PRESS RELEASE

Regulated information

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Ageas reports first quarter 2020 results

First quarter Group net result strongly supported by exceptional non-cash one-off

Overall solid underlying operational performance mitigating lower investment result due to Covid-19 pandemic

Strong solvency and cash position

Net Result	▪ **Insurance net result** of **EUR 113 million** versus EUR 258 million. The solid underlying operational performance was partly offset by impairments on the equity portfolio in Belgium and Asia ▪ **Life** net result of **EUR 89 million** influenced by Covid-19 related turmoil on the financial markets in Belgium and Asia ▪ Net result in **Non-Life** down from EUR 35 million to **EUR 24 million** due to February storms in Belgium and the UK despite the strong performance in most business lines across all segments ▪ First quarter **Group net result** stood at **EUR 452 million** versus EUR 251 million benefiting from the result of the tender on the FRESH securities at the end of 2019
Inflows	▪ **Group inflows** (at 100%) of **EUR 12 billion**, down 7% ▪ **Life** inflows (at 100%) decreased 9% to EUR 10 billion due to lower new sales in Asia, the gradual transition to new products in Portugal, and the lower Unit-Linked sales compared to last year in Belgium ▪ **Non-Life** inflows (at 100%) up 10% at EUR 1.9 billion supported by all regions ▪ The first quarter Group inflows (Ageas's part) decrease by 8% to EUR 4.6 billion
Operating Performance	▪ Combined ratio at **99.7%** versus 98.3%, including an 8% impact from adverse weather ▪ Operating Margin Guaranteed at **56 bps** versus 88 bps, with 37 bps impact from lower net capital gains ▪ Operating Margin Unit-Linked at **28 bps** versus 18 bps
Balance Sheet	▪ Shareholders' equity at **EUR 10.8 billion** or EUR 57.75 per share ▪ Group Solvency II_{ageas} ratio at **196%** including the negative impact of the tender on the FRESH securities. ▪ General Account Total Liquid Assets at **EUR 1.6 billion**, of which EUR 0.4 billion is ring-fenced for the Fortis settlement ▪ Life Technical Liabilities excluding shadow accounting of the consolidated entities at 31 March 2020 decreased by 3% to **EUR 75,5 billion**

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

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

Ageas CEO Bart De Smet said: *«The Covid-19 pandemic has been impacting society in ways that we have never seen before. In these turbulent times and under sometimes difficult circumstances our employees across the business made sure that our customers could continue to benefit from the service levels they expect from us. Thanks to our specific and diversified business portfolio focused on insurance for individuals and smaller businesses, the direct impact on our commercial activities and claims remained limited. Our prudent investment strategy means that we have also been able to maintain a robust solvency position. Given that a return to normal is unlikely to happen quickly, the impact of the pandemic on the economy and the financial markets will most likely continue to affect Ageas's performance and results throughout the year. As a consequence of these external uncertainties, Ageas cannot confirm its profit guidance for 2020.»*

Ageas's net result marked by Covid-19 and exceptional one-offs

Over the past months, the Covid-19 pandemic has been affecting society and also Ageas. The different measures taken by the authorities throughout the world have caused the overall economy to slow down while the financial markets have been extremely volatile since mid-February. The impact of it on Ageas's insurance operations was relatively limited both with respect to inflows and claims. The influence of pandemic on the financial markets, the interest rates and the economy in general however did have an impact on the Group's first quarter result. This result was also marked by the adverse weather in Belgium and the UK and by the tender offer on the FRESH securities. The Covid-19 pandemic, not only affected the Group's results, it also impacted the way we operate and continue to live up to the expectations of our stakeholders.

Inflows

The first quarter inflows were 7% down compared to last year mainly following lower inflows in Life but supported by a good commercial Non-Life performance across all regions.

Life inflows in **Belgium** were below the exceptionally high level of the first quarter of 2019 that benefited from a successful sales campaign in Unit-Linked and high inflows in Guaranteed Life through the Bank channel. The increase of the Non-Life inflows was supported by all business lines.

Inflows in the **UK** remained broadly flat, supported by increased volumes in Household following the launch of a new broker distribution proposition and some growth in Commercial lines through digital distribution.

The Life Inflows in **Continental Europe** fell compared to last year partially resulting from the transition in Portugal to new Life products better suited to the challenging interest rate environment. In this context the sales of savings and closed Unit-Linked products has been restricted since the second half of 2019. Non-life inflows in Continental Europe reported solid growth in Portugal and Turkey.

The decrease in inflows in **Asia** primarily related to the Life business in China and Thailand, two of the countries that were among the first to be affected by the Covid-19 pandemic. However, thanks to the important contribution from the more profitable regular premium products in the business mix, the continued favourable renewals across the region and the high persistency levels in China, the decrease in inflows remained limited. In Malaysia, new business volumes continued to grow whereas in Thailand and India, inflows were affected by the overall economic slowdown. Asian Non- Life inflows including the contribution of the recently acquired Indian business grew strongly across all business lines.

The cession rate of the existing Quota Share Treaties and the Loss Portfolio Transfers has been raised to 40% since the beginning of this year. The changes in the Loss Portfolio Transfer cession rate led to a one-off EUR 191 million additional increase in the **Reinsurance** inflows. The Reinsurance inflows also included EUR 420 million from the quota share agreements.

Operational targets

The **Guaranteed operating margin** of the consolidated companies reflected the impact of the unfavourable evolution of the equity markets on the investment margin, which led to a Group Guaranteed operating margin of 56 bps over the first three months of 2020, with a negative impact of net capital gains of 37 bps. The Guaranteed operating margin in Belgium remained slightly positive whereas in Continental Europe it benefited from a reserve release as a result of the alignment with the Group reserving policy.

The Group **Unit-Linked operating margin** was only slightly below target with a higher margin compared to last year in Belgium compensating for higher cost in France related to market volatility.

The combined ratio for the quarter stood at 99.7%. This reflects on the one hand the strong underlying performance in most of the products lines across the consolidated entities and on the other hand the impact of the February storms Dennis and Ciara on the combined ratio in Belgium and the UK. In **Belgium**, the retention level of the multi natural perils reinsurance treaty has been reached and any further claims related to new natural catastrophe events will have no further impact on combined ratio or net profit. The **UK** Motor market continued to see claims inflation during the first quarter. The continuously improving operating performance in **Continental Europe** resulted in an excellent combined ratio for the segment.

The non-consolidated partnerships reported a combined ratio over the quarter of 102% (vs. 97.4%) in Tesco Underwriting (UK), 97.2% (vs. 102.3%) in Turkey (Continental Europe) and 95.7% (vs. 94.2%) in Asia.

Net Result

The quarterly **Group net result** stood at EUR 452 million, including a EUR 339 million positive contribution from the General Account. The Non-Life operational result was affected by the storms hitting Belgium and the UK in early February. The investment result of the Insurance operations suffered from the volatility on the financial markets during the last weeks of the quarter. The underlying performance remained solid however during this turbulent period. The recently introduced higher cession rate of the 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 influence the results at segment level.

In **Belgium,** the Life net result suffered from EUR 60 million impairment charges reflecting the volatility of the financial markets at the end of the quarter. The strong operational performance in Motor and the release of the sale of two old reinsurance portfolios in run-off mitigated the EUR 20 million claims cost related to the February storms.

As for the **UK**, the net impact from the adverse weather amounted to EUR 15 million.

In **Continental Europe,** the result in Life was positively impacted by the reserve release in Portugal somewhat offset by the negative impact from the financial markets. The Non-Life net result reflects the strong performance in Portugal and Turkey.

In **Asia**, the resilient operational performance mitigated the impact of Covid-19. The impairments on the equity portfolio were compensated by capital gains whereas the downward movements of yields in China led to an unfavourable evolution of the discount rate curve and as consequently to a negative effect on the net result.

The net result of the **General Account** benefited from a EUR 310 million gain related to the tender operation on the FRESH securities. Furthermore, the RPN(I) reference amount liability decreased to EUR 303 million at the end of the first quarter 2020 leading to a non-cash profit of EUR 56 million. The change in the reference amount is explained by the movement of the CASHES price to 69.50% and the Ageas share price to EUR 37.91.

Balance sheet items

The **Life Technical Liabilities** excluding shadow accounting of the consolidated entities decreased compared to the end of 2019 as a result of the turmoil on the financial markets. Life Technical Liabilities in the non-consolidated entities grew further thanks to continued growth in inflows and strong persistency levels.

Total **shareholders' equity** decreased to EUR 10.8 billion due to the negative impact of the financial markets on the fair value of the bond portfolio offsetting the high net result of the general account resulting from the tender offer on the FRESH securities.

Total Liquid Assets

Over the first quarter, the total liquid assets in the General account decreased to EUR 1.6 billion. This decrease is mainly attributable to the EUR 513 million cash- out related to the tender transaction on the Fresh securities. The EUR 87 million dividend upstream from Portugal, Reinsurance, Turkey and India during the first quarter covered the holding expenses and part of the cash-out for the ongoing share buy-back programme.

In the second quarter of 2020, ageas SA/NV repurchased an additional number of Fresh securities with a nominal value of EUR 47 million for an amount of EUR 24 million, or 50% of the nominal value. This is well below the 56% offered during the tender offer launched in 2019. This operation is expected to generate in the second quarter of 2020. a gain of approximately EUR 20 million, net of the result on the associated interest rate swap.

Capital position

Despite the volatility of the financial markets generated by the uncertainty from the Covid-19 pandemic, Ageas's solvency position remained very strong with the **Solvency II$_{ageas}$ ratio** at 196 % and the regulatory PIM solvency ratio at 200%. The decrease compared to the solvency position at the end of 2019 mainly resulted from the cash out related to the closing of the tender of 65.5% of the outstanding FRESH securities (11%). The impact of the financial markets on the solvency position was mainly driven by the downward shift of the risk free curve and the declining equity markets over the first quarter.

In February, Ageas announced a total gross cash dividend proposal of EUR 2.65 per share. Taking into account guidance issued by EIOPA and the National Bank of Belgium in the context of the global COVID-19 outbreak, Ageas decided to adjust its distribution for the year 2019. A first dividend payment of EUR 0.27 per share will be proposed to the General Shareholders' Meeting of Wednesday 20 May 2020. The amount that corresponds to the payment of an intermediary dividend of EUR 2.38 per share later in the year will remain deducted from the Own Funds.

The **operational free capital generation** stood at EUR 95 million over the first three months of 2020, including EUR 10 million in dividends from the non-European Non-Controlled-Participations. This number was impacted by a low Own Funds generation related to the impact of storms Dennis and Ciara.

Investment portfolio

Ageas's investment portfolio at the end of the first quarter 2020 amounted to EUR 82.2 billion compared to EUR 84.3 billion at the end of 2019. This decrease is related to lower unrealised capital gains and losses. At the end of March 2020, the unrealised gains and losses on the total 'available for sale' investment and real estate portfolio amounted to EUR 9.2 billion compared to EUR 10.6 billion at the end of 2019. The unrealised capital gains on the 'Held to Maturity' portfolio increased to EUR 2.5 billion not reflected in the shareholder's equity.

Contingent liabilities

The claims handling and payments for the Fortis settlement are ongoing. Based on the numbers received from Computershare, the independent claims handler, as at 31 March 2020 some 216,000 claims out of approximately 290,000 claims filed, have received partial compensation for a total amount of about EUR 725 million.

In the Dutch proceedings initiated in July 2009 and reactivated by seven parties who opted out in the Fortis settlement, an appeal hearing took place before the Court of Arnhem on 3 February 2020. The Court decided to suspend the case for the parties to come to an amicable settlement. The parties reached an amicable settlement as at 17 March 2020, bringing an end to these proceedings.

Covid-19

Ageas had previously indicated an underlying net result guidance of EUR 850 to 950 million. Given the uncertainties brought by the Covid 19 outbreak and its potential impact on the financial markets and overall economy, Ageas cannot confirm this guidance for 2020.

However, internal assessments indicate that with a ratio of 193% on April 30, 2020, the solvency position of Ageas remains strong, also after the first quarter.

In these circumstances, Ageas reconfirms its intention to distribute a gross cash dividend of EUR 2.65 per share over the 2019 exercise as mentioned above.

These past few months Ageas and its local entities have launched a range of initiatives designed to directly or indirectly support those of our stakeholders affected by the Covid-19 pandemic. For the safety and health of our employees we moved quickly to a remote working environment for most of them, while taking the necessary measures to put in place a safe working environment for those employees who are required in the office. Product wise we have temporarily extended the covers of some of our policies, for health workers in particular. We also continue to collaborate closely with our partners to support them in these challenging times. Towards broader society different local initiatives have been rolled out to support the most vulnerable in society, including the elderly and homeless, and industries such as the culture and retail sector. In addition, donations have been made to solidarity funds and research institutions testing potential treatments against Covid-19.

Visit the Ageas website to learn more about some of these initiatives.

ANNEXES

Annex 1: Group

KEY FIGURES AGEAS			
in EUR million	3M 20	3M 19	Change
Net result Ageas	**451.6**	**251.4**	**80 %**
By segment:			
- Belgium	12.4	80.6	(85 %)
- UK	0.6	10.8	(94 %)
- Continental Europe	46.2	31.6	46 %
- Asia	74.4	146.9	(49 %)
- Reinsurance	(20.6)	(12.0)	(72 %)
- General Account & Elimination	338.6	(6.5)	*
of which RPN(I)	55.7	27.0	
By type:			
- Life	89.1	223.0	(60 %)
- Non-Life	23.9	34.9	(32 %)
- General Account & Elimination	338.6	(6.5)	*
Weighted average number of ordinary shares (in million)	187.6	194.1	(3 %)
Earnings per share (in EUR)	**2.41**	**1.30**	**86 %**
Gross inflows (incl. non-consolidated partnerships at 100%)	**11,961.7**	**12,808.5**	**(7 %)**
- of which inflows from non-consolidated partnerships	9,271.7	9,644.9	(4 %)
Gross inflows Ageas's part (incl. non-consolidates entities)	**4,559.2**	**4,937.1**	**(8 %)**
By segment:			
- Belgium	1,318.4	1,550.8	(15 %)
- UK	382.7	380.2	1 %
- Continental Europe	545.2	608.3	(10 %)
- Asia	2,312.9	2,397.8	(4 %)
By type:			
- Life	3,257.2	3,720.1	(12 %)
- Non-Life	1,302.0	1,217.0	7 %
Combined ratio	**99.7%**	**98.3%**	
Operating margin Guaranteed (bps)	**56**	**88**	
Operating margin Unit-Linked (bps)	**28**	**18**	

in EUR million	31 Mar 2020	31 Dec 2019	Change
Shareholders' equity	**10,762**	**11,221**	**(4 %)**
Net equity per share (in EUR)	**57.75**	**58.89**	**(2 %)**
Net equity per share (in EUR) excluding unrealised gains & losses	**40.84**	**38.26**	**7 %**
Return on Equity - Ageas Group (excluding unrealised gains)	**24.2%**	**13.9%**	
Group solvency II $_{ageas}$	**195.5%**	**217.3%**	**(10 %)**
Life Technical Liabilities (consolidated entities)	**75,493**	**77,442**	**(3 %)**
- Life Technical Liabilities excl. shadow accounting	72,114	73,590	(2 %)
- Shadow accounting	3,379	3,852	(12 %)

Annex 2: Capital Postion & Investment Portfolio

CAPITAL AND INVESTMENTS

in EUR million	31 Mar 2020	31 Dec 2019	30 Sep 2019
Group Solvency II$_{ageas}$	**196%**	**217%**	**199%**
- Belgium	205%	221%	209%
- UK	181%	179%	168%
- Continental Europe	160%	170%	142%
- Reinsurance	166%	173%	188%
Group Solvency II$_{pim}$	**200%**	**203%**	**193%**
Shareholders' equity	**10,762**	**11,221**	**11,223**

in EUR billion	31 Mar 2020	31 Dec 2019	30 Sep 2019	31 Mar 2020	31 Dec 2019
Total investments	**82.2**	**84.3**	**84.4**		
of which					
- Government bonds	38.1	38.4	39.8	46%	46%
- Corporate debt securities	19.8	20.8	21.4	24%	25%
- Loans	11.7	11.1	10.2	14%	12%
- Equity portfolio	4.2	4.6	4.4	5%	6%
- Real Estate	5.6	5.6	5.6	7%	7%

Annex 3: Belgium

- Life Net Results affected by negative net capital gains with 44 bps impact on the Guaranteed operating margin
- Non-Life Combined Ratio influenced by adverse weather (12pp)
- Solid growth in Non-Life Inflows

KEY FIGURES BELGIUM

in EUR million	3M 20	3M 19	Change
Net result attributable to shareholders	**12.4**	**80.6**	**(85%)**
- Life	(5.9)	68.5	*
- Non-Life	18.3	12.1	**51%**
Gross inflows (incl. non-consolidated partnerships at 100%)	**1,757.9**	**2,067.8**	**(15%)**
- Life	1,072.0	1,407.2	(24%)
- Non-Life	685.9	660.6	4%
Combined ratio - before LPT and QS	**100.3%**	**104.2%**	
Operating margin Guaranteed (bps)	**1**	**78**	
Operating margin Unit-Linked (bps)	**47**	**26**	

in EUR million	31 Mar 2020	31 Dec 2019	Change
Life Technical Liabilities	**60,245**	**61,255**	**(2%)**
- Life Techical Liabilities excl. shadow accounting	57,403	58,158	**(1%)**
- Shadow accounting	2,842	3,097	**(8%)**

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 93.6%. in the first quarter 2020.
For more details, please refer to the Investor presentation and the tables on the website.

Annex 4: United Kingdom

- Net Result affected by February storms and market wide claims inflation in Motor
- Inflows supported by Commercial lines and Household

KEY FIGURES UNITED KINGDOM

in EUR million	3M 20	3M 19	Change
Net result attributable to shareholders	**0.6**	**10.8**	**(94%)**
Gross inflows Non-Life (incl. non-consolidated partnerships at 100%)	**423.6**	**424.9**	**(0%)**
Combined ratio - before LPT and QS	**107.1%**	**95.5%**	

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 129.7%.
For more details, please refer to the Investor presentation and the tables on the website.

Annex 5: Continental Europe

- Strong Non-Life operating performance reflected in the excellent Combined Ratio
- Life Net result up on reserve release in Portugal

KEY FIGURES CONTINENTAL EUROPE

in EUR million	3M 20	3M 19	Change
Net result attributable to shareholders	**46.2**	**31.6**	**46%**
- Life	25.9	12.4	*
- Non-Life	20.3	19.2	6%
Gross inflows (incl. non-consolidated partnerships at 100%)	**773.3**	**933.7**	**(17%)**
- Life	374.4	561.7	(33%)
- Non-Life	398.9	372.0	7%
Combined ratio - before LPT and QS	**87.3%**	**91.7%**	
Operating margin Guaranteed (bps)	**356**	**140**	
Operating margin Unit-Linked (bps)	**0**	**8**	
in EUR million	31 Mar 2020	31 Dec 2019	Change
Life Technical Liabilities (consolidated entities)	**15,260**	**16,199**	**(6%)**
- Life Technical Liabilities excl. shadow accounting	14,723	15,444	(5%)
- Shadow accounting	537	755	(29%)

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 58.7% in the first quarter 2020.
For more details, please refer to the tables on the website.

Annex 6: Asia

- Resilient operational performance mitigating negative impact from Covid-19
- Limited decrease in Life inflows thanks to high quality of renewal book

KEY FIGURES ASIA

in EUR million	3M 20	3M 19	Change
Net result attributable to shareholders	**74.4**	**146.9**	**(49%)**
- Life	69.2	142.0	(51%)
- Non-Life	5.2	4.9	6%
Gross Inflows (incl non-consolidated partnerships at 100%)	**9,006.8**	**9,382.1**	**(4%)**
- Life	8,583.2	9,090.2	(6%)
- Non-Life	423.6	291.9	45%
Gross Inflows Life (incl non-consolidated partnerships at 100%)	**8,583.2**	**9,090.2**	**(6%)**
- Single premium	710.7	574.9	24%
- Regular premium	7,872.5	8,515.3	(8%)
Combined ratio	**95.7%**	**94.2%**	
in EUR million	31 Mar 2020	31 Dec 2019	Change
Life Technical Liabilities	**87,505**	**82,191**	**6%**

Annex 7: Reinsurance

- Increase cession rate on existing Quota share and Loss Portfolio Transfer agreements up to 40%
- Cession rate increase on Quota Share agreements generates EUR 420 million inflows
- Significant impact from the February storms in Belgium and the UK

KEY FIGURES REINSURANCE

in EUR million	3M 20	3M 19	Change
Net result attributable to shareholders	**(20.6)**	**(12.0)**	**72%**
Gross Inflows (incl non-consolidated partnerships at 100%)	**690.1**	**861.4**	**(20%)**
Combined ratio - before LPT and QS	**89.1%**	**79.5%**	

As from 2019 an new internal reinsurance programme became operational, impacting combined ratio and Non-Life net result.
As from 2020 the cession rate of the existing internal Quota Share and Loss Portfolio agreements has been increased to 40%
The combined ratio including the effect of the new internal reinsurance agreement stood at 104.7%.
For more details, please refer to the Investor presentation and the tables on the website.

Annex 8: General Account

KEY FIGURES GENERAL ACCOUNT			
in EUR million	3M 20	3M 19	Change
Net result including eliminations	**338.7**	**(6.5)**	*****
Unrealised gain (loss) on RPN(I)	**55.7**	**27.0**	*****
Total expenses	**(29.2)**	**(28.7)**	**2 %**
- Staff and Intercompany expenses	(7.1)	(6.9)	3 %
- Other operating and administrative expenses	(22.1)	(21.8)	1 %
	31 Mar 2020	31 Dec 2019	Change
RPN(I)	**(303.3)**	**(359.0)**	**(16 %)**
Royal Park Investments	**5.0**	**6.8**	**(26 %)**
Provision Fortis Settlement	**(471.6)**	**(514.3)**	**(8 %)**

ANALYST & INVESTOR CONFERENCE CALL:

13 May 2020
09:30 CET (08:30 UK Time)

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+44 2 071 943 759 (UK)
+32 2 403 58 16 (Belgium)
+1 646 722 4916 (USA)

AUDIO PLAYBACK NUMBER:

+44 2 033 645 147 (UK)
+32 2 403 72 61 (Belgium)
+1 646 722 4969 (USA)
(access number 418928200#)
Available until 13 June2020

CONTACT DETAILS

INVESTOR RELATIONS

- Veerle Verbessem
  +32 (0)2 557 57 32
  veerle.verbessem@ageas.com

- Arnaud Nicolas
  +32 (0)2 557 57 34
  arnaud.nicolas@ageas.com

- Anaïs de Scitivaux
  +32 (0)2 557 57 95
  anais.descitivaux@ageas.com

- Benoît Mathieu
  +32 (0)2 557 57 65
  benoit.mathieu@ageas.com

PRESS

- Michaël Vandenbergen
  +32 (0)2 557 57 36
  michael.vandenbergen@ageas.com

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