



PRESS RELEASE

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Ageas reports first half-year results 2023

- Net Operating Result of EUR 599 million confirmed by an excellent Operational Capital Generation
- Net Operating Result came in 30% higher (under new accounting standards), confirming the strength of Ageas's performance
- Solid commercial performance in Life in China and in Non-Life across all segments
- An interim dividend of EUR 1.5 per share will be paid out, consistent with last year

Key Figures (Group)	
Result	<ul style="list-style-type: none"> • Net Operating Result amounted to EUR 599 million, representing a 16.9 % Return on Equity • Net Result amounted to EUR 531 million • Operational Capital Generation amounted to EUR 1,026 million • Operational Free Capital Generation amounted to EUR 492 million
Inflows (at constant exchange rate)	<ul style="list-style-type: none"> • Inflows were up 6% amounting to EUR 9.3 billion • Life inflows up 4%, supported by strong growth in Asia • Non-Life inflows were up 11 % and stood at EUR 3.0 billion, increasing significantly across all segments
Operating Performance	<ul style="list-style-type: none"> • Combined ratio stood at 93.3%, driven by a strong claims experience across all product lines and an improved expense ratio • Guaranteed Margin stood at 116 bps and Unit Linked Margin amounted to 39 bps
Balance Sheet	<ul style="list-style-type: none"> • Comprehensive Equity amounted to EUR 15.6 billion or EUR 84.96 per share • Pillar II Solvency II ratio improved, reaching 220%, well within the Group's risk appetite • General account Total Liquid Assets as at 30 June 2023 stood at EUR 0.8 billion • Life Liabilities excl. UG/L stood at EUR 83 billion

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

Impact24 -- Non-financial and Sustainability Achievements

- **MSCI** upgraded Ageas's ESG rating from 'A' to 'AA', the second highest score and the Group's 3rd upgrade since 2018, while the **ISS rating** also improved to an overall score of 7.
- Ageas's Belgian subsidiary AG achieved the **Ecovadis GOLD** label placing it among the top 5% best performing companies in the world for sustainability.
- In efforts to further diversify and strengthen the Group's distribution network in Asia, **new agency channels** and **digital platforms** were launched
- Ageas Corporate Centre, AG and AG Real Estate in Belgium and Ageas UK have all been certified "**Top Employer**", while Ageas Asia has been awarded "Best Companies to work for in Asia 2023."



Hans De Cuyper,
CEO Ageas

"We delivered a strong first half, with a solid commercial performance in Life in China and in Non-Life across all segments. All operating entities showed resilience under continued turbulence in the financial markets in Europe and China. Thanks to our strong business performance and Operational Capital Generation, we are confident we will reach a Net Operating Result between EUR 1.1 and 1.2 billion for 2023. The Ageas Board has decided to pay out an interim gross cash dividend of EUR 1.5 per share and we intend to repeat this on an annual basis going forward. These half year results are the first under the new IFRS accounting standards, and we welcome the greater transparency they offer as it better reflects our performance, especially in respect of the contribution made by both our Asian participations and our Life business. The new standards confirm our strong results and show the solidity of our company with a Comprehensive equity of almost EUR 16 billion. Having reached the midpoint of our Impact24 strategy, I am proud of the significant achievements realised so far, and of our resolute approach to delivering against all of our KPIs. To conclude, I would like to thank our finance teams across the Group for their exceptional efforts in ensuring a seamless transition to IFRS 17".

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Outstanding business performance

Overall Ageas delivered a strong first half of 2023. Inflows were up 6% driven by new business in Life in China in particular, while Non-Life inflows increased significantly across all segments. The strong Life Guaranteed and Unit-Linked margins of respectively 116 bps and 39 bps, and a Non-Life combined ratio of 93.3% resulted in a Net Operating Result of EUR 599 million. This provides us with confidence that our Net Operating Result for the full year 2023 will reach between EUR 1.1 billion and EUR 1.2 billion, barring any unforeseen events occurring. The strong business performance was also reflected in an Operational Capital Generation of EUR 1,026 million including both the Solvency II and the non-Solvency II scope entities. The Operational Free Capital Generation amounted to a strong EUR 492 million over the first six months of the year. Following the strong half-year results the Board of Directors has decided to pay out an interim gross cash dividend of EUR 1.5 per share and intends to repeat this going forward. The dividend per share growth as projected under Impact24 will be reflected in the final dividend.

Inflows

The first half-year Group inflows were 6% up at constant exchange rate compared to last year and amounted to EUR 9.3 billion. Growth in **Life** inflows was primarily driven by new business sales in China, ahead of a regulatory pricing rate change. In Belgium and Portugal customer appetite for Life insurance products was impacted by the higher interest rates and volatile financial markets. In both countries, campaigns with improved product features were undertaken to strengthen the commercial positioning. The slight decrease in the **Life Liabilities** excluding UG/L is explained by the unfavourable impact of exchange rates.

Non-Life inflows increased in the mature markets of Belgium and Europe as well as in the Asian partnerships, driven by portfolio growth and tariff increases in response to increased inflation.

Performance

The **Net Operating Result** for the Group amounted to EUR 599 million, representing a 16.9% Return on Equity, and 30% higher than last year's Net Result excluding RPN(i) of EUR 456 million as reported under the old accounting standards.

The Life **Guaranteed margin** of 116 bps and the Life **Unit-Linked margin** of 39 bps reflect the strong operating performance of the Life businesses. The Life Net Operating result ended at EUR 481 million.

The Non-Life **combined ratio** of 93.3% is driven by a strong claims experience across all product lines, supported by relatively benign weather in the first six months of 2023 and an improved expense ratio.

This translated into a Net Operating Result of EUR 181 million, up 35% compared to last year, excluding the capital gain realised on the sale of the commercial lines in the UK in 2022.

Balance Sheet

The **Contractual Service Margin (CSM)** at the end of the first half year amounted to EUR 9.4 billion.

The overall growth in Life inflows lead to a New Business contribution to the CSM of EUR 466 million. The Operating CSM movement amounted to EUR 249 million and was mainly driven by Asia. This translated in an annualised increase of 5.1%, in line with last year.

At the end of the first half, the **Comprehensive equity**, comprising the sum of the Shareholders' equity of EUR 7.2 billion, the unrealised gains and losses on real estate and the CSM of the Life business, stood at EUR 15.6 billion or EUR 84.96 per share. The contribution from the Net Operating Result and Net Operating CSM movement was offset by the payment of the final 2022 dividend and unfavourable exchange rate evolution.

Solvency and Capital Generation

Ageas's **Solvency II Pillar II ratio** increased by 2 percentage points over six months to reach a high 220 %, largely above the Group's target of 175%. The contribution of the insurance operations fully covered the accrual of the expected dividend. The solvency of the non-Solvency II scope companies increased to 213% compared to 207% at the end of last year.

The effect of changes in the regulatory framework was more than offset by the contribution of the insurance operations and the financial markets.

The **Operational Capital Generation** over the period was up 16% compared to the first half of 2022 exceeding the EUR 1 billion mark. This included EUR 421 million generated by the Solvency II scope companies and EUR 700 million by the non-Solvency II scope entities, while the General Account consumed EUR 94 million. This illustrates the solid operating performance across the Group, confirming the strong Net Operating Result.

Operational Free Capital Generation, including both the Solvency II and the non-Solvency II scope, amounted to EUR 492 million in the first half of the year.

Given the continued strong capital position, even in the current volatile economic environment, and high Operational Free Capital Generation across the Group, Ageas feels confident to confirm the projection of an average dividend per share growth of 6-10% over the Impact24 period, barring exceptional circumstances. The pay-out of the dividend will consist of an interim gross cash dividend of EUR 1.5 per share by the end of October and a final dividend that will reflect the full year performance.

Segment information

Belgium

Inflows increased by 1% thanks to very strong growth in Non-Life (+10%) compensating for lower inflows in Life (-5%). Non-Life inflows recorded an increase in all business lines driven by higher volumes and tariff increases, while Life inflows decreased due to lower customer appetite related to higher interest rates and volatile financial markets. Nevertheless, the contribution of New Business to CSM combined with the time value more than covered the release of the CSM to the Net Operating Result.

The Life Guaranteed margin reached a strong 95 bps, comfortably at the higher end of the target range. The comparison with last year is influenced by the exceptionally high level of capital gains realised over the first six months of 2022.

The Non-Life combined ratio stood at 86.1% driven by a strong performance in all business lines and benign weather. Last year's combined ratio included significant impact from weather.

The Net Operating Result in the first half of the year amounted to EUR 263 million of which EUR 167 million in Life and EUR 96 million in Non-Life. The evolution of the Life result compared to last year is fully related to the contribution of realised net capital gains. The strong operational performance was also reflected in an Operational Capital Generation of EUR 298 million.

Europe

Inflows increased 4% at constant exchange rate with higher Non-Life inflows more than compensating for lower Life inflows. Non-Life inflows increased 14% at constant exchange rates mainly driven by an increase in Portugal (+13%). Continuing strong technical pricing discipline in the face of inflation, scope-on-scope UK inflows, excluding the divested commercial lines business, were up 25%. Life inflows decreased 18% at constant exchange rates mainly impacted by limited appetite in Unit-Linked products in Portugal but partially compensated by higher inflows in Türkiye.

Life Guaranteed margin increased to 191 bps thanks to a better investment result while Life Unit-Linked margin amounted to 22 bps.

The Non-Life combined ratio stood at 98.1%, the same level as last year. Increased medical claims costs in Portugal were compensated for by an improved combined ratio in the UK.

The Net Operating Result amounted to EUR 36 million of which EUR 19 million in Life and EUR 17 million in Non-Life. The Life result increased compared to last year thanks to an improved investment result. Last year's Non-Life result included an exceptional gain of EUR 45 million related to the sale of the commercial lines book in the UK.

Asia

Inflows in Asia increased by 9% at constant exchange rate over the first six months of the year, with solid growth recorded in both Life and Non-Life. In Life, the 9% increase in inflows was largely driven by high new business sales in China, up 45% ahead of a change in guaranteed return, while renewals remained in line with last year with excellent persistency ratios. In Non-Life, inflows were up 9% at constant exchange rates, thanks to a strong sales momentum across the region. This translated in a New Business contribution to the CSM of EUR 363 million and an Operating CSM movement of EUR 244 million.

The Net Operating Result, which amounted to a solid EUR 297 million, included some increased health costs in China in the context of the country reopening after COVID, whereas the first half last year benefitted from the lower claims experience during the lockdown.

The growth and strong operating performance in the Asian region was reflected in an Operational Capital Generation of EUR 712 million.

Reinsurance

Reinsurance protection inflows increased thanks to new non-proportional external premiums related to the third-party reinsurance business via Ageas Re.

The combined ratio of the Protection business improved to 71.4%, compared to 94.9% in the first half of 2022.

The total Net Operating Result of the Reinsurance segment increased to EUR 66 million significantly up compared to last year mainly thanks to benign weather, while last year's result was significantly impacted by adverse weather in Belgium and the UK.

Non-financial and Sustainability Achievements

In line with Ageas's ambition to be a Great place to Grow, Ageas Corporate Centre, AG and AG Real Estate in Belgium and Ageas UK have all been certified "**Top Employer**", while Ageas Asia has been awarded "Best Companies to work for in Asia 2023" by HR Asia.

Further underscoring Ageas's strong commitment to responsible investing, AG in Belgium reached a significant milestone in the first half of the year, successfully classifying more than 99% of its investment funds under Article 8 of the SFDR regulation. AG also achieved the **Ecovadis GOLD** label placing it among the top 5% best performing companies in the world for sustainability and launched its **Go4Impact-platform** allowing Brokers to calculate their CO2 emissions and set-up a reduction plan. For the second consecutive year Ageas Portugal supported **Triggers**, an acceleration programme that stimulates the generation of new ideas and their transformation into sustainable solutions, supporting entrepreneurs and start-ups with innovative impact solutions. In **Asia**, Etiqa became the first Malaysian insurer to join the United Nations' Principles for Sustainable Insurance (UN PSI). Recognising the significant efforts made across the Group in the sustainability space, **MSCI** upgraded Ageas's sustainability rating from 'A' to 'AA', while the **ISS rating** also improved to an overall score of 7.

In India and the Philippines, **new agency channels** were launched, further diversifying and strengthening the Group's distribution network in Asia. For the third consecutive year, Ageas UK were named "**Personal Lines Insurer of the Year**" at the British Insurance Awards and AG was named by brokers for the 10th time as the best insurance broker company in Belgium, receiving the **Decavi Non-Life Brokers' Trophy**. Philippe Van Belle, AG's CIO, was named Belgium's **CIO of the year** for migrating AG's core systems to a more modern platform. Seguro Directo, Ageas's direct insurance company in Portugal is distinguished for the 3rd consecutive year as the "**Excellence Choice**", an award that recognises best customer-oriented practices.

Strategic developments

In Europe, Ageas signed a sale agreement with La Mutuelle Epargne Retraite Prévoyance Carac for the **sale of Ageas's French Life Insurance activities**, which is expected to close in Q3 2023. In Belgium, AG and BNP Paribas Fortis acquired Touring NV, with AG holding 75% of the shares.

Annex 1: Key Figures

KEY FIGURES AGEAS	H1 2023	FY 2022	H2 2022	H1 2022
in EUR million (unless mentioned otherwise)				
Gross inflows	9,262	16,666	7,562	9,104
- Belgium	2,549	4,957	2,436	2,521
- Europe	1,700	3,378	1,612	1,766
- Asia	4,872	8,122	3,444	4,677
- Reinsurance Protection	141	209	70	139
- Life	6,236	11,334	5,067	6,267
- Non-Life	3,026	5,332	2,495	2,836
Net Result Ageas	531	1,097	466	631
Net Operating Result Ageas	599	1,279	556	723
- Belgium	263	515	219	296
- Europe	36	82	(9)	90
- Asia	297	668	283	385
- Reinsurance	66	(3)	(18)	15
- General Account	(63)	17	80	(63)
- Life	481	1,044	437	608
- Non-Life	181	217	39	179
- General account	(63)	17	80	(63)
Life Guaranteed margin (in bps)¹	116	142	116	165
Life Unit-Linked margin (in bps)¹	39	37	40	36
Non-Life Combined ratio (in %)¹	93.3%	97.7%	99.2%	96.2%
Operational Capital Generation	1,026	1,791	906	884
Operational Free Capital Generation	492	1,172	604	569
Shareholders' equity	7,225	6,975	6,975	7,267
Comprehensive equity	15,604	15,670	15,670	-
Solvency Available Capital	15,219	14,959	14,959	16,724
Return on Equity	16.9%	17.3%	15.6%	19.2%
Cum. Average number of outstanding shares	184	184	-	185
Net Operating Earnings per share (in EUR)	3.26	6.96	3.03	3.94
Operational Capital Generation per share (in EUR)	5.59	9.75	4.94	4.81
Actual number of outstanding shares	184	184	-	184
Comprehensive equity per share (in EUR)	84.96	85.32	-	-
(Interim) Dividend per share declared (in EUR)	1.50	3.00	1.50	1.50
Impact24, Targets²				
- Life Guaranteed margin	99	113	89	136
- Life Unit-Linked margin	39	37	38	36
- Non-Life Combined ratio	90.5%	95.9%	97.8%	94.0%
- Solvency II – Pillar II	220%	218%	218%	221%

1. Group-wide Life margins and combined ratio: Scope includes all entities at Ageas's share.

2. Impact 24 Targets: The same entities are considered as at the moment the Impact24 targets were defined. The Impact24 combined ratio and the Life Margins are calculated at Ageas's share for the entities Belgium, UK, Portugal and Reinsurance Protection.

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