

LEXICON ON AGEAS KEY PERFORMANCE INDICATORS

Topic	Definition
3rd Party Business	Reinsurance business related to reinsurance services offered to the 3 rd parties and to non-controlled participations.
At constant FX	Pertain to any financial metric recalculated using the foreign exchange rate(s) of a prior reference period, typically the previous year or quarter. This adjustment isolates the impact of currency fluctuations, allowing for a more accurate comparison of performance across periods.
Best Estimate Liabilities	The expected or mean value (probability weighted average) of the present value of future cash flows for current obligations, projected over the contract's run-off period, taking into account all up-to-date financial market and actuarial information.
Building Block Approach (BBA) / General Measurement Model (GMM)	Measurement approach to measure groups of insurance contracts as the total of: (1) The fulfilment cash flows, which comprise: i. Estimates of future cash flows; ii. An adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and iii. A risk adjustment for non-financial risk. (2) The Contractual Service Margin.
Cession	The loss level specified in the terms of the reinsurance contract between the primary insurer and reinsurer; the amount at which excess reinsurance protection comes into effect; the retention under an excess reinsurance contract.
Claims ratio	Cost of gross claims incurred as a percentage of insurance revenues.
Combined ratio (COR)	Total of (Non-Life) expenses, claims incurred and reinsurance result as a percentage of (Non-Life) Insurance revenues. The lower the ratio, the better the profitability. The Combined ratio is the sum of the expense ratio, the claims ratio and the reinsurance ratio.
Comprehensive equity	Shareholders' equity plus unrealised gains or losses on real estate measured at amortised cost (unless they are part of the underlying items for insurance contracts measured under the VFA approach) plus Life CSM, after tax and @ageas share.
Contractual service margin (CSM)	A component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognise as it provides insurance contract services under the insurance contracts in the group.
CSM Accrual percentage	Ratio of Annualised CSM Time Value to the CSM Beginning of Period (BOP).

CSM Movement on existing portfolio	Changes in the CSM of in-force insurance contracts, excluding new business, amortisation and foreign exchange differences. It includes impacts from assumption updates, changes in projected volumes, and market movements (for GMM measured contracts).
CSM New Business (NB)	Value of future unearned profits from newly written insurance contracts, recognised during the reporting period. It is calculated as the present value of future cash inflows minus the present value of future outflows and risk adjustment, and it reflects the profitability of new business written during the reporting period.
CSM release	Portion of CSM stock which is released to profit and loss representing the estimated profit earned for providing insurance services during the reporting period.
CSM release percentage	Ratio of CSM release to the sum of: (1) CSM BOP and (2) half of the CSM New Business, CSM Time Value and CSM Movement on Existing Business of the period.
CSM Time Value	Interest accretion on the CSM over time. It reflects the unwinding of the time value of money embedded in the CSM calculation.
Current year claims ratio	Ratio of cost of claims relating to the current accident year to Insurance revenues.
Current year discounting	Impact of applying discounting to the current year's (Non-Life) gross claims liabilities. It captures the present value adjustment of expected future cash flows related to claims incurred during the current financial year. This adjustment reflects the time value of money and is typically calculated using a locked-in discount rate or yield curve applicable to the reporting period.
Dividend per share (DPS)	Dividend paid (or declared) to each share entitled to dividend.
Earnings per share (EPS)	Net Operating Result divided by the weighted average number of outstanding shares.
Excess of loss reinsurance	Reinsurance which indemnifies the ceding company against loss in excess of specific retention including catastrophe reinsurance, risk reinsurance, per occurrence and aggregate excess of loss reinsurance.
Expense ratio	In Non-Life, the ratio of the expenses to the Insurance revenues. The expenses include directly attributable and (an allocation of) non-directly attributable expenses.
Fair Value Through Other Comprehensive Income (FVOCI)	In IFRS 9, a measurement category for certain financial assets and liabilities whereby fair value changes go to OCI. In IFRS 17, FVOCI refers is an accounting policy option whereby the effect of changes in discount rates on insurance contract liabilities are recorded in OCI.
Fair Value Through Profit & Loss (FVPL)	In IFRS 9 a measurement category for financial assets and liabilities whereby the effect of changes in fair value are recorded in profit or loss. In IFRS 17, FVPL refers to the accounting policy option whereby the effect of changes in discount rates are measured in profit or loss.

Financial leverage ratio	Financial leverage ratio on IFRS17 accounting base, calculated as the total financial leverage divided by the total equity plus the 100% consolidated CSM net of tax plus the total financial leverage.
Free Capital (FC)	Free Capital (or Free Surplus) is the excess of Available Capital over the Neutral solvency level, which can be considered shareholder capital that management has available for organic or inorganic growth, strategic investments or shareholder remuneration. For the Solvency II scope entities the calculation is based on the Pillar 2 framework, for the Non-Solvency scope entities it is based on the local regulatory Solvency framework.
Free Capital Generation (FCG)	It refers to the evolution of Free Capital over time. It is affected by various factors including business performance, financial market developments, changes in models and scope, capital transactions and dividend payments.
General Account (GA)	Operating segment comprising activities not related to the core insurance business, such as Group financing and other holding activities. Also includes the liability related to RPN(I).
Guaranteed products	Family of products including Traditional, Savings, Universal Life and Group Life products. Traditional products typically are protection based while Savings products mostly consist of products with a (minimum) guaranteed interest rate.
Holding costs	Net cash expenditures incurred at Ageas Group level, primarily covering the Corporate Center, Regional Office Asia, net interest margin.
Holding Free Cash Flow (HFCF)	Key indicator of Ageas's capacity to fund shareholder remuneration and strategic investments. It represents the net cash generated at the Ageas Group level. It is calculated as the sum of: (1) Recurring Cash Upstream (+); and (2) Holding costs (-).
Inflows	Measure of the business written during a particular period. Inflows comprise both gross written premiums from insurance contracts and inflows from investment contracts. Inflow is reported at Ageas' share. Inflow is different from insurance revenue as the latter is a reflection of the consideration for the insurance services of the period.
Insurance result	Pre-tax performance measure. It is the sum of: (1) Insurance service result as determined under IFRS 17; (2) Non-directly attributable expenses; (3) Insurance related other income & expenses; and (4) Investment result on assets backing investment and insurance contract liabilities (net of reinsurance). The sum of line items (1) to (3) is referred to as 'Operating Insurance Service Result (OISR)'.
Insurance revenues	Insurance revenue is the amount of income recognized by Ageas as it provides insurance coverage and other services during the reporting period. Non-distinct investment components are excluded from insurance revenue. Insurance revenue is derived from the changes in the liability for remaining coverage that relate to services for which Ageas expects to receive consideration.

Investment result	Represents the financial results from assets backing insurance and investment contract liabilities. It includes: (1) Investment income including realised capital gains/losses; (2) Insurance finance expenses; (3) Net result from investment contracts; and (4) Investment related expenses.
Life Guaranteed margin	Operational metric, computed as the annualised Insurance result from Guaranteed products divided by the average Guaranteed Life Liabilities (excluding unrealised gains or losses).
Life Liabilities excl. unrealised gains/losses	A volume metric, which consists of Life insurance and investment contract liabilities at the end of the reporting period, excluding unrealised gains/losses thereon. It represents the present value of the obligations the insurer has towards its policyholders, based on the terms of the contracts.
Life Unit-Linked margin	Operational metric, computed as the annualised Insurance result from Unit-Linked products divided by the average Unit-Linked Life Liabilities.
Liquid assets	Cash and cash equivalents held at Ageas Group level to meet short-term obligations and strategic needs.
Loss Portfolio Transfer (LPT)	A Loss Portfolio Transfer (LPT) is a contract of indemnity between one or more reinsurers and a reinsured. It is a reinsurance treaty in which the insurer cedes to the reinsurers a proportion of all liabilities related to losses incurred before the inception date of the contract. The reinsurers assume this proportion of all open and future claim liabilities related to these losses against a premium paid by the insurer.
Net Operating Result (NOR)	Indicator used to evaluate performance and considered as a proxy of the cash generated. Net Operating Result is an after-tax performance measure, and it is the sum of: (1) Insurance result; (2) Result on surplus assets; and (3) Income taxes on the items above.
Net realised capital gains	Realised results, after tax, on the sale of investments in financial instruments, associates, investment property and property for own use impacting the Net Operating Result. Impairment charges are also reported under this heading.
New Business Margin (NBM)	Profitability of Life new business calculated as Value New Business (VNB) divided by Present Value of New business Premiums (PVNBP).
Non-attributable costs	Expenses that cannot be directly linked to the fulfilment of specific insurance groups or portfolios under IFRS 17.
Operating CSM growth	Ratio of annualised Operating CSM movement to CSM BOP.
Operating CSM movement	Performance indicator, computed as the sum of: (1) CSM New Business; (2) CSM Time Value; and (3) CSM release.
Operational Solvency Capital Requirements (OSCR)	Portion of capital used or absorbed by Ageas's business operations during a reporting period, typically due to growth, product/asset mix, or other management decisions. Also called Operational Capital Consumption.

Operational Capital Generation (OCG)	Internal key performance indicator that reflects the economic or capital performance of the business and is one of the key categories that explain the evolution of available capital.
Operational Free Capital Generation (OFCG)	This indicator serves as a key internal measure of capital sustainability, reflecting the amount of Free or Shareholder Capital generated over a given period through normal business operations. It represents the combined effect of Operational Capital Generation (OCG) minus the Operational Capital Consumption multiplied with Ageas neutral solvency (175%).
Other Comprehensive Income (OCI)	Items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by IFRS.
Other income and expenses	Part of the Life Operating Insurance Service Result. It includes the following Life elements: (1) Release of risk adjustment; (2) Experience Variances; (3) Reinsurance result; and (4) Result on onerous contracts.
Other non-cash	One of the reconciling items between the Net Operating Result and the Net result attributable to shareholders. It includes the impact of applying the accounting treatment for Hyperinflationary Economies and any consequential impairment impacts under IAS 36, along with the amortization and impairment of intangibles identified in a purchase price allocation process related to acquisitions of insurance entities and impairments of intangibles in existing entities resulting from such acquisitions. It could include other elements that are precisely explained in the financial statements.
Outstanding shares	Number of shares used in the computation of EPS. It includes: (1) shares entitled to dividend and voting rights; and (2) CASHES.
Own funds (Solvency II)	Capital items that can absorb losses on an ongoing basis and in the event of winding up. (Basic) own funds are defined as the sum of the excess of assets over liabilities on the Market Consistent Balance Sheet (MCBS) and subordinated liabilities.
Premium Allocation Approach (PAA)	Optional measurement approach in IFRS 17 for groups of insurance contracts that meet following conditions: (1) Ageas reasonably expects that such simplification would produce a measurement of the Liability for Remaining Coverage for the group that would not differ materially from the one that would be produced using the General Measurement Model; or (2) The coverage period for each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.
Present Value New Business Premium (PVNBP)	Present value of future premiums on new business written during the period, discounted at a reference rate. It includes the present value of projected regular premiums plus single premiums received.

Prior Year (PY) Claims	Difference between the movement in gross claims liabilities and actual claims paid, related to loss events that occurred before the start of the current financial year. They are distinct from current year claims and are essential for understanding reserve development and evaluating claims performance.
Prior Year (PY) Claims Ratio	Prior year claims as a percentage of insurance revenue.
Quota Share contract (QS)	A Quota Share contract (QS) is a reinsurance contract, where one or more reinsurer(s) receive, for a defined insurance portfolio and for a defined future cover period, a fixed proportion of the total insurance premium. Against this, the reinsurers commit to indemnify a fixed proportion of all the claims occurring during the cover period and to participate in a proportion in the insurer's acquisition and administration costs, through a reinsurance commission granted to the insurer.
Recurring Cash Upstream	Regular transfer of cash (e.g. dividends) from Ageas's operating companies to the Group level. Amounts are disclosed net of withholding taxes.
Reinsurance ratio	Ratio of the Non-Life reinsurance result to the Insurance revenues. For purposes of calculating the reinsurance ratio, the reinsurance result of the segments excludes their result on intra-group LPT & quota share reinsurance programmes (referred to as "Capital management").
Reinsurance result Capital Management	Reinsurance result related to the intra-group Loss Portfolio Transfer & Quota Share reinsurance contracts. The Group Reinsurance result Capital Management is zero.
Reinsurance result Group Purchasing	Reinsurance result related to the participation in the Non-Life reinsurance programs for the OpCos.
Result on short-term Life	Part of the Life Operating Insurance Service Result. It represents the Insurance service result from Life contracts accounted for under the PAA model.
Result on surplus assets	Key line in the management P&L representing the result from assets and liabilities backing shareholders' funds. Cost of sub-debts are also included in the caption.
Return on Shareholders' Equity (RoE)	Ratio of NOR to the average of the Shareholder's Equity at the beginning of the reporting period and Shareholder's Equity at the end of the reporting period.
RG/L on FVOCI equities	One of the reconciling items between the Net Operating Result and the Net result attributable to shareholders. It represents the realised capital gains/losses on equity instruments held at FVOCI (other than backing insurance contracts measured under the VFA approach).
Solvency Available Capital	Available Capital that can absorb the losses measured as the capital requirements in prevailing prudential frameworks.
Solvency Capital Requirement (SCR, Solvency II)	SCR represents the loss in own funds under a 99.5% stress (1-in-200 years event), over a one-year period. It takes into account all quantifiable risks, covering existing business as well as the new business expected to be written over the following 12 months.
Solvency ratio (PIM)	Ratio between the Solvency II Own Funds and the Solvency Capital Requirements (SCR). The own funds assessment take into account the EIOPA Volatility Adjustment. The SCR uses an

	supervisory-approved partial internal model (Non-Life underwriting risk).
Solvency ratio (Ageas)	<p>Ratio representing Ageas' own risk and solvency assessment described as Pillar 2 in the Solvency II framework.</p> <p>Basis is the Solvency ratio (PIM), adjusting the Own Funds mainly for:</p> <ol style="list-style-type: none"> (1) the removal of transitional measures; (2) the use of the Company EIOPA Volatility Adjustment (CEVA) or an Expected Loss Model (ELM) instead of the Volatility Adjustment (VA) model provided by EIOPA; and (3) the recognition of concessions (e.g. Anima). <p>The SCR is adjusted mainly for:</p> <ol style="list-style-type: none"> (1) the spread risk treatment, including fundamental spread risk for both corporate and government bonds (non-fundamental spread risk is excluded); (2) the use of the Non-Life internal model for Portugal; and (3) the use of an internal model for specific real estate exposure.
Solvency II Partial Internal Model (PIM)	The PIM combines the Solvency II Standard Formula with the supervisory-approved Internal Model for Non-Life Underwriting Risk for the main entities writing in Non-Life business (AGI, AIL, and Ageas Group).
Unit-Linked (UL) products	Unit-Linked products are a type of Life insurance contracts where the investments are held on behalf of the policyholder and the investment risk is born by the policyholder.
Unrealised Gains/Losses (UG/L) on FVPL	<p>One of the reconciling items between the Net Operating Result and the Net result attributable to shareholders. UG/L on FVPL includes three elements:</p> <ol style="list-style-type: none"> (1) changes in fair value on financial instruments measured at FVPL backing surplus assets or backing insurance contracts measured under the GMM and PAA approaches for which the option to disaggregate insurance finance income or expense was selected; (2) gains or losses from stage 1 & stage 2 expected credit losses; and (3) the effect of elimination of income statement volatility resulting from accounting mismatches for selected insurance portfolios. The accounting mismatch arises for example when covering assets are measured at amortised cost whereas insurance contract liabilities are measured at FVPL. In that case, the elimination restates covering assets to FVOCI and insurance contract liabilities using the disaggregation approach which is the preferred measurement model of Ageas for portfolios not measured under the VFA approach.
Value New Business (VNB)	In Life, the value resulting from new business written during the period. It is determined as the sum of New Business CSM, Value New Business of short-term Life product valued under PAA model and Value New Business of investment product.
Variable Fee Approach (VFA)	Mandatory measurement approach for groups of insurance contracts with direct participation features.

