



# PRESS RELEASE

Regulated information

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## Ageas reports first half year 2016 Results

**Insurance net result reflects strong operating performance and capital gain on Hong Kong sale  
Group net result includes the provision for the Fortis settlement agreement**

1 <sup>st</sup> half 2016	
<b>Net Result</b>	<ul style="list-style-type: none"> <li>Insurance net profit up 21% to <b>EUR 608 million</b> versus EUR 504 million</li> <li>General Account net result of <b>EUR 675 million negative</b> including the net impact EUR of 889 million of the provision for the Fortis settlement agreement</li> <li>Capital gain of EUR 404 million on the divestment of the Hong Kong Life activities equally distributed over Insurance and General Account</li> <li>Group net result at <b>EUR 67 million negative</b> versus EUR 469 million</li> </ul>
<b>Inflows</b>	<ul style="list-style-type: none"> <li>Group inflows (at 100%) at <b>EUR 18.3 billion</b>, up 10% (including 4% negative foreign exchange impact) Group inflows (Ageas's part) grew 7% to EUR 7.8 billion (including 3% negative foreign exchange impact)</li> <li>Life inflows up 13% to EUR 15 billion and <b>Non-Life</b> up 1% at EUR 3.3 billion (both at 100%)</li> </ul>
<b>Operating Performance</b>	<ul style="list-style-type: none"> <li>Combined ratio at <b>99.0%</b> versus 95.4% including the impact of the Brussels terrorism events (1.9%) and adverse weather events in Belgium and the UK</li> <li>Operating Margin Guaranteed at <b>108 bps</b> versus 90 bps</li> <li>Operating Margin Unit-Linked at <b>28 bps</b> versus 41 bps</li> <li>Life Technical Liabilities of the consolidated entities at <b>EUR 74.5 billion</b> (+1% compared to the end of 2015)</li> </ul>
<b>Balance Sheet</b>	<ul style="list-style-type: none"> <li>Shareholders' equity at <b>EUR 10.3 billion</b> or <b>EUR 49.59 per share</b></li> <li>Insurance solvency II <sub>ageas</sub> ratio at <b>183%</b> and <b>Group solvency II</b> at <b>209%</b></li> <li>General Account Total Liquid Assets at <b>EUR 2.1 billion</b> versus EUR 1.6 billion end 2015</li> </ul>
2 <sup>nd</sup> quarter 2016	
<b>Net Result</b>	<ul style="list-style-type: none"> <li>Insurance net profit at EUR 407 million, up 33% compared to Q2 2015 and <b>Group net profit</b> at EUR 566 million, both positively impacted by the capital gain on the divestment of the Hong Kong Life activities</li> </ul>
<b>Belgium</b>	<ul style="list-style-type: none"> <li>Strong result supported by higher realised capital gains on real estate</li> <li>Good operating performance offset by the impact of the Brussels terrorism events in Q1 and the adverse weather events in Q2</li> </ul>
<b>UK</b>	<ul style="list-style-type: none"> <li>Sustained growth in inflows in local currency, driven by Motor</li> <li>Net result impacted by June floods and storms</li> </ul>
<b>Continental Europe</b>	<ul style="list-style-type: none"> <li>First time inclusion of Ageas Seguros in Portugal</li> <li>Net result impacted by downward movement of equity markets</li> </ul>
<b>Asia</b>	<ul style="list-style-type: none"> <li>China and Thailand main drivers of inflows and net result</li> <li>Solid net result supported by the gain on the Hong Kong divestment</li> </ul>

All 1<sup>st</sup> half year 2016 figures are compared to the 1<sup>st</sup> half year 2015 figures unless otherwise stated.

**Ageas CEO Bart De Smet said:** "The first half of this year was marked by the announced settlement agreement related to the civil Fortis legacies in the first quarter, the closing of the sale of our Hong Kong activities and the acquisition of Ageas Seguros in Portugal. Since the initial announcement, the settlement has attracted further support from other parties which is a positive development in the process towards achieving a binding declaration from the Court of Amsterdam which we hope to obtain by mid 2017.

As we look more broadly at our Insurance activities, the Asian and Belgian Life business were the key drivers of the growth of inflows during the first half of 2016. This first half net insurance result, including the capital gain related to the Hong Kong divestment, was the best so far for Ageas. Excluding all exceptional events, our operating performance is improving and remains in line with our ambitions. The operational result combined with our solid cash position and very stable and strong solvency level give us the comfort to launch a new buy-back programme of EUR 250 million."

**Key figures Ageas**

in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
Gross inflows (incl. non-consolidated partnerships at 100%)	18,342.4	16,617.5	10 %	7,231.0	6,624.8	9 %	11,111.4
- of which inflows from non-consolidated partnerships	12,677.5	11,225.7	13 %	4,588.1	4,125.7	11 %	8,089.4
Gross inflows Ageas's part	7,848.8	7,330.4	7 %	3,287.3	3,158.9	4 %	4,561.5
Net result Insurance attributable to shareholders	607.6	503.7	21 %	407.0	306.0	33 %	200.6
<b>By segment:</b>							
- Belgium	206.0	196.5	5 %	106.3	101.5	5 %	99.7
- UK	34.8	40.2	( 13 %)	10.1	24.1	( 58 %)	24.7
- Continental Europe	35.6	55.4	( 36 %)	20.8	26.8	( 22 %)	14.8
- Asia	329.0	211.6	55 %	268.4	153.6	75 %	60.6
- Reinsurance	2.2		*	1.4			0.8
<b>By type:</b>							
- Life	504.1	382.0	32 %	361.0	234.5	54 %	143.1
- Non-Life	103.5	121.7	( 15 %)	46.0	71.5	( 36 %)	57.5
Net result General Account attributable to shareholders	( 674.8 )	( 34.6 )	*	159.1	( 78.3 )	*	( 833.9 )
Net result Ageas attributable to shareholders	( 67.2 )	469.1	*	566.1	227.7	*	( 633.3 )
Life Technical Liabilities (in EUR bn)	74.5	73.7	1 %	74.5	73.7	1 %	75.9
Life Operating Margin Guaranteed	1.08%	0.90%		1.10%	0.89%		1.03%
Life Operating Margin Unit-Linked	0.28%	0.41%		0.28%	0.42%		0.25%
Combined ratio	99.0%	95.4%		100.0%	94.1%		97.8%
Total Insurance solvency II <sub>ageas</sub> ratio	183.1%						182%
Weighted average number of ordinary shares (in million)	210.2	217.5	( 3 %)	210.2	217.5	( 3 %)	211.2
Earnings per share (in EUR)	( 0.32 )	2.16	*				( 3.00 )
Shareholders' equity	10,337	11,109	( 7 %)	10,337	11,109	( 7 %)	10,324
Net equity per share (in EUR)	49.59	51.58	( 4 %)	49.59	51.58	( 4 %)	49.10
Net equity per share (in EUR) excluding unrealised gains & losses	35.47	37.93	( 6 %)	35.47	37.93	( 6 %)	35.41
Return on Equity - Insurance (excluding unrealised gains & losses)	18.0%	14.9%					

**PRESS RELEASE**
**10 August 2016**

First half year 2016 results

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# EXECUTIVE SUMMARY

## Solid first half year in both Life and Non-Life

Ageas's first half year results 2016 were marked by the settlement agreement connected to the 2007-2008 Fortis events, the closing of the sale of our entity in Hong Kong and the acquisition of the former AXA activities in Portugal. The Insurance net result increased by 21% year-on-year to a record level of EUR 608 million, including a EUR 200 million capital gain related to the Hong Kong sale. The remaining part of the capital gain, EUR 204 million, has been accounted for in the General Account, partially offsetting the provision related to the legal settlement of EUR 889 million. As a result the Group net result for the first six months was slightly negative at EUR 67 million with a positive net result in the second quarter of EUR 566 million. The total liquid assets benefited from the sale of the Hong Kong entity, increasing to EUR 2.1 billion at the end of June, out of which EUR 0.8 billion is ring-fenced for the settlement agreement. In this context, Ageas' Board of Directors has decided to launch a new share buyback programme of EUR 250 million that will be launched as of 15 August 2016.

### Belgian and Asian Life businesses driving growth in inflows

Total inflows amounted to EUR 18.3 billion, an increase of 10% despite a 4% negative currency impact. The strongest growth was again recorded in the non-consolidated entities in Asia, especially in China and Thailand, with total inflows amounting to EUR 11 billion (+ EUR 1.2 billion), up 20% at constant exchange rates. In Belgium, inflows increased to EUR 3.3 (+15%) billion driven by higher sales of short term investment products despite a decrease of the guaranteed rate as of 1 April 2016. Inflows in Continental Europe increased to EUR 2.8 billion (+4%). Increased sales in Luxembourg and the inclusion of Ageas Seguros more than compensated for the lower Life inflows in the existing Life entity in Portugal. In the UK, Non-Life inflows remained flat at EUR 1.2 billion.

### Best half year result boosted by capital gain from Hong Kong sale

The **Insurance net profit** amounted to EUR 608 million, compared to EUR 504 million for the same period in 2015, including EUR 60 million less net capital gains on the investment portfolio in 2016 compared to last year (-EUR 70 million in Life and +EUR 10 million in Non-Life). The net result of the Life activities amounted to EUR 504 million, up EUR 122 million including EUR 200 million related to the capital gain realised on the divestment of Hong Kong. The Non-Life net result declined EUR 18 million to EUR 104 million, including around EUR 60 million combined adverse impact from terrorism events in Belgium and above average weather costs in Belgium and the UK. The strong operating performance was supported by higher prior year reserve releases.

### Group net result includes provision related to Fortis settlement agreement

The **Group net result** in the first half amounted to EUR 67 million negative. The **General Account net result** amounted to EUR 675 million negative, due to the EUR 889 million accounting impact of the settlement agreement, with respect to all civil proceedings related to the former Fortis group for the events in 2007 and 2008, and accounted in the first quarter. This was partially offset by a EUR 204 million positive impact on the General Account from the remaining part of the realized capital gain on the sale of Hong Kong.

The decrease in the RPN(I) liability to EUR 291 million led to a positive result of EUR 67 million. Staff and other operating expenses increased due to some one-off costs related to the legal settlement and amounted EUR 53 million.

### Shareholders' equity and solvency

Total **shareholders' equity** decreased from EUR 11.4 billion or EUR 53.59 per share at the end of 2015 to EUR 10.3 billion or EUR 49.59 per share at the end of June. This decrease is mainly attributable to the negative group result (EUR 0.1 billion), the payment of the 2015 dividend (EUR 0.3 billion), negative currency exchange differences (EUR 0.4 billion) and the ongoing share buy back programme (EUR 0.1 billion).

The Insurance Solvency II<sub>Ageas</sub> ratio increased slightly from 182% to a strong 183% and remained above the 175% target. Group solvency II ratio was slightly down from 212% at year end to 209%. Compared to the previous quarter Group solvency II<sub>Ageas</sub> increased strongly from 180% to 209% as the General Account Own Funds increased considerably following the divestment of the Hong Kong entity.

The **total liquid assets in the General Account** increased to EUR 2.1 billion compared to EUR 1.6 billion at the end of 2015. The sale of Hong Kong resulted in a EUR 1.2 billion cash receipt while a first cash-out related to the Fortis legal settlement of EUR 247 million has been made. The remaining foreseen cash out of EUR 0.8 billion related to the settlement was not deducted from the total liquid assets but can be considered as being ring-fenced.

Other cash expenses related to the payment of the acquisition of the AXA activities in Portugal, various investments in the Asian start-up companies and the further execution of the 2015 share buyback programme. The 2015 dividend payment and holding costs were compensated by the upstream from the operating companies, in line with Ageas's policy.

### Contingent liabilities

For the latest update on the Contingent Liabilities, please refer to note 27 of the Consolidated Interim Financial Statements for the first six months of 2016.

# DETAILS PER PRODUCT

Life: Solid inflow growth in Belgium and Asia. Strong net result driven by good operating performance and capital gain on divestment of Hong Kong

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Life (incl non-consolidated partnerships at 100%)</b>	<b>15,023.2</b>	<b>13,326.0</b>	<b>13%</b>	<b>5,646.1</b>	<b>5,068.6</b>	<b>11%</b>	<b>9,377.1</b>
<b>Gross Inflows Life (consolidated entities)</b>	<b>3,387.8</b>	<b>3,186.4</b>	<b>6%</b>	<b>1,545.4</b>	<b>1,445.8</b>	<b>7%</b>	<b>1,842.4</b>
<b>Operating result</b>	<b>324.2</b>	<b>285.7</b>	<b>13%</b>	<b>166.0</b>	<b>141.7</b>	<b>17%</b>	<b>158.2</b>
Non-allocated other income and expenses	203.4	35.8	*	194.8	28.7	*	8.6
<b>Result before taxation consolidated entities</b>	<b>527.6</b>	<b>321.5</b>	<b>64%</b>	<b>360.8</b>	<b>170.4</b>	<b>*</b>	<b>166.8</b>
Result non-consolidated partnerships	119.5	197.8	(40%)	73.3	147.0	(50%)	46.2
<b>Result before taxation</b>	<b>647.1</b>	<b>519.3</b>	<b>25%</b>	<b>434.1</b>	<b>317.4</b>	<b>37%</b>	<b>213.0</b>
Income tax expenses	(73.7)	(70.4)	5%	(39.1)	(49.9)	(22%)	(34.6)
Non-controlling interests	(69.3)	(66.9)	4%	(34.0)	(33.0)	3%	(35.3)
<b>Net result attributable to shareholders</b>	<b>504.1</b>	<b>382.0</b>	<b>32%</b>	<b>361.0</b>	<b>234.5</b>	<b>54%</b>	<b>143.1</b>

KEY PERFORMANCE INDICATORS BY FAMILY							
in EUR million	GUARANTEED		UNIT - LINKED		TOTAL		
	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	
<b>Gross Inflows Life (consolidated entities)</b>	<b>2,659.4</b>	<b>2,548.3</b>	<b>728.4</b>	<b>638.1</b>	<b>3,387.8</b>	<b>3,186.4</b>	
Net underwriting Result	20.8	20.6	14.9	25.4	35.7	46.0	
Investment Result	287.0	238.4	1.5	1.3	288.5	239.7	
<b>Operating result</b>	<b>307.8</b>	<b>259.0</b>	<b>16.4</b>	<b>26.7</b>	<b>324.2</b>	<b>285.7</b>	
<b>Life Technical Liabilities</b>	<b>62,913.6</b>	<b>60,455.5</b>	<b>11,639.7</b>	<b>13,248.8</b>	<b>74,553.3</b>	<b>73,704.3</b>	

**Inflows**, including non-consolidated partnerships at 100%, increased 13% compared to last year to EUR 15.0 billion, including a negative currency impact of 4%. The highest growth was realised in **Belgium**, up 23% to EUR 2.3 billion, reflecting the still attractive guarantee relative to alternative savings products in the market despite the lowered guaranteed rate. Inflows in **Asia** amounted to EUR 10.5 billion, an increase of 13%, including a 6% negative currency impact. In **Continental Europe** inflows were up 2% to EUR 2.2 billion, mainly driven by strong sales in Luxembourg and the inclusion of Ageas Seguros.

**Technical Liabilities** for the consolidated activities increased 1% to EUR 74.5 billion compared to the end of 2015 despite the sale and subsequent exclusion of the Hong Kong entity (EUR 3.2 billion). This mainly reflected the strong growth in Belgium, up 5% to EUR 59.2 billion, resulting from the excellent sales performance in the first half year. Life Technical Liabilities in the Asian and Continental European non-consolidated partnerships at 100% amounted to EUR 64.9 billion, compared to EUR 61.1 billion at the end of last year.

The **operating result** increased strongly to EUR 324 million (vs. EUR 286 million last year) driven by higher realised capital gains especially in Belgium. This was also reflected in the Guaranteed margin that increased from 90 bps to 108 bps. The Unit-Linked margin decreased from 41 bps to 28 bps reflecting a lower margin in Belgium.

The **net result** increased from EUR 382 million to EUR 504 million reflecting the higher operating result in the consolidated entities but

also the portion of the capital gain on the sale of the Hong Kong entity allocated to the Insurance activities (EUR 200 million). The contribution from the non-consolidated partnership in Luxembourg and Asia was significantly lower as a result of volatile financial markets, and last year's profit also included a EUR 100 million exceptional investment result in Asia.

In **Belgium**, the net result amounted to EUR 170 million compared to EUR 141 million last year reflecting higher realised capital gains. The operating margin on Guaranteed products increased from 81 bps to 104 bps thanks to higher capital gains, while the decrease of the Unit-Linked margin from 43 bps to 23 bps mainly stemmed from a lower risk and expense result.

In **Continental Europe**, the result was down to EUR 16 million from EUR 34 million last year, the latter including a deferred tax benefit in France (EUR 5 million). The decrease was mainly related to the quarterly fair value adjustments on the Held For Trading assets in Luxembourg and equity impairments in Portugal.

In **Asia**, the net result amounted to EUR 318 million (vs. EUR 207 million). While last year's result benefitted from an exceptional investment result of around EUR 100 million, this year's result included part of the capital gain on the sale of the Hong Kong entity and the release of a tax provision. The net result of AICA (Hong Kong) included in the result for the first five months amounted to EUR 13 million compared to EUR 33 million in 2015.

## Non-Life: Strong operating performance offset by terrorism events and adverse weather

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>3,319.2</b>	<b>3,291.5</b>	<b>1%</b>	<b>1,584.9</b>	<b>1,556.2</b>	<b>2%</b>	<b>1,734.3</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>2,277.1</b>	<b>2,205.4</b>	<b>3%</b>	<b>1,097.5</b>	<b>1,053.3</b>	<b>4%</b>	<b>1,179.6</b>
<b>Net Earned Premiums</b>	<b>2,044.9</b>	<b>1,982.2</b>	<b>3%</b>	<b>1,058.4</b>	<b>997.6</b>	<b>6%</b>	<b>986.5</b>
<b>Operating result</b>	<b>133.6</b>	<b>181.1</b>	<b>(26%)</b>	<b>57.5</b>	<b>105.2</b>	<b>(45%)</b>	<b>76.1</b>
Non-allocated other income and expenses	9.3	9.2	1%	1.8	7.2	(75%)	7.5
<b>Result before taxation consolidated entities</b>	<b>142.9</b>	<b>190.3</b>	<b>(25%)</b>	<b>59.3</b>	<b>112.4</b>	<b>(47%)</b>	<b>83.6</b>
Result non-consolidated partnerships	19.4	10.8	80%	9.2	5.4	70%	10.2
<b>Result before taxation</b>	<b>162.3</b>	<b>201.1</b>	<b>(19%)</b>	<b>68.5</b>	<b>117.8</b>	<b>(42%)</b>	<b>93.8</b>
Income tax expenses	(38.3)	(53.8)	(29%)	(11.7)	(31.7)	(63%)	(26.6)
Non-controlling interests	(20.5)	(25.6)	(20%)	(10.8)	(14.6)	(26%)	(9.7)
<b>Net result attributable to shareholders</b>	<b>103.5</b>	<b>121.7</b>	<b>(15%)</b>	<b>46.0</b>	<b>71.5</b>	<b>(36%)</b>	<b>57.5</b>

KEY PERFORMANCE INDICATORS BY FAMILY										
in EUR million	ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>455.1</b>	<b>448.3</b>	<b>982.5</b>	<b>926.0</b>	<b>590.9</b>	<b>581.3</b>	<b>248.6</b>	<b>249.6</b>	<b>2,277.1</b>	<b>2,205.4</b>
<b>Net Earned Premiums</b>	<b>410.7</b>	<b>399.6</b>	<b>892.8</b>	<b>841.7</b>	<b>533.6</b>	<b>533.5</b>	<b>207.8</b>	<b>207.4</b>	<b>2,044.9</b>	<b>1,982.2</b>
Net Underwriting result	(5.8)	23.9	26.4	(2.4)	3.8	62.6	(3.7)	8.0	20.7	92.1
Combined Ratio	101.4%	94.0%	97.0%	100.3%	99.3%	88.3%	101.7%	96.2%	99.0%	95.4%
of which Prior Year claims ratio									(8.4%)	(6.8%)
Investment Result	24.4	18.7	52.0	42.3	14.5	11.7	21.2	16.6	112.1	89.3
Other Result	1.5	(0.3)	0.4		(1.0)		(0.1)		0.8	(0.3)
<b>Operating Result</b>	<b>20.1</b>	<b>42.3</b>	<b>78.8</b>	<b>39.9</b>	<b>17.3</b>	<b>74.3</b>	<b>17.4</b>	<b>24.6</b>	<b>133.6</b>	<b>181.1</b>
<b>Reserves Ratio (in %)</b>	<b>301%</b>	<b>268%</b>	<b>182%</b>	<b>195%</b>	<b>92%</b>	<b>78%</b>	<b>300%</b>	<b>295%</b>	<b>195%</b>	<b>188%</b>
<b>Non-Life Technical Liabilities</b>	<b>2,475.6</b>	<b>2,139.9</b>	<b>3,258.7</b>	<b>3,289.9</b>	<b>983.6</b>	<b>827.9</b>	<b>1,246.2</b>	<b>1,209.3</b>	<b>7,964.1</b>	<b>7,467.0</b>

**Gross inflows** remained stable at EUR 3.3 billion, including the 5% negative impact of exchange rates. Gross inflows in **Belgium** remained stable at EUR 1 billion. In the **UK**, gross inflows were up 5% at constant exchange rates supported by growth of the Motor book. In **Continental Europe** inflows were up 12% to EUR 632 million despite the impact of currency differences (7% negative). The growth was largely driven by Portugal with Ageas Seguros contributing EUR 61 million while Occidental, the existing business in Portugal outperformed the market. At constant exchange rate inflows in Turkey would have been up 10%. **Asian** gross inflows increased by 8% at constant exchange rates to EUR 488 million with growth across all major product lines mainly thanks to Thailand.

The **Group combined ratio** stood at 99.0% at the end of June 2016 (vs. 95.4%). On top of the terrorism events in Brussels on 22 March 2016, the combined ratio suffered from above average adverse weather conditions both in Belgium and the UK. These elements had a combined impact of 5.5% on the group combined ratio. The prior year claims ratio amounted to 8.4% (vs. 6.8%), with higher releases in various business lines both in Belgium and the UK. The reported combined ratio in Belgium and the UK amounted to 100.9% and 100.1% respectively. The evolution in Motor remained positive. The business in Continental Europe continued to achieve a strong operating result. The increased but still excellent combined ratio (90.6% vs. 85.8%) however reflected the inclusion of Ageas Seguros adding a different business mix compared to the existing business in Portugal.

The non-consolidated partnerships reported a combined ratio of 98.5% (vs. 101.2%) in Tesco Underwriting (UK), 98.8% (vs. 104.7%) in Turkey (Continental Europe) and 89.3% (vs. 95.4%) in Asia.

The **net result** of the **Non-Life** activities amounted to EUR 104 million (vs. EUR 122 million) including a combined net negative impact of EUR 60 million related to the terrorism events in the first quarter and adverse weather in Belgium and the UK in the second quarter. This was partly offset by stronger investment results, higher prior year reserve releases and a larger contribution from all non-consolidated entities. The net result in **Belgium**, EUR 36 million (vs. EUR 55 million) included a cost related to the terrorism events (EUR 19 million) and above average adverse weather (EUR 28 million). In the **UK** the net result was down to EUR 35 million (vs. EUR 40 million) reflecting the June floods and storms (EUR 13 million). In **Continental Europe**, net profit decreased to EUR 19 million (vs. EUR 22 million) with better results in Italy and Turkey not offsetting the decrease in Portugal. In **Asia**, the net result increased to EUR 11 million (vs. EUR 5 million) benefiting from the improved operating performance and higher capital gains.

As from 2016, the Ageas Non-Life result includes the results from the Group's internal Non-Life reinsurer, Intreas. The company was established mid-2015 and was previously accounted for in the General Account. **Intreas** reinsured EUR 21 million of premium from the operating companies within the group and contributed EUR 2 million to the Non-Life net result.

# DETAILS BY BUSINESS SEGMENT

## BELGIUM

### Net profit EUR 206 million

vs. EUR 197 million (+5%). Strong result supported by higher realised capital gains on real estate. Good operating performance offset by the impact of the Brussels terrorism events in Q1 and the adverse weather events in Q2.

### Gross inflows EUR 3.3 billion

vs. EUR 2.9 billion (+15%). Strong growth largely attributable to Life Investment products.

### Combined ratio 100.9%

vs. 94.6%. Excluding the Brussels terrorism events, the combined ratio would have stood at 96.7%, despite above average weather related costs.

### Life: Solid inflows and sustained strong operating margins on Guaranteed products

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Life</b>	<b>2,274.2</b>	<b>1,844.4</b>	<b>23%</b>	<b>1,015.4</b>	<b>886.9</b>	<b>14%</b>	<b>1,258.8</b>
<b>Operating result</b>	<b>260.1</b>	<b>207.6</b>	<b>25%</b>	<b>138.3</b>	<b>102.6</b>	<b>35%</b>	<b>121.8</b>
Non-allocated other income and expenses	38.3	51.2	(25%)	18.7	37.0	(49%)	19.6
<b>Result before taxation</b>	<b>298.4</b>	<b>258.8</b>	<b>15%</b>	<b>157.0</b>	<b>139.6</b>	<b>12%</b>	<b>141.4</b>
Income tax expenses	(64.7)	(63.5)	2%	(35.3)	(43.4)	(19%)	(29.4)
Non-controlling interests	(64.0)	(53.9)	19%	(33.8)	(26.4)	28%	(30.2)
<b>Net result attributable to shareholders</b>	<b>169.7</b>	<b>141.4</b>	<b>20%</b>	<b>87.9</b>	<b>69.8</b>	<b>26%</b>	<b>81.8</b>

KEY PERFORMANCE INDICATORS BY FAMILY		GUARANTEED		UNIT - LINKED		TOTAL	
in EUR million	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 15
<b>Gross Inflows Life (consolidated entities)</b>	<b>2,051.7</b>	<b>1,613.7</b>	<b>222.5</b>	<b>230.7</b>	<b>2,274.2</b>	<b>1,844.4</b>	
Net underwriting Result	(9.2)	(12.2)	6.9	12.6	(2.3)	0.4	
Investment Result	262.4	207.2			262.4	207.2	
<b>Operating result</b>	<b>253.2</b>	<b>195.0</b>	<b>6.9</b>	<b>12.6</b>	<b>260.1</b>	<b>207.6</b>	
<b>Life Technical Liabilities</b>	<b>53,272.6</b>	<b>49,938.0</b>	<b>5,911.8</b>	<b>5,969.5</b>	<b>59,184.4</b>	<b>55,907.5</b>	

**Gross inflows** amounted to EUR 2.3 billion (+23%). The growth was entirely achieved in Guaranteed (+27%) driven by short term investment products. This reflects the still attractive guarantee relative to alternative saving products in the market and despite the lowered guaranteed rate as from 1 April 2016 to 0.75%. Unit-Linked inflows decreased slightly by 4% due to volatile financial markets.

Overall, the **Life Technical Liabilities** increased by 5% from EUR 56.3 billion at the end of 2015 to EUR 59.2 billion. Excluding shadow accounting, the Life Technical Liabilities are 1.2% above the year-end 2015 figure.

The **operating result** increased strongly to EUR 260 million (vs. EUR 208 million last year) driven by higher realised capital gains on real estate transactions in both the first and the second quarter of 2016 supporting the overall investment margin. This led to an increased operating margin in Guaranteed from 81 bps last year to 104 bps this year. In Unit-Linked, the operating margin evolved from 43 bps last year to 23 bps this year, due to the decrease of the risk result (higher level of mortality reserving) and a lower expense result.

The **net result** increased from EUR 141 million to EUR 170 million, positively impacted by the higher capital gains that increased EUR 40 million year-on-year.

## Non-Life: A strong operating performance more than offset the cost related to Brussels terrorism events and above average adverse weather

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Non-Life</b>	<b>1,015.0</b>	<b>1,017.3</b>	<b>(0%)</b>	<b>429.8</b>	<b>429.5</b>	<b>0%</b>	<b>585.2</b>
<b>Net Earned Premium</b>	<b>909.6</b>	<b>911.2</b>	<b>(0%)</b>	<b>458.4</b>	<b>456.9</b>	<b>0%</b>	<b>451.2</b>
<b>Operating result</b>	<b>54.7</b>	<b>98.7</b>	<b>(45%)</b>	<b>23.5</b>	<b>54.9</b>	<b>(57%)</b>	<b>31.2</b>
Non-allocated other income and expenses	10.5	10.6	(1%)	5.9	8.1	(27%)	4.6
<b>Result before taxation</b>	<b>65.2</b>	<b>109.3</b>	<b>(40%)</b>	<b>29.4</b>	<b>63.0</b>	<b>(53%)</b>	<b>35.8</b>
Income tax expenses	( 15.0 )	( 34.2 )	(56%)	( 3.6 )	( 19.7 )	(82%)	( 11.4 )
Non-controlling interests	( 13.9 )	( 20.0 )	(31%)	( 7.4 )	( 11.6 )	(36%)	( 6.5 )
<b>Net result attributable to shareholders</b>	<b>36.3</b>	<b>55.1</b>	<b>(34%)</b>	<b>18.4</b>	<b>31.7</b>	<b>(42%)</b>	<b>17.9</b>

KEY PERFORMANCE INDICATORS BY FAMILY	ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
in EUR million	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>266.5</b>	<b>271.9</b>	<b>309.3</b>	<b>310.3</b>	<b>334.5</b>	<b>330.9</b>	<b>104.7</b>	<b>104.2</b>	<b>1,015.0</b>	<b>1,017.3</b>
<b>Net Earned Premiums</b>	<b>235.1</b>	<b>242.7</b>	<b>282.8</b>	<b>282.2</b>	<b>299.4</b>	<b>294.2</b>	<b>92.4</b>	<b>92.1</b>	<b>909.7</b>	<b>911.2</b>
Net Underwriting result	( 16.4 )	4.7	14.1	15.7	( 3.4 )	29.1	( 2.5 )	( 0.4 )	( 8.2 )	49.1
Combined Ratio	107.0%	98.1%	95.0%	94.4%	101.1%	90.1%	102.7%	100.4%	100.9%	94.6%
of which Prior Year claims ratio									(12.7%)	(10.1%)
Investment Result	19.4	14.4	21.5	17.7	9.0	7.6	13.0	9.9	62.9	49.6
Other Result										
<b>Operating Result</b>	<b>3.0</b>	<b>19.1</b>	<b>35.6</b>	<b>33.4</b>	<b>5.6</b>	<b>36.7</b>	<b>10.5</b>	<b>9.5</b>	<b>54.7</b>	<b>98.7</b>
<b>Reserves Ratio (in %)</b>	<b>395%</b>	<b>372%</b>	<b>181%</b>	<b>175%</b>	<b>85%</b>	<b>73%</b>	<b>331%</b>	<b>306%</b>	<b>220%</b>	<b>208%</b>
<b>Non-Life Technical Liabilities</b>	<b>1,856.2</b>	<b>1,807.8</b>	<b>1,021.5</b>	<b>988.7</b>	<b>509.6</b>	<b>429.7</b>	<b>611.7</b>	<b>563.1</b>	<b>3,999.0</b>	<b>3,789.3</b>

**Gross inflows** remained stable at EUR 1 billion. The small decrease in Accident & Health was compensated by a slight increase in Household.

The **combined ratio** stood at 100.9%. Excluding Brussels terrorism events, the combined ratio would have been 96.7%.

The **operating result** decreased from EUR 99 million last year to EUR 55 million. The operating result was strongly impacted by the terrorism events of 22 March 2016 (EUR 39 million) and the adverse weather events (EUR 56 million year-to-date vs EUR 13 million last year) that occurred in the second quarter. This was partly offset by strong prior year developments in all business lines and realised capital gains related to the real estate transactions. Excluding the terrorism and adverse weather events, the current year loss ratio would have remained at the same level as last year.

The **net result** amounted to EUR 36 million vs. EUR 55 million including EUR 19 million net impact from the terrorism events and EUR 28 million costs related to the adverse weather events partly offset by higher net realised capital gains.

# UNITED KINGDOM

**Net profit of EUR 35 million**

vs. a net profit of **EUR 40 million (-13%)**. Second quarter result impacted by June flooding and storms.

**Gross inflows EUR 1.2 billion**

vs. **EUR 1.2 billion (-2%)**. Inflows up in local currency driven by continued strong Motor performance.

**Combined ratio 100.1%**

vs. 98.6%. Floods and storms in second quarter impacted Combined Ratio by 2.0%.

## Second quarter result impacted by June floods and storms

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>1,184.3</b>	<b>1,203.4</b>	<b>(2%)</b>	<b>606.7</b>	<b>640.5</b>	<b>(5%)</b>	<b>577.6</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>928.1</b>	<b>930.7</b>	<b>(0%)</b>	<b>474.1</b>	<b>495.3</b>	<b>(4%)</b>	<b>454.0</b>
<b>Net Earned Premium</b>	<b>829.3</b>	<b>849.8</b>	<b>(2%)</b>	<b>416.1</b>	<b>427.9</b>	<b>(3%)</b>	<b>413.2</b>
<b>Operating result</b>	<b>38.2</b>	<b>42.5</b>	<b>(10%)</b>	<b>10.6</b>	<b>25.9</b>	<b>(59%)</b>	<b>27.6</b>
Non-allocated other income and expenses	0.4	1.3	(69%)	(0.5)	0.6	*	0.9
<b>Result before taxation consolidated entities</b>	<b>38.6</b>	<b>43.8</b>	<b>(12%)</b>	<b>10.1</b>	<b>26.5</b>	<b>(62%)</b>	<b>28.5</b>
Result non-consolidated partnerships	4.4	4.3	2%	2.3	2.3	0%	2.1
<b>Result before taxation</b>	<b>43.0</b>	<b>48.1</b>	<b>(11%)</b>	<b>12.4</b>	<b>28.8</b>	<b>(57%)</b>	<b>30.6</b>
Income tax expenses	(8.2)	(7.9)	4%	(2.3)	(4.7)	(51%)	(5.9)
Non-controlling interests			*			*	
<b>Net result attributable to shareholders</b>	<b>34.8</b>	<b>40.2</b>	<b>(13%)</b>	<b>10.1</b>	<b>24.1</b>	<b>(58%)</b>	<b>24.7</b>

KEY PERFORMANCE INDICATORS BY FAMILY	ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
in EUR million	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>23.1</b>	<b>35.5</b>	<b>582.8</b>	<b>564.5</b>	<b>202.3</b>	<b>209.1</b>	<b>119.9</b>	<b>121.6</b>	<b>928.1</b>	<b>930.7</b>
<b>Net Earned Premiums</b>	<b>21.8</b>	<b>30.8</b>	<b>526.3</b>	<b>513.0</b>	<b>185.6</b>	<b>207.2</b>	<b>95.6</b>	<b>98.8</b>	<b>829.3</b>	<b>849.8</b>
Net Underwriting result	(1.4)	(1.2)	10.9	(16.3)	(3.2)	27.0	(7.4)	2.0	(1.1)	11.5
Combined Ratio	106.3%	103.8%	97.9%	103.2%	101.7%	87.0%	107.7%	97.9%	100.1%	98.6%
of which Prior Year claims ratio									(5.0%)	(3.6%)
Investment Result	0.5	0.5	27.5	21.9	4.8	3.4	6.5	5.2	39.3	31.0
Other Result		0.0	0.0		(0.0)	0.0	(0.0)		(0.0)	0.0
<b>Operating Result</b>	<b>(0.9)</b>	<b>(0.7)</b>	<b>38.4</b>	<b>5.6</b>	<b>1.6</b>	<b>30.4</b>	<b>(0.9)</b>	<b>7.2</b>	<b>38.2</b>	<b>42.5</b>
<b>Reserves Ratio (in %)</b>	<b>61%</b>	<b>71%</b>	<b>171%</b>	<b>201%</b>	<b>88%</b>	<b>80%</b>	<b>222%</b>	<b>243%</b>	<b>155%</b>	<b>172%</b>
<b>Non-Life Technical Liabilities</b>	<b>26.7</b>	<b>43.5</b>	<b>1,798.9</b>	<b>2,063.0</b>	<b>326.5</b>	<b>332.5</b>	<b>424.1</b>	<b>480.5</b>	<b>2,576.2</b>	<b>2,919.5</b>

As a result of integration within the UK business, from 2016 Ageas is presenting its Non-Life and Other Insurance segments in the UK on a consolidated basis and has furthermore reclassified some minor products from Other lines into both Motor and Household. The 2015 comparative figures have been restated accordingly.

**Gross Inflows, including non-consolidated partnerships**, remained relatively stable at EUR 1.2 billion, supported by continued growth in the Motor book. Excluding the impact from exchange rate movements, gross inflows were 5% higher than the same period last year.

**Gross Inflows, excluding non-consolidated partnerships**, were almost flat at EUR 928 million (vs. EUR 931 million). At constant exchange rates inflows were up 6% on 2015.

Motor inflows increased to EUR 583 million (vs. EUR 565 million) where volumes continued to grow as a result of price increases across the market<sup>1</sup>. Household inflows were down to EUR 202 million (vs. EUR 209 million), but up at constant exchange rates by 3% with growth driven by new deals. Inflows in Other lines were slightly down at EUR 120 million (vs. EUR 122 million) but 5% up at constant exchange rates, including the realignment of ancillary products into the Motor and Household product lines, as well as the contribution of new Commercial insurance deals announced in the first quarter with brokers.

Inflows in **Tesco Underwriting Ltd** reduced to EUR 256 million (vs. EUR 273 million), as a result of the adverse exchange rate movements. In local currency premiums remained flat against 2015.

<sup>1</sup> Association of British Insurers Private Comprehensive Motor Insurance Premium Tracker for Q2 2016 showed the average premium paid was up 10% year on year.



The **combined ratio** for Ageas in the UK rose to 100.1% (vs. 98.6%), reflecting the June floods and storms which had an impact of 2.0%. The Motor combined ratio improved to 97.9% (vs. 103.2%) driven by favourable prior year development and a lower expense ratio. The Household combined ratio deteriorated to 101.7% (vs. 87.0%) with weather related claims year to date impacting the Household combined ratio by 8.9%, against a particularly benign first half year of 2015.

The combined ratio of Other Lines deteriorated to 107.7% (vs 97.9%) driven by adverse evolution in Special Risks and lower prior year releases, partly offset by lower expenses. The combined ratio of Tesco

Underwriting improved to 98.5% (vs. 101.2%), driven by favourable prior year releases compared to the same period last year.

The UK consolidated **net result** was EUR 35 million (vs. EUR 40 million) reflecting the impact of the floods and storms in June (EUR 13 million). The adverse movement in exchange rates of EUR 2 million has been compensated by higher realised capital gains of EUR 8 million versus EUR 6 million last year.

The net result of Tesco Underwriting remained stable at EUR 4.4 million. More favourable prior year releases were offset by lower financial results.

# CONTINENTAL EUROPE

## Net profit EUR 36 million

vs. EUR 55 million (-36%) mainly due to downward movement equity market.

## Gross inflows EUR 2.8 billion

vs. EUR 2.7 billion (+4%) primarily related to higher sales in Luxembourg and the inclusion of Ageas Seguros Portugal.

## Combined ratio 90.5%

vs. 85.8% reflecting a continued excellent operating performance and the inclusion of Ageas Seguros in Portugal.

## Scope change

As from Q2 2016, Ageas Seguros in Portugal (ex Axa Portugal) is included in the reporting scope.

## Life: Solid operating performance partially offset by downward movement equity market

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Life (incl non-consolidated partnerships at 100%)</b>	<b>2,207.4</b>	<b>2,154.1</b>	<b>2%</b>	<b>1,162.0</b>	<b>986.0</b>	<b>18%</b>	<b>1,045.4</b>
<b>Gross Inflows Life (consolidated entities)</b>	<b>930.3</b>	<b>1,072.7</b>	<b>(13%)</b>	<b>466.9</b>	<b>415.6</b>	<b>12%</b>	<b>463.4</b>
<b>Operating result</b>	<b>47.0</b>	<b>43.8</b>	<b>7%</b>	<b>23.2</b>	<b>22.3</b>	<b>4%</b>	<b>23.8</b>
Non-allocated other income and expenses	(19.5)	(3.2)	*	(14.2)	(2.0)	*	(5.3)
<b>Result before taxation consolidated entities</b>	<b>27.5</b>	<b>40.6</b>	<b>(32%)</b>	<b>9.0</b>	<b>20.3</b>	<b>(56%)</b>	<b>18.5</b>
Result non-consolidated partnerships	1.9	10.9	(83%)	4.2	4.2	(0%)	(2.3)
<b>Result before taxation</b>	<b>29.4</b>	<b>51.5</b>	<b>(43%)</b>	<b>13.2</b>	<b>24.5</b>	<b>(46%)</b>	<b>16.2</b>
Income tax expenses	(7.7)	(4.8)	60%	(3.9)	(5.4)	(28%)	(3.8)
Non-controlling interests	(5.3)	(13.0)	(59%)	(0.2)	(6.6)	(97%)	(5.1)
<b>Net result attributable to shareholders</b>	<b>16.4</b>	<b>33.7</b>	<b>(51%)</b>	<b>9.1</b>	<b>12.5</b>	<b>(27%)</b>	<b>7.3</b>

KEY PERFORMANCE INDICATORS BY FAMILY		GUARANTEED		UNIT - LINKED		TOTAL	
in EUR million	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 15
<b>Gross Inflows Life (consolidated entities)</b>	<b>470.2</b>	<b>754.8</b>	<b>460.1</b>	<b>317.9</b>	<b>930.3</b>	<b>1,072.7</b>	
Net underwriting Result	14.0	8.9	2.1	1.6	16.1	10.5	
Investment Result	30.6	32.8	0.3	0.5	30.9	33.3	
<b>Operating result</b>	<b>44.6</b>	<b>41.7</b>	<b>2.4</b>	<b>2.1</b>	<b>47.0</b>	<b>43.8</b>	
<b>Life Technical Liabilities</b>	<b>9,641.0</b>	<b>8,456.3</b>	<b>5,727.9</b>	<b>6,268.4</b>	<b>15,368.9</b>	<b>14,724.7</b>	

**Gross inflows**, including non-consolidated partnerships at 100%, amounted to EUR 2.2 billion up 2% compared to last year, with strong sales in Luxembourg and the inclusion of Ageas Seguros (Portugal) as main drivers.

In **Portugal**, gross inflows reached EUR 669 million, down 14% on last year in a market declining by 37%<sup>2</sup> (May 2016) as a result of the continued low interest rate environment and market volatility. The decline in inflows in guaranteed business was partially offset by a boost in Unit-Linked sales outperforming last year by 63%. Ageas Seguros contributed EUR 26 million.

Gross inflows in **France** stood at EUR 261 million, down 11% as last year's level of single premiums was exceptionally high.

In **Luxembourg** gross inflows exceeded last year's performance by 18%. The sales continued to be oriented towards High-Net-Worth

customers with outstanding sales in Italy. Unit-Linked represented approximately 50% of the business.

**Life Technical Liabilities** of the consolidated entities amounted to EUR 15.4 billion. The increase compared to year-end 2015 is due to the inclusion of Ageas Seguros. The non-consolidated Life Technical Liabilities in Luxembourg increased by 2% and amounted to EUR 19.2 billion.

**The operating result** was up 7% to EUR 47 million mainly supported by the inclusion of Ageas Seguros. The operating margin remained fairly stable at 103 bps on Guaranteed products and 8 bps on Unit-Linked products.

Despite the strong and increased operating result, the **net profit** was down from EUR 34 million to EUR 16 million. This related to fair value adjustments on assets classified as 'Held For Trading' in Luxembourg as well as losses on equity in Portugal. Moreover, last year's first half net results benefited from a positive tax credit in France (EUR 5 million).

<sup>2</sup> APS – Associação Portuguesa de Seguradores

## Non-Life: Strong results slightly offset by the integration of Ageas Seguros

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>631.8</b>	<b>566.5</b>	<b>12%</b>	<b>337.8</b>	<b>273.3</b>	<b>24%</b>	<b>294.0</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>334.0</b>	<b>257.4</b>	<b>30%</b>	<b>193.6</b>	<b>128.4</b>	<b>51%</b>	<b>140.4</b>
<b>Net Earned Premium</b>	<b>297.0</b>	<b>221.2</b>	<b>34%</b>	<b>179.3</b>	<b>113.0</b>	<b>59%</b>	<b>117.7</b>
<b>Operating result</b>	<b>38.7</b>	<b>39.9</b>	<b>(3%)</b>	<b>22.4</b>	<b>24.4</b>	<b>(8%)</b>	<b>16.3</b>
Non-allocated other income and expenses	(1.8)	(2.7)	(33%)	(4.0)	(1.5)	*	2.2
<b>Result before taxation consolidated entities</b>	<b>36.9</b>	<b>37.2</b>	<b>(1%)</b>	<b>18.4</b>	<b>22.9</b>	<b>(20%)</b>	<b>18.5</b>
Result non-consolidated partnerships	4.0	1.8	*	2.5	1.7	47%	1.5
<b>Result before taxation</b>	<b>40.9</b>	<b>39.0</b>	<b>5%</b>	<b>20.9</b>	<b>24.6</b>	<b>(15%)</b>	<b>20.0</b>
Income tax expenses	(15.1)	(11.7)	29%	(5.8)	(7.3)	(21%)	(9.3)
Non-controlling interests	(6.6)	(5.6)	18%	(3.4)	(3.0)	13%	(3.2)
<b>Net result attributable to shareholders</b>	<b>19.2</b>	<b>21.7</b>	<b>(12%)</b>	<b>11.7</b>	<b>14.3</b>	<b>(18%)</b>	<b>7.5</b>

KEY PERFORMANCE INDICATORS BY FAMILY		ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
in EUR million	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>165.5</b>	<b>141.0</b>	<b>90.4</b>	<b>51.2</b>	<b>54.0</b>	<b>41.4</b>	<b>24.1</b>	<b>23.8</b>	<b>334.0</b>	<b>257.4</b>	
<b>Net Earned Premiums</b>	<b>153.6</b>	<b>126.2</b>	<b>82.0</b>	<b>46.5</b>	<b>41.6</b>	<b>32.1</b>	<b>19.8</b>	<b>16.4</b>	<b>297.0</b>	<b>221.2</b>	
Net Underwriting result	11.7	20.5	1.6	(1.9)	8.5	6.5	6.3	6.3	28.1	31.4	
Combined Ratio	92.3%	83.8%	98.1%	104.1%	79.5%	79.6%	68.4%	61.6%	90.5%	85.8%	
of which Prior Year claims ratio									(4.7%)	(5.3%)	
Investment Result	4.5	3.7	2.8	2.8	0.8	0.7	1.7	1.6	9.8	8.8	
Other Result	1.6	(0.3)	0.4	(0.0)	(1.0)	(0.0)	(0.2)	(0.0)	0.8	(0.3)	
<b>Operating Result</b>	<b>17.8</b>	<b>23.9</b>	<b>4.8</b>	<b>0.9</b>	<b>8.3</b>	<b>7.2</b>	<b>7.8</b>	<b>7.9</b>	<b>38.7</b>	<b>39.9</b>	
<b>Reserves Ratio (in %)</b>	<b>202%</b>	<b>114%</b>	<b>267%</b>	<b>256%</b>	<b>135%</b>	<b>102%</b>	<b>532%</b>	<b>506%</b>	<b>233%</b>	<b>171%</b>	
<b>Non-Life Technical Liabilities</b>	<b>620.9</b>	<b>288.4</b>	<b>438.2</b>	<b>238.2</b>	<b>112.0</b>	<b>65.8</b>	<b>210.3</b>	<b>165.8</b>	<b>1,381.4</b>	<b>758.2</b>	

\* The net result includes 50% of the Italian activities (versus 25% comparable period last year) and 100% of the Portuguese Non-Life business (versus 51% comparable period last year)

**Gross Inflows**, including non-consolidated partnerships at 100% and Ageas Seguros, amounted to EUR 632 million, up 12% on the previous year. At constant exchange rates inflows would have been up 19%.

Inflows in **Portugal** grew 51% to EUR 225 million including EUR 61 million from Ageas Seguros. Excluding this, the business grew 11%, again outperforming the market (+4.6%)<sup>3</sup> thanks to a 13% increase in Health Care and successful cross selling campaigns in Household and Motor. In Ageas Seguros sales of less profitable commercial lines have been reduced in line with the ongoing transformation plan to restore profitability.

In **Italy** inflows remained in line with previous year at EUR 109 million. Inflows within the main bank channel confirmed strong growth in non-CPI products (Consumer Protection Insurance) (+8%) mainly as a result of cross-selling campaigns and of the launch of a new Health product. CPI sales continued to slow down following new legislation.

Inflows in **Turkey** were down 4%, but up 10% at constant exchange rate. In line with the strategy for profitable growth and focus on short term products, substantial increase was achieved in Motor Own Damage, Household and Health. A cautious re-enter into Motor Third Party Liability and a substantial increase in the average premiums contributed to the growth.

With the inclusion of Ageas Seguros, the **operating result** of the consolidated entities decreased by 3% to EUR 39 million. The still

outstanding combined ratio of 90.5% (vs. 85.8%) reflected the solid performance both in Italy and the existing business in Portugal. Ageas Seguros, in full execution of its transformation plan, has already achieved an encouraging improvement in the combined ratio since the start of the year.

The **net result** reached EUR 19 million down 12% on the previous year. The increased results in Italy and Turkey could not fully offset the decrease in Portugal, where the integration programme of Ageas Seguros influenced the results. In Turkey, the underwriting result strongly improved whereas last year results were particularly affected by bad weather and by low results in Motor Third Party Liability.

### Strategic development

On 1 April 2016, Ageas completed the acquisition of AXA's insurance operations in Portugal. This is an important milestone in the development of Ageas's activities in Portugal. This transaction positions Ageas in Portugal as the second largest insurer by inflows, the third Non-Life insurer (with a 14% market share) and the third largest Life insurer (with a 19% market share). This transaction also accelerates the shift in business mix in line with Ageas's strategy to grow further in Non-Life. The acquisition strengthens our distribution footprint by diversifying beyond banc-assurance to include an additional distribution capacity of 1,900 agents & partners and adding a direct channel. At the same time, the transaction offers opportunities for synergies between the Ageas operating companies in Portugal. For more details on the financial impact we refer to note 2 of the Interim Financial Statements of the six months of 2016.

<sup>3</sup> APS – Associação Portuguesa de Seguradores

# ASIA

## Net profit EUR 329 million

vs. EUR 212 million (+55%); Solid results driven by strong performance in China and Thailand and supported by the capital gain on the divestment of the Hong Kong Life entity.

## Gross Inflows EUR 11.0 billion

vs. EUR 9.8 billion (+12%); Excellent growth in new business and renewal premiums especially in China and Thailand.

## Strategic development

Start of sales in the Philippines and closing of the divestment of Hong Kong Life entity. License received in Vietnam on July 1<sup>st</sup>.

## Life: strong profit supported by new business growth and sale of Hong Kong Life entity

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Life (incl non-consolidated partnerships at 100%)</b>	<b>10,541.6</b>	<b>9,327.5</b>	<b>13%</b>	<b>3,468.7</b>	<b>3,195.7</b>	<b>9%</b>	<b>7,072.9</b>
<b>Gross Inflows Life (consolidated entities)</b>	<b>183.3</b>	<b>269.3</b>	<b>(32%)</b>	<b>63.1</b>	<b>143.3</b>	<b>(56%)</b>	<b>120.2</b>
<b>Operating result</b>	<b>17.1</b>	<b>34.3</b>	<b>(50%)</b>	<b>4.5</b>	<b>16.8</b>	<b>(73%)</b>	<b>12.6</b>
Non-allocated other income and expenses	184.6	(12.2)	*	190.3	(6.3)	*	(5.7)
<b>Result before taxation consolidated entities</b>	<b>201.7</b>	<b>22.1</b>	<b>*</b>	<b>194.8</b>	<b>10.5</b>	<b>*</b>	<b>6.9</b>
Result non-consolidated partnerships	117.6	186.9	(37%)	69.1	142.8	(52%)	48.5
<b>Result before taxation</b>	<b>319.3</b>	<b>209.0</b>	<b>53%</b>	<b>263.9</b>	<b>153.3</b>	<b>72%</b>	<b>55.4</b>
Income tax expenses	(1.3)	(2.1)	(38%)	0.1	(1.1)	*	(1.4)
Non-controlling interests							
<b>Net result attributable to shareholders</b>	<b>318.0</b>	<b>206.9</b>	<b>54%</b>	<b>264.0</b>	<b>152.2</b>	<b>73%</b>	<b>54.0</b>

KEY PERFORMANCE INDICATORS BY FAMILY							
in EUR million	GUARANTEED		UNIT - LINKED		TOTAL		
	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	
<b>Gross Inflows Life (consolidated entities)</b>	<b>137.5</b>	<b>179.8</b>	<b>45.8</b>	<b>89.5</b>	<b>183.3</b>	<b>269.3</b>	
Net underwriting Result	16.0	23.8	5.9	11.3	21.9	35.1	
Investment Result	(6.0)	(1.6)	1.2	0.8	(4.8)	(0.8)	
<b>Operating result</b>	<b>10.0</b>	<b>22.2</b>	<b>7.1</b>	<b>12.1</b>	<b>17.1</b>	<b>34.3</b>	
<b>Life Technical Liabilities</b>		<b>2,061.2</b>		<b>1,010.9</b>		<b>3,072.1</b>	

**Gross inflows** at EUR 10.5 billion were up 13% (+19% at constant exchange rates) including non-consolidated partnerships at 100%. Higher sales primarily originated from China and Thailand as a result of successful sales campaigns and continued channel development, including a further increase in the number of agents. The new joint venture in the Philippines started to offer insurance solutions at the end of the first quarter.

Both new business premiums and renewals increased strongly by 14% to EUR 5.7 billion and 11% to EUR 4.8 billion respectively. The increase in new business premiums came mainly from regular premiums, up 42% at EUR 2.7 billion. Single premium inflows amounted to EUR 3.0 billion. Sales developed well across all main distribution channels: new business premiums in the agency channel grew significantly by 55% to EUR 2.4 billion while the bank channel realised EUR 3.3 billion inflows (at same level as last year).

In **China**, inflows increased by 17% year-on-year to EUR 8.7 billion (+23% at constant exchange rates). New business premiums amounted to EUR 5.1 billion, up 21%, of which EUR 2.3 billion (+61%) was in regular premium business and in line with the commercial

strategy. New business through the agency channel grew by 69% and amounted to EUR 2.2 billion supported by new campaigns and further expanded agency force of almost 230.000 agents. In the first quarter, the bank channel ran its traditional single premium sales campaign which was once more very successful with new business banca premiums of EUR 2.8 billion. Renewals increased by 12% to EUR 3.6 billion with good persistency which remains high by industry standards.

**Thailand** achieved solid business growth with inflows up 4% (+12% at constant exchange rates) to EUR 1.3 billion. Inflows were marked by a strong 30% growth in renewal premiums (at constant exchange rates) to EUR 0.8 billion following last year's growth in new business volumes and continued customer loyalty.

Inflows in **Malaysia** amounted to EUR 289 million and increased by 8% at constant exchange rates. The bank channel's focus on regular premium business resulted in a better product mix with regular premiums up by 49% at constant exchange rates. Renewal business amounted to EUR 140 million, up 17% at constant exchange rates.

Inflows in **India** amounted to EUR 91 million (-2% at constant exchange rates). The 33% growth reported in regular premiums within the bank channel partly offset the lower less profitable Group business.

Gross inflows from the consolidated operations in **Hong Kong** amounted EUR 183 million until 12 May 2016 when the divestment was completed.

**Technical Liabilities** increased 8% from the end of last year to EUR 45.7 billion following continued top line growth.

Total **net profit** in Asia amounted to EUR 318 million (vs. EUR 207 million). Net profit included part of the capital gain of the divestment of Hong Kong Life entity amounting to EUR 200 million and an unfavorable currency rate evolution amounting to EUR 7 million. Excluding this and the exceptional investment results of around EUR 100 million last year, the net result remained at a strong level. Profitable regular premium sales and a strong financial performance especially in China offsetted the lower contribution from Hong Kong.

The net profit of the **consolidated operations** in Hong Kong amounted to EUR 13 million (vs. EUR 33 million) until 12 May 2016 when the divestment was completed.

The **non-consolidated partnerships** realised a net profit of EUR 118 million (vs. EUR 187 million), -37%. Excluding last year's exceptional investment results of around EUR 100 million, net profit showed strong growth. Both China and Thailand benefited from sales campaigns related to profitable regular premium products reporting a strong financial performance. Furthermore, the net result in China benefitted from a release of a tax provision.

**Regional headquarters costs** amounted to EUR 12 million (vs. EUR 13 million) which included business development costs to support the strategic developments of the segment.

## Non-Life: strong growth in all major business lines at constant exchange rates

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>488.1</b>	<b>504.3</b>	<b>(3%)</b>	<b>210.7</b>	<b>212.9</b>	<b>(1%)</b>	<b>277.4</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>							
<b>Net Earned Premium</b>							
<b>Operating result</b>							
Non-allocated other income and expenses							
<b>Result before taxation consolidated entities</b>							
Result non-consolidated partnerships	11.0	4.7	*	4.4	1.4	*	6.6
<b>Result before taxation</b>	<b>11.0</b>	<b>4.7</b>	<b>*</b>	<b>4.4</b>	<b>1.4</b>	<b>*</b>	<b>6.6</b>
Income tax expenses							
Non-controlling interests							
<b>Net result attributable to shareholders</b>	<b>11.0</b>	<b>4.7</b>	<b>*</b>	<b>4.4</b>	<b>1.4</b>	<b>*</b>	<b>6.6</b>

**Gross inflows** increased by +8% at constant exchange rates to EUR 488 million. In Malaysia inflows amounted to EUR 329 million (+4% at constant exchange rates) with growth across the major business lines. Inflows in Thailand were up 16% at constant exchange rates to EUR 159 million with substantial growth in both Motor (+19%) and Personal Accident (+34%).

The **net result** amounted to EUR 11 million (vs. EUR 5 million) positively impacted by an improved combined ratio of 89.3% (vs. 95.4%) and a capital gain on the sale of real estate.

## Strategic development

In August 2015, Ageas agreed to sell its Hong Kong Life insurance entity to JD Capital for a cash consideration of approximately EUR 1.26 billion. The transaction was closed on 12 May 2016. Also in 2015 Ageas announced new joint ventures in Vietnam and the Philippines for a total investment of around EUR 75 million.

Operations in the Philippines began in the first quarter of 2016, while the Vietnamese joint venture received its license to operate on 1 July 2016. Ageas has further strengthened its partnership with Maybank through several initiatives in Singapore.

# REINSURANCE (INTREAS)

**Net profit** EUR 2 million.

**Gross inflows** EUR 21 million mainly from European consolidated Non-Life entities.

**Combined ratio** Strong combined ratio at 77.8 %.

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>21.3</b>		*	<b>10.8</b>		*	<b>10.5</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>21.3</b>		*	<b>10.8</b>		*	<b>10.5</b>
<b>Net Earned Premium</b>	<b>9.0</b>		*	<b>4.6</b>		*	<b>4.4</b>
<b>Operating result</b>	<b>2.0</b>		*	<b>1.0</b>		*	<b>1.0</b>
Non-allocated other income and expenses	0.2		*	0.4		*	(0.2)
<b>Result before taxation consolidated entities</b>	<b>2.2</b>		*	<b>1.4</b>		*	<b>0.8</b>
Result non-consolidated partnerships			*			*	
<b>Result before taxation</b>	<b>2.2</b>		*	<b>1.4</b>		*	<b>0.8</b>
Income tax expenses			*			*	
Non-controlling interests			*			*	
<b>Net result attributable to shareholders</b>	<b>2.2</b>		*	<b>1.4</b>		*	<b>0.8</b>

KEY PERFORMANCE INDICATORS BY FAMILY	ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
in EUR million	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>0.2</b>		<b>2.1</b>		<b>19.0</b>				<b>21.3</b>	
<b>Net Earned Premiums</b>	<b>0.2</b>		<b>1.8</b>		<b>7.0</b>				<b>9.0</b>	
Net Underwriting result	0.2				1.8				2.0	
Combined Ratio	17.4%		100.0%		73.7%				77.8%	
of which Prior Year claims ratio										
Investment Result										
Other Result										
<b>Operating Result</b>	<b>0.2</b>		<b>0.0</b>		<b>1.8</b>				<b>2.0</b>	
<b>Reserves Ratio (in %)</b>					<b>252%</b>				<b>197%</b>	
<b>Non-Life Technical Liabilities</b>					<b>35.5</b>				<b>35.5</b>	

Compared to Q1 2016, the figures of Other lines have been integrated in Motor as the majority of the concerned reinsurance contracts relates to Motor Third Party Liability.

Intreas is the internal Non-Life reinsurer of Ageas, founded mid 2015. The company has been established to optimize Ageas's Group Non-Life reinsurance programmes. Intreas started writing business in the second half of 2015 and is in the process of building a larger book of business as from 2016 onwards.

**Gross inflows**, amounted to EUR 21 million. The inflows mainly related to the fully consolidated Non-Life entities in Europe and to Household, Accident & Health and Motor Third Party Liability & other Liability business.

**Net earned premiums** amounted to EUR 9 million, taking into account ceded reinsurance premiums of EUR 12 million.

The **operating result** of Intreas amounted to EUR 2 million, with a combined ratio of 77.8%, in line with the first quarter of 2016.

The **net result** amounted to EUR 2 million positive.

The **total insurance liabilities, including IBNR<sup>4</sup>**, since the start of underwriting mid-2015, amounted to EUR 35 million. Compared to the first quarter the gross insurance liabilities increased mainly as a result of the impact of natural perils.

4 Incurred But Not Reported

# GENERAL ACCOUNT

**Net loss of EUR 675 million**

vs. a net loss of EUR 35 million prior year mainly impacted by the Fortis Settlement provision and a part of the capital gain on the Hong Kong divestment.

**Total Liquid Assets EUR 2.1 billion**

vs. EUR 1.6 billion at the end of 2015. EUR 412 million dividends upstreameed.

INCOME STATEMENT							
in EUR million	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
Net interest Income	4.7	3.6	31 %	1.7	1.0	70 %	3.0
Unrealised gain (loss) on RPN(I)	67.1	(24.0)	*	(6.0)	(59.6)	(90 %)	73.1
Result on sales and revaluations	197.3	5.3	*	201.7	(1.0)	*	(4.4)
Share of result of associates	12.5	15.8	(21 %)	0.2	(0.2)	*	12.3
Other income	0.3	0.6	(50 %)	0.1	0.4	(75 %)	0.2
<b>Total income</b>	<b>281.9</b>	<b>1.3</b>	<b>*</b>	<b>197.7</b>	<b>(59.4)</b>	<b>*</b>	<b>84.2</b>
Change in impairments and provisions	(898.4)	0.4	*	(5.8)	(0.1)	*	(892.6)
<b>Net revenues</b>	<b>(616.5)</b>	<b>1.7</b>	<b>*</b>	<b>191.9</b>	<b>(59.5)</b>	<b>*</b>	<b>(808.4)</b>
Staff expenses	(15.7)	(11.4)	38 %	(9.8)	(6.3)	56 %	(5.9)
Other operating and administrative expenses	(40.4)	(25.0)	62 %	(19.4)	(12.5)	55 %	(21.0)
Intercompany Staff & Other expenses	3.4	2.4	42 %	1.5	1.1	36 %	1.9
<b>Total expenses</b>	<b>(52.7)</b>	<b>(34.0)</b>	<b>55 %</b>	<b>(27.7)</b>	<b>(17.7)</b>	<b>56 %</b>	<b>(25.0)</b>
<b>Result before taxation</b>	<b>(669.2)</b>	<b>(32.3)</b>	<b>*</b>	<b>164.2</b>	<b>(77.2)</b>	<b>*</b>	<b>(833.4)</b>
Income tax expenses	(5.6)	(2.3)	*	(5.1)	(1.1)	*	(0.5)
<b>Net result for the period</b>	<b>(674.8)</b>	<b>(34.6)</b>	<b>*</b>	<b>159.1</b>	<b>(78.3)</b>	<b>*</b>	<b>(833.9)</b>
Net result attributable to non-controlling interests			*			*	
<b>Net result attributable to shareholders</b>	<b>(674.8)</b>	<b>(34.6)</b>	<b>*</b>	<b>159.1</b>	<b>(78.3)</b>	<b>*</b>	<b>(833.9)</b>

  

BALANCE SHEET (MAIN ITEMS)			
in EUR million	30 Jun 2016	31 Dec 2015	Change
RPN(I)	(290.5)	(402.0)	(28 %)
Royal Park Investments	36.9	41.1	(10 %)
Provision Fortis Settlement	(1,019.2)	(132.6)	*

The General Account net result for the first six months of 2016 amounted to EUR 675 million negative compared to EUR 35 million negative last year. The change primarily comes from the provision of EUR 889 million made for the Fortis settlement announced on 14 March 2016, the value difference on the RPN(I) and the capital gain related to the divestment of the Hong Kong Life entity (EUR 204 million positive).

## Fortis settlement

In March 2016 Ageas and the claimants' organisations, Deminor, Stichting FortisEffect, Stichting Investor Claims Against Fortis (SICAF), and Dutch shareholder Association VEB, announced a settlement proposal with respect to all civil proceedings related to the former Fortis group for the events in 2007 and 2008.

Ageas also announced that it reached an agreement with the D&O Insurers, the D&O's involved in litigation and BNP Paribas Fortis. In return for the release given by the D&Os and BNP Paribas Fortis, Ageas agreed to provide them certain protection. The net impact of the proposed settlement on General Account that has been provisioned in the first quarter of 2016 amounted to EUR 889 million. This is the result of:

- a charge of EUR 1,204 million related to the WCAM (Wet Collectieve Afwikkeling Massaschade) settlement agreement,
- plus EUR 45 million related to costs and expenses for organizations' representation of retail investors' interests and/or their future role in the settlement administration process,
- plus an additional provision of EUR 62 million related to the tail risk, estimated at 5% of the total settlement amount,
- minus the settlement amount of EUR 290 million to be contributed by the D&O Insurers and the reversal of the provision for litigation set up in 2014 (EUR 132.6 million).

## RPN(I)

The RPN(I) reference amount liability decreased EUR 111 million from EUR 402 million at year end 2015 to EUR 291 million at 30 June 2016 due to price movements (EUR 61 million) and settlement (EUR 50 million) linked to the conversion of 656 CASHES by BNP Paribas in the first half year, for which Ageas paid EUR 44 million.

The combination of revaluation of the liability (EUR 111 million) and the partial settlement (EUR 44 million) resulted in a EUR 67 million positive impact on net income.

For further details, we refer to note 15 of the Interim Financial Statements of the first six months 2016.

### Royal Park Investments (RPI)

RPI sold its asset portfolio in April 2013. The remaining activity of RPI is essentially limited to the management of litigations initiated on a number of US assets.

Ageas's part in the first quarter's profit of RPI, accounted under 'Share of result of associates' amounted to EUR 14 million which was mainly driven by the resolution of outstanding US proceedings.

In the first half year of 2016, RPI upstreamed EUR 17 million dividends.

### Other items

Net interest income amounted to EUR 5 million.

Staff and other operating expenses, after recharges amounted to EUR 53 million compared to EUR 34 million last year mainly due to some one-off costs related to the legal settlement.

### Total Liquid Assets

The total liquid assets in the General Account, including EUR 0.3 billion in liquid assets with maturity over 1 year, amounted to EUR 2.1 billion, EUR 0.5 billion higher than end of 2015. The increase compared to the beginning of the year is primarily driven by the cash received from the divestment of the Hong Kong Life entity (EUR 1.2 billion).

Important elements lowering the cash position during the first six months of 2016 related to the acquisition of AXA in Portugal, various investments in developing business in Asia and a first cash-out for the Fortis settlement. The remaining foreseen cash out of EUR 0.8 billion related to the settlement was not deducted from the total liquid assets but can be considered as being ring-fenced

Also in the course of the first half of 2016 approximately EUR 0.4 billion dividends from the operating entities were upstreamed, which more than compensated for the EUR 0.3 billion dividend to be paid to shareholders. As part of the EUR 250 million share buy-back programme, launched in August 2015, and completed on 5 August 2016 a net cash amount of EUR 0.1 billion has been paid out since the beginning of 2016. A new share buy-back programme will be launched as of 15 August 2016 and running up to 4 August 2017 for an amount of EUR 250 million (see separate press release).

The reconciliation of the cash position during the first half was as follows:

EVOLUTION LIQUID ASSETS DURING 2016		
in EUR million		
Cash		1,308.2
Liquid assets		296.1
<b>Total Liquid Assets 31 December 2015</b>		<b>1,604.3</b>
<b>Distribution to shareholders</b>		
Dividend paid	(339.1)	
Share buy-back program 2015-2016*	(141.0)	
		(480.1)
<b>Dividend upstream, net received</b>		
Belgium	287.8	
Continental Europe:		
- Luxembourg	8.7	
- Italy	10.3	
Asia:		
- Thailand	11.2	
- China	59.7	
- Malaysia	16.6	
Royal Park Investments:	17.2	
		411.5
<b>Capital Restructuring</b>		
AICA loan redemption	35.1	
		35.1
<b>M&amp;A</b>		
Divestment Hong Kong	1,221.4	
Capital injection China TPEC	(5.8)	
Capital injection China TPAM	(14.0)	
Capital injection Ageas Portugal Holding	(284.0)	
Capital injection Philippines	(27.1)	
Capital injection Singapore	(22.9)	
		867.6
<b>Other (incl. regional costs CE, Asia and interest)</b>		(57.1)
<b>Settlement RPN(i)</b>		(33.7)
<b>Litigation settlement</b>		(246.5)
<b>Total Liquid Assets 30 June 2016</b>		<b>2,101.1</b>
Cash		1,826.6
Liquid assets		274.5

\* Total buy-back amounts to EUR 250 million, EUR 84.3 million was cash out in 2015



### Contingent Liabilities

On 1 February 2016, the Brussels Commercial Court ruled in the Patrinvest case that Fortis' prospectus relating to its 2007 capital increase gave a correct view of its state of affairs and risks, in particular with regard to the acquisition of ABN Amro, the subprime portfolio, and its solvency and liquidity. Patrinvest filed an appeal before the Brussels Appeal Court.

On 14 March 2016 Ageas announced a settlement with Deminor, Stichting FortisEffect, Stichting Investor Claims Against Fortis and VEB with respect to the civil proceedings related to the former Fortis group for events in 2007 and 2008. On 23 May 2016, Ageas and the claimants' organisations jointly submitted a request to the Amsterdam

Court of Appeal to declare the Fortis settlement agreement of 14 March 2016 binding.

Ageas also reached agreements with Mr. Arnauts and Mr Lenssens to support the Fortis settlement

On 29 April 2016, the Brussels Commercial Court decided to suspend the proceedings initiated by Mr. Modrikamen related to the sale of Fortis' Belgian banking business, until the end of the pending criminal procedure, pursuant to Article 4 of the Introductory title to the Code of criminal procedure.

For full details of contingent liabilities, see note 27 of the Consolidated Interim Financial Statements for the first six months of 2016.

# INVESTMENT PORTFOLIO AND CAPITAL POSITION

**Investment portfolio EUR 83.4 billion** compared to **EUR 81.5 billion** at the end of 2015 (+2%).

**Low interest rate sensitivity** Ageas's total interest rate sensitivity remains low thanks to a matched asset and liability portfolio.

**Strong balance sheet** Shareholders' equity at **EUR 10.3 billion** and Insurance solvency  $I_{ageas}$  and Group solvency II ratios at **183%** and **209%**.

INVESTMENT PORTFOLIO					
in EUR billion		30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
<b>Fixed Income portfolio</b>		<b>72.0</b>	<b>69.8</b>	<b>86%</b>	<b>85%</b>
Bonds		63.9	62.5	77%	76%
Government bonds		39.0	36.4	47%	44%
Corporate debt securities		24.8	25.9	30%	32%
Structured credit instruments		0.1	0.2	0%	0%
Loans		8.1	7.3	9%	9%
Loans to Banks		1.3	1.1	1%	1%
Loans to Customers		6.8	6.2	8%	8%
Real Estate		0.4	0.4	0%	1%
Infrastructure		0.4	0.3	0%	0%
Mortgages		1.4	1.3	2%	2%
Other		4.6	4.2	6%	5%
Equity portfolio		3.6	3.9	4%	5%
Real Estate		5.5	5.4	7%	7%
Investment property		4.0	4.0	5%	5%
For own use		1.5	1.4	2%	2%
Cash and Cash equivalents		2.3	2.4	3%	3%
<b>Total</b>		<b>83.4</b>	<b>81.5</b>	<b>100%</b>	<b>100%</b>

## Investment portfolio

Ageas's investment portfolio at the end of June amounted to EUR 83.4 billion compared to the EUR 81.5 billion at the end of 2015. The sale of Ageas's Hong Kong entity during the second quarter led to a decrease of the investment portfolio with EUR 2.4 billion, whereas the inclusion of Ageas Seguros led to an increase of the investment portfolio with EUR 1.4 billion. The value of the investment portfolio was driven by an increase of unrealised capital gains. At the end of June, the unrealised gains and losses on the total 'available for sale' investment and real estate portfolio amounted to EUR 11.3 billion compared to EUR 9.1 billion at the end of 2015. The unrealised capital gains on the 'Held to Maturity' portfolio increased EUR 0.9 billion to EUR 2.9 billion.

The exposure to government bonds has increased (mainly by market movements) while the exposure to equities has decreased (by sales and by market movements). All other asset classes remained relatively stable.

As the duration of the portfolio remained close to the duration of the liabilities, the interest rate sensitivity related to both assets and liabilities, remained low.

## Fixed income portfolio

### Bonds

The government bond portfolio increased by EUR 2.6 billion over the first half year to EUR 39.0 billion, driven by lower rates. The total Belgian government bond exposure at amortised cost increased slightly with EUR 0.1 billion to EUR 15.8 billion.

Corporate fixed income exposure decreased by EUR 1.1 billion to EUR 24.8 billion. The decrease in corporate bonds is mainly due to the exclusion of the Hong Kong portfolio in the second quarter, which was predominantly invested in corporate bonds.

End of June, the corporate bond portfolio consisted of 54% industrials, 24% financials, and 22% government related bonds. The credit quality of the corporate portfolio remained very high, with 93% of the corporate bond portfolio at investment grade, of which 60% was rated A or higher.

The unrealised gains on the total 'available for sale' bond portfolio increased to EUR 9.5 billion (of which EUR 7.3 billion on government bonds and EUR 2.2 billion on corporates) compared to EUR 7.1 billion at the end of 2015, driven by lower yields.

### Loans

Ageas's loan portfolio increased from EUR 7.3 billion to EUR 8.1 billion, mainly thanks to a higher exposure in 'loan to customers'. This evolution was realised through an increase in infrastructure loans, in mortgages and in 'other loans', more specifically loans benefiting from an explicit guarantee by the Belgian regions.

### Equity portfolio

Equity investments at fair value decreased with EUR 0.3 billion to EUR 3.6 billion, driven by lower markets and sales. Gross unrealised capital gains decreased slightly to EUR 0.3 billion.

### Real estate

Ageas's real estate portfolio at fair value remained stable at EUR 5.4 billion despite the realisation of two important real estate sales in the first half year. Gross unrealised capital gains were unchanged at EUR 1.5 billion.

### Capital position

The own funds of the insurance activities amounted to EUR 7.6 billion, and stood EUR 3.4 billion above SCR. This led to a strong total insurance solvency  $I_{\text{ageas}}$  of 183%, above the 175% target.

The Insurance solvency ratios by segments amounted to 246% for Belgium, 134% for the United Kingdom, 114% for Continental Europe and 247% for Reinsurance.

The Group solvency  $I_{\text{ageas}}$  ratio was slightly down from 212% at year end to 209%. The provision for the Fortis settlement that was recorded in the first quarter, was compensated by the divestment of Hong Kong in the second quarter. The group solvency  $I_{\text{ageas}}$  therefore increased strongly from 180% end of the first quarter to 209%.

Ageas's total own funds decreased from EUR 9.4 billion at the end of 2015 to EUR 8.7 billion, exceeding the total solvency capital requirements by EUR 4.5 billion.

# LEXICON ON FINANCIAL DISCLOSURE

Ageas's part in inflows	Ageas holds several partnerships in the 13 countries in which we operate. In some insurance companies, Ageas has 100% control (Ageas Insurance Limited UK, Ageas Hong Kong ,Ageas France). In other operating companies, the ownership varies between 15% and 75% (more detailed info in annex 3). As of the full year 2012 reporting, Ageas added the inflows based on Ageas's prorate part in the operating companies.
Guaranteed products	Family of products including Traditional products, Savings products and Group Life. Traditional products typically are protection based while savings products mostly cover products with a minimum guaranteed interest rate. Group life products are offered by an employer or largescale entity to its workers or members and can have various characteristics. Guaranteed products in Individual Life and Group Life are predominantly characterized by a transfer of risk from the policy holder to the insurer, opposite to Unit-Linked products where the policy holder retains the (investment)risk.
Investment result	The sum of investment in come and realised capital gains on the assets covering the technical liabilities, netted in Life, for what is allocated to the policy holder as guaranteed interest and profit sharing in Non-Life for the technical interest charge on the technical liabilities.
Net earned premiums	The written premiums of Non-Life covering the risks for the current period netted for the premiums paid to reinsurers and un-earned premiums.
Net underwriting result	The difference between the earned premiums on the one hand and the actual payments and the year-end change in technical liabilities representing future obligations on the other hand. This covers a risk, reinsurance and expense component. In Life it also includes a surrender component.
Operating result	The sum of net underwriting result, investment result and other result. As of full year 2012 results, Ageas focuses on this concept within its margin analysis and abandons the notion of technical result (as part of the operating result).
Prioryearclaimsratio	Related to Non-Life claims that occurred in prior years: the net effect of claims paid and the evolution in technical liabilities, expressed as a percentage of the net annualised earned premiums.
Reserve ratios(%)	The Non-Life technical liabilities divided by the annualized net earned premiums. Depending on the type of product, the reserveration typically varies between 80 and 300% which is related to the duration of a claim for the specific business.
Shadow accounting	<p>In some of Ageas's accounting models, realised gains or losses on assets have a direct effect on all or part of the measurement of its insurance liabilities and related deferred acquisition costs. Ageas applies 'shadow accounting' to the changes in fair value of the available for sale investments and of assets and liabilities held for trading that are linked to and therefore affect the measurement of the insurance liabilities.</p> <p>Shadow accounting means that the policy holder part of the unrealised gains or losses on assets classified in the available for sale portfolio or changes in the fair value of assets and liabilities held for trading is reflected in insurance liabilities (or deferred acquisition costs or intangible assets) in the same way as realised gains or losses. These changes in fair value are therefore not part of equity or net profit.</p>
Technical liabilities	The obligations the insurer has towards its policyholders, based on the terms of the contracts. In Life, this concept corresponds to a large extent with the formerly used notion of Funds under Management.

# ANNEXES

Please note that the historical segment information and key performance indicators by segment, together with more detailed and historical margin information can be downloaded on [ageas.com](http://ageas.com) (Investors/Reporting Centre).

## Annex 1 : Consolidated Statement of financial position as at 30 June 2016

<i>in EUR million</i>	30 June 2016	31 December 2015
<b>Assets</b>		
Cash and cash equivalents	2,259.2	2,394.3
Financial investments	67,681.6	66,547.2
Investment property	2,900.1	2,847.1
Loans	8,079.6	7,286.3
Investments related to unit-linked contracts	13,911.9	15,126.0
Investments in associates	3,016.1	2,841.4
Reinsurance and other receivables	2,298.7	2,013.9
Current tax assets	46.6	39.1
Deferred tax assets	162.6	131.2
Accrued interest and other assets	1,754.8	2,568.0
Property, plant and equipment	1,158.2	1,152.1
Goodwill and other intangible assets	1,215.3	1,539.2
<b>Total assets</b>	<b>104,484.7</b>	<b>104,485.8</b>
<b>Liabilities</b>		
Liabilities arising from life insurance contracts	29,351.0	29,073.7
Liabilities arising from life investment contracts	31,292.5	29,902.9
Liabilities related to unit-linked contracts	13,904.9	15,141.8
Liabilities arising from non-life insurance contracts	7,964.1	7,463.5
Subordinated liabilities	2,295.5	2,380.4
Borrowings	2,025.9	2,787.5
Current tax liabilities	88.5	82.8
Deferred tax liabilities	1,593.5	1,565.0
RPN(I)	290.5	402.0
Accrued interest and other liabilities	2,515.5	2,373.1
Provisions	1,063.7	175.0
Liabilities related to written put options on NCI	1,147.3	1,163.1
<b>Total liabilities</b>	<b>93,532.9</b>	<b>92,510.8</b>
Shareholders' equity	10,337.0	11,376.1
Non-controlling interests	614.8	598.9
<b>Total equity</b>	<b>10,951.8</b>	<b>11,975.0</b>
<b>Total liabilities and equity</b>	<b>104,484.7</b>	<b>104,485.8</b>

## Annex 2 : Income Statement

in EUR million							
	HY 16	HY 15	Change	Q2 16	Q2 15	Change	Q1 16
<b>Income</b>							
- Gross premium income	4,915.3	4,731.4	4 %	2,294.0	2,245.3	2 %	2,621.3
- Change in unearned premiums	(124.3)	(106.8)	16 %	18.2	1.1	*	(142.5)
- Ceded earned premiums	(138.2)	(149.0)	(7 %)	(65.1)	(68.0)	(4 %)	(73.1)
Net earned premiums	4,652.8	4,475.6	4 %	2,247.1	2,178.4	3 %	2,405.7
Interest, dividend and other investment income	1,488.1	1,506.2	(1 %)	763.7	772.9	(1 %)	724.4
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)	67.1	(24.0)	*	(6.0)	(59.6)	(90 %)	73.1
Result on sales and revaluations	618.8	114.3	*	475.0	58.8	*	143.8
Investment income related to unit-linked contracts	(16.3)	578.0	*	74.3	(360.0)	*	(90.6)
Share of result of associates	152.4	225.8	(33 %)	86.4	153.1	(44 %)	66.0
Fee and commission income	206.6	227.8	(9 %)	93.8	91.9	2 %	112.8
Other income	114.4	68.2	68 %	57.7	29.9	93 %	56.7
<b>Total income</b>	<b>7,283.9</b>	<b>7,171.9</b>	<b>2 %</b>	<b>3,792.0</b>	<b>2,865.4</b>	<b>32 %</b>	<b>3,491.9</b>
<b>Expenses</b>							
- Insurance claims and benefits, gross	(4,564.7)	(4,272.7)	7 %	(2,217.4)	(2,061.1)	8 %	(2,347.3)
- Insurance claims and benefits, ceded	89.6	48.0	87 %	69.6	19.6	*	20.0
Insurance claims and benefits, net	(4,475.1)	(4,224.7)	6 %	(2,147.8)	(2,041.5)	5 %	(2,327.3)
Charges related to unit-linked contracts	(0.8)	(619.7)	(100 %)	(79.7)	338.9	*	78.9
Finance costs	(90.8)	(82.6)	10 %	(49.0)	(41.6)	18 %	(41.8)
Change in impairments	(47.9)	(5.4)	*	(25.5)	(1.6)	*	(22.4)
Change in provisions	(887.1)	(0.7)	*	2.5	(1.1)	*	(889.6)
Fee and commission expense	(622.4)	(610.0)	2 %	(291.0)	(281.8)	3 %	(331.4)
Staff expenses	(427.4)	(426.7)	0 %	(217.7)	(213.5)	2 %	(209.7)
Other expenses	(592.2)	(514.0)	15 %	(317.0)	(265.3)	19 %	(275.2)
<b>Total expenses</b>	<b>(7,143.7)</b>	<b>(6,483.8)</b>	<b>10 %</b>	<b>(3,125.2)</b>	<b>(2,507.5)</b>	<b>25 %</b>	<b>(4,018.5)</b>
<b>Result before taxation</b>	<b>140.2</b>	<b>688.1</b>	<b>(80 %)</b>	<b>666.8</b>	<b>357.9</b>	<b>86 %</b>	<b>(526.6)</b>
Income tax expenses	(117.6)	(126.5)	7 %	(55.9)	(82.6)	32 %	(61.7)
<b>Net result for the period</b>	<b>22.6</b>	<b>561.6</b>	<b>(96 %)</b>	<b>610.9</b>	<b>275.3</b>	<b>*</b>	<b>(588.3)</b>
Attributable to non-controlling interests	89.8	92.5	(3 %)	44.8	47.6	(6 %)	45.0
<b>Net result attributable to shareholders</b>	<b>(67.2)</b>	<b>469.1</b>	<b>*</b>	<b>566.1</b>	<b>227.7</b>	<b>*</b>	<b>(633.3)</b>
<b>Per share data (EUR)</b>							
Basic earnings per share	(0.32)	2.16					
Diluted earnings per share	(0.32)	2.16					

As a result of integration within the UK business, from 2016 Ageas is presenting its Non-Life and Other Insurance segments in the UK on a consolidated basis and has furthermore reclassified some minor products from Other lines into both Motor and Household. The 2015 comparative figures have been restated accordingly.

## Annex 3 : Inflows per region at 100% and at Ageas's part

KEY FIGURES PER REGION at 100 %	Gross Inflows Life				Gross Inflows Non-Life				Total			
	HY 16	HY 15	Q2 16	Q2 15	HY 16	HY 15	Q2 16	Q2 15	HY 16	HY 15	Q2 16	Q2 15
in EUR million												
<b>Belgium</b>	<b>2,274.2</b>	<b>1,844.4</b>	<b>1,015.4</b>	<b>886.9</b>	<b>1,015.0</b>	<b>1,017.3</b>	<b>429.8</b>	<b>429.6</b>	<b>3,289.2</b>	<b>2,861.7</b>	<b>1,445.2</b>	<b>1,316.5</b>
<b>United Kingdom</b>					<b>1,184.3</b>	<b>1,203.4</b>	<b>606.7</b>	<b>640.5</b>	<b>1,184.3</b>	<b>1,203.4</b>	<b>606.7</b>	<b>640.5</b>
<b>Consolidated entities</b>					<b>928.1</b>	<b>930.7</b>	<b>474.1</b>	<b>495.3</b>	<b>928.1</b>	<b>930.7</b>	<b>474.1</b>	<b>495.3</b>
<b>Non-consolidated partnerships at 100%</b>					<b>256.2</b>	<b>272.7</b>	<b>132.6</b>	<b>145.2</b>	<b>256.2</b>	<b>272.7</b>	<b>132.6</b>	<b>145.2</b>
Tesco					256.2	272.7	132.6	145.2	256.2	272.7	132.6	145.2
<b>Continental Europe</b>	<b>2,207.4</b>	<b>2,154.1</b>	<b>1,162.0</b>	<b>986.1</b>	<b>631.8</b>	<b>566.5</b>	<b>337.7</b>	<b>273.2</b>	<b>2,839.2</b>	<b>2,720.6</b>	<b>1,499.7</b>	<b>1,259.3</b>
<b>Consolidated entities</b>	<b>930.3</b>	<b>1,072.7</b>	<b>466.9</b>	<b>415.6</b>	<b>334.0</b>	<b>257.4</b>	<b>193.6</b>	<b>128.4</b>	<b>1,264.3</b>	<b>1,330.1</b>	<b>660.5</b>	<b>544.0</b>
Portugal	669.4	780.4	383.4	321.5	225.0	149.6	135.6	70.2	894.4	930.0	519.0	391.7
France	260.9	292.3	83.5	94.1					260.9	292.3	83.5	94.1
Italy					109.0	107.8	58.0	58.2	109.0	107.8	58.0	58.2
<b>Non-consolidated partnerships at 100%</b>	<b>1,277.1</b>	<b>1,081.4</b>	<b>695.1</b>	<b>570.5</b>	<b>297.8</b>	<b>309.1</b>	<b>144.1</b>	<b>144.8</b>	<b>1,574.9</b>	<b>1,390.5</b>	<b>839.2</b>	<b>715.3</b>
Turkey (Aksigorta)					297.8	309.1	144.1	144.8	297.8	309.1	144.1	144.8
Luxembourg (Cardif Lux Vie)	1,277.1	1,081.4	695.1	570.5					1,277.1	1,081.4	695.1	570.5
<b>Asia</b>	<b>10,541.6</b>	<b>9,327.5</b>	<b>3,468.7</b>	<b>3,195.6</b>	<b>488.1</b>	<b>504.3</b>	<b>210.7</b>	<b>212.9</b>	<b>11,029.7</b>	<b>9,831.8</b>	<b>3,679.4</b>	<b>3,408.5</b>
<b>Consolidated entities</b>	<b>183.3</b>	<b>269.3</b>	<b>63.1</b>	<b>143.3</b>					<b>183.3</b>	<b>269.3</b>	<b>63.1</b>	<b>143.3</b>
Hong Kong	183.3	269.3	63.1	143.3					183.3	269.3	63.1	143.3
<b>Non-consolidated partnerships at 100%</b>	<b>10,358.3</b>	<b>9,058.2</b>	<b>3,405.6</b>	<b>3,052.3</b>	<b>488.1</b>	<b>504.3</b>	<b>210.7</b>	<b>212.9</b>	<b>10,846.4</b>	<b>9,562.5</b>	<b>3,616.3</b>	<b>3,265.2</b>
Malaysia	289.1	302.2	137.8	159.8	329.2	356.4	134.6	140.1	618.3	658.6	272.4	299.9
Thailand	1,309.0	1,253.5	616.4	608.5	158.9	147.9	76.1	72.8	1,467.9	1,401.4	692.5	681.3
China	8,668.5	7,403.8	2,620.7	2,256.0					8,668.5	7,403.8	2,620.7	2,256.0
Philippines	1.0		0.8						1.0		0.8	
Vietnam												
India	90.7	98.7	29.9	28.0					90.7	98.7	29.9	28.0
<b>Grand Total</b>	<b>15,023.2</b>	<b>13,326.0</b>	<b>5,646.1</b>	<b>5,068.6</b>	<b>3,319.2</b>	<b>3,291.5</b>	<b>1,584.9</b>	<b>1,556.2</b>	<b>18,342.4</b>	<b>16,617.5</b>	<b>7,231.0</b>	<b>6,624.8</b>
<b>Consolidated entities</b>	<b>3,387.8</b>	<b>3,186.4</b>	<b>1,545.4</b>	<b>1,445.8</b>	<b>2,277.1</b>	<b>2,205.4</b>	<b>1,097.5</b>	<b>1,053.3</b>	<b>5,664.9</b>	<b>5,391.8</b>	<b>2,642.9</b>	<b>2,499.1</b>
<b>Non-consolidated partnerships</b>	<b>11,635.4</b>	<b>10,139.6</b>	<b>4,099.9</b>	<b>3,622.8</b>	<b>1,042.1</b>	<b>1,086.1</b>	<b>487.4</b>	<b>502.9</b>	<b>12,677.5</b>	<b>11,225.7</b>	<b>4,587.3</b>	<b>4,125.7</b>
<b>Reinsurance</b>					<b>21.3</b>		<b>10.8</b>		<b>21.3</b>		<b>10.8</b>	

KEY FIGURES PER REGION Ageas's part	%	Gross Inflows Life				Gross Inflows Non-Life				Gross Inflows Total			
		HY 16	HY 15	Q2 16	Q2 15	HY 16	HY 15	Q2 16	Q2 15	HY 16	HY 15	Q2 16	Q2 15
in EUR million													
<b>Belgium</b>	75%	<b>1,705.7</b>	<b>1,383.4</b>	<b>761.6</b>	<b>665.3</b>	<b>761.3</b>	<b>763.1</b>	<b>322.4</b>	<b>322.3</b>	<b>2,466.9</b>	<b>2,146.4</b>	<b>1,083.9</b>	<b>987.5</b>
<b>United Kingdom</b>						<b>1,056.5</b>	<b>1,067.3</b>	<b>540.6</b>	<b>568.0</b>	<b>1,056.5</b>	<b>1,067.3</b>	<b>540.6</b>	<b>568.0</b>
<b>Consolidated entities</b>	100%					<b>928.1</b>	<b>930.7</b>	<b>474.1</b>	<b>495.3</b>	<b>928.1</b>	<b>930.7</b>	<b>474.1</b>	<b>495.3</b>
<b>Non-consolidated partnerships</b>						<b>128.4</b>	<b>136.6</b>	<b>66.5</b>	<b>72.7</b>	<b>128.4</b>	<b>136.6</b>	<b>66.5</b>	<b>72.7</b>
Tesco	50%					128.4	136.6	66.5	72.7	128.4	136.6	66.5	72.7
<b>Continental Europe</b>		<b>1,014.8</b>	<b>1,050.7</b>	<b>497.5</b>	<b>448.2</b>	<b>326.0</b>	<b>314.7</b>	<b>155.9</b>	<b>151.4</b>	<b>1,340.8</b>	<b>1,365.4</b>	<b>653.4</b>	<b>599.6</b>
<b>Consolidated entities</b>		<b>589.1</b>	<b>690.3</b>	<b>265.8</b>	<b>258.1</b>	<b>218.8</b>	<b>203.5</b>	<b>104.0</b>	<b>99.3</b>	<b>807.9</b>	<b>893.8</b>	<b>369.8</b>	<b>357.4</b>
Portugal	51%	328.2	398.0	182.3	164.0	164.3	149.6	75.0	70.2	492.5	547.6	257.3	234.2
France	100%	260.9	292.3	83.5	94.1					260.9	292.3	83.5	94.1
Italy	50%					54.5	53.9	29.0	29.1	54.5	53.9	29.0	29.1
<b>Non-consolidated partnerships</b>		<b>425.7</b>	<b>360.4</b>	<b>231.7</b>	<b>190.1</b>	<b>107.2</b>	<b>111.2</b>	<b>51.9</b>	<b>52.1</b>	<b>532.9</b>	<b>471.6</b>	<b>283.6</b>	<b>242.2</b>
Turkey (Aksigorta)	36%					107.2	111.2	51.9	52.1	107.2	111.2	51.9	52.1
Luxembourg (Cardif Lux Vie)	33%	425.7	360.4	231.7	190.1					425.7	360.4	231.7	190.1
<b>Asia</b>		<b>2,859.1</b>	<b>2,619.0</b>	<b>956.4</b>	<b>949.6</b>	<b>125.5</b>	<b>132.3</b>	<b>53.0</b>	<b>54.2</b>	<b>2,984.6</b>	<b>2,751.3</b>	<b>1,009.4</b>	<b>1,003.8</b>
<b>Consolidated entities</b>		<b>183.3</b>	<b>269.3</b>	<b>63.1</b>	<b>143.3</b>					<b>183.3</b>	<b>269.3</b>	<b>63.1</b>	<b>143.3</b>
Hong Kong	100%	183.3	269.3	63.1	143.3					183.3	269.3	63.1	143.3
<b>Non-consolidated partnerships</b>		<b>2,675.8</b>	<b>2,349.7</b>	<b>893.3</b>	<b>806.3</b>	<b>125.5</b>	<b>132.3</b>	<b>53.0</b>	<b>54.2</b>	<b>2,801.3</b>	<b>2,482.0</b>	<b>946.3</b>	<b>860.5</b>
Malaysia	31%	89.5	93.5	42.6	49.4	101.9	110.3	41.7	43.4	191.4	203.8	84.3	92.8
Thailand	15%	404.2	387.0	190.3	187.9	23.6	22.0	11.3	10.8	427.8	409.0	201.6	198.7
China	25%	2,158.5	1,843.5	652.6	561.7					2,158.5	1,843.5	652.6	561.7
Philippines	50%	0.5		0.4						0.5		0.4	
Vietnam	32%												
India	26%	23.6	25.7	7.8	7.3					23.6	25.7	7.8	7.3
<b>Grand Total</b>		<b>5,579.6</b>	<b>5,053.1</b>	<b>2,215.5</b>	<b>2,063.1</b>	<b>2,269.3</b>	<b>2,277.4</b>	<b>1,071.9</b>	<b>1,095.9</b>	<b>7,848.8</b>	<b>7,330.4</b>	<b>3,287.3</b>	<b>3,158.9</b>
<b>Consolidated entities</b>		<b>2,478.1</b>	<b>2,343.0</b>	<b>1,090.5</b>	<b>1,066.7</b>	<b>1,908.2</b>	<b>1,897.3</b>	<b>900.5</b>	<b>916.9</b>	<b>4,386.2</b>	<b>4,240.2</b>	<b>1,990.9</b>	<b>1,983.5</b>
<b>Non-consolidated partnerships</b>		<b>3,101.5</b>	<b>2,710.1</b>	<b>1,125.0</b>	<b>996.4</b>	<b>361.1</b>	<b>380.1</b>	<b>171.4</b>	<b>179.0</b>	<b>3,462.6</b>	<b>3,090.2</b>	<b>1,296.4</b>	<b>1,175.4</b>
<b>Reinsurance</b>	100%					<b>21.3</b>		<b>10.8</b>		<b>21.3</b>		<b>10.8</b>	

## Annex 4 : Solvency by region

Key Capital Indicators	in EUR million	
	30 Jun 2016	31 Dec 2015
<b>Belgium</b>		
Shareholders' equity	4,756.7	4,932.0
Own Funds	7,036.8	6,911.8
SCR <sub>ageas</sub>	2,859.7	2,852.0
Amount of Own Funds above SCR	4,177.1	4,059.8
Total solvency II <sub>ageas</sub> ratio	246.1%	242.3%
<b>United Kingdom</b>		
Shareholders' equity	1,078.9	1,128.6
Own Funds	998.0	1,099.1
SCR <sub>ageas</sub>	745.1	843.0
Amount of Own Funds above SCR	252.9	256.1
Total solvency II <sub>ageas</sub> ratio	133.9%	130.4%
<b>Continental Europe</b>		
Shareholders' equity	1,301.2	976.5
Own Funds	980.7	943.0
SCR <sub>ageas</sub>	863.0	722.0
Amount of Own Funds above SCR	117.7	221.0
Total solvency II <sub>ageas</sub> ratio	113.6%	130.6%
<b>Asia</b>		
Shareholders' equity	2,141.5	3,009.4
Own Funds		574.8
SCR <sub>ageas</sub>		321.0
Amount of Own Funds above SCR		253.8
Total solvency II <sub>ageas</sub> ratio		179.1%
<b>Reinsurance</b>		
Shareholders' equity	103.9	
Own Funds	104.0	
SCR <sub>ageas</sub>	42.1	
Amount of Own Funds above SCR	61.9	
Total solvency II <sub>ageas</sub> ratio	247.0%	
<b>Non Transferable Own Funds</b>	( 1,554.2 )	( 1,520.7 )
<b>Diversification SCR<sub>ageas</sub></b>	( 379.0 )	( 346.0 )
<b>Total Insurance</b>		
Shareholders' equity	9,382.9	10,046.5
Own Funds	7,565.3	8,008.0
SCR <sub>ageas</sub>	4,130.9	4,392.0
Amount of Own Funds above SCR	3,434.4	3,616.0
Total solvency II <sub>ageas</sub> ratio	183.1%	182.3%
<b>General Account (after eliminations)</b>		
Shareholders' equity	954.1	1,329.6
Own Funds	1,159.0	1,359.0
SCR <sub>ageas</sub>	51.0	34.0
Group Solvency II	208.6%	211.6%
Total solvency ratio JVs not included in Ageas ratio	260.9%	252.5%



## Annex 5 : Statement of financial position split into Life, Non-Life and Other Insurance

30 June 2016							
<i>in EUR million</i>	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
<b>Assets</b>							
Cash and cash equivalents	993.5	439.8		1,433.3	825.9		2,259.2
Financial investments	59,198.7	7,988.1		67,186.8	505.4	( 10.6 )	67,681.6
Investment property	2,601.5	298.6		2,900.1			2,900.1
Loans	6,369.7	938.6	( 37.7 )	7,270.6	1,438.0	( 629.0 )	8,079.6
Investments related to unit-linked contracts	13,911.9			13,911.9			13,911.9
Investments in associates	2,549.7	418.1		2,967.8	41.8	6.5	3,016.1
Reinsurance and other receivables	495.3	1,579.9	( 37.8 )	2,037.4	265.5	( 4.2 )	2,298.7
Current tax assets	19.4	27.2		46.6			46.6
Deferred tax assets	70.0	92.6		162.6			162.6
Accrued interest and other assets	1,232.0	519.2		1,751.2	119.9	( 116.3 )	1,754.8
Property, plant and equipment	971.5	185.9		1,157.4	0.8		1,158.2
Goodwill and other intangible assets	688.7	526.6		1,215.3			1,215.3
<b>Total assets</b>	<b>89,101.9</b>	<b>13,014.6</b>	<b>( 75.5 )</b>	<b>102,041.0</b>	<b>3,197.3</b>	<b>( 753.6 )</b>	<b>104,484.7</b>
<b>Liabilities</b>							
Liabilities arising from life insurance contracts	29,355.9			29,355.9		( 4.9 )	29,351.0
Liabilities arising from life investment contracts	31,292.5			31,292.5			31,292.5
Liabilities related to unit-linked contracts	13,904.9			13,904.9			13,904.9
Liabilities arising from non-life insurance contracts		7,992.1	( 28.0 )	7,964.1			7,964.1
Subordinated liabilities	1,242.7	469.4	( 37.6 )	1,674.5	1,250.0	( 629.0 )	2,295.5
Borrowings	1,676.0	349.9		2,025.9			2,025.9
Current tax liabilities	61.2	27.3		88.5			88.5
Deferred tax liabilities	1,241.9	351.0		1,592.9	0.6		1,593.5
RPN(I)					290.5		290.5
Accrued interest and other liabilities	1,505.3	935.6	( 10.5 )	2,430.4	193.6	( 108.5 )	2,515.5
Provisions	21.5	16.8		38.3	1,025.4		1,063.7
Liabilities related to written put options on NCI	84.9	21.4		106.3	1,041.0		1,147.3
<b>Total liabilities</b>	<b>80,386.8</b>	<b>10,163.5</b>	<b>( 76.1 )</b>	<b>90,474.2</b>	<b>3,801.1</b>	<b>( 742.4 )</b>	<b>93,532.9</b>
Shareholders' equity	6,798.7	2,583.7	0.5	9,382.9	965.7	( 11.6 )	10,337.0
Non-controlling interests	1,916.4	267.4	0.1	2,183.9	( 1,569.5 )	0.4	614.8
<b>Total equity</b>	<b>8,715.1</b>	<b>2,851.1</b>	<b>0.6</b>	<b>11,566.8</b>	<b>( 603.8 )</b>	<b>( 11.2 )</b>	<b>10,951.8</b>
<b>Total liabilities and equity</b>	<b>89,101.9</b>	<b>13,014.6</b>	<b>( 75.5 )</b>	<b>102,041.0</b>	<b>3,197.3</b>	<b>( 753.6 )</b>	<b>104,484.7</b>
<b>Number of employees</b>	<b>3,969</b>	<b>7,942</b>		<b>11,911</b>	<b>136</b>		<b>12,047</b>

## Annex 6 : Margins Life (%)

KEY PERFORMANCE INDICATORS BY FAMILY in % of average Life Technical Liabilities (excluding non-consolidated partnerships)	GUARANTEED		UNIT - LINKED	
	HY 16	HY 15	HY 16	HY 15
<b>BELGIUM</b>				
Net underwriting margin	(0.04%)	(0.05%)	0.23%	0.43%
Investment margin	1.08%	0.86%		
<b>Operating margin</b>	<b>1.04%</b>	<b>0.81%</b>	<b>0.23%</b>	<b>0.43%</b>
<b>CEU</b>				
Net underwriting margin	0.32%	0.22%	0.07%	0.05%
Investment margin	0.71%	0.83%	0.01%	0.02%
<b>Operating margin</b>	<b>1.03%</b>	<b>1.05%</b>	<b>0.08%</b>	<b>0.07%</b>
<b>ASIA</b>				
Net underwriting margin		2.62%		2.31%
Investment margin		(0.17%)		0.16%
<b>Operating margin</b>		<b>2.45%</b>		<b>2.47%</b>

## Annex 7 : Margins Non-Life (%)

KEY PERFORMANCE INDICATORS BY FAMILY	ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15	HY 16	HY 15
in % of Net Earned Premiums										
<b>BELGIUM</b>										
<b>Combined Ratio</b>	<b>107.0%</b>	<b>98.1%</b>	<b>95.0%</b>	<b>94.4%</b>	<b>101.1%</b>	<b>90.1%</b>	<b>102.7%</b>	<b>100.4%</b>	<b>100.9%</b>	<b>94.6%</b>
Claims Ratio	78.9%	71.0%	58.2%	57.7%	55.9%	44.7%	57.1%	54.9%	62.7%	56.8%
of which Current Year claims ratio									75.4%	66.9%
of which Prior Year claims ratio									(12.7%)	(10.1%)
Net Underwriting ratio	(7.0%)	1.9%	5.0%	5.6%	(1.1%)	9.9%	(2.7%)	(0.4%)	(0.9%)	5.4%
Investment Ratio	8.3%	6.0%	7.6%	6.3%	3.0%	2.6%	14.0%	10.7%	6.9%	5.4%
Other Margin										
<b>Operating Margin</b>	<b>1.3%</b>	<b>7.9%</b>	<b>12.6%</b>	<b>11.9%</b>	<b>1.9%</b>	<b>12.5%</b>	<b>11.3%</b>	<b>10.3%</b>	<b>6.0%</b>	<b>10.8%</b>
<b>Reserves Ratio</b>	<b>395%</b>	<b>372%</b>	<b>181%</b>	<b>175%</b>	<b>85%</b>	<b>73%</b>	<b>331%</b>	<b>306%</b>	<b>220%</b>	<b>208%</b>
<b>UK</b>										
<b>Combined Ratio</b>	<b>106.3%</b>	<b>103.8%</b>	<b>97.9%</b>	<b>103.2%</b>	<b>101.7%</b>	<b>87.0%</b>	<b>107.7%</b>	<b>97.9%</b>	<b>100.1%</b>	<b>98.6%</b>
Claims Ratio	60.6%	59.3%	72.0%	74.6%	60.2%	48.0%	64.6%	47.1%	68.2%	64.4%
of which Current Year claims ratio									73.2%	68.0%
of which Prior Year claims ratio									(5.0%)	(3.6%)
Net Underwriting ratio	(6.3%)	(3.8%)	2.1%	(3.2%)	(1.7%)	13.0%	(7.7%)	2.1%	(0.1%)	1.4%
Investment Ratio	2.2%	1.4%	5.2%	4.3%	2.6%	1.7%	6.7%	5.3%	4.7%	3.7%
Other Margin			0.0%		(0.0%)		(0.0%)		(0.0%)	
<b>Operating Margin</b>	<b>(4.1%)</b>	<b>(2.4%)</b>	<b>7.3%</b>	<b>1.1%</b>	<b>0.9%</b>	<b>14.7%</b>	<b>(1.0%)</b>	<b>7.4%</b>	<b>4.6%</b>	<b>5.0%</b>
<b>Reserves Ratio</b>	<b>61%</b>	<b>71%</b>	<b>171%</b>	<b>201%</b>	<b>88%</b>	<b>80%</b>	<b>222%</b>	<b>243%</b>	<b>155%</b>	<b>172%</b>
<b>CEU</b>										
<b>Combined Ratio</b>	<b>92.3%</b>	<b>83.8%</b>	<b>98.1%</b>	<b>104.1%</b>	<b>79.5%</b>	<b>79.6%</b>	<b>68.4%</b>	<b>61.6%</b>	<b>90.5%</b>	<b>85.8%</b>
Claims Ratio	66.5%	60.1%	66.2%	71.9%	44.3%	48.4%	32.6%	26.6%	61.0%	58.4%
of which Current Year claims ratio									65.7%	63.7%
of which Prior Year claims ratio									(4.7%)	(5.3%)
Net Underwriting ratio	7.7%	16.2%	1.9%	(4.1%)	20.5%	20.4%	31.6%	38.4%	9.5%	14.2%
Investment Ratio	2.9%	2.9%	3.5%	6.2%	1.8%	2.3%	8.7%	9.5%	3.2%	4.0%
Other Margin	1.0%	(0.2%)	0.5%	(0.1%)	(2.5%)	(0.1%)	(0.7%)	(0.1%)	0.3%	(0.2%)
<b>Operating Margin</b>	<b>11.6%</b>	<b>18.9%</b>	<b>5.9%</b>	<b>2.0%</b>	<b>19.8%</b>	<b>22.6%</b>	<b>39.6%</b>	<b>47.8%</b>	<b>13.0%</b>	<b>18.0%</b>
<b>Reserves Ratio</b>	<b>202%</b>	<b>114%</b>	<b>267%</b>	<b>256%</b>	<b>135%</b>	<b>102%</b>	<b>532%</b>	<b>506%</b>	<b>233%</b>	<b>171%</b>
<b>Reinsurance</b>										
<b>Combined Ratio</b>	<b>17.4%</b>		<b>100.0%</b>		<b>73.7%</b>				<b>77.8%</b>	
Claims Ratio			80.9%		38.8%				46.4%	
of which Current Year claims ratio									46.4%	
of which Prior Year claims ratio										
Net Underwriting ratio	82.6%		0.0%		26.3%				22.2%	
Investment Ratio										
Other Margin										
<b>Operating Margin</b>	<b>82.6%</b>		<b>0.0%</b>		<b>26.3%</b>				<b>22.2%</b>	
<b>Reserves Ratio</b>					<b>252%</b>				<b>197%</b>	

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