance agreement stood at 88.4% in the second quarter 2019.

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

The **net result** over the second quarter was driven by a strong Life and Non-Life operating performance, substantially above the prior year and previous quarter. The quarterly Life result increased substantially as higher investment results more than compensated for the lower net underwriting result. In Non-Life excellent results were achieved in most business lines.

The **year-to-date net result** reflects continued strong Non-Life results and the lower Life results. The latter can be explained by last year's strong investment result (related to Real Estate investments) and a lower net underwriting result. The Non-Life result was impacted by the adverse weather events for an amount of EUR 20 million (vs. EUR 29 million last year). The new reinsurance agreement which contributed positively to the result in the first quarter (EUR 10 million), had no significant impact on the net result in the second quarter.

Quarterly Non-Life gross inflows increased across all business lines continuing the strong growth of the previous quarters. **Quarterly gross inflows in Life** decreased compared to last year due to the timing difference in the Unit-Linked sales campaign through the Bank channel (Q1 2019 vs. Q2 2018). Quarterly inflows in Guaranteed products increased by 12% compared to last year mostly driven by savings products in the Bank channel and Group Life.

The year-to-date **Life Technical Liabilities** (excluding shadow accounting) increased strongly mainly as a result of the Unit-Linked inflows and the growth in Group Life.

The **quarterly Guaranteed operating margin** increased as higher investment results (higher level of capital gains) compensated for the lower net underwriting result (decrease in mortality results). On a year-to-date basis, the operating margin is still lagging behind last year due to the seasonality in the Real Estate investment result.

The **quarterly Unit-Linked operating margin** increased due to the timing difference of the commercial cost for the sales campaign that was fully taken in the first quarter of 2019 while in 2018 this was taken in the second quarter. On a year-to-date basis the operating margin was lower than last year due to a one-off result in 2018.

The quarterly **combined ratio** was excellent across almost all business lines with adverse weather events having a limited negative impact in the second quarter (1pp vs. 4pp last year). Before the quota share agreement, the year-to-date combined ratio improved compared to last year and included a similar impact from adverse weather compared to last year (6pp).

UNITED KINGDOM

One off benefit from Ogden rate review offset by Motor large loss experience

KEY FIGURES UNITED KINGDOM							
in EUR million	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Net result attributable to shareholders	52.0	30.5	70%	41.2	19.8	*	10.8
Gross inflows Non-Life (incl. non-consolidated partnerships at 100%)	880.5	920.8	(4%)	455.6	475.6	(4%)	424.9
Combined ratio - before LPT and QS	96.9%	99.0%		98.3%	97.3%		95.5%

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

The combined ratio including the effect of the new internal reinsurance agreement stood at 56.4%.

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

The **quarterly net result** benefitted from a reserve adjustment related to the Ogden rate review in July (EUR 30 million) and the impact of the new internal reinsurance agreement with ageas SA/NV (EUR 23 million). The underlying performance deteriorated mainly due to a significant increase in the average costs of large motor claims linked to third party injury claims whereas the continued benign weather had a positive impact. The first half 2019 net result included EUR 13 million restructuring costs.

Gross inflows were down compared to last year across all product lines following strategic decisions to maintain the pricing discipline in the highly competitive Motor market and to exit unprofitable distribution relationships.

While the Broker channel is the predominant distribution channel in the UK, direct sales through the aggregator platforms is on track and continuously increasing.

The **quarterly combined ratio** was negatively impacted by the claims development on large losses in Motor somewhat mitigated by the improvement in Household thanks to the benign weather. Unlike for this quarter, last year's combined ratio included 4 pp impact from weather events.

CONTINENTAL EUROPE

Solid growth momentum and strong Non-Life performance offsetting lower Life result due to reserve strengthening in Portugal

KEY FIGURES CONTINENTAL EUROPE							
in EUR million	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Net result attributable to shareholders	56.7	53.0	7%	25.1	26.3	(5%)	31.6
- Life	16.4	28.9	(43%)	4.0	16.1	(75%)	12.4
- Non-Life	40.3	24.1	67%	21.1	10.2	*	19.2
Gross inflows (incl. non-consolidated partnerships at 100%)	1,756.5	2,685.4	(35%)	822.8	1,251.0	(34%)	933.7
- Life	1,046.5	2,003.4	(48%)	484.8	952.1	(49%)	561.7
- Non-Life	710.0	682.0	4%	338.0	298.8	13%	372.0
Combined ratio - before LPT and QS	90.2%	91.6%		88.8%	92.9%		91.7%
Operating margin Guaranteed (bps)	66	122		(6)	133		140
Operating margin Unit-Linked (bps)	8	12		7	12		8

in EUR million	30 Jun 2019	31 Dec 2018	Change	31 Mar 2019
Life Technical Liabilities (consolidated entities)	17,361	16,111	8%	16,772
- Life Technical Liabilities excl. shadow accounting	16,551	15,672	6%	16,174
- Shadow accounting	810	439	84%	598

Scope change: Cardif Luxembourg Vie that was sold mid December 2018 contributed EUR 4.9 million to the net result of the first 6 months 2018.

As from 2019 a new internal reinsurance programme became operational, impacting combined ratio and Non-Life net result. The combined ratio including the effect of the new internal reinsurance agreement stood at 87.0% in the second quarter 2019. For more details, please refer to the tables on the website.

The second quarter Non-Life net result was driven by the continued strong operating performance in Portugal both in the bancassurance (Ocidental) and the agency channel (Ageas Seguros) and a EUR 3.9 million contribution from the non-consolidated partnership in Turkey. The Life result was impacted by a reserve strengthening in Portugal (EUR 9 million) due to the current low interest rate environment. Scope-on-scope, the overall **net result** increased by 8% compared to the second quarter last year, which included a EUR 3.1 million contribution from Cardif Luxembourg Vie. The new reinsurance agreement with ageas SA/NV, which contributed positively to the first quarter result (EUR 3 million), had a negative impact of around EUR 1 million on the net profit this quarter.

The growth momentum continued this quarter with **gross inflows** including the non-consolidated partnerships at 100% up 22% when excluding last year's contribution from Luxembourg (EUR 1.2 billion). Scope-on-scope, inflows recorded a double-digit growth in both Life and Non-Life.

The quarterly inflow growth in **Life** was once again driven by the higher sales of guaranteed products that more than compensated for the lower Unit-Linked sales. In Portugal, Life gross inflows were up across all channels. The

bancassurance channel, which was the main contributor, increased sales by 24% while the agency channel was up 36%. In **France**, the continued solid performance of the broker channel drove inflow growth (up 42%).

Non-Life gross inflows in Portugal were up during the quarter across all distribution channels and in all major product lines. The strong commercial performance in Turkey was mainly achieved in Motor and Household.

Life Technical Liabilities of the consolidated entities increased to EUR 17.4 billion driven by higher sales of Guaranteed products. The Unit-Linked business accounted for 45% of total reserves.

The Guaranteed operating margin was heavily impacted by reserve strengthening in Portugal (116 bps on Q2), while the **Unit-Linked operating margin** decreased following lower sales.

Excluding the impact of the new reinsurance programme in Portugal, the **combined ratio** stood at 88.8% in the second quarter, reflecting a continued excellent operating performance across all major product lines.

ASIA

Exceptionally high net result driven by solid operating performance, capital gains and a one-off tax benefit in China

KEY FIGURES ASIA							
in EUR million	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Net result attributable to shareholders	331.4	170.0	95%	184.5	46.2	*	146.9
- Life	323.6	163.5	98%	181.6	43.1	*	142.0
- Non-Life	7.8	6.5	20%	2.9	3.1	(6%)	4.9
Gross Inflows (incl non-consolidated partnerships at 100%)	14,819.0	13,334.2	11%	5,436.9	4,903.6	11%	9,382.1
- Life	14,167.5	12,883.8	10%	5,077.3	4,699.0	8%	9,090.2
- Non-Life	651.5	450.4	45%	359.6	204.6	76%	291.9
Gross Inflows Life (incl non-consolidated partnerships at 100%)	14,167.5	12,883.8	10%	5,077.3	4,699.0	8%	9,090.2
- Single premium	993.4	870.8	14%	418.5	415.3	1%	574.9
- Regular premium	13,174.1	12,013.0	10%	4,658.8	4,283.7	9%	8,515.3
Combined ratio	99.3%	89.9%		103.2%	87.9%		94.2%
in EUR million	30 Jun 2019	31 Dec 2018	Change	31 Mar 2019			
Life Technical Liabilities	76,460	65,599	17%	75,289			

This quarter the **net result** was exceptionally high, driven by a solid Life operating performance across the region and a high level of capital gains (EUR 20 million) compared to a EUR 44 million negative contribution the second quarter 2018 due to equity impairments. The result also benefited in China from the positive evolution of the interest rates and a favourable retroactive change in the tax regime relating to the 2018 fiscal year. The Non-Life result was impacted by the adverse claims experience and impairments, partly offset by favourable cost management.

Solid growth in **inflows** continued, increasing 12% at constant exchange rates compared to the second quarter 2018 supported by strong renewals across the region.

Life gross inflows at constant exchange rates increased by 9% in the second quarter driven by strong persistency and continued channel developments. The solid growth in renewal premiums more than compensated for lower new business premiums in a challenging economic environment in China. Profitable regular premium sales continued to grow accounting for more than 90% of the Life inflows. Our Chinese business maintained its growth momentum with inflows up 13% compared to the second quarter 2018 with persistency levels at industry-leading standards. In Thailand, inflows were down 15% due to paid-

up policies while the new business continued to experience growth. Inflows in Malaysia and India increased by 6% and 3% respectively, supported by both new business as well as renewals. Vietnam and the Philippines continued to grow very rapidly.

Non-Life inflows at constant exchange rates enjoyed strong growth across all key business lines. Excluding the contribution of the recently acquired Indian activities, the inflows were up 27% scope on scope in the quarter. In Malaysia, inflows improved by 42% with continued strong contribution from the Motor business. In Thailand, inflows increased moderately, while in India the newly acquired business contributed EUR 91 million to the inflows in the second quarter.

The expected increase in the **combined ratio** reflects the contribution of the newly acquired activity in India whereas in Malaysia, which constitutes the largest market, the combined ratio remained solid.

Life Technical liabilities including non-consolidated partnerships at 100% continued to increase, thanks to continued inflow growth and strong persistency.

REINSURANCE

Second quarter net result negatively impacted by exceptional items in the UK

KEY FIGURES REINSURANCE							
in EUR million	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Net result attributable to shareholders	(34.0)	2.1	*	(22.0)	0.3	*	(12.0)
Gross Inflows (incl non-consolidated partnerships at 100%)	1,136.6	29.3	*	275.2	14.3	*	861.4
Combined ratio - before LPT and QS	84.8%	91.3%		89.4%	100.8%		79.5%

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

The combined ratio including the effect of the new internal reinsurance agreement stood at 105.1%.

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

Following the approval of the National Bank of Belgium to operate reinsurance activities within ageas SA/NV, a first reinsurance programme with the objective to enhance capital fungibility in the Group has been established as of the first quarter of 2019, consisting of Non-Life Quota Share Treaties (30% with AG Insurance in Belgium¹ and Ageas Insurance Limited in the UK, and 20% with all Portuguese Non-Life Entities) and Loss Portfolio Transfers (30% with Ageas Insurance Limited in the UK, and 20% with the Portuguese Non-Life Entities). The reinsurance protection programme formerly carried out by Intreas is now managed by ageas SA/NV.

The second **quarter net result** of the Reinsurance segment was mainly impacted by losses in the UK Motor quota share treaty and by the announced Ogden rate review. The review from -0.75% to -0.25% of the Ogden rate led to an increase of the claims provision, as this was previously set at a 0% Ogden

rate best estimate in the Reinsurance segment. The total year-to-date contribution of the UK was minus EUR 25 million. The contribution of the quota share and loss portfolio transfer contracts with Portugal was minus EUR 3 million. The year-to-date net loss is further explained by a EUR 13 million loss resulting from the quota share treaty with AG Insurance in Belgium due to bad weather in the first quarter of the year. The traditional reinsurance protection programme had a positive contribution of EUR 7 million year-to-date.

Year-to-date **gross inflows** include EUR 1,090 million from the new quota share and loss portfolio treaties and EUR 47 million from the traditional protection programme.

¹ of which 75% underwritten by ageas SA/NV

GENERAL ACCOUNT

Positive contribution from RPN(I) more than offsetting the expenses

KEY FIGURES GENERAL ACCOUNT							
in EUR million	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Net result including eliminations	5.1	(34.2)	*	11.6	17.5	(34 %)	(6.5)
Unrealised gain (loss) on RPN(I)	61.3	8.6	*	34.3	47.0	(27 %)	27.0
Total expenses	(48.9)	(39.2)	25 %	(20.2)	(25.1)	(20 %)	(28.7)
- Staff and Intercompany expenses	(13.9)	(15.3)	(9 %)	(7.0)	(9.1)	(23 %)	(6.9)
- Other operating and administrative expenses	(35.0)	(23.9)	46 %	(13.2)	(16.0)	(18 %)	(21.8)
	30 Jun 2019	31 Dec 2018	Change	31 Mar 2019			
RPN(I)	(297.6)	(358.9)	(17 %)	(331.9)			
Royal Park Investments	5.9	6.9	(14 %)	5.3			
Provision Fortis Settlement	(625.7)	(812.4)	(23 %)	(764.4)			

Net Result

The quarterly net result of the General Account was driven by the positive contribution from the RPN(I). Total expenses stood at a normal run rate.

RPN(I)

The RPN(I) reference amount liability decreased to EUR 298 million at the end of the first half year 2019. This led to a non-cash profit of EUR 34 million during the second quarter or a contribution of EUR 61 million since the start of the year. The change in the reference amount is explained by the movement of the CASHES price to 72.16% and the Ageas share price to EUR 45.71.

Total Liquid Assets

The main part of the EUR 631 million upstreamed dividend from the operating companies was received during the second quarter. This more than covered the dividend paid to shareholders and the share-buy back. Over the quarter, another EUR 0.1 billion was paid in the context of the Fortis settlement. In April ageas SA/NV issued a bond, adding EUR 496 million to the cash position that was partly offset by the cash-out related to the EUR 221 million loan to AG Insurance.

Contingent Liabilities

On 28 July 2018 the claims filing period for the Fortis settlement ended. The provision for the settlement decreased during the quarter following EUR 138 million payments made to claimants, bringing the total amount paid to claimants to EUR 189 million since the start of the year or approximately EUR 593 million in total.

EVOLUTION CASH AND LIQUID ASSETS DURING 2019

in EUR million

Cash		1,712.0
Liquid assets		1.3
Total Liquid Assets 31 December 2018*		1,713.3
Distribution to shareholders		
Dividend paid	(415.7)	
Share buy-back program 2018-2019**	(72.0)	
		(487.7)
Dividend upstream, net received		
Belgium	415.3	
UK	43.7	
Continental Europe:		
- Portugal	75.3	
- Turkey	10.6	
Asia:		
- Thailand	15.5	
- China	49.3	
- Malaysia	16.3	
- India	2.7	
Royal Park Investments:	1.9	
		630.6
M&A and Capital transactions		
Debt Issuance Ageas	496.0	
Loan to AG Insurance	(221.1)	
Acquisition India	(184.5)	
Capital Injection Philippines	(6.0)	
		84.4
Litigation settlement		(120.0)
Other (incl. interest and regional costs Asia)		(90.2)
Total cash & liquid assets 30 June 2019***		1,730.4
Cash		1,729.1
Liquid assets		1.3

* out of which EUR 0.7 billion ring-fenced for the Fortis settlement

** Total buy-back amounts to EUR 200 million, EUR 82.7 million was cash out in 2018

*** out of which EUR 0.6 billion ring-fenced for the Fortis settlement

CAPITAL AND INVESTMENT PORTFOLIO

Robust solvency ratio despite drop in yield curve

KEY FIGURES CAPITAL AND INVESTMENTS					
in EUR million					
	30 Jun 2019	31 Dec 2018	31 Mar 2019		
Group Solvency II_{ageas}	201%	215%	194%		
- Belgium	223%	235%	215%		
- UK	161%	167%	175%		
- Continental Europe	160%	178%	170%		
- Reinsurance	192%	196%	200%		
Group Solvency II_{piim}	194%	216%	190%		
Shareholders' equity	10,225	9,411	10,235		

in EUR billion					
	30 Jun 2019	31 Dec 2018	31 Mar 2019	30 Jun 2019	31 Dec 2018
Total investments	82.9	79.6	81.2		
of which					
- Government bonds	38.7	36.9	37.5	47%	46%
- Corporate debt securities	20.9	19.9	20.6	25%	25%
- Loans	10.2	9.7	9.8	12%	12%
- Equity portfolio	4.2	4.5	4.7	5%	6%
- Real Estate	5.7	5.6	5.7	7%	7%

Solvency position

The **Own Funds** of the Group amounted to EUR 7.9 billion, EUR 4 billion above SCR resulting in a strong **Group Solvency II_{ageas} ratio** of 201%, 7pp up over the quarter as Own funds increased with the EUR 500 million bond issuance, compensating for the call of the AG Insurance debt instrument in March. Since year-end 2018 the SolvencyII_{ageas} ratio has come down 14 pp, mainly as a result of the acquisition of Non-Life activities in India and a sharp and continuing drop in the yield curve, specifically impacting the Solvency ratio in Continental Europe.

The **operational free capital** for the first half that stood at EUR 257 million, including a EUR 94 million dividend upstream from the Non-European non-consolidated participations. The large Motor losses impacting also the IFRS results in the UK and the interest rate decrease had a significant negative impact on free capital generation during the second quarter.

Shareholders' equity

Total **shareholders' equity** increased to EUR 10.2 billion thanks to the strong net result and the positive impact of the financial markets on the fair value of the bond portfolio compensating for the dividend payment.

Investment portfolio

Ageas's investment portfolio at the end of the second quarter 2019 amounted to EUR 82.9 billion compared to EUR 79.6 billion at the end of 2018. This increase is related to higher unrealised capital gains and losses. At the end of June 2019, the unrealised gains and losses on the total 'available for sale' investment and real estate portfolio amounted to EUR 10.8 billion compared to EUR 7.7 billion at the end of 2018. The unrealised capital gains on the 'Held to Maturity' portfolio increased to EUR 2.5 billion not reflected in the shareholder's equity.

ANNEXES

Annex 1: Belgium

BELGIUM							
in EUR million							
INCOME STATEMENT - LIFE	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Inflow Life (consolidated entities)	2,436.5	2,109.7	15%	1,029.2	1,196.0	(14%)	1,407.2
Operating result	210.3	275.3	(24%)	110.9	96.4	15%	99.4
Non-allocated other income and expenses	32.7	33.0	(1%)	17.9	16.7	7%	14.8
Result before taxation consolidated entities	243.0	308.3	(21%)	128.8	113.1	14%	114.2
Result equity associates							
Result before taxation	243.0	308.3	(21%)	128.8	113.1	14%	114.2
Income tax expenses	(44.2)	(58.3)	(24%)	(23.4)	(24.9)	(6%)	(20.8)
Non Controlling interests	(53.7)	(69.1)	(22%)	(28.8)	(26.0)	11%	(24.9)
Net result attributable to shareholders	145.1	180.9	(20%)	76.6	62.2	23%	68.5
INCOME STATEMENT - NON-LIFE	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Written Premiums (consolidated entities)	1,125.7	1,078.7	4%	465.1	449.9	3%	660.6
Operating result	85.9	64.5	33%	65.7	35.2	87%	20.2
Non-allocated other income and expenses	7.4	9.4	(21%)	4.3	5.0	(14%)	3.1
Result before taxation consolidated entities	93.3	73.9	26%	70.0	40.2	74%	23.3
Result equity associates							
Result before taxation	93.3	73.9	26%	70.0	40.2	74%	23.3
Income tax expenses	(25.3)	(19.1)	32%	(18.8)	(10.1)	86%	(6.5)
Non Controlling interests	(18.3)	(15.9)	15%	(13.6)	(8.9)	53%	(4.7)
Net result attributable to shareholders	49.7	38.9	28%	37.6	21.2	77%	12.1
INCOME STATEMENT - TOTAL	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Inflow (consolidated entities)	3,562.2	3,188.4	12%	1,494.4	1,645.9	(9%)	2,067.8
Net result attributable to shareholders	194.8	219.8	(11%)	114.2	83.4	37%	80.6

Annex 2: United Kingdom

UNITED KINGDOM							
in EUR million							
INCOME STATEMENT - NON-LIFE	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Written Premiums (consolidated entities)	697.7	722.0	(3%)	362.4	369.9	(2%)	335.3
Operating result	73.0	33.0	*	46.7	21.4	*	26.3
Non-allocated other income and expenses	(17.4)	(0.7)	*	(2.1)	(0.4)	*	(15.3)
Result before taxation consolidated entities	55.6	32.3	72%	44.6	21.0	*	11.0
Result equity associates	6.7	4.5	49%	4.7	2.9	62%	2.0
Result before taxation	62.3	36.8	69%	49.3	23.9	*	13.0
Income tax expenses	(10.3)	(6.3)	63%	(8.1)	(4.1)	98%	(2.2)
Non Controlling interests							
Net result attributable to shareholders	52.0	30.5	70%	41.2	19.8	*	10.8
INCOME STATEMENT - TOTAL	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Inflow (consolidated entities)	697.7	722.0	(3%)	362.4	369.9	(2%)	335.3
Net result attributable to shareholders	52.0	30.5	71%	41.2	19.8	*	10.8

Annex 3: Continental Europe

CONTINENTAL EUROPE							
in EUR million							
INCOME STATEMENT - LIFE	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Inflow Life (consolidated entities)	1,046.5	817.0	28%	484.8	378.2	28%	561.7
Operating result	31.2	53.2	(41%)	0.1	28.8	(100%)	31.1
Non-allocated other income and expenses	1.4	(1.1)	*	3.3	(1.0)	*	(1.9)
Result before taxation consolidated entities	32.6	52.1	(37%)	3.4	27.8	(88%)	29.2
Result equity associates		4.9	(100%)		3.2	(100%)	
Result before taxation	32.6	57.0	(43%)	3.4	31.0	(89%)	29.2
Income tax expenses	(8.6)	(12.7)	(32%)		(7.2)	(100%)	(8.6)
Non Controlling interests	(7.6)	(15.4)	(51%)	0.6	(7.7)	*	(8.2)
Net result attributable to shareholders	16.4	28.9	(43%)	4.0	16.1	(75%)	12.4
INCOME STATEMENT - NON-LIFE	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Written Premiums (consolidated entities)	372.9	343.9	8%	174.1	159.5	9%	198.8
Operating result	45.3	27.1	67%	24.9	11.9	*	20.3
Non-allocated other income and expenses	(1.3)	(2.3)	(43%)	(0.9)	(1.0)	(10%)	(0.3)
Result before taxation consolidated entities	44.0	24.8	77%	24.0	10.9	*	20.0
Result equity associates	8.1	6.1	33%	3.9	2.5	56%	4.2
Result before taxation	52.1	30.9	69%	27.9	13.4	*	24.2
Income tax expenses	(11.9)	(6.8)	75%	(6.8)	(3.2)	*	(5.1)
Non Controlling interests	0.1						0.1
Net result attributable to shareholders	40.3	24.1	67%	21.1	10.2	*	19.2
INCOME STATEMENT - TOTAL	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Inflow (consolidated entities)	1,419.4	1,160.9	22%	658.9	537.7	23%	760.5
Net result attributable to shareholders	56.7	53.0	7%	25.1	26.3	(5%)	31.6

Annex 4: Asia

ASIA							
in EUR million							
INCOME STATEMENT - LIFE	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Inflow Life (consolidated entities)							
Operating result							
Non-allocated other income and expenses	(15.3)	(12.9)	19%	(8.5)	(6.7)	27%	(6.8)
Result before taxation consolidated entities	(15.3)	(12.9)	19%	(8.5)	(6.7)	27%	(6.8)
Result equity associates	338.9	176.4	92%	190.1	49.8	*	148.8
Result before taxation	323.6	163.5	98%	181.6	43.1	*	142.0
Income tax expenses							
Non Controlling interests							
Net result attributable to shareholders	323.6	163.5	98%	181.6	43.1	*	142.0
INCOME STATEMENT - NON-LIFE	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Written Premiums (consolidated entities)							
Operating result							
Non-allocated other income and expenses							
Result before taxation consolidated entities							
Result equity associates	7.8	6.5	20%	2.9	3.1	(6%)	4.9
Result before taxation	7.8	6.5	20%	2.9	3.1	(6%)	4.9
Income tax expenses							
Non Controlling interests							
Net result attributable to shareholders	7.8	6.5	20%	2.9	3.1	(6%)	4.9
INCOME STATEMENT - TOTAL	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Inflow (consolidated entities)							
Net result attributable to shareholders	331.4	170.0	95%	184.5	46.2	*	146.9

Annex 5: Reinsurance

REINSURANCE							
in EUR million							
INCOME STATEMENT - NON-LIFE	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Written Premiums (consolidated entities)	1,136.6	29.3	*	275.2	14.3	*	861.4
Operating result	(43.2)	1.3	*	(28.5)	(0.1)	*	(14.7)
Non-allocated other income and expenses	10.2	0.8	*	7.5	0.4	*	2.7
Result before taxation consolidated entities	(32.9)	2.1	*	(20.9)	0.3	*	(12.0)
Result equity associates							
Result before taxation	(32.9)	2.1	*	(20.9)	0.3	*	(12.0)
Income tax expenses	(1.1)			(1.1)			
Non Controlling interests							
Net result attributable to shareholders	(34.0)	2.1	*	(22.0)	0.3	*	(12.0)
INCOME STATEMENT - TOTAL	HY 19	HY 18	Change	Q2 19	Q2 18	Change	Q1 19
Gross Inflow (consolidated entities)	1,136.6	29.3	*	275.2	14.3	*	861.4
Net result attributable to shareholders	(34.0)	2.1	*	(22.0)	0.3	*	(12.0)

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