

PRESS RELEASE

Regulated information

Brussels, 19 February 2020 - 7:30 (CET)



Ageas reports on its full year 2019 results

Best ever full year results

Fourth quarter result influenced by RPN(i) revaluation and lower UK result

Proposed gross cash dividend up 20% to EUR 2.65

Net Result	<ul style="list-style-type: none"> 2019 net result stood at EUR 979 million versus EUR 809 million thanks to the good Non-Life performance in Belgium and Continental Europe and the Asian Life business. Q4 net result fell from EUR 154 million to EUR 102 million mainly due to the RPN(i) revaluation over the quarter offsetting the earlier gains, and the lower UK net result Q4 Life net result increased considerably from EUR 45 million to EUR 174 million driven by Asia and Belgium Q4 Non-Life net result decreased from EUR 88 million to EUR 60 million mainly due to the challenging UK Motor market
Inflows	<ul style="list-style-type: none"> 2019 Group inflows (at 100%) of EUR 35.9 billion, up 11%, scope-on-scope Q4 Group inflows (at 100%) of EUR 7.3 billion, up 9%, scope-on-scope Life inflows up 8% to EUR 5.7 billion and Non-Life up 10% at EUR 1.7 billion (both at 100% and scope-on-scope) Q4 Group inflows (Ageas's part) up 5% at EUR 3.3 billion, scope-on-scope
Operating Performance	<ul style="list-style-type: none"> Combined ratio at 95.0% versus 94.3%, better than the Group target of 96% Operating Margin Guaranteed stable at 88 bps and well within the target range of 85 bps to 95 bps Operating Margin Unit-Linked up at 28 bps versus 25 bps in 2018 and only just below target range.
Balance Sheet	<ul style="list-style-type: none"> Shareholders' equity at EUR 11.2 billion or EUR 58.89 per share Group Solvency II_{Ageas} ratio stands at 217%. The ratio would have stood at 205% and the cash position at EUR 1.7 billion, taking into account the adjustment following the closing of the successful tender offer for the FRESH securities in January 2020. General Account Total Liquid Assets at EUR 2.2 billion, of which EUR 0.5 billion is ring-fenced for the Fortis settlement End of year Life Technical Liabilities excluding shadow accounting of the consolidated entities increased by 6 % to EUR 77.4 billion
Dividend	<ul style="list-style-type: none"> The proposed cash dividend of EUR 2.65 represents a 50% pay-out ratio over a record result and is fully in line with our dividend policy

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

Ageas CEO Bart De Smet said: « 2019 was a remarkable year for Ageas. We closed the year with the best ever result and an Insurance net results of more than EUR 1 billion, thanks to strong performances in Belgium and Continental Europe supported by an exceptionally high result in Asia. Group inflows were also at an all-time high. Connect21, our new strategic plan took an excellent start achieving all targets but one, where we are closing the gap. Based on these accomplishments, our solid balance sheet and our capacity to generate cash, the Board of Ageas proposes to increase the dividend significantly to EUR 2.65.

The direct impact of insurance claims related to the 2019-nCoV is expected to be limited. However, the indirect impact coming from the economic slowdown and the volatility in financial markets and interest rates could influence our Asian commercial activity and results.

Additionally to the strong 2019 performance and supported by our improved rating, we modernised our capital structure with the tender on the Fresh securities and the successful issuance of two new debt instruments.

As Connect21 is not only about short term targets but also about the Group's ambitions and objective to create sustainable economic value for all its stakeholders, the Ageas Board of Directors adopted a new Corporate Governance Charter, confirming the Group's commitment to live up to its purpose to be a 'Supporter of your Life'.»

KEY FIGURES AGEAS

in EUR million	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Net result Ageas	979,2	809,1	21 %	101,9	153,5	(34 %)	877,3
By segment:							
- Belgium	426,4	415,3	3 %	121,8	109,1	12 %	304,6
- UK	68,7	86,7	(21 %)	2,8	25,3	(89 %)	65,9
- Continental Europe	108,8	117,7	(8 %)	29,1	35,5	(18 %)	79,7
- Asia	514,9	169,6	*	72,0	(40,8)	*	442,9
- Reinsurance	(16,2)	7,6	*	7,7	3,8	*	(23,9)
- General Account & Elimination	(123,4)	12,2	*	(131,5)	20,6	*	8,1
of which RPN(I)	(0,1)	89,1		(106,0)	31,6		105,9
By type:							
- Life	840,7	508,0	65 %	173,6	44,8	*	667,1
- Non-Life	261,9	289,0	(9 %)	59,8	88,2	(32 %)	202,1
- General Account & Elimination	(123,4)	12,2	*	(131,5)	20,6	*	8,1
Weighted average number of ordinary shares (in million)	192,5	196,8	(2 %)				193,0
Earnings per share (in EUR)	5,09	4,11	24 %				4,54
Gross inflows (incl. non-consolidated partnerships at 100%)	35.852,1	34.375,2	4 %	7.310,6	6.987,9	5 %	28.541,5
- of which inflows from non-consolidated partnerships	25.325,5	24.314,9	4 %	4.753,9	4.287,5	11 %	20.571,6
Gross inflows Ageas's part (incl. non-consolidates entities)	15.006,5	14.476,2	4 %	3.326,5	3.259,9	2 %	11.680,0
By segment:							
- Belgium	4.958,7	4.609,6	8 %	1.256,1	1.204,8	4 %	3.702,6
- UK	1.551,5	1.582,2	(2 %)	362,2	355,4	2 %	1.189,3
- Continental Europe	2.170,8	2.835,5	(23 %)	521,1	730,7	(29 %)	1.649,7
- Asia	6.325,5	5.448,9	16 %	1.187,1	969,0	23 %	5.138,4
By type:							
- Life	10.481,7	10.280,2	2 %	2.237,2	2.287,0	(2 %)	8.244,5
- Non-Life	4.524,8	4.196,0	8 %	1.089,3	972,9	12 %	3.435,5
Combined ratio	95,0%	94,3%		95,8%	92,0%		94,7%
Operating margin Guaranteed (bps)	88	88		109	75		81
Operating margin Unit-Linked (bps)	28	25		32	21		26
in EUR million	31 Dec 2019	31 Dec 2018	Change	30 Sep 2019			
Shareholders' equity	11.221	9.411	19 %	11.223			
Net equity per share (in EUR)	58,89	48,42	22 %	58,58			
Net equity per share (in EUR) excluding unrealised gains & losses	38,26	34,98	9 %	37,70			
Return on Equity - Ageas Group (excluding unrealised gains)	13,9%	11,9%		16,7%			
Group solvency II _{ageas}	217,3%	214,6%	1 %	198,6%			
Life Technical Liabilities (consolidated entities)	77.442	73.359	6 %	78.361			
- Life Technical Liabilities excl. shadow accounting	73.590	71.529	3 %	73.154			
- Shadow accounting	3.852	1.830	*	5.207			

AGEAS

Ageas reports best ever full year results

Ageas's net result over 2019 stood at EUR 979 million, up 21% compared to last year thanks to the steady contribution of the Belgian business, a solid result of the Asian Life operations and a strong operating performance in Non-Life in Continental Europe. In a challenging environment both for Life and Non-Life insurance, Ageas reached all its financial targets but one. Based on these elements the Ageas Board of Directors proposes an all time high gross cash dividend of EUR 2.65 per share for 2019, an increase of 20% compared to last year. This proposed dividend represents a pay-out of 50% on a record net result. The very successful issuance of two hybrid debt instruments at record low yields, show that the debt investor community also has confidence in Ageas's ability to deliver.

The **Group quarterly net result** stood at a sound EUR 102 million despite the negative impact of the revaluation of the RPN(i) liability of EUR 106 million compared to a positive impact of EUR 32 million in 2018. The strong increase in the Insurance net result was mainly driven by the Life operations in Belgium and Asia and the Non-Life business in Continental Europe, further supported by capital gains on investments.

The quarterly result in Belgium was driven by a strong underwriting result and supported by real estate returns. The Non-Life net result was down compared to last year although still performing at a combined ratio within target levels. In Continental Europe the decrease in the Life net result related entirely to the divestment of the Luxembourg activities in December 2018. The Non-Life net result reflects a strong performance in Portugal and the increased contribution from Turkey. In Asia, the result was driven by a strong operating performance supported by the impact of the financial markets and a positive evolution of the discount rate curve in China. As for the UK, the result suffered from claims inflation in Motor observed across the UK market and large losses.

Ageas's **net result over 2019** stood at a record EUR 979 million, up 21% compared to last year thanks to the steady contribution of the Belgian business, an exceptionally high result of the Asian Life operations and a strong operating performance in Non-Life in Continental Europe. The net result benefitted further from some one-offs in the first half of the year and a high level of capital gains. Last year's result was affected by equity impairments and included EUR 35 million capital gains on the sale of the Group's stake in Cardif Lux Vie.

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.

Quarterly **inflows** were up 9% scope-on-scope compared to last year's fourth quarter, with China as the main contributor. Belgium continued on its growth path with Non-Life outperforming the market mostly thanks to Accident & Health and inflows in Unit-Linked Life up 9%. Notwithstanding the strategic decision to exit underperforming schemes and to maintain a strict pricing policy, volumes in the consolidated entity in the UK stabilised over the quarter. Non-Life inflows in Continental Europe continued their strong growth in the fourth quarter whereas Life inflows declined due to the challenging low interest rate environment. The inflow growth in Asia was driven by renewals of the regular premium products with persistency levels in China at industry-leading standards, and by new business sales in Malaysia. Reinsurance inflows included EUR 209 million from the quota share agreements.

2019 inflows increased by 11% scope-on-scope. Growth was driven by solid sales in Belgium and Asia. In the UK, inflows only fell slightly notwithstanding the strategic decision to exit underperforming schemes and to maintain a strict pricing policy. Continental Europe enjoyed an excellent commercial performance in Non-Life whereas Life inflows declined in the low interest rate environment.

The **Life Technical Liabilities** excluding shadow accounting of the consolidated entities increased 3% compared to the end of 2018, driven by the increase in sales. Life Technical Liabilities in the non-consolidated entities in Asia rose by 25%.

The **Guaranteed operating margin** for the fourth quarter benefited from higher investment results in Belgium and in Continental Europe. On a **full year** basis the margin was perfectly within target range. Although reaching the top of the target range of 40 bps in Belgium and improving in Continental Europe, the overall **Unit-Linked operating margin** at the end of 2019 remains slightly below the target range.

The **combined ratio** for the quarter reflects the strong operating performance in Household and Accident & Health across all regions, partially offset by Motor claims. The adverse weather impact in Belgium in the first quarter was more than compensated by the operating performance during the rest of the year. This resulted in a strong **year-to-date combined ratio** better than the set target level of 96%.

The non-consolidated partnerships reported a combined ratio over the quarter of 94.7% (vs. 96.5%) in Tesco Underwriting (UK), 97.3% (vs. 106.7%) in Turkey (Continental Europe) and 102.7% (vs. 89.1%) in Asia.

Total **shareholders' equity** increased to EUR 11.2 billion thanks to the strong net result and the positive impact of the financial markets on the fair value of the bond portfolio more than compensating for the dividend payment.

The **Solvency II_{Ageas} ratio** at the end of December stood at a very strong 217% with the quarterly increase mainly driven by the issuance of a Tier 1 debt instrument for an amount of EUR 750 million. The Solvency II_{Ageas} ratio does not include the tender of the Fresh, which is expected to have a negative impact of around 12pp in the first quarter 2020.

The **operational free capital generation** stood at EUR 521 million over the year, including EUR 98 million in dividends from the non-European non-Controlled-Participations.

The **total liquid assets** in the General Account amounted to EUR 2.2 billion. The EUR 632 million dividend upstream from the operating companies more than covered the cash-outs related to the EUR 416 million dividend paid to the Ageas shareholders at the end of May and the holding costs, and funded part of the share buy-back. Capital management actions added EUR 1.0 billion to the Group's cash position, EUR 0.5 billion of which remains ring-fenced for the Fortis settlement. The tender transaction on the Fresh securities at the end of the year will in the first quarter of 2020, generate a cash out of EUR 0.5 billion.

Contingent liabilities

On July 28 2019, the claims filing period for the Fortis settlement ended. Claims handling and payments are ongoing. Based on the numbers received from Computershare, the independent claims handler, as at 31 December 2019 some 209,000 claims out of approximately 290,000 claims filed, have received partial compensation for a total amount of about EUR 702 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 until 3 March 2020 for the parties to come to an amicable settlement.

Other developments

In line with the new Belgian Corporate Governance Code that entered into force as of 1 January 2020 and with our Connect21 strategy, Ageas adopted an updated version of its Corporate Governance Charter via which its Board of Directors confirm the Group's objective to create sustainable economic value for all its stakeholders. The new charter can be consulted on the Ageas website.

In order to pursue effectively such sustainable value creation, the Board develops an inclusive approach that balances the legitimate interests and expectations of shareholders and the other stakeholders with increased focus on sustainability, ESG matters and ethical requirements.

BELGIUM

Solid 2019 result; Strong fourth quarter net result driven by solid operating performance in Life

KEY FIGURES BELGIUM

in EUR million	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Net result attributable to shareholders	426,4	415,3	3%	121,8	109,1	12%	304,6
- Life	301,9	287,3	5%	90,0	66,3	36%	211,9
- Non-Life	124,5	128,0	(3%)	31,8	42,8	(26%)	92,7
Gross inflows (incl. non-consolidated partnerships at 100%)	6.611,7	6.146,1	8%	1.674,9	1.606,4	4%	4.936,8
- Life	4.525,7	4.146,0	9%	1.209,2	1.158,6	4%	3.316,5
- Non-Life	2.086,0	2.000,1	4%	465,7	447,8	4%	1.620,3
Combined ratio - before LPT and QS	95,2%	93,4%		95,7%	90,1%		95,0%
Operating margin Guaranteed (bps)	88	85		111	77		81
Operating margin Unit-Linked (bps)	40	40		43	38		39

in EUR million	31 Dec 2019	31 Dec 2018	Change	30 Sep 2019
Life Technical Liabilities	61.255	57.257	7%	61.858
- Life Technical Liabilities excl. shadow accounting	58.158	55.866	4%	57.611
- Shadow accounting	3.097	1.391	*	4.247

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 92.6% in the fourth quarter of 2019.

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

The **full year net result** increased compared to last year with strong investment result in Life compensating the slightly lower Non-Life results. The Non-Life business kept growing at a steady pace although the result was impacted by higher claims in Accident & Health and Motor. The adverse weather events impacted the net result for an amount of EUR 20 million. The new reinsurance agreement contributed EUR 12 million to the 2019 net result.

The **net result over the fourth quarter** was driven by a higher operating result in Life offsetting the lower performance in Non-Life. The quarterly Life result was supported by real estate returns. The Non-Life business delivered a solid operating performance. The result however was down compared to last year due to a lower net underwriting result in Accident & Health and Motor related to some large claims.

The **2019 Life inflows** increased thanks to strong sales of Guaranteed products compensating the slightly lower but still solid Unit-Linked sales that were exceptionally high in 2018. Non-Life recorded strong inflows across all product lines with a significant increase in Accident & Health (+7%).

Quarterly Non-Life gross inflows extended the strong growth of the previous quarters especially in Accident & Health (+7%). **Quarterly gross inflows in Life** increased compared to last year both in Unit-Linked (+9%) and

Guaranteed products. Quarterly inflows in Guaranteed products increased by 4% mainly driven by savings products.

The 2019 **Life Technical Liabilities** (excluding shadow accounting) increased mainly as a result of strong growth in Unit-Linked and Group Life and a sound renewal rate.

The **quarterly Guaranteed operating margin** increased strongly thanks to higher investment results (higher level of capital gains) and net underwriting margin. On a full year basis, the operating margin was up versus last year driven by a higher investment margin compensating the lower net underwriting result.

The **quarterly Unit-Linked operating margin** is up on last year thanks to strong volumes and supportive financial markets. On a full year basis the operating margin is in line with last year and at the upper end of the Group target range.

A higher claims experience in Accident & Health and Motor translated to a **quarterly combined ratio** of 95.7%. The full year combined ratio is up compared to last year but remaining below the Group combined ratio target of 96%.

UNITED KINGDOM

Strong Household performance offset by the impact of a challenging Motor market

KEY FIGURES UNITED KINGDOM

in EUR million	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Net result attributable to shareholders	68,7	86,7	(21%)	2,8	25,3	(89%)	65,9
Gross inflows Non-Life (incl. non-consolidated partnerships at 100%)	1.727,7	1.775,1	(3%)	402,0	399,6	1%	1.325,7
Combined ratio - before LPT and QS	98,7%	96,8%		103,4%	94,2%		97,0%

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 101.5% in the fourth quarter.

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

2019 has proven to be a difficult year with high claims inflation witnessed across the Motor market and large losses, slightly offset by a strong operating performance in Household. The **full year net result** was further impacted by the some exceptional items such as the Ogden rate review (EUR 30 million), the initiation of the new internal reinsurance programme (EUR 20 million) and included EUR 17 million restructuring costs.

The **quarterly net result** was marked by a continued strong operating performance in Household offset by a disappointing result in Motor explained by a higher claims inflation and persistent low premium rates, both phenomena observed across the motor UK market and an above average number of large losses.

As a consequence of the strategic decisions to exit unprofitable distribution partnerships and to maintain pricing discipline in the competitive motor market, **gross inflows in 2019** were down compared to last year. However, they started to stabilise in the fourth quarter.

The **quarterly gross inflows** in Motor were slightly down compared to last year following the continued focus on pricing discipline in the highly competitive Motor market. Inflows in Household increased thanks to the introduction of new schemes.

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

The **quarterly combined ratio** was positively impacted by a strong performance in Household supported by benign weather, offset however by Motor due to increased claims inflation and an above average number of large losses. Last year's fourth quarter combined ratio benefited from a strong low claims ratio in almost all business lines.

The **full-year combined ratio** was affected by the higher current year claims experience of the Motor book.

CONTINENTAL EUROPE

Solid result driven by a strong Non-Life performance.

The lower Life result mainly reflects last year's sale of the Luxembourg

KEY FIGURES CONTINENTAL EUROPE

in EUR million	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Net result attributable to shareholders	108,8	117,7	(8%)	29,1	35,5	(18%)	79,7
- Life	35,6	68,6	(48%)	11,7	25,1	(53%)	23,9
- Non-Life	73,2	49,2	49%	17,4	10,5	66%	55,8
Gross inflows (incl. non-consolidated partnerships at 100%)	3.243,9	5.427,5	(40%)	771,2	1.314,1	(41%)	2.472,7
- Life	1.803,3	4.152,2	(57%)	373,5	990,0	(62%)	1.429,8
- Non-Life	1.440,6	1.275,3	13%	397,7	324,1	23%	1.042,9
Combined ratio - before LPT and QS	91,2%	92,4%		93,5%	95,8%		90,4%
Operating margin Guaranteed (bps)	90	108		96	65		86
Operating margin Unit-Linked (bps)	11	9		16	2		10

in EUR million	31 Dec 2019	31 Dec 2018	Change	30 Sep 2019
Life Technical Liabilities (consolidated entities)	16.199	16.111	1%	16.513
- Life Technical Liabilities excl. shadow accounting	15.444	15.672	(1%)	15.552
- Shadow accounting	755	439	72%	961

Scope change: Cardiff Luxembourg Vie that was sold mid December 2018 contributed EUR 24.3 million to the 2018 net result.

As from 2019 a new internal reinsurance programme is 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%. For more details, please refer to the Investor presentation and the tables on the website.

Over the year, the net result increased by 16% scope on scope, when excluding the divested activity in Luxembourg. The excellent Non-Life performance both in Portugal and in Turkey more than offset the lower Life result that was influenced by reserves strengthening in Portugal in the second quarter due to the low interest rate environment, and by one-off costs in France in the third quarter.

The quarterly Life result was strong both in Portugal and France, supported by high investment result. The fourth quarter 2018 included a EUR 17.3 million contribution from the divested Cardiff Luxembourg Vie. The Non-Life net result was driven by the continued strong operating performance in all business lines and in all channels, both in Portugal and in the non-consolidated partnership in Turkey which contributed EUR 5.2 million in the quarter.

In 2019, Non-Life inflows continued their strong growth with sales up in all product lines. Life inflows declined in the transition phase preceding the launch of new products better suited to the current low yields.

Life gross inflows declined over the quarter (-40% scope on scope) as the guaranteed business in Portugal was impacted by the challenging interest rate environment. In response, Ageas Portugal has been launching in the fourth quarter new products better suited to the low yield environment. In France the inflows increased slightly helped by the sales of a new pension product, following the introduction by the French law of new pension vehicles.

The Non-Life gross inflows continued to record strong growth in the fourth quarter with sales up in Portugal in all major product lines and a continued excellent commercial performance in Turkey, confirming above-market growth in both countries.

The combined ratio, excluding the impact of the new reinsurance programme in Portugal, stood at a solid 93.5% in the fourth quarter reflecting a continued excellent operating performance driven by the current year claims ratio across all major product lines.

Life Technical Liabilities of the consolidated entities stood at EUR 16.2 billion. The increase was driven by higher sales of Guaranteed products in the first half of the year being partly offset by the exit of a large Unit-Linked group contract in France in the third quarter. The Unit-Linked business accounted for 41% of total reserves.

The Guaranteed operating margin this quarter was higher than the fourth quarter 2018 on higher investment results. For the full year, the margin was impacted by reserve strengthening in Portugal in the second quarter. The Unit-Linked margin improved this fourth quarter due to a better expense result. For the full year it remained affected by low sales.

ASIA

Highest full year net result ever driven by exceptional items in China and supported by a good operating performance

KEY FIGURES ASIA

in EUR million	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Net result attributable to shareholders	514,9	169,6	*	72,0	(40,8)	*	442,9
- Life	503,2	152,2	*	71,9	(46,3)	*	431,3
- Non-Life	11,7	17,4	(33%)	0,1	5,5	(98%)	11,6
Gross inflows (incl non-consolidated partnerships at 100%)	24.268,8	21.026,5	15%	4.462,5	3.667,7	22%	19.806,3
- Life	22.834,1	20.142,4	13%	4.071,2	3.442,6	18%	18.762,9
- Non-Life	1.434,7	884,1	62%	391,3	225,1	74%	1.043,4
Gross Inflows Life (incl non-consolidated partnerships at 100%)	22.834,1	20.142,4	13%	4.071,2	3.442,6	18%	18.762,9
- Single premium	1.885,9	1.496,9	26%	447,4	326,9	37%	1.438,5
- Regular premium	20.948,1	18.645,5	12%	3.623,7	3.115,5	16%	17.324,4
Combined ratio	100,9%	90,7%		102,7%	89,1%		100,2%

in EUR million	31 Dec 2019	31 Dec 2018	Change	30 Sep 2019
Life Technical Liabilities	82.191	65.599	25%	80.243

In addition to the solid operating performance throughout the year and the favourable equity markets, the exceptionally high **full year result** also benefitted from the positive evolution of the discount rate curve and the retroactive change in the tax regime in China. Because of an evolving product mix, the tax benefit relating to 2019, booked in the second half of the year, was significantly lower than the retroactive tax benefit over 2018 that was booked in the first half of the year.

The **quarterly net result** benefitted from a high level of capital gains of EUR 28 million compared to minus EUR 96 million in the fourth quarter 2018 due to equity impairments. The Life result was also supported by the positive evolution of the discount rate curve in China. The Non-Life result in the fourth quarter was impacted by a EUR 6 million impairment primarily in a debt security investment.

The **inflows over the full year** continued to increase strongly with double-digit growth recorded in both Life and Non-Life segments, supported by both new business growth and strong renewals across the region.

The solid growth in **inflows** continued in the **fourth quarter**, increasing 18% at constant exchange rates compared to the same quarter of 2018.

Life gross inflows at constant exchange rates increased by 15% in the fourth quarter driven by strong persistency and solid growth in new business

premiums. Profitable regular premium sales continued to grow and accounted for approximately 90% of the Life inflows. In China, the business maintained its growth momentum with inflows up 22% compared to the fourth quarter of 2018 with persistency levels at industry-leading standards. In **Malaysia**, the continued growth of new business led to an increase in inflows of 13% at constant exchange rates. New business in **Thailand** grew by 14% over prior year, however inflows declined as the volume of fully paid-up policies maturing was not entirely compensated by the new business growth. In **India** inflows were up 3% at constant exchange rates with strong renewals offsetting lower new business. The recent start-ups in **Vietnam** (+79%) and **the Philippines** (+53%) continued to grow very rapidly.

Non-Life inflows at constant exchange rates enjoyed in the fourth quarter a 12% growth scope on scope to which all key business lines contributed. In **Malaysia** and **Thailand**, inflows increased by 10% and 14% respectively while **India** contributed EUR 124 million to the inflows in the fourth quarter.

The deterioration of the **combined ratio** reflects the integration of the recently acquired activity in India and, to a lesser extent, deteriorated claims experience across the region in the fourth quarter.

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

REINSURANCE

Positive impact from reserve review in the fourth quarter

KEY FIGURES REINSURANCE

in EUR million	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Net result attributable to shareholders	(16,2)	7,6	*	7,7	3,8	*	(23,9)
Gross inflows (incl non-consolidated partnerships at 100%)	1.688,5	61,1	*	234,4	15,8	*	1.454,1
Combined ratio - before LPT and QS	103,9%	82,6%		121,5%	64,5%		97,2%

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 97.9% in the fourth quarter of 2019.

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 cession rate of the Quota Share Treaties and the Loss Portfolio Transfers will be raised to 40% subject to the necessary approval of the local Boards.

A reserve review positively impacted the **fourth quarter net result** more than offsetting the adverse claims experience in Belgium and the UK.

Following losses in the UK Motor 'Excess of Loss' treaty related to adverse claims experience, the UK negatively contributed EUR 6 million to the **2019 Reinsurance net result**. The full year net loss is further explained by a EUR 16 million loss resulting from the quota share treaty with AG Insurance in Belgium caused by bad weather in the first half of the year and adverse claims experience in the fourth quarter. The quota share and loss portfolio transfer contracts with Portugal resulted in a positive contribution of EUR 3 million. The traditional reinsurance protection programme contributed EUR 4 million.

The 2019 **gross inflows** include EUR 1,594 million from the new Quota Share and Loss Portfolio Treaties and EUR 94 million from the traditional protection programme.

¹ of which 75% underwritten by ageas SA/NV

GENERAL ACCOUNT

Higher costs related to the execution of the Fortis Settlement

KEY FIGURES GENERAL ACCOUNT

in EUR million	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Net result including eliminations	(123,4)	12,2	*	(131,5)	20,6	*	8,1
Unrealised gain (loss) on RPN(I)	(0,1)	89,1	*	(106,0)	31,6	*	105,9
Total expenses	(100,8)	(87,3)	15 %	(23,6)	(26,9)	(12 %)	(77,2)
- Staff and Intercompany expenses	(25,1)	(25,3)	(1 %)	(5,4)	(3,0)	80 %	(19,7)
- Other operating and administrative expenses	(75,7)	(62,0)	22 %	(18,2)	(23,9)	(24 %)	(57,5)
	31 Dec 2019	31 Dec 2018	Change	30 Sep 2019			
RPN(I)	(359,0)	(358,9)	0 %	(253,0)			
Royal Park Investments	6,8	6,9	(1 %)	6,5			
Provision Fortis Settlement	(514,3)	(812,4)	(37 %)	(606,8)			

Net Result

The 2019 net result of the General Account was driven by higher costs related to the execution of the Fortis Settlement, while the revaluation of the RPN(I) was neutral. Last year's net result included a positive revaluation of the RPN(I) and a capital gain on the sale of the Luxembourg activities.

RPN(I)

The RPN(I) reference amount liability increased to EUR 359 million at the end of the year 2019. This led to a non-cash loss of EUR 106 million during the fourth quarter or a marginal negative impact of EUR 0.1 million compared to end 2018. The change in the reference amount is explained by the movement of the CASHES price to 81.55% and the Ageas share price to EUR 52.68.

Tender offer for the FRESH securities

In November 2019, Ageas launched an offer to purchase the outstanding FRESH securities. On 3 January 2020, Ageas announced that in total, 65.50% (EUR 818,750,000) of the aggregate principal amount of the FRESH securities outstanding were tendered.

Total Liquid Assets

Over 2019, the total liquid assets in the General Account increased by EUR 0.5 billion to EUR 2.2 billion. The increase is attributable to the two debt issuances partially offset by the payment realised in the context of the Fortis settlement, the EUR 185 million acquisition in India and the execution of the share buy-back programme. An amount of EUR 632 million was upstreamed from the operating companies during the year, more than covering the dividend paid to shareholders and the Corporate Centre cost. As a reminder, the tender transaction on the Fresh securities will, in the first quarter of 2020, generate a cash out of EUR 513 million and a gain on extinguishment of debt, net of unwinding of the associated interest rate swap, of EUR 306 million.

Contingent Liabilities

On 28 July 2019 the claims filing period for the Fortis settlement ended. The provision for the settlement decreased during the last quarter of 2019 following the payments made to claimants, bringing the total amount paid to claimants to EUR 702 million as at 31 December 2019.

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 until 3 March 2020 for the parties to come to an amicable settlement.

EVOLUTION 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**	(116,1)	-
Share buy-back program 2019/2020	(68,2)	-
		(600,0)
Dividend upstream, net received		
Belgium	415,3	
UK	43,7	
Continental Europe:		
- Portugal	75,3	
- Turkey	10,6	
Asia:		
- Thailand	15,5	
- China	53,0	
- Malaysia	16,3	
- India	2,7	
RPI	1,9	
		634,3
M&A and Capital transactions		
Debt Issuance Ageas T2	496,0	
Debt Issuance Ageas rT1	750,0	
Loan to AG Insurance	(221,1)	
UK sub-debt partial repayment	14,2	
Acquisition India	(184,5)	
Capital Injection Philippines	(6,0)	
		848,6
Litigation settlement		(230,0)
Other (incl. interest and regional costs Asia)		(174,1)
Total cash & liquid assets 31 December 2019***		2.192,1
Cash		2.190,8
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 83.9 million was cash out in 2018

*** out of which EUR 0.5 billion ring-fenced for the Fortis settlement

*** The FRESH tender transaction will generate a cash-out of EUR 513 million in Q1 2020

CAPITAL AND INVESTMENT PORTFOLIO

Robust solvency ratio driven by debt issuance – Tender of the Fresh not yet included

CAPITAL AND INVESTMENTS

in EUR million

	31 Dec 2019	31 Dec 2018	30 Sep 2019	
Group Solvency II_{ageas}	217%	215%	199%	
- Belgium	221%	235%	209%	
- UK	179%	167%	168%	
- Continental Europe	170%	178%	142%	
- Reinsurance	173%	196%	188%	
Group Solvency II_{pim}	203%	216%	193%	
Shareholders' equity	11.221	9.411	11.223	

in EUR billion

	31 Dec 2019	31 Dec 2018	30 Sep 2019	31 Dec 2019	31 Dec 2018
Total investments	84,3	79,6	84,4		
of which					
- Government bonds	38,4	36,9	39,8	46%	46%
- Corporate debt securities	20,8	19,9	21,4	25%	25%
- Loans	11,1	9,7	10,2	13%	12%
- Equity portfolio	4,6	4,5	4,4	6%	6%
- Real Estate	5,6	5,6	5,6	7%	7%

Solvency position

The **Own Funds** of the Group amounted to EUR 8.6 billion, EUR 4.7 billion above SCR resulting in a strong **Group Solvency II_{ageas} ratio** of 217%, up 18pp over the quarter thanks to the issuance of EUR 750 million restricted Tier 1 subordinated instrument on 10 December 2019. The positive impact of the debt issuance will be partly offset in the first quarter of 2020 by the tender offer for the FRESH securities which is expected to have a 12% negative impact on the Group solvency ratio. The full year 2019 Solvency II_{ageas} ratio increased by 2pp. The negative impact from the acquisition of the Non-Life activities in India and the decreasing yield curve in Belgium and Continental Europe was offset by the debt issuance.

The **operational free capital generation** for the full year 2019 stood at EUR 521 million, including EUR 98 million dividend upstream from the non-European non-controlled participations. The solid EUR 130 million operational free capital generation over the quarter was driven by Belgium and Continental Europe.

Shareholders' equity

Total **shareholders' equity** increased to EUR 11.2 billion thanks to the strong net result and the positive impact of the financial markets on the fair value of the bond portfolio more than compensating for the dividend payment.

Investment portfolio

Ageas's investment portfolio at the end of 2019 amounted to EUR 84.3 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 December 2019, the unrealised gains and losses on the total 'available for sale' investment and real estate portfolio amounted to EUR 10.6 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 2.4 billion not reflected in the shareholder's equity.

Fixed income portfolio

Bonds

The government bond portfolio increased by EUR 1.5 billion over the year to EUR 38.4 billion, driven by an increase in unrealised capital gains.

Corporate fixed income exposure increased by EUR 0.9 billion to EUR 20.8 billion. At year end, the corporate bond portfolio consisted of 59% industrials, 26% financials and 15% government related bonds. The credit quality of the corporate bond portfolio remained high, with 91% at investment grade, of which 52% was rated A or higher.

The unrealised gains on the total 'available for sale' bond portfolio increased to EUR 7.9 billion (of which EUR 6.4 billion on government bonds and EUR 1.5 billion on corporates) compared to EUR 5.6 billion at the end of 2018.

Loans

Ageas's loan portfolio increased from EUR 9.7 billion to EUR 11.1 billion, mainly thanks to a higher exposure in 'infrastructure loans' and 'other loans', more specifically government-related loans in Belgium or France.

Equity portfolio

Equity investments at fair value increased to EUR 4.6 billion with gross unrealised capital gains up to EUR 0.8 billion.

Real estate

Ageas's real estate portfolio at fair value increased to EUR 5.6 billion. Gross unrealised capital gains increased to EUR 1.9 billion, not reflected in the shareholders' equity.

ANNEXES

Annex 1: Belgium

BELGIUM							
in EUR million							
INCOME STATEMENT - LIFE	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Inflow Life (consolidated entities)	4.525,7	4.146,0	9%	1.209,2	1.158,6	4%	3.316,5
Operating result	459,1	438,2	5%	144,1	99,4	45%	315,0
Non-allocated other income and expenses	43,5	49,8	(13%)	9,9	18,9	(48%)	33,6
Result before taxation consolidated entities	502,6	488,0	3%	154,0	118,3	30%	348,6
Result equity associates	42,5	18,5	*	24,2	4,7	> 100 %	18,3
Result before taxation	545,1	506,5	8%	178,2	123,0	45%	366,9
Income tax expenses	(118,1)	(109,3)	8%	(44,2)	(29,2)	51%	(73,9)
Non Controlling interests	(125,1)	(109,9)	14%	(44,0)	(27,5)	60%	(81,1)
Net result attributable to shareholders	301,9	287,3	5%	90,0	66,3	36%	211,9
INCOME STATEMENT - NON-LIFE	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Written Premiums (consolidated entities)	2.086,0	2.000,1	4%	465,7	447,8	4%	1.620,3
Operating result	218,2	222,7	(2%)	55,1	72,8	(24%)	163,1
Non-allocated other income and expenses	19,6	17,4	12%	7,7	6,2	24%	11,9
Result before taxation consolidated entities	237,8	240,1	(1%)	62,8	79,0	(21%)	175,0
Result equity associates	3,2	1,4	*	2,5	0,6	> 100 %	0,7
Result before taxation	241,0	241,5	(0%)	65,3	79,6	(18%)	175,7
Income tax expenses	(66,3)	(65,9)	1%	(18,0)	(20,6)	(13%)	(48,3)
Non Controlling interests	(50,2)	(47,6)	5%	(15,5)	(16,2)	(4%)	(34,7)
Net result attributable to shareholders	124,5	128,0	(3%)	31,8	42,8	(26%)	92,7
INCOME STATEMENT - TOTAL	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Inflow (consolidated entities)	6.611,7	6.146,1	8%	1.674,9	1.606,4	4%	4.936,8
Net result attributable to shareholders	426,4	415,3	3%	121,8	109,1	12%	304,6

Annex 2: United Kingdom

UNITED KINGDOM							
in EUR million							
INCOME STATEMENT - NON-LIFE	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Written Premiums (consolidated entities)	1.374,6	1.388,4	(1%)	322,3	310,9	4%	1.052,3
Operating result	93,5	92,6	1%	6,1	29,3	(79%)	87,4
Non-allocated other income and expenses	(24,0)	3,3	*	(5,0)	(1,0)	*	(19,0)
Result before taxation consolidated entities	69,5	95,9	(28%)	1,1	28,3	(96%)	68,4
Result equity associates	13,1	11,2	17%	2,9	2,4	21%	10,2
Result before taxation	82,6	107,1	(23%)	4,0	30,7	(87%)	78,6
Income tax expenses	(13,9)	(20,4)	(32%)	(1,2)	(5,3)	(77%)	(12,7)
Non Controlling interests							
Net result attributable to shareholders	68,7	86,7	(21%)	2,8	25,3	(89%)	65,9
INCOME STATEMENT - TOTAL	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Inflow (consolidated entities)	1.374,6	1.388,4	(1%)	322,3	310,9	4%	1.052,3
Net result attributable to shareholders	68,7	86,7	(21%)	2,8	25,3	(89%)	65,9

Annex 3: Continental Europe

CONTINENTAL EUROPE							
in EUR million							
INCOME STATEMENT - LIFE	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Inflow Life (consolidated entities)	1.803,3	1.849,2	(2%)	373,5	613,6	(39%)	1.429,8
Operating result	84,6	94,8	(11%)	23,8	13,6	75%	60,8
Non-allocated other income and expenses	(2,6)	24,1	*	1,9	24,2	(92%)	(4,5)
Result before taxation consolidated entities	82,0	118,9	(31%)	25,7	37,8	(32%)	56,3
Result equity associates		8,8	(100%)		1,9	(100%)	
Result before taxation	82,0	127,7	(36%)	25,7	39,7	(35%)	56,3
Income tax expenses	(22,6)	(28,8)	(22%)	(6,2)	(7,6)	(18%)	(16,4)
Non Controlling interests	(23,8)	(30,3)	(21%)	(7,8)	(7,0)	11%	(16,0)
Net result attributable to shareholders	35,6	68,6	(48%)	11,7	25,1	(53%)	23,9
INCOME STATEMENT - NON-LIFE	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Written Premiums (consolidated entities)	737,0	676,6	9%	185,9	169,4	10%	551,1
Operating result	76,2	54,9	39%	16,8	11,5	46%	59,4
Non-allocated other income and expenses	0,5	(5,0)	*		(2,8)	(100%)	0,5
Result before taxation consolidated entities	76,7	49,9	54%	16,8	8,7	93%	59,9
Result equity associates	17,2	13,2	30%	5,2	4,2	24%	12,0
Result before taxation	93,9	63,1	49%	22,0	12,9	71%	71,9
Income tax expenses	(21,0)	(14,0)	50%	(4,7)	(2,5)	88%	(16,3)
Non Controlling interests	0,3	0,1	*	0,1	0,1	(0%)	0,2
Net result attributable to shareholders	73,2	49,2	49%	17,4	10,5	66%	55,8
INCOME STATEMENT - TOTAL	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Inflow (consolidated entities)	2.540,3	2.525,8	1%	559,4	783,0	(29%)	1.980,9
Net result attributable to shareholders	108,8	117,7	(8%)	29,1	35,5	(18%)	79,7

Annex 4: Asia

ASIA							
in EUR million							
INCOME STATEMENT - LIFE	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Inflow Life (consolidated entities)							
Operating result							
Non-allocated other income and expenses	(30,1)	(27,1)	11%	(7,7)	(7,3)	5%	(22,4)
Result before taxation consolidated entities	(30,1)	(27,1)	11%	(7,7)	(7,3)	5%	(22,4)
Result equity associates	533,5	179,3	*	79,9	(39,0)	*	453,6
Result before taxation	503,4	152,2	*	72,1	(46,3)	*	431,3
Income tax expenses	(0,2)			(0,2)			
Non Controlling interests							
Net result attributable to shareholders	503,2	152,2	*	71,9	(46,3)	*	431,3
INCOME STATEMENT - NON-LIFE	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Written Premiums (consolidated entities)							
Operating result							
Non-allocated other income and expenses							
Result before taxation consolidated entities							
Result equity associates	11,7	17,4	(33%)	0,1	5,5	(98%)	11,6
Result before taxation	11,7	17,4	(33%)	0,1	5,5	(98%)	11,6
Income tax expenses							
Non Controlling interests							
Net result attributable to shareholders	11,7	17,4	(33%)	0,1	5,5	(98%)	11,6
INCOME STATEMENT - TOTAL	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Inflow (consolidated entities)							
Net result attributable to shareholders	514,9	169,6	*	72,0	(40,8)	*	442,9

Annex 5: Reinsurance

REINSURANCE							
in EUR million							
INCOME STATEMENT - NON-LIFE	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Written Premiums (consolidated entities)	1.688,5	61,1	*	234,4	15,8	*	1.454,1
Operating result	(21,4)	5,8	*	6,9	3,2	*	(28,3)
Non-allocated other income and expenses	6,0	1,8	*	0,8	0,6	33%	5,2
Result before taxation consolidated entities	(15,4)	7,6	*	7,7	3,8	*	(23,1)
Result equity associates							
Result before taxation	(15,4)	7,6	*	7,7	3,8	*	(23,1)
Income tax expenses	(0,8)						(0,8)
Non Controlling interests							
Net result attributable to shareholders	(16,2)	7,6	*	7,7	3,8	*	(23,9)
INCOME STATEMENT - TOTAL	FY 19	FY 18	Change	Q4 19	Q4 18	Change	9M 19
Gross Inflow (consolidated entities)	1.688,5	61,1	*	234,4	15,8	*	1.454,1
Net result attributable to shareholders	(16,2)	7,6	*	7,7	3,8	*	(23,9)

ANALYST & INVESTOR CONFERENCE CALL:

19 February 2020
09:00 CET (08:00 UK Time)

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