



Condensed Consolidated Interim Financial Statements

First half year 2021

Supporter of your life

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Developments and results

All amounts in the tables of these Condensed Consolidated Interim Financial Statements are denominated in millions of euros, unless stated otherwise.

Key financials and developments

	First half year 2021	First half year 2020
Net result Ageas	407	791
By segment:		
- Belgium	191	139
- UK	34	26
- Continental Europe	63	86
- Asia	203	216
- Reinsurance	30	24
- General Account & Elimination	(115)	300
of which RPN(I)	(57)	16
By type:		
- Life	340	310
- Non-Life	181	181
- General Account & Elimination	(115)	300
Weighted average number of ordinary shares (in million)	187	189
Earnings per share (in EUR)	2.18	4.19
Gross inflows (incl. non-consolidated partnerships at 100%)	22,185	20,031
- of which inflows from non-consolidated partnerships	16,994	15,337
Gross inflows Ageas's part (incl. non-consolidated entities)	8,545	7,801
By segment:		
- Belgium	2,409	2,284
- UK	683	774
- Continental Europe	1,137	915
- Asia	4,316	3,829
By type:		
- Life	6,020	5,442
- Non-Life	2,525	2,360
Combined ratio	93.0%	91.7%
Operating margin Guaranteed (bps)	86	75
Operating margin Unit-Linked (bps)	35	28
	30 June 2021	31 December 2020
Shareholders' equity	11,426	11,555
Net equity per share (in EUR)	61.11	61.80
Net equity per share (in EUR) excluding unrealised gains & losses	39.91	39.64
Return on Equity - Ageas Group (excluding unrealised gains)	10.9%	15.5%
Group solvency II ageas (not reviewed)	196%	193%
Life Technical Liabilities (consolidated entities)	77,517	78,692

Continued solid business performance

Ageas recorded a strong commercial performance both in Europe and Asia with a marked growth in inflows in Unit-Linked and Non-Life. The Life operating margins and the Non-Life combined ratio reflect the solid operating performance of the consolidated entities. The net result of the non-consolidated entities was driven by a strong underlying performance, mitigated by the impact of the unfavourable evolution of the discount rate in China and the lower net realised capital gains. Covid-19 continued to influence Life investment income and the Non-Life claims ratio, however to a lesser extent than in 2020. The impact on the second quarter result was neutral as both elements offset each other. The recently acquired Turkish Life insurer AgeSA, included in the financials as from this quarter, already made a first positive contribution to the net result.

The year-to-date Group **inflows including the non-consolidated entities** (at 100%) showed a strong commercial performance both in Europe and Asia and were 11% up compared to the first half of last year. Life inflows were driven by new business in Asia including a strong start-of-the-year campaign in China and Unit-linked sales in Belgium and Continental Europe. Non-Life inflows were up, mainly thanks to a strong performance in Belgium and the inclusion of Taiping Reinsurance. In Continental Europe, the Non-Life inflows were up both in Portugal and Turkey, lowered however by the impact of the Turkish Lira exchange rate.

The Non-Life **combined ratio** of the consolidated entities over the first half of the year stood at 93% and was strong across all product lines. By the end of the second quarter, the claims frequency in Motor almost returned to pre-Covid levels as restrictions on mobility have been lifted across Europe. The combined ratio in Household was affected by adverse weather conditions in Belgium and will continue to suffer in the second half of the year due to the floods that hit large parts of the country in July.

The **Life Guaranteed operating margin** over the first half of the year reached 86 bps thanks to a solid investment result. Real Estate revenues in Belgium are gradually recovering from Covid-19 impacts.

The Group **Unit-Linked operating margin** stood at 35 bps at the end of June, well within the target range thanks to a satisfactory margin in Belgium and a strong recovery in Continental Europe.

The strong operational performance of the insurance operations, both in Life and Non-Life generated a net profit of EUR 521 million. The net result of the General Account stood at minus EUR 115 million. The **Group net profit** amounted to EUR 407 million. The Group net profit of the second quarter stood at EUR 111 million, including the negative impact of EUR 58 million related to the RPN(i) revaluation. The second quarter net result of the insurance operations amounted to EUR 203 million.

Mid-July, Belgium was hit by severe floods causing major damage. The total gross claims cost for the Belgian market largely exceeds the cap

of the intervention of the insurance sector foreseen in the current legislation. The government and the sector are evaluating a proposal to secure a speedy compensation of the insured losses for the victims.

Based on the current proposal, the settlement of related claims is estimated to have an impact of EUR 55 million¹ on the Group's net result. As a consequence, and in combination with the expected impact of interest rate developments in China, Ageas expects 2021 results in line with the initial guidance of EUR 850 to 950 million² as communicated at the beginning of the year.

Ageas's **investment portfolio** at the end of June 2021 amounted to EUR 83.7 billion compared to EUR 85.1 billion at the end of 2020. This decrease is related to lower unrealised capital gains on the fixed income portfolio due to the increase in interest rates. The fair value of the real estate portfolio increased to EUR 6.2 billion with EUR 2 billion of unrealised gains in line with the end of 2020.

Life Technical Liabilities excluding shadow accounting of the consolidated entities increased to EUR 74 billion at the end of June as a result of the higher inflows in Group Life in Belgium and in Unit-Linked. The Life Technical Liabilities in the non-consolidated entities strongly increased thanks to continued growth in inflows and strong persistency levels.

Total **shareholders' equity** decreased slightly over the first six months to EUR 11.4 billion, or EUR 61.11 per share, mainly driven by the evolution of the unrealised capital gains on the fixed income portfolio.

Ageas's Solvency II_{Ageas} ratio increased to 196%, driven by a strong operational performance which more than covered the accrual of the expected dividend. The operational free capital generation over the first six months stood at EUR 375 million, including EUR 163 million in dividends from the non-European Non-Controlled-Participations.

The regulatory PIM solvency ratio decreased to 196% due to the evolution of the spreads and differences between Ageas's asset portfolio and the EIOPA reference portfolio.

¹ After tax and net of reinsurance.

² Excluding the impact of RPN(i).

Belgium

Year-to-date inflows recorded solid growth in both Life and Non-Life. Life inflows grew strongly in Unit-Linked (+62% YoY) supported by the cashback campaign in Broker channel and a solid performance in Bank channel. Non-Life registered exceptional growth in inflows of 7% compared to last year with progress in all business lines thanks to the joint efforts of AG and its distribution partners.

The Life Guaranteed operating margin reached 81 bps at the end of June thanks to an improved investment result despite the Covid-19 impact on Real Estate income, while last year was severely impacted by the volatility of the financial markets. The recurring investment income from Real Estate is gradually recovering as Covid-related restrictions are being eased. The Unit-Linked operating margin stood strong at 37 bps.

The Non-Life combined ratio was marked by a strong underlying performance benefitting from lower claims frequency in Motor compensating for the adverse weather (4pp impact).

The Solvency position in Belgium increased to 200% driven by the operating performance and the upward movement of the risk-free rate. Asset management decisions affected the Operational Free Capital generation, which amounted to EUR 203 million.

UK

Year-to-date inflows scope on scope, taking into account the divestment of Tesco Underwriting, remained broadly stable at a constant exchange rate. Continued growth in Household went some way to compensate for lower motor premiums driven by the discounting of premiums market wide in recognition of fewer claims related to Covid-19.

Claims costs in motor had broadly returned to pre-Covid levels by the end of the second quarter with lower frequency no longer compensating for the continued increase in claims inflation. The net result reflects a reserve strengthening against future claims costs and also benefitting from a change in tax regulations.

The Operational Free Capital Generation stood at EUR 50 million.

Continental Europe

Continental Europe delivered an excellent commercial performance in both Life and Non-Life. In Life, year-to-date inflows demonstrated a strong recovery (+56% scope on scope, at constant rate) driven by Unit-Linked sales. Additionally, the off-balance sheet flexible pension product continued to grow and generated EUR 110 million in the first half of the year. Non-Life inflows increased 17% at constant exchange rate, with growth in all product lines in both Portugal and Turkey.

The Guaranteed operating margin amounted to a solid 113 bps at the end of June, thanks to a sound underwriting performance. In 2020, this

included a positive contribution from a reserve release in Portugal in the first quarter. The Unit-Linked margin, which continued to improve steadily following a change in product mix, stood at 32 bps, within the Group target range.

The combined ratio of the consolidated entities stood at a solid 87%. Last year the combined ratio benefitted from a low claims frequency whereas the frequency this quarter was in line with pre-pandemic levels.

Excluding the EUR 20 million impact of the reserve release in Portugal last year, the Life result was up, thanks to a solid underwriting performance further supported by capital gains. The contribution to the Group quarterly net profit of the Turkish Life insurance company AgeSA (formerly AvivaSA) was recognised in the results as from 5 May and amounted to EUR 4 million. The Non-Life result reflected the normalisation of the frequency in motor and a lower contribution from Turkey due to adverse claims experience.

Solvency increased to 177% on the back of a strong commercial performance in Unit-Linked in Portugal. This resulted in an Operational Free Capital Generation of EUR 90 million.

Asia

Inflows in Asia continued to enjoy robust growth, with inflows up 14% at constant exchange rate over the first half of the year. Excluding Taiping Reinsurance, which has been consolidated since December 2020, the growth amounted to 5% at constant rates. The increase in inflows was driven by both the Life and Non-Life segments, which grew respectively 5% and 3% scope on scope. Life Technical liabilities were up 11% thanks to continued inflow growth and strong persistency. More specifically in China, inflows benefitting from high new business volume in the first quarter thanks to successful opening campaigns, whereas the focus in the second quarter was more on high value products. In Non-Life, inflows rebounded sharply in the second quarter despite the prolonged pandemic, recording an 11% growth scope on scope. Additionally, Taiping Reinsurance contributed significantly to the inflows.

The Life segment continued to deliver a solid underlying operational performance with a second quarter broadly in line with the excellent performance of last year. The net result was impacted by the unfavourable evolution of the discount rate and the lower net realised capital gains in China. The Non-Life result was strongly up thanks to the contribution from Taiping Reinsurance.

The solvency position of our Non-European non-controlled entities decreased slightly over the first half of the year as the available capital was affected by the dividend payments and impact from the financial markets. The increase in required capital reflects the business growth.

Reinsurance

Reinsurance inflows included EUR 763 million from the quota share agreements while an internal Life Reinsurance contract set up with Ageas France at the beginning of the year generated EUR 14 million inflows.

In the first half of the year the Reinsurance result benefitted from the lower current year claims frequency on Motor recorded at the level of the ceding entities. This more than compensated for the share in the negative result related to adverse weather in Belgium until the end of June. The benefit of lower claims frequency on the Reinsurance result declined in the second quarter due to the easing of the Covid-19 measures.

General Account

The net result of the General Account included a EUR 57 million negative impact from the revaluation of the RPN(i) reference amount liability in the first half of the year. The first half year result of 2020 benefitted from a EUR 332 million capital gain related to the tender transaction on the FRESH securities.

The total liquid assets remained at the same level as the end of last year, at EUR 1.2 billion. The EUR 670 million upstreamed from the operating companies in the first half of the year more than covered the holding costs and the EUR 485 million dividend paid to Ageas shareholders in the second quarter. A cash-out of EUR 140 million was related to the acquisition of a 40% stake in the Turkish Life company AgeSA whereas a first payment received for the sale of Tesco contributed EUR 45 million.



Consolidated Financial Statements



Consolidated statement of financial position

	Note	30 June 2021	31 December 2020
Assets			
Cash and cash equivalents		2,011	2,241
Financial investments	6	61,591	63,710
Investment property	6	3,101	2,889
Loans	7	13,988	13,398
Investments related to unit-linked contracts		17,876	17,088
Investments in associates		4,967	4,929
Reinsurance and other receivables		2,207	1,961
Current tax assets		28	49
Deferred tax assets		102	98
Accrued interest and other assets		1,752	1,885
Property, plant and equipment	6	1,748	1,827
Goodwill and other intangible assets		1,299	1,229
Assets held for sale			114
Total assets		110,670	111,418
Liabilities			
Liabilities arising from Life insurance contracts	9.1	28,836	29,973
Liabilities arising from Life investment contracts	9.2	30,804	31,629
Liabilities related to unit-linked contracts	9.3	17,877	17,090
Liabilities arising from Non-life insurance contracts	9.4	7,784	7,404
Subordinated liabilities	10	2,747	2,758
Borrowings	11	4,324	3,920
Current tax liabilities		107	89
Deferred tax liabilities		1,074	1,105
RPN(I)	12	477	420
Accrued interest and other liabilities		2,834	2,934
Provisions	13	189	322
Liabilities related to assets held for sale			
Total liabilities		97,053	97,644
Shareholders' equity	8	11,426	11,555
Non-controlling interests		2,191	2,219
Total equity		13,617	13,774
Total liabilities and equity		110,670	111,418

Consolidated income statement

	Note	First half year 2021	First half year 2020
Income			
- Gross premium income		4,438	4,296
- Change in unearned premiums		(115)	(128)
- Ceded earned premiums		<u>(219)</u>	<u>(203)</u>
Net earned premiums	16	4,104	3,965
Interest, dividend and other investment income	17	1,166	1,190
Unrealised gain (loss) on RPN(I)		(57)	16
Result on sales and revaluations		88	414
Investment income related to unit-linked contracts		832	(601)
Share in result of associates		231	252
Fee and commission income		228	187
Other income		135	87
Total income		6,727	5,510
Expenses			
- Insurance claims and benefits, gross		(3,612)	(3,429)
- Insurance claims and benefits, ceded		<u>104</u>	<u>83</u>
Insurance claims and benefits, net	18	(3,508)	(3,346)
Charges related to unit-linked contracts		(899)	543
Financing costs	19	(69)	(71)
Change in impairments		(29)	(131)
Change in provisions	13	10	30
Fee and commission expenses		(626)	(584)
Staff expenses		(419)	(419)
Other expenses		(597)	(550)
Total expenses		(6,137)	(4,528)
Result before taxation		590	982
Tax income (expenses)		(117)	(126)
Net result for the period		473	856
Attributable to non-controlling interests		66	65
Net result attributable to shareholders		407	791
Per share data (EUR)			
Basic earnings per share	8	2.18	4.19
Diluted earnings per share	8	2.17	4.19

Gross inflow (sum of gross written premiums and premium inflow from investment contracts without discretionary participation features) can be presented as below.

	Note	First half year 2021	First half year 2020
Gross premium income		4,438	4,296
Inflow deposit accounting (directly recognised as liability)	16	784	415
Gross inflow		5,222	4,711

Consolidated statement of comprehensive income

	Note	First half year 2021	First half year 2020
COMPREHENSIVE INCOME			
<u>Items that will not be reclassified to the income statement:</u>			
Remeasurement of defined benefit liability		50	(7)
Total of items that will not be reclassified to the income statement:		50	(7)
<u>Items that are or may be reclassified to the income statement:</u>			
Change in amortisation of investments held to maturity		1	2
Related tax			(1)
Change in amortisation of investments held to maturity	6	1	1
Change in revaluation of investments available for sale (1)		(2)	(160)
Related tax		42	(4)
Change in revaluation of investments available for sale	6	40	(164)
Share of other comprehensive income of associates		(188)	(98)
Change in foreign exchange differences		111	(207)
Total items that are or may be reclassified to the income statement:		(36)	(468)
Other comprehensive income for the period		14	(475)
Net result for the period		473	856
Total comprehensive income for the period		487	381
Net result attributable to non-controlling interests		66	65
Other comprehensive income attributable to non-controlling interests		43	(61)
Total comprehensive income attributable to non-controlling interests		109	4
Total comprehensive income attributable to shareholders		378	377

(1) Change in revaluation of investments available for sale, includes the revaluation of cash flow hedges and is net of currency differences and shadow accounting.

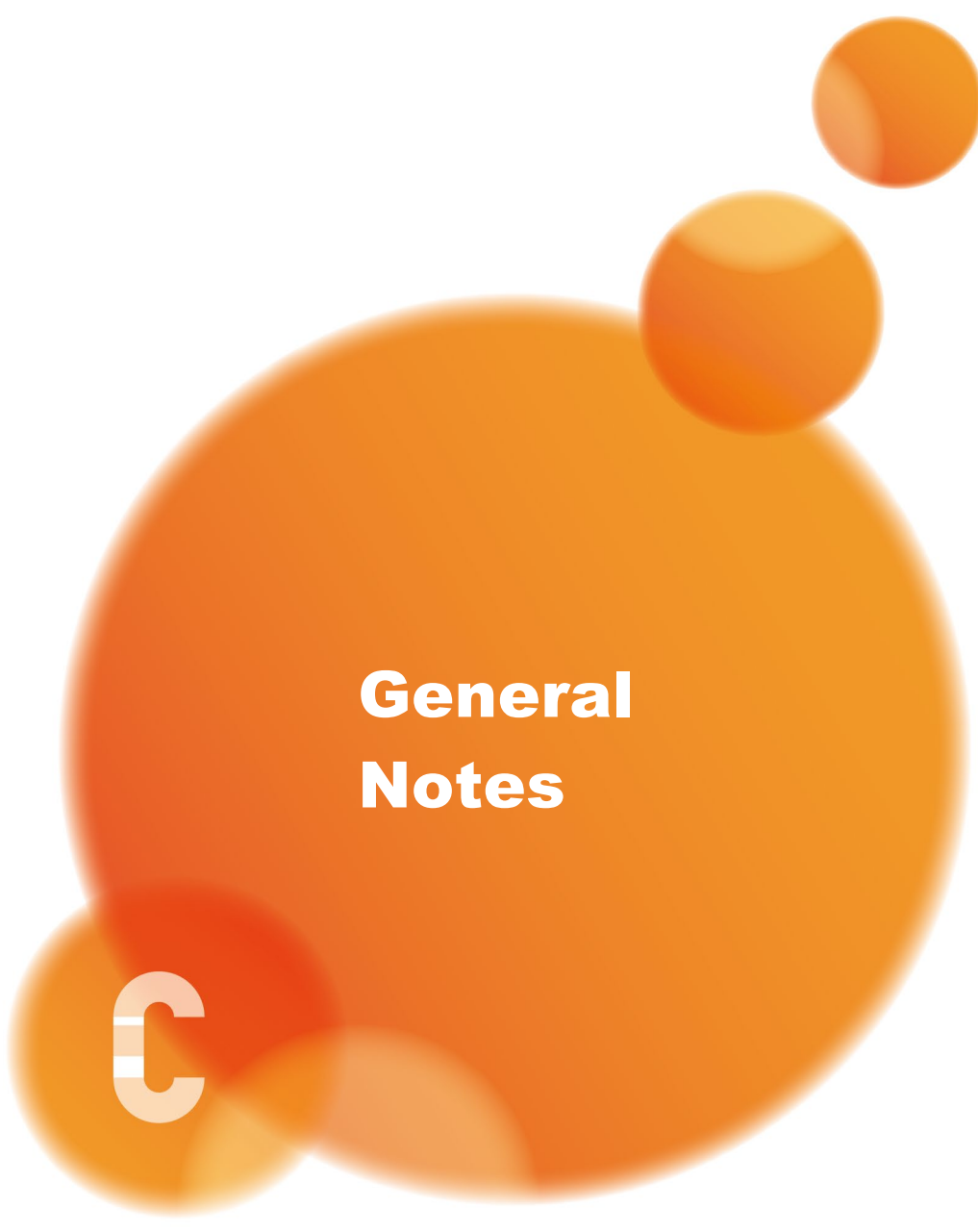
Consolidated statement of changes in equity

	Share capital	Share premium reserve	Other reserves	Currency translation reserve	Net result attributable to shareholders	Unrealised gains and losses	Shareholders' equity	Non-controlling interests	Total Equity
Balance as at 1 January 2020	1,502	2,051	2,663	95	979	3,931	11,221	2,260	13,481
<i>of which amounts recognised in OCI and accumulated in equity relating to assets held for sale</i>				3		7	10		10
Net result for the period					791		791	65	856
Revaluation of investments						(202)	(202)	(59)	(261)
Remeasurement IAS 19			(5)				(5)	(2)	(7)
Foreign exchange differences				(207)			(207)		(207)
Total comprehensive income for the period			(5)	(207)	791	(202)	377	4	381
Transfer			979		(979)				
Dividend			(50)				(50)	(10)	(60)
Change in capital								7	7
Treasury shares			(126)				(126)		(126)
Share-based compensation			(1)				(1)		(1)
Other changes in equity (1)			10				10	(3)	7
Balance as at 30 June 2020	1,502	2,051	3,470	(112)	791	3,729	11,431	2,258	13,689
Balance as at 1 January 2021	1,502	2,051	2,978	(260)	1,141	4,143	11,555	2,219	13,774
Net result for the period					407		407	66	473
Revaluation of investments						(179)	(179)	32	(147)
Remeasurement IAS 19			39				39	11	50
Foreign exchange differences				111			111		111
Total comprehensive income for the period			39	111	407	(179)	378	109	487
Transfer			1,141		(1,141)				
Dividend			(485)				(485)	(141)	(626)
Change in capital								1	1
Treasury shares									
Share-based compensation			3				3		3
Other changes in equity (1)			(25)				(25)	3	(22)
Balance as at 30 June 2021	1,502	2,051	3,651	(149)	407	3,964	11,426	2,191	13,617

(1) Other changes in shareholders' equity include the put option on Interparking shares, an indemnity paid to BNP Paribas Fortis for the Ageas shares held related to the CASHES securities and the payment to holders of FRESH securities.

Consolidated statement of cash flow

	Note	First half year 2021	First half year 2020
Cash and cash equivalents as at 1 January		2,241	3,745
Result before taxation		590	982
<i>Adjustments to non-cash items included in result before taxation:</i>			
Remeasurement RPN(I)	12	57	(16)
Result on sales and revaluations		(88)	(414)
Share in result of associates		(231)	(252)
Depreciation, amortisation and accretion		405	392
Impairments		29	131
Provisions	13	(10)	(30)
Share-based compensation expense		5	
Total adjustments to non-cash items included in result before taxation		167	(189)
<i>Changes in operating assets and liabilities:</i>			
Derivatives held for trading (assets and liabilities)		28	3
Loans	7	(589)	(1,748)
Reinsurance and other receivables		(171)	(166)
Investments related to unit-linked contracts		(789)	594
Proceeds from the issuance of borrowings	11	998	782
Payment of borrowings	11	(596)	(39)
Liabilities arising from insurance and investment contracts	9.1 & 9.2 & 9.4	(1,514)	(143)
Liabilities related to unit-linked contracts	9	970	(603)
Net changes in all other operational assets and liabilities		920	(636)
Dividend received from associates		198	147
Income tax paid		(68)	(48)
Total changes in operating assets and liabilities		(613)	(1,857)
Cash flow from operating activities		144	(1,064)
Investing activities within the group			2
Purchases of financial investments		(2,312)	(3,710)
Proceeds from sales and redemptions of financial investments		2,935	4,112
Purchases of investment property		(260)	(200)
Proceeds from sales of investment property		2	7
Purchases of property, plant and equipment		(40)	(69)
Proceeds from sales of property, plant and equipment		3	1
Acquisitions of subsidiaries and associates (including capital increases in associates)		(187)	(10)
Divestments of subsidiaries and associates (including capital repayments of associates)		156	9
Purchases of intangible assets		(50)	(33)
Change in scope of consolidation		(2)	
Cash flow from investing activities		245	109
Redemption of subordinated liabilities	10		(507)
Purchases of treasury shares			(126)
Dividends paid to shareholders of parent companies		(485)	(50)
Dividends paid to non-controlling interests		(141)	(10)
Repayment of capital (including minority interests)			(6)
Cash flow from financing activities		(626)	(699)
Effect of exchange rate differences on cash and cash equivalents		7	(8)
Cash and cash equivalents as at 30 June		2,011	2,083
Supplementary disclosure of operating cash flow information			
Interest received		1,189	1,219
Dividend received from financial investments		85	68
Interest paid		(102)	(97)



General Notes

C

Covid-19

The Covid-19 pandemic impacted our financial position and performance. Please refer to part A. Developments and results and note 11 Borrowings.

1

Summary of accounting policies

These Condensed Consolidated Interim Financial Statements ('Interim Financial Statements') as at and for the first six months of 2021 include the financial statements of ageas SA/NV (the parent company) and its subsidiaries. These Interim Financial Statements are prepared in accordance with the International Accounting Standard IAS 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The Board of Directors of Ageas released these Interim Financial Statements for issue on 10 August 2021.

1.1 Basis of accounting

These Ageas Condensed Consolidated Interim Financial Statements provide an update to the latest complete set of the Ageas Consolidated Financial Statements for the year ended 31 December 2020 and should accordingly be read in conjunction with these financial statements.

The accounting policies applied for the first six months of 2021 are consistent with those applied for the year ended at 31 December 2020, except for the changes listed in section 1.2 below.

The Ageas Condensed Consolidated Interim Financial Statements are prepared on a going concern basis and are presented in rounded millions of euros, the functional currency of the parent company of Ageas, unless stated otherwise.

Assets and liabilities recorded in the statement of financial position of Ageas usually have a duration of more than 12 months, except for cash and cash equivalents, reinsurance and other receivables, accrued interest and other assets, non-life insurance liabilities, some borrowings like repurchase agreements, accrued interest and other liabilities and current tax assets and liabilities.

The most significant IFRS standards applied for the measurement of the assets and liabilities are:

- IAS 1 for presentation of financial statements;
- IAS 16 for property, plant and equipment;
- IAS 19 for employee benefits;
- IAS 23 for borrowing costs (loans);
- IAS 28 for investments in associates and joint ventures;
- IAS 32 for financial instruments – presentation;
- IAS 36 for impairment of assets;
- IAS 38 for intangible assets;
- IAS 39 for financial instruments – recognition and measurement;
- IAS 40 for investment property;
- IFRS 3 for business combinations;

- IFRS 4 for insurance contracts;
- IFRS 7 for disclosures of financial instruments;
- IFRS 8 for operating segments;
- IFRS 10 for consolidated financial statements;
- IFRS 12 for disclosure of interests in other entities;
- IFRS 13 for fair value measurement;
- IFRS 15 for revenue from contracts with customers; and
- IFRS 16 for leases.

1.2 Changes in accounting policies

1.2.1 Current-year changes in IFRS standards

In 2021, the following new or revised IFRS standards, interpretations and amendments to IFRS standards and interpretations became effective, as endorsed by the EU.

Interest Rate Benchmark Reform (phase 2) – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

To meet new regulatory and market requirements, the interest rate benchmarks that are used as reference rates in the financial market to determine interest rates and payment obligations are currently undergoing in-depth reforms and transitions. As a result of this reform, some benchmarks such as Eonia and Libor might be discontinued. In order to deal with the accounting consequences of those reforms, the IASB issued two amendments:

- In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 on 'Interest Rate Benchmark Reform' (phase 1). The EU endorsed these amendments in January 2020 and they apply for annual reporting periods beginning on or after 1 January 2020.
- In August 2020, the IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 on 'Interest Rate Benchmark Reform' (phase 2). The EU endorsed these amendments in January 2021 and they apply for annual reporting periods beginning on or after 1 January 2021.

Ageas did not early adopt both amendments.

The phase 1 amendments deal with potential issues in the period preceding the replacement of the actual interest rate benchmarks with alternative rates, while the phase 2 amendments deal with potential replacement issues.

The amendments provide (mandatory) temporary reliefs from applying specific hedge accounting requirements to hedging relationships that are directly affected by uncertainties related to the interest rate benchmark reform. The existing hedging relationships can continue to exist during the period of uncertainty caused by the reform. Furthermore, the amendments provide a practical expedient for situations where the transition from the actual interest rate benchmark into an alternative benchmark results in changes in the contractual cash flows of financial assets, liabilities or leases. The practical expedient enables entities not to derecognise those assets or liabilities and to treat the changes to cash flows, that are directly required by the reform, as changes to a floating interest rate, equivalent to a movement in a market rate or interest.

As at 30 June 2021, the financial statements of Ageas include a notional amount of hedging relationships that are linked to the EURIBOR for EUR 834 million and a principal amount of subordinated liabilities with a floating coupon rate linked to the EURIBOR for EUR 442.8 million.

In 2019, the EURIBOR has been reformed to a hybrid methodology and the Financial Services and Markets Authority (FSMA) authorised the European Money Markets Institute (EMMI) as administrator of the EURIBOR benchmark, implying that the EURIBOR may be used in a foreseeable future by EU supervised entities. As from January 2022, the European Securities and Market Authority (ESMA) will substitute the FSMA as supervisor of the EURIBOR. The ESMA already confirmed in September 2020 that the discontinuation of the EURIBOR is not part of its plans.

Ageas monitors the developments regarding the interest rate benchmark reform. Because the EURIBOR may be discontinued one day, fallbacks are introduced in new contracts and Ageas monitors the impact on on-going contracts, to ensure the continuity of the contracts in the unlikely scenario of discontinuation of EURIBOR. As at 30 June 2021, the amendments have no impact on the consolidated statement of financial position or income statement of Ageas.

Covid-19-related rent concessions – Amendments to IFRS 16

Ageas applied IFRS 16 'Leases', as issued by the IASB in January 2016 and endorsed by the EU in November 2017, as from 1 January 2019. In May 2020, the IASB issued amendments to IFRS 16 'Covid-19-related rent concessions'. The EU endorsed these amendments in October 2020.

As a result of the Covid-19 pandemic, lessors may have provided rent concessions to lessees. Rent concessions include rent holidays or rent reductions for a period of time, possibly followed by increased rent payments in future periods. The amendments provide lessees a practical expedient to not assess whether Covid-19-related rent concessions, that reduce lease payments due on or before 30 June 2021, are a lease modification. As lessee, Ageas did not benefit from Covid-19-related rent concessions, that would result in a lease modification. Consequently, the amendments to IFRS 16 have no impact on the consolidated statement of financial position or income statement of Ageas.

Given the ongoing Covid-19 pandemic, the IASB issued in March 2021 an amendment to extend the practical expedient above for rent concessions that reduce lease payments due on or before 30 June 2022. This extension has not yet been endorsed by the EU. Considering that Ageas did not benefit from Covid-19-related concessions, this extension is not expected to have an impact on the consolidated statement of financial position or income statement of Ageas.

1.2.2 Upcoming changes in IFRS Standards

The following new or revised IFRS standards, interpretations and amendments to IFRS standards and interpretations will become effective for annual reporting periods beginning on 1 January 2022 or later. Ageas has not early adopted any IFRS standard, interpretation or amendment that has been issued but is not yet effective.

Extension of the temporary exemption from applying IFRS 9 – Amendments to IFRS 4

The IASB issued IFRS 9 'Financial instruments' in July 2014 and the EU endorsed IFRS 9 in November 2016. Although IFRS 9 applies for annual reporting periods beginning on or after 1 January 2018, Ageas continues to apply IAS 39 'Financial instruments – recognition and measurement' and will apply IFRS 9 for the first time as from 1 January 2023. The reasons behind this derogation are explained below.

Together with the issuance of amendments to IFRS 17 in June 2020, the IASB issued amendments to IFRS 4 'Extension of the temporary exemption from applying IFRS 9', in order to confirm that insurers can apply both IFRS 9 and IFRS 17 at the same time. The EU endorsed these amendments to IFRS 4 in December 2020.

The amendments to IFRS 4 provide two options to minimise the effect of the different effective dates of IFRS 9 and IFRS 17. These options are the overlay approach and the temporary exemption from applying IFRS 9.

The temporary exemption from applying IFRS 9 is an optional temporary exemption from applying IFRS 9 no later than reporting periods beginning on or after 1 January 2023 for entities whose activities are predominantly connected with issuing contracts within the scope of IFRS 4. Ageas performed such a predominance analysis at the reference date of 31 December 2015 and concluded being eligible to apply the temporary exemption from applying IFRS 9. This means that:

- The carrying amount of Ageas's liabilities arising from contracts within the scope of IFRS 4 is significant compared to the total carrying amount of all the liabilities of Ageas; and
- The percentage of the total carrying amount of Ageas's liabilities connected with insurance relative to the total carrying amount of all the liabilities of Ageas is greater than 90 per cent.

No reassessment of this analysis has been performed at a subsequent date because there were no substantial changes in the business of Ageas that would require such a reassessment.

Because Ageas is eligible to apply the temporary exemption from applying IFRS 9, Ageas decided to do so and to align the effective dates of IFRS 9 and IFRS 17. In the meanwhile, a combined project on the implementation of IFRS 9 and IFRS 17 is ongoing.

IFRS 17 Insurance contracts

The IASB issued IFRS 17 'Insurance contracts' in May 2017 and amended IFRS 17 in June 2020. IFRS 17 applies for annual reporting periods beginning on or after 1 January 2023, which is the date as from which Ageas will apply IFRS 17.

IFRS 17 is a comprehensive new accounting standard for insurance contracts, reinsurance contracts and investment contracts with discretionary participation features, covering recognition and measurement, presentation and disclosure of new and in-force groups of contracts. As from 1 January 2023, IFRS 17 will replace the current standard IFRS 4 'Insurance contracts', issued in 2005. The IASB expects that IFRS 17 will result in a more consistent accounting of insurance contracts compared to IFRS 4, which is largely based on grandfathering previous local accounting policies.

IFRS 17 introduces a current value accounting model for insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. The main features of this new accounting model are as follows:

- Measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured at every reporting period (the fulfilment cash flows);
- A Contractual Service Margin (CSM), deferring any day one gain in the fulfilment cash flows of a group of insurance contracts, representing the unearned profitability of the contracts to be recognised in the income statement over the service period (i.e. coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in the income statement over the remaining period during which services are provided;
- The effect of changes in discount rates will be reported either in the income statement or in other comprehensive income, depending on the entity's accounting policy choice;
- A simplified Premium Allocation Approach (PAA) may be applied for contracts that meet specific conditions, such as for instance a coverage period of one year or less;
- For insurance contracts with direct participation features, the general measurement model is modified into a Variable Fee Approach (VFA), by adjusting the CSM for changes in financial variables that adjust the variable fee;
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income is based on the concept of services provided during the reporting period;
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components), are not presented in the income statement, but are recognised directly on the statement of financial position;
- Increased transparency about the profitability of contracts: insurance service results are presented separately from insurance finance income or expenses; and
- Extensive disclosures will provide information on the recognised amounts and on the nature and extent of risks arising from these contracts.

The endorsement process of IFRS 17 in the EU is ongoing. The EFRAG issued its final endorsement advice on IFRS 17, including the June 2020 amendments, to the EU in March 2021. Currently, the EU is analysing a potential carve-out of the annual cohort requirement in IFRS 17 for groups of insurance contracts with direct participation features and groups of investment contracts with discretionary participation features with cash flows that affect or are affected by cash flows to policyholders of other contracts.

Given the same application date of IFRS 9 'Financial instruments' and IFRS 17 'Insurance contracts', a combined implementation project is ongoing at Ageas. The implementation of both standards will result in a significant change to the accounting policies, to the presentation in the consolidated financial statements of Ageas and will affect the reported shareholder's equity, net result and other comprehensive income. Considering that the implementation project is ongoing, it is currently not yet possible to reliably quantify the impact of both standards on the consolidated financial statements of Ageas.

Other changes in IFRS standards

Other forthcoming changes in IFRS standards, interpretations and amendments to IFRS standards and interpretations, that will become effective on 1 January 2022 or later, are not expected to affect the consolidated statement of financial position or income statement of Ageas in a significant way. Not all of those changes have already been endorsed by the EU. Those changes relate to:

- Amendments to IAS 1 'Classification of liabilities as current or non-current';
- Amendments to IAS 16 'Property, plant and equipment: proceeds before intended use';
- Amendments to IAS 37 'Onerous contracts – cost of fulfilling a contract';
- Amendments to IFRS 3 'References to the Conceptual Framework';

- Annual improvements to IFRS standards (2018-2020 cycle): amendment to IFRS 1 'First-time adoption of IFRS standards', amendment to IFRS 9 'Financial instruments', amendment to illustrative examples accompanying IFRS 16 'Leases' and amendment to IAS 41 'Agriculture';
- Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of accounting policies';
- Amendments to IAS 8 'Definition of accounting estimates'; and
- Amendments to IAS 12 'Deferred tax related to assets and liabilities arising from a single transaction'.

1.3 Accounting estimates

The preparation of the Ageas Condensed Consolidated Interim Financial Statements requires the use of certain judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the reported amounts of revenues and expenses during the reporting period. Each estimate by its nature carries a significant risk of material adjustment (positive or negative) to the carrying amounts of assets and liabilities during the next financial year.

Although the uncertain outlook concerning the short, medium and long-term impact of the Covid-19 pandemic decreased compared to 2020, the judgements, estimates and assumptions used remain subject to increased uncertainty. Consequently, actual amounts may differ from previous estimates and assumptions. Estimates and underlying assumptions have been reviewed, in particular as concerns fair values of (non-quoted) financial assets and liabilities measured using a valuation technique (level 2 or 3), fair values of investment property and property, plant and equipment, deferred tax assets, insurance liabilities, hedge accounting, measurement of recoverable amounts of financial assets, associates and goodwill.

The table below includes the estimation uncertainty of the key judgements, estimates and assumptions:

Assets

Financial instruments:

- Fair value - Level 2:
 - The valuation model
 - Inactive markets
- Fair value - Level 3:
 - The valuation model
 - The use of non-market observable input
 - Inactive markets

Investment property:

- The determination of the useful life and residual value

Loans:

- The valuation model
- The use of parameters such as credit spread, maturity and interest rates

Associates:

- Uncertainties depending on the asset mix, operations and market developments

Goodwill impairment testing:

- The valuation model
- Financial and economic variables
- The discount rate used
- The inherent risk premium of the entity

Other intangible assets:

- The determination of the useful life and residual value

Deferred tax assets:

- Interpretation of tax regulations
- Amount and timing of future taxable income

Liabilities

Insurance contract liabilities:

- Life:
 - The actuarial assumptions used
 - The yield curve used in the Liability Adequacy Test (LAT-test)
 - The reinvestment profile of the investment portfolio, credit risk spread and maturity, when determining the shadow LAT adjustment
- Non-life:
 - The expected ultimate cost of claims reported at the reporting period
 - The expected ultimate cost of claims incurred but not yet reported at the reporting date
 - Claim adjustment expenses

Pension obligations:

- The actuarial assumptions used
- The discount rate used
- Inflation and salary evolutions

Provisions:

- The likelihood of a present obligation due to events in the past
- The calculation of the best estimated amount

Deferred tax liabilities:

- Interpretation of tax regulations
- Amount and timing of future taxable income

1.4 Information on operating segments

Ageas's reportable operating segments are primarily based on geographical regions. The regional split is based on the fact that the activities in these regions share the same nature and economic characteristics and are managed as such.

Ageas's operating segments are:

- Belgium;
- United Kingdom (UK);
- Continental Europe;
- Asia;
- Reinsurance; and
- General account.

Activities not related to insurance and group elimination differences are reported separately from the core insurance activities. Those non-insurance activities are reported in the operating segment 'General account', which includes activities such as group financing and other holding activities. In addition, the operating segment 'General account' also includes the investment in Royal Park Investments and the liabilities related to CASHES/RPN(I).

Transactions or transfers between the operating segments occur under normal commercial terms and conditions that would be available to unrelated third parties. Eliminations are reported separately.

1.5 Consolidation principles

The Ageas Condensed Consolidated Interim Financial Statements include the financial statements of ageas SA/NV (the parent company) and its subsidiaries.

Business combinations

Business combinations are accounted for using the acquisition method, when the set of acquired activities and assets meet the definition of a business and control is transferred to Ageas. In order for the acquisition to be considered a business, the acquired set of activities and assets shall include an input and a substantive process applied to the input, that together significantly contribute to the ability to create outputs. The acquired process is substantive if it is critical to the ability to develop or convert an acquired input into output or it is critical to the ability to continue producing outputs.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and

the amount of any non-controlling interest in the acquiree. For each business combination, Ageas has the option to measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at the acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

Subsidiaries

Subsidiaries are those entities over which Ageas, either directly or indirectly, has the power to govern the financial and operating policies to obtain benefits from the activities ('control'). In assessing whether Ageas controls another entity, the existence and effect of potential voting rights that are substantive in nature, presently exercisable or presently convertible, are considered.

Subsidiaries are consolidated as from the date on which effective control is transferred to Ageas and are no longer consolidated from the date on which control ceases.

Subsidiaries acquired exclusively with a view to resale are accounted for as non-current assets held for sale.

Intercompany transactions (balances and gains or losses on transactions between Ageas companies) are eliminated.

Associates

Investments in associates are those investments over which Ageas has a significant influence, i.e. power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control.

Investments in associates are accounted for using the equity method. At initial recognition, the investment is recognised at cost, which includes transaction costs. At subsequent measurement, the share of net income for the year is recognised in the income statement as 'Share in result of associates'. Ageas's share in the associate's post-acquisition direct equity movements is recognised in other comprehensive income. Distributions received from associates reduce the carrying amount of the investment.

Interests in joint ventures, whereby joint control of an arrangement provides Ageas rights to the net assets of that joint arrangement, are accounted for as investments in associates.

Gains on transactions between Ageas and investments accounted for using the equity method are eliminated to the extent of Ageas's interest. Losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Losses are recognised until the carrying amount of the investment is reduced to zero. Additional losses are only recognised to the extent that Ageas has incurred legal or constructive obligations or made payments on behalf of an associate.

For long-term interests (e.g. inter-company loans) in an associate or joint venture that form part of the net investment in the associate or joint venture, but to which the equity method is not applied, IAS 39 is applied.

1.6 Foreign currency transactions and balances

The following table shows the exchange rates of the most relevant currencies for Ageas.

1 euro =	30 June 2021	Rates at end of period		Average rates	
		31 December 2020	First half year 2021	First half year 2020	
Pound sterling	0.86	0.90	0.87	0.87	
US dollar	1.19	1.23	1.21	1.10	
Hong Kong dollar	9.23	9.51	9.36	8.55	
Turkey lira	10.32	9.11	9.52	7.15	
China yuan renminbi	7.67	8.02	7.80	7.75	
Indian Rupee	88.32	89.66	88.41	81.71	
Malaysia ringgit	4.93	4.93	4.94	4.68	
Philippines Peso	58.06	59.13	58.16	55.83	
Thailand baht	38.12	36.73	37.15	34.82	
Vietnamese Dong	27,286	28,108	27,771	25,701	

2

Acquisitions and disposals

Details of acquisitions and disposals, if any, which took place after the date of the statement of financial position, are included in note 21 Events after the date of the statement of financial position.

2.1 Acquisitions as at 30 June 2021

AgeSA (formerly: AvivaSA) (CEU)

On 5 May 2021, Ageas announced that it had obtained all regulatory approvals and completed its acquisition from Aviva plc, a 40% stake in the Turkish listed life insurance and pensions company AgeSA. The cash consideration amounted to GBP 119 million (EUR 143 million including transaction costs). AgeSA is accounted for using the equity method.

2.2 Disposals as at 30 June 2021

Tesco Underwriting Ltd. (TU) (UK)

On 14 October 2020, Ageas announced an agreement for Tesco Bank to buy Ageas's 50.1% stake in associate Tesco Underwriting Limited. Accordingly, the carrying amount of the associate was presented as held for sale in the 2020 financial statements. The sale was completed on 4 May 2021 for a cash consideration of GBP 112 million. The impact of the sale on the results of the first 6 months of 2021 was a profit of EUR 4.2 million. This gain is spread over across the income statement captions 'Interest, dividend and other investment income' and 'Results on sales and revaluations'.

2.3 Acquisitions in 2020

Taiping Reinsurance Co. Ltd. (TPRe) (Asia)

On 27 November 2020, Ageas acquired a 24.99% interest in Taiping Reinsurance Company Limited (TPRe) by subscribing to a capital

increase of HKD 3 billion (EUR 336 million). TPRe is a subsidiary of China Taiping Insurance Holdings (CTIH). The interest in associate TPRe is accounted for using the equity method.

Additional acquisition in IFLIC (Asia)

On 30 December 2020, Ageas acquired an additional 23% stake in the Indian Life insurance joint venture IDBI Federal Life Insurance Company Ltd. (IFLIC) for a consideration of INR 5.1 billion (EUR 58 million including transaction costs). With this transaction, Ageas increased its interest in IFLIC to 49% and became the largest shareholder in the joint venture it operates together with IDBI Bank and Federal Bank. Ageas continues to account for the associate using the equity method. Following the transaction IFLIC was rebranded to Ageas Federal Life Insurance Company.

2.4 Disposals in 2020

AG Insurance (Belgium)

In the second quarter of 2020, a loss of control in the Sicav Equities Euro resulted in the deconsolidation of this entity, leading to a capital gain of EUR 26 million.

In the third quarter of 2020, AG Insurance sold the equity associate SCI Frey Retail Fund 2 for an amount of EUR 41 million, realising a capital gain of EUR 8 million. In the last quarter of 2020, AG Insurance sold their interests in the equity associate BG1 for a total consideration of EUR 125 million, realising a capital gain of EUR 32 million.

3

Regulatory supervision and solvency

ageas SA/NV is the ultimate parent of the Ageas Group. The National Bank of Belgium (NBB) had designated ageas SA/NV as an Insurance Holding. In June 2018, the NBB has granted ageas SA/NV a license to underwrite life and non-life reinsurance activities. The NBB is the group supervisory authority and in that capacity receives specific reports which form the basis of prudential supervision at group level. In its role as group supervisory authority the NBB facilitates group supervision via a college of supervisors. Supervisors in the EEA member countries where Ageas is active are represented in this college. The college, operating on the basis of European regulations, ensures that the collaboration, exchange of information and mutual consultation between the supervisory authorities takes place and furthermore promotes convergence of supervisory activities.

3.1 Requirements and available capital under Solvency II - Partial Internal Model (Pillar 1 – not reviewed)

Since 1 January 2016, Ageas is supervised on a consolidated level based on the Solvency II framework, applying a Partial Internal Model (PIM) for pillar 1 reporting, where the main part of the Non-life risks are modelled according to Ageas specific formulas, instead of the standard formula approach.

For fully consolidated entities, the consolidation scope for Solvency II is comparable to the IFRS consolidation scope, with the exception of Interparking, which is proportionally consolidated in Solvency II and fully consolidated in IFRS. The European equity associates have been included pro rata, without any diversification benefits. All Non-European equity associates (including Turkey) have been excluded from own funds and required solvency, as the applicable solvency regimes are deemed non-equivalent with Solvency II.

In the Partial Internal Model (PIM), Ageas applies transitional measures relating to technical provisions in Portugal and France and the grandfathering of issued hybrid debt.

3.2 Ageas capital management under Solvency II – SCR_{ageas} (Pillar 2 – not reviewed)

Ageas considers a strong capital base at the individual insurance operations a necessity, on the one hand as a competitive advantage and on the other as being necessary to fund the planned growth.

For its capital management Ageas uses an internal approach based on the Partial Internal Model with an adjusted spread risk, applying an Internal Model for Real Estate (as from 2016), the removal of transitional measures (with the exception of the grandfathering of issued hybrid debt and the extension of reporting deadlines) and an adjustment for the fair valuation of IAS19 reserves.

In this adjustment, spread risk is calculated on the fundamental part of the spread risk for all bonds. This introduces an SCR charge for EU and high rated government bonds and decreases the spread risk charge for all other bonds. Technical provisions are net present valued using an interest curve as prescribed by EIOPA, but instead of using the standard volatility adjustment, the companies apply a company specific volatility adjustment or use an expected loss model, based on the composition of their specific asset portfolio. This SCR is called the SCR_{ageas}.

Capital position Ageas per segment, based on the SCR Ageas.

	30 June 2021			31 December 2020		
	Own Funds	SCR	Solvency Ratio	Own Funds	SCR	Solvency Ratio
Belgium	6,124	3,060	200.1%	5,882	3,019	194.8%
UK	727	412	176.6%	840	463	181.4%
Continental Europe	1,114	630	176.8%	1,051	634	165.8%
Reinsurance	822	390	211.0%	832	407	204.4%
Non-transferable own funds / Diversification	(859)	(394)		(844)	(419)	
Total Insurance	7,928	4,097	193.5%	7,761	4,104	189.1%
General Account including elimination and diversification	258	70		295	68	
Total Ageas	8,186	4,167	196.4%	8,056	4,172	193.1%

The Target capital ratio is set at 175% based on SCR_{ageas}.

4

Related parties

As at 30 June 2021, no outstanding or new loans, credits or bank guarantees had been granted to Board Members and executive managers or to close family members of the Board members and close family members of executive managers.

The law of 28 April 2020 implementing Directive 2017/828 of the European Parliament and the Council (the Second Shareholder Rights Directive or SRD II) introduced a new regime for related party transactions, which is applicable to all the members of the Ageas group and entered into force on 16 May 2020. Among other elements, this new regime entails a reinforced obligation for Ageas to report on the

application of the related party transactions procedure, both immediately upon occurrence of the transaction as well as in the annual report for the relevant financial year. Between 1 January 2021 and 30 June 2021, no transactions took place within the Ageas group which triggered the application of the procedure.

5

Information on operating segments

5.1 General information

Ageas's reportable operating segments are primarily based on geographical regions; the results are based on IFRS. The regional split is based on the fact that the activities in these regions share the same nature and economic characteristics and are managed as such.

Operating segments

Ageas is organised in six operating segments:

- Belgium;
- United Kingdom (UK);
- Continental Europe (CEU);
- Asia;
- Reinsurance; and
- General Account.

Ageas has decided that the most appropriate way of reporting operating segments under IFRS is per region in which Ageas operates, i.e. Belgium, United Kingdom, Continental Europe, Asia and Reinsurance. In addition, Ageas reports activities that are not related to the core insurance business, such as Group financing and other holding activities, in the General Account, which is treated as a separate operating segment.

This segment approach is consistent with the scopes of management responsibilities.

Transactions between the different businesses are executed under standard commercial terms and conditions.

There were no changes applied in the operating segments in the first half year of 2021.

5.2 Income statement by operating segment

First half year 2021	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Income										
- Gross premium income	2,837	683	887		903	(870)	4,440		(2)	4,438
- Change in unearned premiums	(116)	26	(22)		(138)	135	(115)			(115)
- Ceded earned premiums	(391)	(319)	(196)		(39)	726	(219)			(219)
Net earned premiums	2,330	390	669		726	(9)	4,106		(2)	4,104
Interest, dividend and other investment income	1,041	25	90		10	(1)	1,165	18	(17)	1,166
Unrealised gain (loss) on RPN(I)								(57)		(57)
Result on sales and revaluations	67	3	20		1	(1)	90	(5)	3	88
Income related to investments for unit-linked contracts	581		250			1	832			832
Share in result of associates	6		9	215			230	1		231
Fee and commission income	249	110	130		7	(268)	228			228
Other income	111	16	13			1	141	5	(11)	135
Total income	4,385	544	1,181	215	744	(277)	6,792	(38)	(27)	6,727
Expenses										
- Insurance claims and benefits, gross	(2,535)	(410)	(631)		(433)	395	(3,614)		2	(3,612)
- Insurance claims and benefits, ceded	209	188	85		4	(382)	104			104
Insurance claims and benefits, net	(2,326)	(222)	(546)		(429)	13	(3,510)		2	(3,508)
Charges related to unit-linked contracts	(622)		(276)			(1)	(899)			(899)
Financing costs	(44)	(4)	(5)		(1)	1	(53)	(34)	18	(69)
Change in impairments	(27)		(2)				(29)			(29)
Change in provisions								10		10
Fee and commission expenses	(361)	(132)	(117)		(284)	268	(626)			(626)
Staff expenses	(271)	(65)	(55)	(11)	(1)	1	(402)	(18)	1	(419)
Other expenses	(411)	(88)	(74)	(1)	1	(5)	(578)	(27)	8	(597)
Total expenses	(4,062)	(511)	(1,075)	(12)	(714)	277	(6,097)	(69)	29	(6,137)
Result before taxation	323	33	106	203	30		695	(107)	2	590
Tax income (expenses)	(81)	1	(28)				(108)	(10)	1	(117)
Net result for the period	242	34	78	203	30		587	(117)	3	473
Attributable to non-controlling interests	51		15				66			66
Net result attributable to shareholders	191	34	63	203	30		521	(117)	3	407
Total income from external customers	4,540	731	1,288	211			6,770	(43)		6,727
Total income internal	(155)	(187)	(107)	4	744	(277)	22	5	(27)	
Total income	4,385	544	1,181	215	744	(277)	6,792	(38)	(27)	6,727

Gross inflow (sum of gross written premiums and premium inflow from investment contracts without discretionary participation features) can be presented as follows.

First half year 2021	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross premium income	2,837	683	887		903	(870)	4,440		(2)	4,438
Inflow deposit accounting	375		409			(1)	783		1	784
Gross inflow	3,212	683	1,296		903	(871)	5,223		(1)	5,222

First half year 2020	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Income										
- Gross premium income	2,803	690	786		1,028	(1,010)	4,297		(1)	4,296
- Change in unearned premiums	(107)	(2)	(17)			132	(128)			(128)
- Ceded earned premiums	(364)	(452)	(237)			878	(203)			(203)
Net earned premiums	2,332	236	532		866		3,966		(1)	3,965
Interest, dividend and other investment income	1,061	16	103		9		1,189	20	(19)	1,190
Unrealised gain (loss) on RPN(I)								16		16
Result on sales and revaluations	67	3	12				82	335	(3)	414
Income related to investments for unit-linked contracts	(382)		(219)				(601)			(601)
Share in result of associates	3	8	11	228		1	251	1		252
Fee and commission income	219	134	118			2	187			187
Other income	67	17	8				92	4	(9)	87
Total income	3,367	414	565	228	877	(285)	5,166	376	(32)	5,510
Expenses										
- Insurance claims and benefits, gross	(2,532)	(404)	(485)		(618)	609	(3,430)		1	(3,429)
- Insurance claims and benefits, ceded	197	324	141			30	83			83
Insurance claims and benefits, net	(2,335)	(80)	(344)		(588)		(3,347)		1	(3,346)
Charges related to unit-linked contracts	357		186				543			543
Financing costs	(44)	(4)	(6)			(1)	(55)	(35)	19	(71)
Change in impairments	(110)		(21)				(131)			(131)
Change in provisions	(1)		1			(1)	(1)	31		30
Fee and commission expenses	(337)	(136)	(103)		(294)	286	(584)			(584)
Staff expenses	(277)	(67)	(51)	(11)	(1)	1	(406)	(13)		(419)
Other expenses	(369)	(103)	(72)	(1)	30		(515)	(44)	9	(550)
Total expenses	(3,116)	(390)	(410)	(12)	(853)	285	(4,496)	(61)	29	(4,528)
Result before taxation	251	24	155	216	24		670	315	(3)	982
Tax income (expenses)	(76)	2	(40)				(114)	(12)		(126)
Net result for the period	175	26	115	216	24		556	303	(3)	856
Attributable to non-controlling interests	36		29				65			65
Net result attributable to shareholders	139	26	86	216	24		491	303	(3)	791
Total income from external customers	3,512	709	711	228			5,160	350		5,510
Total income internal	(145)	(295)	(146)		877	(285)	6	26	(32)	
Total income	3,367	414	565	228	877	(285)	5,166	376	(32)	5,510

Gross inflow (sum of gross written premiums and premium inflow from investment contracts without discretionary participation features) can be presented as follows.

First half year 2020	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
Gross premium income	2,803	690	786		1,028	(1,010)	4,297		(1)	4,296
Inflow deposit accounting	242		173				415			415
Gross inflow	3,045	690	959		1,028	(1,010)	4,712		(1)	4,711

5.3 Operating result insurance

To analyse the insurance results, Ageas uses the concept of operating result.

Operating result includes net earned premiums, fees and allocated investment income and realised capital gains or losses minus net claims and benefits and all operating expenses, including claim handling expenses, investment expenses, commissions and other expenses, allocated to insurance and/or investment contracts. The difference between operating result and result before taxation consists of all income and costs not allocated to insurance and/or investment

contracts and thus not reported in the operating result or result from non-consolidated partnerships. The definitions of the alternative performance measures are explained below the tables.

Within its insurance operating segments, Ageas manages its Life and Non-life businesses separately. Life business includes insurance contracts covering risks related to the life and death of individuals. Life business also includes investment contracts with and without discretionary participation features (DPF). Non-life comprises four lines of business: Accident & Health, Motor, Fire and Other damage to property (covering the risk of property losses or claims liabilities), and Other.

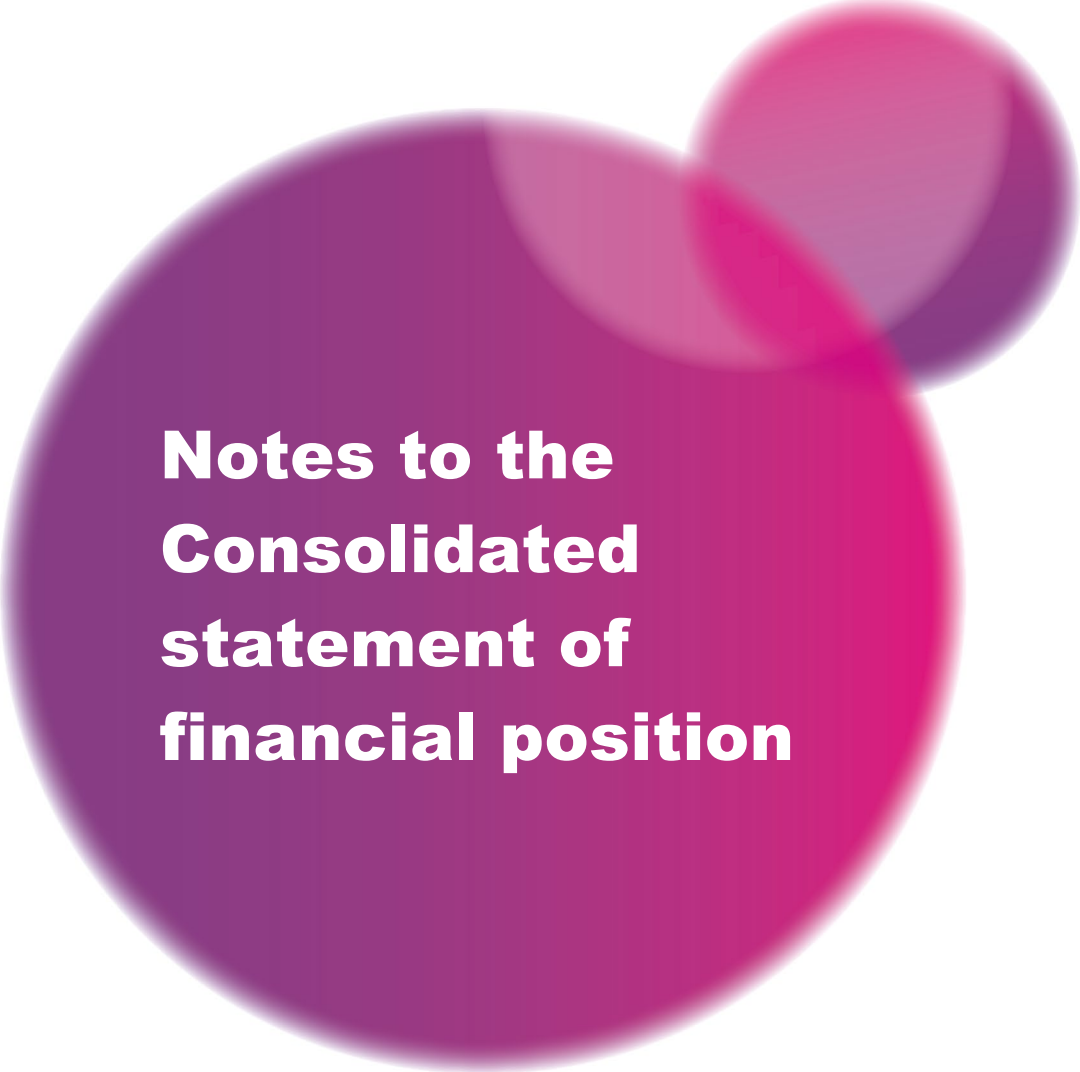
The operating margin for the different segments and lines of business and the reconciliation to profit before taxation are shown below.

First half year 2021	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Eliminations	Total Ageas
Gross inflow Life	1,981		876		22	(21)	2,858			2,858
Gross inflow Non-life	1,231	683	420		881	(850)	2,365		(1)	2,364
Operating costs	(315)	(118)	(98)		(2)	1	(532)			(532)
- <i>Guaranteed products</i>	188		48		1		237			237
- <i>Unit linked products</i>	23		10				33			33
Life operating result	211		58		1		270			270
- <i>Accident & Health</i>	9		24		(4)		29			29
- <i>Motor</i>	64	37	10		14	(4)	121			121
- <i>Fire and other damage to property</i>	12	(7)	8		10		23			23
- <i>Other</i>	23	1	(3)		9	(1)	29		2	31
Non-life operating result	108	31	39		29	(5)	202		2	204
Operating result	319	31	97		30	(5)	472		2	474
Share in result of associates non allocated			6	215		(4)	217	1		218
Other result, including brokerage	4	2	3	(12)		9	6	(108)		(102)
Result before taxation	323	33	106	203	30		695	(107)	2	590
Key performance indicators Life										
Net underwriting margin	(0.02%)		0.35%			21.23%	0.07%			0.07%
Investment margin	0.73%		0.43%				0.66%			0.66%
Operating margin	0.71%		0.78%			21.23%	0.73%			0.73%
- <i>Operating margin Guaranteed products</i>	0.81%		1.13%			21.23%	0.86%			0.86%
- <i>Operating margin Unit linked products</i>	0.37%		0.32%				0.35%			0.35%
Life cost ratio in % of Life technical liabilities (annualised)	0.43%		0.46%			6.56%	0.43%			0.43%
Key performance indicators Non-life										
Expense ratio	34.2%	39.3%	23.4%			39.0%	35.5%			35.5%
Claims ratio	56.6%	56.8%	59.3%			58.4%	57.5%			57.5%
Combined ratio	90.8%	96.1%	82.7%			97.4%	93.0%			93.0%
Operating margin	14.8%	7.9%	17.7%			4.2%	9.8%			9.9%
Technical Insurance liabilities	66,304	2,552	16,376		1,659	(1,576)	85,315		(14)	85,301

First half year 2020	Belgium	UK	CEU	Asia	Reinsurance	Insurance Eliminations	Total Insurance	General Account	Eliminations	Total Ageas
Gross inflow Life	1,897		561		8	(8)	2,458			2,458
Gross inflow Non-life	1,148	690	398		1,020	(1,002)	2,254		(1)	2,253
Operating costs	(309)	(113)	(97)		(1)	(1)	(521)			(521)
- <i>Guaranteed products</i>	112		102		1	(1)	214			214
- <i>Unit linked products</i>	18		3			1	22			22
Life operating result	130		105		1		236			236
- <i>Accident & Health</i>	6		25			1	32			32
- <i>Motor</i>	62	44	15		22	(2)	141			141
- <i>Fire and other damage to property</i>	13	(8)	11		2	(1)	17			17
- <i>Other</i>	35	(17)	3		(1)	3	23		(3)	20
Non-life operating result	116	19	54		23	1	213		(3)	210
Operating result	246	19	159		24	1	449		(3)	446
Share in result of associates non allocated		8	11	228		1	248	1		249
Other result, including brokerage	5	(3)	(15)	(12)		(2)	(27)	314		287
Result before taxation	251	24	155	216	24		670	315	(3)	982
Key performance indicators Life										
Net underwriting margin	(0.01%)		0.96%		159.45%		0.20%			0.20%
Investment margin	0.46%		0.42%				0.45%			0.45%
Operating margin	0.45%		1.38%		159.45%		0.65%			0.65%
- <i>Operating margin Guaranteed products</i>	0.46%		2.33%		159.45%		0.75%			0.75%
- <i>Operating margin Unit linked products</i>	0.40%		0.10%				0.28%			0.28%
Life cost ratio in % of Life technical liabilities (annualised)	0.43%		0.45%				0.43%			0.43%
Key performance indicators Non-life										
Expense ratio	36.2%	64.5%	28.9%		30.3%		36.4%			36.4%
Claims ratio	50.6%	34.1%	38.6%		68.1%		55.3%			55.3%
Combined ratio	86.8%	98.6%	67.5%		98.4%		91.7%			91.7%
Operating margin	17.1%	8.2%	33.5%		2.6%		11.0%			10.8%
Technical Insurance liabilities	65,062	2,408	16,403		1,407	(1,372)	83,908		(12)	83,896

Definitions of alternative performance measures in the tables:

Net underwriting result	:	The difference between the net earned premiums and the sum of the actual claim payments and the change in insurance liabilities, both net of reinsurance. The result is presented net of allocated claim handling expenses, general expenses, commissions and reinsurance.
Net underwriting margin	:	For Life the net annualised underwriting result divided by the average net Life insurance liabilities during the reporting period. For Non-life the net underwriting result divided by the net earned premium.
Net investment result	:	The sum of investment income and realised capital gains or losses on assets covering insurance liabilities, after deduction of related investment expenses. The investment results in Life is also adjusted for the amount that is allocated to the policyholders as technical interest and profit sharing. The investment results in Accident & Life (part of Non-life) is also corrected for the technical interest that has been accrued to the insurance liabilities.
Net investment margin	:	For Life the annualised investment result divided by the average net Life insurance liabilities during the reporting period. For Non-life the investment result divided by the net earned premium.
Net operating result	:	The sum of net underwriting result, investment result and other result allocated to the insurance and/or investment contracts. The difference between operating result and result before taxation consists of all income and costs not allocated to the insurance and/or investment contracts and thus not reported in the operating result or result from non-consolidated partnerships.
Net operating margin	:	For Life the annualised operating result of the period divided by the average net Life insurance liabilities. For Non-life the operating result divided by the net earned premium.
Net earned premium	:	The written premiums of Non-life covering the risks for the current period netted for the premiums paid to reinsurers and the change in unearned premiums reserves.
Expense ratio	:	The expenses as a percentage of net earned premiums. Included in expenses are internal costs of claims handling commissions, net of reinsurance.
Claims ratio	:	The cost of claims, net of reinsurance, as a percentage of net earned premiums.
Combined ratio	:	A measure of profitability in Non-life which is the ratio between the insurer's total expenses and net earned premiums. This is insurer's total expenses as a percentage of net earned premiums. This is the sum of the claims ratio and the expense ratio.



**Notes to the
Consolidated
statement of
financial position**



D



Financial investments, Investment Property, Property, plant and equipment

The composition of financial investments is as follows.

	30 June 2021	31 December 2020
Financial investments		
- Held to maturity	4,355	4,416
- Available for sale	57,266	59,317
- Held at fair value through profit or loss	320	297
- Derivatives held for trading	1	16
Total, gross	61,942	64,046
Impairments:		
- of investments available for sale	(351)	(336)
Total impairments	(351)	(336)
Total	61,591	63,710

6.1 Investments held to maturity

	Government bonds	Total
Investments held to maturity at 1 January 2020	4,438	4,438
Maturities	(18)	(18)
Amortisation	(4)	(4)
Investments held to maturity at 31 December 2020	4,416	4,416
Maturities	(58)	(58)
Amortisation	(3)	(3)
Investments held to maturity at 30 June 2021	4,355	4,355
Fair value at 31 December 2020	7,101	7,101
Fair value at 30 June 2021	6,636	6,636

The fair value of government bonds classified as investments held to maturity is based on quoted prices in active markets (level 1).

In the following table the government bonds classified as held to maturity are detailed by country of origin.

30 June 2021	Historical/amortised cost	Fair value
Belgian national government	4,309	6,537
Portuguese national government	46	99
Total	4,355	6,636

31 December 2020	Historical/amortised cost	Fair value
Belgian national government	4,313	6,937
Portuguese national government	103	164
Total	4,416	7,101

6.2 Investments available for sale

30 June 2021	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total	Impairments	Fair value
Government bonds	27,068	5,729	(56)	32,741		32,741
Corporate debt securities	17,694	1,375	(11)	19,058	(20)	19,038
Structured credit instruments	46	1		47		47
Available for sale investments in debt securities	44,808	7,105	(67)	51,846	(20)	51,826
Private equities and venture capital	118	16	(1)	133		133
Equity securities	4,172	1,137	(24)	5,285	(331)	4,954
Other investments	2			2		2
Available for sale investments in equity securities and other investments	4,292	1,153	(25)	5,420	(331)	5,089
Total investments available for sale	49,100	8,258	(92)	57,266	(351)	56,915

31 December 2020	Historical/ amortised cost	Gross unrealised gains	Gross unrealised losses	Total	Impairments	Fair value
Government bonds	26,910	7,392		34,302		34,302
Corporate debt securities	18,083	1,699	(7)	19,775	(22)	19,753
Structured credit instruments	49	2		51		51
Available for sale investments in debt securities	45,042	9,093	(7)	54,128	(22)	54,106
Private equities and venture capital	99	19		118		118
Equity securities	4,281	816	(29)	5,068	(314)	4,754
Other investments	3			3		3
Available for sale investments in equity securities and other investments	4,383	835	(29)	5,189	(314)	4,875
Total investments available for sale	49,425	9,928	(36)	59,317	(336)	58,981

An amount of EUR 2,642 million of the investments available for sale has been pledged as collateral (31 December 2020: EUR 2,288 million) (see also note 11 Borrowings).

The valuation of investments available for sale is based on:

- Level 1: quoted prices in active markets;
- Level 2: observable market data in active markets;
- Level 3: non-observable inputs (counterparty quotes).

30 June 2021	Level 1	Level 2	Level 3	Total
Government bonds	32,391	350		32,741
Corporate debt securities	17,732	842	464	19,038
Structured credit instruments		47		47
Equity securities, private equities and other investments	2,877	1,347	865	5,089
Total Investments available for sale	53,000	2,586	1,329	56,915

31 December 2020	Level 1	Level 2	Level 3	Total
Government bonds	33,900	402		34,302
Corporate debt securities	18,178	1,103	472	19,753
Structured credit instruments	8	42	1	51
Equity securities, private equities and other investments	2,554	1,482	839	4,875
Total Investments available for sale	54,640	3,029	1,312	58,981

The changes in level 3 valuation are as follows.

	30 June 2021	31 December 2020
Balance at start of period	1,312	1,282
Maturity/redemption or repayment	(21)	(28)
Acquired	45	126
Proceeds from sales	(24)	(30)
Realised gains (losses)	(26)	
Impairments	(3)	
Unrealised gains (losses)	46	(36)
Foreign exchange differences and other adjustments		(2)
Balance at end of period	1,329	1,312

The table below shows net unrealised gains and losses on investments available for sale included in equity. Equity securities and other investments also include private equities and venture capital.

	30 June 2021	31 December 2020
<i>Available for sale investments in debt securities:</i>		
Carrying amount	51,826	54,106
Gross unrealised gains and losses	7,038	9,086
- Related tax	(1,776)	(2,300)
Shadow accounting	(2,617)	(4,511)
- Related tax	762	1,228
Net unrealised gains and losses	3,407	3,503

	30 June 2021	31 December 2020
<i>Available for sale investments in equity securities and other investments:</i>		
Carrying amount	5,089	4,875
Gross unrealised gains and losses	1,128	806
- Related tax	(143)	(113)
Shadow accounting	(700)	(531)
- Related tax	87	74
Net unrealised gains and losses	372	236

The changes in impairments of investments available for sale are as follows.

	30 June 2021	31 December 2020
Balance at start of period	(336)	(269)
Acquisitions/divestments of subsidiaries		38
Increase in impairments	(22)	(154)
Reversal on sale/disposal	6	49
Foreign exchange differences and other adjustments	1	
Balance at end of period	(351)	(336)

6.3 Investments held at fair value through profit or loss

	30 June 2021	31 December 2020
Government bonds	4	
Corporate debt securities	134	132
Structured credit instruments	3	4
Debt securities	141	136
Equity securities	21	12
Other investments	158	149
Equity securities and other investments	179	161
Total investments held at fair value through profit or loss	320	297

The nominal value of the debt securities held at fair value through profit or loss as at 30 June 2021 is EUR 141 million (31 December 2020: EUR 134 million).

The valuation of investments held at fair value through profit or loss is based on:

- Level 1 : quoted prices in active markets;
- Level 2 : observable market data in active markets;
- Level 3 : non-observable inputs (counterparty quotes).

30 June 2021	Level 1	Level 2	Level 3	Total
Government Bonds	4			4
Corporate debt securities		134		134
Structured credit instruments		3		3
Equity securities	21			21
Other investments	158			158
Total Investments held at fair value through profit or loss	183	137		320

31 December 2020	Level 1	Level 2	Level 3	Total
Government Bonds				
Corporate debt securities		130	2	132
Structured credit instruments		4		4
Equity securities	12			12
Other investments	149			149
Total Investments held at fair value through profit or loss	161	134	2	297

6.4 Investment Property and Property, plant and equipment

The annual appraisal process for independent appraisers is explained in Note 11 Investment property and Note 16 Property, Plant and Equipment in our Annual Report 2020.

Investment Property

	30 June 2021	31 December 2020
Fair values supported by market evidence	335	302
Fair value subject to an independent valuation	4,020	3,797
Total fair value of investment property	4,355	4,099
Total carrying amount (including lease liability)	3,042	2,829
Gross unrealised gains (losses)	1,313	1,270
Unrealised gains (losses) to policyholders	(36)	(36)
Taxation	(352)	(344)
Net unrealised gains (losses)	925	890

Property, plant and equipment

	30 June 2021	31 December 2020
Total fair value of Land and buildings held for own use and car parks	1,805	1,811
Total carrying amount (including lease liability)	1,138	1,188
Gross unrealised gains (losses)	667	623
Taxation	(174)	(164)
Net unrealised gains (losses)	493	459

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Loans

	30 June 2021	31 December 2020
Government and official institutions	4,986	5,110
Commercial loans	6,695	5,970
Residential mortgages	1,179	1,179
Policyholder loans	495	462
Interest bearing deposits	390	340
Loans to banks	272	366
Total	14,017	13,427
Less impairments	(29)	(29)
Total Loans	13,988	13,398

The increase in commercial loans is mainly linked to infrastructure loans and investments in mortgage notes.



Outstanding shares and earnings per share

The following table shows the number of outstanding shares.

in thousands	Shares issued	Treasury shares	Shares outstanding
Number of shares as at 1 January 2020	198,374	(7,820)	190,554
Cancelled shares	(3,821)	3,821	
Balance (acquired)/sold		(3,592)	(3,592)
Used for management share plans			
Number of shares as at 31 December 2020	194,553	(7,591)	186,962
Cancelled shares	(3,520)	3,520	
Balance (acquired)/sold			
Used for management share plans			
Number of shares as at 30 June 2021	191,033	(4,071)	186,962

8.1 Shares issued and potential number of shares

To the extent rules and regulations permit, and in the interest of the Company, the Board of Ageas was authorised for a period of three years (2021-2023) by the General Meeting of Shareholders of 19 May 2021 to increase the share capital by a maximum amount of EUR 150,000,000 for general purposes.

Applied to a fraction value of EUR 7.86, this enables the issuance of up to 19,000,000 shares, representing approximately 10% of the total current share capital of the Company. This authorisation also enables the Company to meet its obligations entered into in the context of the issue of the financial instruments. Shares can also be issued due to the so-called alternative coupon settlement method (ACSM), included in certain hybrid financial instruments (for details see note 20 Contingent liabilities in this report and note 20.1 in Annual report 2020).

Treasury shares

Treasury shares are issued ordinary shares that have been bought back by Ageas. The shares are deducted from shareholders' equity and reported in other reserves.

The total number of treasury shares (4.1 million) consists of shares held for the FRESH (1.2 million), shares underlying repurchased FRESH securities (2.8 million) and the remaining shares resulting from the share buy-back programme (0.1 million) of which 0.1 million shares are used for the vesting of the restricted share programme.

Extinguishment of FRESH securities

On 3 January 2020, Ageas announced that in total 65.50% (EUR 818,750,000) of the aggregate principal amount of the FRESH securities outstanding were tendered and accepted for purchase for a cash payment of EUR 513 million. The purchased FRESH securities were exchanged into 2,599,206 underlying shares of ageas SA/NV on 13 January 2020.

On 2 April 2020, Ageas purchased an additional number of FRESH securities from an external third party, which were further exchanged into 150,000 underlying shares of ageas SA/NV.

These shares remain on the Group's statement of financial position as treasury shares and continue not to be entitled to dividends or voting rights. Details of the FRESH securities are provided in note 10 Subordinated liabilities.

Share buy-back programme 2019-2020

Ageas announced on 7 August 2019 a new share buy-back programme, starting on 19 August 2019 and running up to 5 August 2020, for an amount of EUR 200 million. This programme was completed and in total 4,926,363 shares were bought back, corresponding to 2.53% of the total shares outstanding.

The Extraordinary General Meeting of Shareholders of ageas SA/NV of 19 May 2021 approved the cancellation of 3,520,446 shares (result of the shares bought back in 2020). As a result, the total number of issued shares is reduced to 191,033,128.

8.2 Shares entitled to dividend and voting rights

in thousands

Number of shares issued as at 30 June 2021	191,033
Shares not entitled to dividend and voting rights:	
Shares held by ageas SA/NV	2,821
Shares related to FRESH (see note 10)	1,219
Shares related to CASHES (see note 20)	3,959
Shares entitled to voting rights and dividend	183,034

8.3 Earnings per share

The following table details the calculation of earnings per share.

	First half year 2021	First half year 2020
Net result attributable to shareholders	407	791
Weighted average number of ordinary shares for basic earnings per share (in thousands)	186,962	188,906
Adjustments for:		
- restricted shares (in thousands) expected to be awarded	212	
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	187,174	188,906
Basic earnings per share (in euro per share)	2.18	4.19
Diluted earnings per share (in euro per share)	2.17	4.19

Ageas shares related to the FRESH, as they are not entitled to dividend nor do they have voting rights, were excluded from the calculation of basic earnings per share.

Ageas shares issued in relation to CASHES are included in the ordinary shares although they are not entitled to dividend nor do they have voting rights.

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Insurance liabilities

9.1 Liabilities arising from Life insurance contracts

	30 June 2021	31 December 2020
Liability for future policyholder benefits	26,495	26,516
Reserve for policyholder profit sharing	204	182
Shadow accounting	2,152	3,292
Before eliminations	28,851	29,990
Eliminations	(15)	(17)
Gross	28,836	29,973
Reinsurance	(17)	(34)
Net	28,819	29,939

9.2 Liabilities arising from Life investment contracts

	30 June 2021	31 December 2020
Liability for future policyholder benefits	29,523	29,672
Reserve for policyholder profit sharing	163	250
Shadow accounting	1,118	1,707
Gross	30,804	31,629

9.3 Liabilities related to unit-linked contracts

	30 June 2021	31 December 2020
Insurance contracts	3,155	2,904
Investment contracts	14,722	14,186
Total	17,877	17,090

9.4 Liabilities arising from Non-life insurance contracts

	30 June 2021	31 December 2020
Claims reserves	7,381	7,076
Unearned premiums	1,913	1,614
Shadow accounting	47	43
Reserve for policyholder profit sharing	19	11
Before eliminations	9,360	8,744
Eliminations	(1,576)	(1,340)
Gross	7,784	7,404
Reinsurance	(794)	(686)
Net	6,990	6,718

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Subordinated liabilities

	30 June 2021	31 December 2020
<i>Issued by Ageasfinlux S.A.</i>		
FRESH Restricted Tier 1 Notes	384	384
<i>Issued by ageas SA/NV</i>		
Perpetual Subordinated Fixed Rate Resettable Temporary Write-Down Restricted Tier 1 Notes	744	750
Subordinated Fixed to Floating Rate Tier 2 Notes	989	994
<i>Issued by AG Insurance</i>		
Subordinated Fixed to Floating Rate Tier 2 Loan	74	74
Fixed Rate Reset Dated Subordinated Tier 2 Notes	397	397
Fixed to Floating Callable Subordinated Tier 2 Notes	100	100
<i>Issued by Millenniumbcp Ageas</i>		
Fixed to Floating Rate Callable Subordinated Restricted Tier 1 Loan	59	59
Total subordinated liabilities	2,747	2,758

	30 June 2021	31 December 2020
Balance at start of period	2,758	3,117
Proceeds from issuance		498
Redemption		(507)
Realised Gains		(359)
Foreign exchange differences and other	(11)	9
Balance at end of period	2,747	2,758

Part of the FRESH debt was extinguished following the tender offer in January 2020, also an additional number of FRESH securities was repurchased on the market in the second quarter of 2020, as explained in note 8.

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Borrowings

	30 June 2021	31 December 2020
Repurchase agreements	2,758	2,312
Loans	881	898
Due to banks	3,639	3,210
Funds held under reinsurance agreements	75	77
Lease liabilities	547	570
Other borrowings	63	63
Total borrowings	4,324	3,920

Ageas has pledged property as collateral for loans and other with a carrying amount of EUR 169 million (31 December 2020: EUR 173 million).

The Group's car park subsidiary Interparking (51% owned by AG Insurance) is operating in various countries in Europe, mainly in Belgium, France, Germany, Spain, Italy and The Netherlands. As a

result of the disruption caused by Covid-19 on Interparking's financial performance and financial ratios, Interparking received waivers related to loan covenants. Long-term bank borrowings, amounting to EUR 577 million in total, for which waivers provide a grace period shorter than 12 months after the reporting date, have been reclassified as current at the reporting date. The Group has concluded that the company is able to continue to operate as a going concern.

The following table shows the changes in borrowings:

	30 June 2021	31 December 2020
Balance at start of period	3,920	2,956
Proceeds from issuance	998	1,053
Payments	(596)	(90)
Foreign exchange differences and other changes	2	1
Balance at end of period	4,324	3,920

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RPN (I)

The RPN(I) is a financial instrument that results in quarterly payments being made to, or received from, BNP Paribas Fortis SA/NV.

BNP Paribas Fortis SA/NV issued CASHES securities in 2007 with Ageas SA/NV as co-obligor. CASHES are convertible securities that convert into Ageas shares at a pre-set price of EUR 239.40 per share. BNP Paribas Fortis SA/NV and Ageas SA/NV, at that point in time both parts of the Fortis Group, introduced a Relative Performance Note, designed to avoid accounting volatility on the Ageas shares and on the at fair value valued CASHES in the books of BNP Paribas Fortis SA/NV. Upon the break-up of Fortis in 2009, BNP Paribas Fortis SA/NV and Ageas agreed to pay interest on a reference amount stated in this Relative Performance Note. The quarterly interest payment is valued as a financial instrument and referred to as RPN(I).

The RPN(I) exists to the extent that CASHES securities remain outstanding in the market. Originally, 12,000 CASHES securities were issued in 2007. In February 2012 BNP Paribas launched a public tender on CASHES at a price of 47.5% and converted 7,553 tendered CASHES securities into Ageas shares; Ageas agreed to pay a EUR 287 million indemnity to BNP Paribas as the conversion triggered a pro rata cancellation of the RPN(I) liability.

In May 2015 Ageas and BNP Paribas agreed that BNP Paribas can purchase CASHES from individual investors at any given time, under the condition that the purchased securities are converted into Ageas shares; at such conversion the pro rata part of the RPN(I) liability is paid to BNP Paribas, while Ageas receives a break-up fee which is subject to the price at which BNP Paribas succeeds to purchase CASHES.

BNP Paribas purchased and converted 656 CASHES under this agreement in the first nine months 2016; Ageas paid EUR 44 million for the pro rata settlement of the RPN(I), after the deduction of the received break-up fee. The agreement between Ageas and BNP Paribas expired at year-end 2016 and has not been renewed.

At 30 June 2021, 3,791 CASHES remained outstanding.

Reference amount and interest paid

The reference amount is calculated as follows:

- the difference between EUR 2,350 million and the market value of 13 million Ageas shares in which the instrument converts, less
- the difference between EUR 3,000 million par issuance and the market value of the CASHES as quoted by the Luxembourg Stock Exchange, multiplied by
- the number of CASHES securities outstanding (3,791 at 30 June 2021) divided by the number of CASHES securities originally issued (12,000).

Ageas pays interest to BNP Paribas Fortis SA/NV on the average reference amount in the quarter (if the above outcome becomes negative BNP Paribas Fortis SA/NV will pay Ageas); the interest amounts to 3 month Euribor plus 90 basispoints. Ageas pledged 6.3% of the total AG Insurance shares outstanding in favour of BNP Paribas Fortis SA/NV.

Valuation

Ageas applies a transfer notion to arrive at the fair value of the RPN(I) liability. Fair value is defined in IFRS 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The definition is explicitly described as an exit price, linked with the price 'paid to transfer a liability'. When such pricing is not available and the liability is held by another entity as an asset, the liability needs to be valued from the perspective of the market participant that holds the asset. Ageas values its liability at the reference amount.

The RPN reference amount is based on the CASHES price and the Ageas share price. The reference amount increased from EUR 420 million at 31 December 2020 to EUR 476 million at 30 June 2021, predominantly driven by the increase in CASHES price from 84.17% at 31 December 2020 to 91.49% at 30 June 2021 which was only partly compensated by the increase in the Ageas share price from EUR 43.58 to EUR 46.80 over the same period.

Sensitivity of RPN(I) Value

At 30 June 2021, each 1% increase in the CASHES price, expressed as a percentage of its par value, leads to an increase of EUR 9.5 million in the reference amount, while each EUR 1.00 increase in the Ageas share price decreases the reference amount by EUR 4 million.

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Provisions

The provisions mainly relate to legal disputes and reorganisations and are based on best estimates available at period-end based on management judgement, in most cases supported by the opinion of legal advisors. The timing of the outflow of cash related to these provisions is by nature uncertain given the unpredictability of the outcome and the time involved in concluding litigations/disputes. We refer to note 20 Contingent liabilities, which describes the various ongoing litigation proceedings.

Global settlement related to the Fortis events of 2007 and 2008

On 14 March 2016, Ageas and the claimant organisations Deminor, Stichting FortisEffect, Stichting Investor Claims Against Fortis (SICAF) and VEB announced a settlement proposal (the "Settlement") with respect to all civil proceedings related to the former Fortis group for events in 2007 and 2008 for an amount of EUR 1.2 billion.

In addition, Ageas announced on 14 March 2016 that it also reached an agreement with the D&O Insurers (the "Insurers"), the D&O's involved in litigation and BNP Paribas Fortis to settle for an amount of EUR 290 million.

On 24 March 2017, the Amsterdam Appeal Court held a public hearing during which it heard the request to declare the Settlement binding as well as the arguments that were submitted against it. On 16 June 2017, the Court took the interim decision not to declare the Settlement binding in its initial format. On 12 December 2017, the petitioners filed an amended and restated Settlement with the Amsterdam Appeal Court. This amended Settlement took into consideration the main concerns of the Court and the overall budget was raised by EUR 100 million to EUR 1.3 billion.

Changes in provisions during the year are as follows.

	30 June 2021	31 December 2020
Balance at start of period	322	582
Increase (Decrease) in provisions	(10)	(36)
Utilised during the year	(124)	(223)
Foreign exchange differences and other	1	(1)
Balance at end of period	189	322

On 13 July 2018 the Amsterdam Appeal Court declared the Settlement binding on Eligible Shareholders (i.e. persons who held Fortis shares at any time between close of business on 28 February 2007 and close of business on 14 October 2008) in accordance with the Dutch Act on Collective Settlement of Mass Claims (Wet Collectieve Afwikkeling Massaschade, "WCAM"). In declaring the Settlement binding, the Court believed the compensation offered under the Settlement is reasonable and that the claimant organisations Deminor, SICAF and FortisEffect are sufficiently representative of the interests of the beneficiaries of the Settlement.

On 21 December 2018, Ageas announced that it had decided to provide clarity ahead of time by waiving its termination right. As a consequence of this the Settlement is final.

The main components of the EUR 117 million provision as at 30 June 2021 (31 December 2020: EUR 246 million) are:

- EUR 1,309 million related to the WCAM settlement agreement;
- EUR 7.5 million related to the tail risk, including accrued expenses;
- minus EUR 1 million still to be provided to Stichting FORsettlement by Stichting FORclaims, the foundation managing the contribution by the Insurers;
- minus EUR 1,199 million already paid to Eligible Shareholders.

The amounts are presented under the line item 'Provisions' in the statement of financial position and the line item 'Change in provisions' in the income statement.

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Commitments

Commitments received and given are detailed as follows.

Commitments	30 June 2021	31 December 2020
Commitment Received		
Credit lines	1,108	1,114
Collateral and guarantees received	4,400	4,435
Other off-balance sheet rights	38	38
Total received	5,546	5,587
Commitment Given		
Guarantees, Financial and Performance Letters of Credit	252	292
Available credit lines	1,034	982
Collateral and guarantees given	2,853	2,459
Entrusted assets and receivables	975	1,006
Capital rights & commitments	394	189
Real Estate commitments	671	419
Other off-balance sheet commitments	985	961
Total given	7,164	6,308

The collateral and guarantees received relate mainly to residential mortgages and to a lesser extent on policyholder loans and commercial loans.

Other off-balance sheet commitments as at 30 June 2021 include EUR 337 million in outstanding credit bids (31 December 2020: EUR 185 million).

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Fair value of financial assets and financial liabilities

The following table shows the fair value of financial assets and liabilities measured at amortised cost.

	Level	Carrying value	30 June 2021 Fair value	31 December 2020 Carrying value	31 December 2020 Fair value
Assets					
Cash and cash equivalents	2	2,011	2,011	2,241	2,241
Financial Investments held to maturity	1	4,355	6,636	4,416	7,101
Loans	2	13,988	15,178	13,398	14,936
Reinsurance and other receivables	2	2,207	2,207	1,961	1,961
Total financial assets		22,561	26,032	22,016	26,239
Liabilities					
Subordinated liabilities	2	2,747	2,801	2,758	2,847
Borrowings, excluding lease liabilities	2	3,777	3,777	3,350	3,363
Total financial liabilities		6,524	6,578	6,108	6,210



Notes to the Consolidated Income Statement

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Insurance premiums

Gross inflow Life consists of premiums received by insurance companies for issued insurance and investment contracts. Premium inflow of insurance contracts and investment contracts with DPF is recognised in the income statement. Premium inflow of investment contracts without DPF, mainly unit-linked contracts, is (after deduction of fees) directly recognised as liabilities (deposit accounting). Fees are recognised as fee income in the income statement.

	First half year 2021	First half year 2020
Gross inflow Life	2,858	2,458
Gross inflow Non-life	2,365	2,254
General account and eliminations	(1)	(1)
Total gross inflow	5,222	4,711

	First half year 2021	First half year 2020
Net earned premiums Life	2,060	2,029
Net earned premiums Non-life	2,045	1,937
General account and eliminations	(1)	(1)
Total net earned premiums	4,104	3,965

Life

	First half year 2021	First half year 2020
Gross premiums Life	2,074	2,044
Ceded reinsurance premiums	(14)	(15)
Net earned premiums Life	2,060	2,029

Non-life

Property & Casualty includes premiums received for motor, fire and other damage to property.

First half year 2021	Accident & Health	Property & Casualty	Total
Gross written premiums	588	1,777	2,365
Change in unearned premiums, gross	(63)	(51)	(114)
Gross earned premiums	525	1,726	2,251
Ceded reinsurance premiums	(25)	(231)	(256)
Reinsurers' share of unearned premiums		50	50
Net earned premiums Non-life	500	1,545	2,045

First half year 2020	Accident & Health	Property & Casualty	Total
Gross written premiums	545	1,709	2,254
Change in unearned premiums, gross	(55)	(73)	(128)
Gross earned premiums	490	1,636	2,126
Ceded reinsurance premiums	(24)	(175)	(199)
Reinsurers' share of unearned premiums	1	9	10
Net earned premiums Non-life	467	1,470	1,937

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Interest, dividend and other investment income

	First half year 2021	First half year 2020
Interest income		
Interest income on cash & cash equivalents	1	1
Interest income on loans to banks	11	9
Interest income on investments	682	733
Interest income on loans to customers	140	122
Interest income on derivatives held for trading and other	3	1
Total interest income	837	866
Dividend income from equity securities	85	68
Rental income from investment property	103	102
Revenue from parking garage	130	140
Other investment income	11	14
Total interest, dividend and other investment income	1,166	1,190

Revenue from parking garage in the first half of 2021 and 2020 have been adversely impacted by the Covid-19 pandemic, especially for airport and city centre car parks.

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Insurance claims and benefits

	First half year 2021	First half year 2020
Life insurance	2,311	2,254
Non-life insurance	1,199	1,094
General account and eliminations	(2)	(2)
Total insurance claims and benefits, net	3,508	3,346

	First half year 2021	First half year 2020
Benefits and surrenders, gross	2,327	2,622
Change in liabilities arising from insurance and investment contracts, gross	(8)	(358)
Total Life insurance claims and benefits, gross	2,319	2,264
Reinsurers' share of claims and benefits	(8)	(10)
Total Life insurance claims and benefits, net	2,311	2,254

	First half year 2021	First half year 2020
Claims paid, gross	1,169	1,271
Change in liabilities arising from insurance contracts, gross	125	(101)
Total Non-life insurance claims and benefits, gross	1,294	1,170
Reinsurers' share of claims paid	(54)	(93)
Reinsurers' share of change in liabilities	(41)	17
Total Non-life insurance claims and benefits, net	1,199	1,094

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Financing costs

	First half year 2021	First half year 2020
Subordinated liabilities	42	39
Lease liability	8	8
Borrowings from banks	9	9
Derivatives	3	4
Other	7	11
Total financing costs	69	71

Finance costs in the line "Other" mainly relate to interest charges on provisions for post-employment benefits.



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**Notes to items
not recorded in
the consolidated
statement of
financial position**

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Contingent liabilities

20.1 Contingent liabilities related to legal proceedings

Like any other financial group, Ageas group is involved as a defendant in various claims, disputes and legal proceedings arising in the ordinary course of its business.

In addition, as a result of the events and developments surrounding the former Fortis group between May 2007 and October 2008 (e.g. the acquisition of parts of ABN AMRO and the capital increase in September/October 2007, the announcement of the solvency plan in June 2008, the divestment of banking activities and Dutch insurance activities in September/October 2008), Ageas has become involved in legal proceedings.

On 14 March 2016 Ageas entered into a settlement agreement with several claimant organisations that represent a series of shareholders in collective claims before the Belgian and Dutch courts. On 23 May 2016 the parties to the settlement, i.e. Ageas, Deminor, Stichting FortisEffect, Stichting Investor Claims Against Fortis, VEB and Stichting FORsettlement requested the Amsterdam Court of Appeal to declare the settlement binding for all eligible Fortis shareholders who will not opt out before the expiry of a given period, in accordance with the Dutch Act on Collective Settlement of Mass Claims (Wet Collectieve Afwikkeling Massaschade). Ageas also reached an agreement with Mr Arnauts and Mr Lenssens, two attorneys who launched legal action against Ageas on behalf of a number of claimants, and in 2017 with the Luxembourg based company Archand s.à.r.l. and affiliated persons, to support the settlement.

On 16 June 2017, the court took the interim decision not to declare the settlement binding in its initial format. As per 16 October 2017, Ageas decided to make a final additional effort of EUR 100 million.

Per 12 December 2017, the parties submitted an amended and restated settlement agreement to the court. Consumentenclaim, an opponent of the settlement in its initial 2016 format, agreed to support the 2017 settlement.

On 13 July 2018 the Amsterdam Appeal Court declared the settlement binding on Eligible Shareholders (i.e. persons who held Fortis shares at any time between close of business on 28 February 2007 and close of business on 14 October 2008). Ageas waived its termination right on 21 December 2018, effectively making the settlement final.

This means that Eligible Shareholders are entitled to compensation for the events of 2007-2008, subject to a full release of liability with respect to these events, and in accordance with the (other) terms of the settlement agreement. It further means that Eligible Shareholders who did not timely opt out (i.e. at the latest on 31 December 2018), regardless of whether or not they timely file a claim form, are, by operation of law, deemed to have granted such release of liability and to have waived any rights in connection with the events.

The claims filing period started on 27 July 2018 and ended on 28 July 2019. As at 30 June 2021, an amount of EUR 1,199 million had already been paid out to Eligible Shareholders and a remaining provision of EUR 117 million had been recognised for the settlement (see note 13 Provisions).

RESIDUAL PROCEEDINGS

Now that the settlement has become final, the parties who supported the settlement committed to terminate their legal proceedings.

The parties who timely submitted an opt-out notice may resume their legal proceedings in the Netherlands or, as the case may be, resume or continue their legal proceedings in Belgium.

In the sections below we give an update of all residual proceedings which were either terminated between 1 January 2021 and 30 June 2021, or not terminated by 30 June 2021. These constitute contingent liabilities without provisions.

1. In the Netherlands

1.1. *Cebulon*

On 14 July 2020, Dutch investment company Cebulon initiated legal proceedings against Ageas and some co-defendants regarding alleged misleading communication in 2007-2008. In its capacity of former Fortis shareholder, Cebulon claims a compensation for the allegedly suffered damages. The forum is the Utrecht court of first instance. An introductory hearing took place on 9 September 2020 in Utrecht. The parties are now exchanging written submissions.

1.2. *Dutch individual investor*

On 29 January 2021, a Dutch individual investor initiated legal proceedings against Ageas. He claims a compensation for the damages he allegedly suffered pursuant to the Fortis crisis in 2007-2008. The forum is the Utrecht court of first instance. An introductory hearing took place on 10 March 2021. The parties are now exchanging written submissions.

2 In Belgium

2.1. *Modrikamen*

On 28 January 2009, a series of shareholders represented by Mr Modrikamen brought an action before the Brussels Commercial Court initially requesting the annulment of the sale of ASR to the Dutch State and the sale of Fortis Bank to SFPI (and subsequently to BNP Paribas), or alternatively damages. On 8 December 2009, the Court *inter alia* decided that it was not competent to judge on actions against the Dutch defendants. On 17 January 2013, the Brussels Court of Appeal confirmed this judgment in this respect. In July 2014, Mr Modrikamen filed an appeal before the Supreme Court on this issue. On 23 October 2015 the Supreme Court rejected this appeal. Mr Modrikamen continued the proceedings before the commercial court regarding the sale of Fortis Bank, aiming at the payment of a compensation by BNP Paribas to Ageas, as well as by Ageas to the claimants. In an interim judgment of 4 November 2014, the court declared about 50% of the original claimants not admissible. On 29 April 2016 the Brussels Commercial Court decided to suspend the proceedings awaiting the outcome of the criminal procedure, the procedure has now been

reactivated. On 7 June 2020, Ageas entered into a settlement agreement with Mr Modrikamen and his clients who timely filed an opt-out notice, pursuant to which these persons no longer continue these proceedings against ageas SA/NV.

2.2. *Deminor*

On 13 January 2010, a series of shareholders associated with Deminor International (currently named DRS Belgium) brought an action before the Brussels Commercial Court, seeking damages based on alleged lack of/or misleading information by Fortis during the period from March 2007 to October 2008. On 28 April 2014, the court declared in an interim judgment about 25% of the claimants not admissible. The parties are in the course of terminating these proceedings; we expect these proceedings to be effectively terminated in the course of 2021.

2.3. *Other claims on behalf of individual shareholders*

On 12 September 2012, Patripart, a (former) Fortis shareholder, and its parent company Patrinvest, brought an action before the Brussels Commercial Court, seeking damages based on alleged lack of or misleading information in the context of the 2007 rights issue. On 1 February 2016 the court fully rejected the claim. On 16 March 2016, Patrinvest filed an appeal before the Brussels Appeal Court. The parties have exchanged written submissions and are now awaiting a pleading date and the court's decision, for which no date has yet been set.

On 29 April 2013, a series of shareholders represented by Mr Arnauts brought an action before the Brussels Commercial Court, seeking damages based on alleged incomplete or misleading information by Fortis in 2007 and 2008; this action is suspended awaiting the outcome of the criminal proceedings. The parties are in the course of terminating these proceedings; we expect these proceedings to be effectively terminated in the course of 2021.

On 19 September 2013, certain (former) Fortis shareholders represented by Mr Lenssens initiated a similar action before the Brussels Civil Court; this action is suspended awaiting the outcome of the criminal proceedings. The parties are in the course of terminating these proceedings; we expect these proceedings to be effectively terminated in the course of 2021.

3. Hold harmless undertakings

In 2008, Fortis granted certain former executives and directors, at the time of their departure, a contractual hold harmless protection covering legal expenses and, in certain cases, also the financial consequences of any judicial decisions, in the event that legal proceedings were brought against them on the basis of their mandates exercised within the Fortis group. Ageas contests the validity of the contractual hold harmless commitments to the extent they relate to the financial consequences of any judicial decisions.

Furthermore, and as standard market practice in this kind of operations, Ageas entered into agreements with certain financial institutions facilitating the placing of Fortis shares in the context of the capital increases of 2007 and 2008. These agreements contain indemnification clauses that imply hold harmless obligations for Ageas subject to certain terms and conditions. Some of these financial institutions are involved in certain legal proceedings mentioned in this chapter.

In the context of a settlement with the underwriters of D&O liability insurance and Public Offering of Securities Insurance policies relating to the events and developments surrounding the former Fortis Group in 2007 - 2008, Ageas granted a hold harmless undertaking in favour of the insurers for the aggregate amount of coverage under the policies concerned. In addition, Ageas granted certain indemnity and hold harmless undertakings in favour of certain former Fortis executives and directors and of BNP Paribas Fortis relating to future defence costs, as well as in favour of the directors of the two Dutch foundations created in the context of the settlement.

20.2 Liabilities for hybrid instruments of former subsidiaries

In 2007 BNP Paribas Fortis SA/NV issued CASHES (Convertible And Subordinated Hybrid Equity-linked Securities), with ageas SA/NV acting as co-obligor (BNP Paribas Fortis SA/NV was at that point in time a subsidiary). From the original 12,000 securities issued, 3,791 securities remain outstanding, representing a nominal amount of EUR 948 million.

The securities have no maturity date and cannot be repaid in cash, they can only be exchanged into Ageas shares at a price of EUR 239.40 per Ageas share. A mandatory exchange takes place if the price of the Ageas share is equal to or higher than EUR 359.10 on twenty consecutive stock exchange business days. BNP Paribas Fortis SA/NV owns 3,958,859 Ageas shares for the purpose of the potential exchange.

The sole recourse of the holders of the CASHES against any of the co-obligors with respect to the principal amount are the Ageas shares that BNP Paribas Fortis SA/NV holds, these shares are pledged in favour of such holders.

BNP Paribas Fortis SA/NV pays the coupon on the CASHES, in quarterly arrears, at a variable rate of 3 month Euribor plus 200 basis points, up to the exchange of the securities for Ageas shares. In the event that Ageas declares no dividend on its shares, or that the dividends to be declared are below a threshold with respect to any financial year (dividend yield less than 0.5%), and in certain other circumstances, coupons will mandatorily need to be settled by ageas SA/NV via issuance of new shares in accordance with the so called Alternative Coupon Settlement Method (ACSM), while BNP Paribas Fortis SA/NV would need to issue instruments that qualify as hybrid Tier 1 instruments to Ageas as compensation for the coupons paid by ageas SA/NV. If the ACSM is triggered and there is insufficient available authorised capital to enable ageas SA/NV to meet the ACSM obligation, the coupon settlement will be postponed until such time as the ability to issue shares is restored.

In an agreement reached in 2012, that amongst others led to the tender and subsequent conversion of CASHES, Ageas agreed to pay an annual indemnity to BNP Paribas Fortis SA/NV that equals the grossed up dividend on the shares that BNP Paribas Fortis SA/NV holds.

20.3 Other contingent liabilities

Certain individual customers of Ageas France, a fully owned subsidiary of Ageas Insurance International, filed claims against Ageas France in connection with its alleged unilateral modification of the terms and conditions of a unit-linked product by on-charging certain transaction fees. In addition to claiming reimbursement of these fees, plaintiffs also claimed prejudice for lost opportunities for arbitrating between Unit-linked funds and a guaranteed fund using latest known value dates, as well as prohibition for on-charging of the fees. In November 2014, Paris Appeal Court confirmed the first instance decision allowing the claims and appointed experts to determine the scope of indemnification. Following an appeal filed by Ageas France with the French Supreme Court, on 8 September 2016 the French Supreme Court substantially annulled the Paris Appeal Court decision and referred the case to the Versailles Appeal Court. The proceedings before the Versailles Appeal Court have been abandoned. A proceeding in first instance, which had been put on hold for several years, awaiting the decision of the French Supreme Court, has been reactivated by 2 plaintiffs. A hearing was held in the first half of October 2019; now the parties are exchanging written submissions.

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Events after the date of the statement of financial position

Floods

Mid-July, Belgium was hit by severe floods causing major damage. The total gross claims cost for the Belgian market largely exceeds the cap of the intervention of the insurance sector foreseen in the current legislation. The government and the sector are evaluating a proposal to secure a speedy compensation of the insured losses for the victims.

Based on the current proposal, the settlement of related claims is estimated to have an impact of EUR 55 million on the Group's net result attributable to shareholders.

Share buy-back programme

On 10 August 2021, the Board of Directors decided to initiate a new share buy-back programme of its common stock for an amount of EUR 150 million. The share buy-back programme will start on 1 September 2021 and will run up to 29 July 2022.

Statement of the Board of Directors

The Board of Directors of Ageas is responsible for preparing the Ageas Condensed Consolidated Interim Financial Statements for the first six months of 2021 in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the European Transparency Directive (2004/109/EC).

The Board of Directors of Ageas declares that, to the best of its knowledge, the Ageas Condensed Consolidated Interim Financial Statements of the first six months of 2021 give a true and fair view of the assets, liabilities, financial position, and profit or loss of Ageas, and of the uncertainties that Ageas is facing and that the information contained therein has no omissions likely to modify significantly the scope of any statements made.

The Board of Directors reviewed the Ageas Condensed Consolidated Interim Financial Statements for the first six months of 2021 on 10 August 2021 and authorised their issue.

Brussels, 10 August 2021

Board of Directors

Chairman	Bart De Smet
Vice-Chairman	Guy de Selliers de Moranville
Chief Executive Officer	Hans De Cuyper
Chief Financial Officer	Christophe Boizard
Chief Risk Officer	Emmanuel Van Grimbergen
Managing Director Europe	Antonio Cano
Managing Director Asia	Filip Coremans
Independent Directors	Richard Jackson
	Yvonne Lang Ketterer
	Jane Murphy
	Lucrezia Reichlin
	Katleen Vandeweyer
	Sonali Chandmal
	Jean-Michel Chatagny <i>(appointed 19 May 2021)</i>

Review Report

STATUTORY AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF AGEAS ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

Introduction

We have reviewed the accompanying consolidated statement of financial position of Ageas and its subsidiaries as of 30 June 2021 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the six-month period then ended and general notes, comprising a summary of accounting policies and other explanatory notes ("the condensed consolidated interim financial statements"). The board of directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Sint-Stevens-Woluwe, 10 August 2021

The statutory auditor

PwC Reviseurs d'Entreprises SRL / PwC Bedrijfsrevisoren BV
Represented by

Roland Jeanquart

Réviseur d'Entreprises / Bedrijfsrevisor

Kurt Cappoen

Réviseur d'Entreprises / Bedrijfsrevisor



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