



# PRESS RELEASE

Regulated information

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## Ageas reports 6M 2017 result Very strong first half-year

6M 2017	
<b>Net Result</b>	<ul style="list-style-type: none"> <li>The <b>Insurance</b> net result increased by 12% to <b>EUR 445 million</b> from EUR 396 million excluding the in 2016 divested Hong Kong operations. Including Hong Kong, last year's Insurance net result amounted to EUR 608 million</li> <li><b>General Account</b> net result of <b>EUR 161 million negative</b> versus EUR 675 million negative</li> <li><b>Group</b> net result improved to <b>EUR 284 million</b> from EUR 67 million negative</li> </ul>
<b>Inflows</b>	<ul style="list-style-type: none"> <li><b>Group inflows</b> (at 100%) at <b>EUR 20.5 billion</b>, up 12% (including 2% negative foreign exchange impact)</li> <li>Group inflows (Ageas's part) at EUR 8.2 billion, up 4% (including 2% negative foreign exchange impact)</li> <li><b>Life</b> inflows up 14% to EUR 17.2 billion and <b>Non-Life</b> inflows down 2% to EUR 3.3 billion (both at 100%)</li> </ul>
<b>Operating Performance</b>	<ul style="list-style-type: none"> <li><b>Combined ratio</b> at <b>95.9%</b> versus 99.0%</li> <li>Operating Margin Guaranteed at <b>114 bps</b> versus 108 bps</li> <li>Operating Margin Unit-Linked at <b>25 bps</b> versus 28 bps</li> <li><b>Life Technical Liabilities</b> of the consolidated entities at <b>EUR 74.2 billion</b> and stable compared to the end of 2016</li> </ul>
<b>Balance Sheet</b>	<ul style="list-style-type: none"> <li>Shareholders' equity at EUR 9.0 billion or EUR 44.53 per share versus EUR 9.6 billion or EUR 46.56 per share end 2016</li> <li>Insurance Solvency II <sub>ageas</sub> ratio at <b>193%</b> and Group Solvency II <sub>ageas</sub> ratio at <b>198%</b></li> <li>General Account Total Liquid Assets at <b>EUR 1.7 billion</b> versus EUR 1.9 billion at the end of 2016</li> </ul>
Q2 2017	
<b>Belgium</b>	<ul style="list-style-type: none"> <li>Excellent start to the year reflected in an outstanding second quarter combined ratio</li> </ul>
<b>UK</b>	<ul style="list-style-type: none"> <li>Ogden discount rate review continued to affect the net result as anticipated</li> </ul>
<b>Continental Europe</b>	<ul style="list-style-type: none"> <li>Continued solid performance across all countries</li> </ul>
<b>Asia</b>	<ul style="list-style-type: none"> <li>Strong results driven by sustained growth in gross inflows</li> </ul>

All 6M 2017 figures are compared to the 6M 2016 figures unless otherwise stated.

**Ageas CEO Bart De Smet said:** "Ageas delivered a strong set of first half-year figures evidencing good progress with respect to our Ambition 2018 strategic plan. Life inflows continued to grow while at the same time we optimised the product mix in Belgium and Asia. The result of our Life activities remained strong in all segments. The Non-Life businesses in Belgium and Continental Europe realised excellent results which were reflected in outstanding combined ratios. In the UK we continued to closely monitor the plans to strengthen the business in response to among others the impact of the recent Ogden rate adjustment.

The group's financial position remained solid with a solvency ratio well above our target as a result of a healthy operational free capital generation and favourable market conditions.

In this context, the Ageas Board of Directors has decided to continue the buy-back of shares by launching a new programme of EUR 200 million. In the past 6 years we have bought back an equivalent of 22% of the shares outstanding, which has led to a 28% increase of our earnings and dividends per share."

**Key figures Ageas**

in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
Gross inflows (incl. non-consolidated partnerships at 100%)	20,465.6	18,342.4	12 %	7,793.0	7,231.0	8 %	12,672.6
- of which inflows from non-consolidated partnerships	15,277.4	12,677.5	21 %	5,237.3	4,588.1	14 %	10,040.1
Gross inflows Ageas's part	8,170.0	7,848.8	4 %	3,463.3	3,287.3	5 %	4,706.7
Net result Insurance attributable to shareholders	444.7	607.6	( 27 %)	222.4	407.0	( 45 %)	222.3
By segment:							
- Belgium	259.0	206.0	26 %	117.4	106.3	10 %	141.6
- UK	11.2	34.8	( 68 %)	10.7	10.1	6 %	0.5
- Continental Europe	58.3	35.6	64 %	29.9	20.8	44 %	28.4
- Asia	113.1	329.0	( 66 %)	61.6	268.4	( 77 %)	51.5
- Reinsurance	3.1	2.2	41 %	2.8	1.4	99 %	0.3
By type:							
- Life	312.0	504.1	( 38 %)	144.1	361.0	( 60 %)	167.9
- Non-Life	132.7	103.5	28 %	78.3	46.0	70 %	54.4
Net result General Account attributable to shareholders	( 161.0)	( 674.8)	76 %	( 48.9)	159.1	*	( 112.1)
Net result Ageas attributable to shareholders	283.6	( 67.2)	*	173.4	566.1	( 69 %)	110.2
Life Technical Liabilities (in EUR bn)	74.2	74.5	( 0 %)	74.2	74.5	( 0 %)	74.2
Life Operating Margin Guaranteed	1.14%	1.08%		1.03%	1.10%		1.24%
Life Operating Margin Unit-Linked	0.25%	0.28%		0.18%	0.28%		0.33%
Combined ratio	95.9%	99.0%		93.6%	100.0%		98.3%
Total Insurance solvency II <sub>ageas</sub> ratio	192.7%	183.1%					177.1%
Total Group solvency II <sub>ageas</sub> ratio	197.8%	208.6%					185.6%
Weighted average number of ordinary shares (in million)	203.3	210.2	( 3 %)	203.3	210.2	( 3 %)	204.2
Earnings per share (in EUR)	1.40	( 0.32)	*				0.54
Shareholders' equity	8,974	10,337	( 13 %)	8,974	10,337	( 13 %)	9,325
Net equity per share (in EUR)	44.53	49.59	( 10 %)	44.53	49.59	( 10 %)	45.91
Net equity per share (in EUR) excluding unrealised gains & losses	32.42	35.47	( 9 %)	32.42	35.47	( 9 %)	34.74
Return on Equity - Insurance (excluding unrealised gains & losses)	13.9%	18.0%					

When an asterisk (\*) is shown in the 'Change' column, the variance is either higher than 100 % or less than -100 %

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**9 August 2017**

6 month 2017 results

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# EXECUTIVE SUMMARY

## Excellent first half-year performance despite residual Ogden impact in the UK

Continued growth of Asia Life and growing Non-Life in Continental Europe marked the first half-year inflows. The Insurance activities performed well with solid results across all segments, except for the UK, where the Ogden discount rate review had a residual negative impact. The Insurance Solvency II<sub>ageas</sub> ratio remained strong despite adverse movements in spreads and the discount rate impact in the UK. Group Solvency II<sub>ageas</sub> ratio amounted to 198%. Ageas's Board of Directors has decided to launch a new share buy-back programme of EUR 200 million as of 21 August 2017.

### Asian Life driving growth in Inflows

Total inflows increased 12% including a 2% negative currency impact. Asia continued to report the strongest growth with total inflows amounting to EUR 13.5 billion, up 23% at constant exchange rates. In Belgium, inflows decreased 11% to EUR 2.9 billion. Better sales in Unit-Linked products could not offset the expected lower intake of Guaranteed Life business. In Continental Europe, a good performance in Portugal both in Life and Non-Life, spurred inflows to EUR 3.0 billion, up 8% at constant exchange rates while in the UK, Non-Life inflows remained fairly stable at EUR 1.1 billion at constant exchange rate.

### An overall strong set of results

The **Insurance net profit** for the first half-year amounted to EUR 445 million, compared to EUR 608 million last year. The Life net result amounted to EUR 312 million and the Non-Life net result increased to EUR 133 million. Last year's net result included the negative impact of terrorism and weather events in Belgium and the UK (EUR 60 million) and a positive contribution from the divested activities in Hong Kong (EUR 212 million). Excellent Non-Life results in Belgium and Continental Europe and a somewhat higher level of net capital gains more than offset the EUR 31 million negative Ogden impact in the UK.

### General Account net result driven by negative RPN(i) revaluation

The **Group net result** over the first six months amounted to EUR 284 million with the **General Account** reporting a negative result of EUR 161 million. This is mainly explained by the negative impact of EUR 122 million related to the evolution of the RPN(i) liability. Staff and other operating expenses decreased to EUR 35 million (vs. EUR 53 million). Last year's six months result and operating expenses were significantly impacted by charges related to the Fortis legal settlement.

### Shareholders' equity and solvency

Total **shareholders' equity** decreased to EUR 9.0 billion or EUR 44.53 per share at the end June (vs. EUR 9.6 billion or EUR 46.56 per share at the end of 2016), mainly as a result of the dividend pay-out (EUR 0.4 billion) at the end of May. Other elements impacting Shareholder's equity were the ongoing share buy-back programme (EUR 0.1 billion), the revaluation of the put option (EUR 0.1 billion) and unfavourable exchange rates (EUR 0.1 billion). Net Equity per share excluding unrealised gains & losses amounted to EUR 32.42.

The Insurance Solvency II<sub>ageas</sub> ratio remained above target at 193% (vs. 179%), while the Group Solvency II<sub>ageas</sub> ratio increased to 198%, with Group Insurance own funds EUR 4.1 billion above SCR. The Operational Free Capital Generation amounted to EUR 0.5 billion over the first half, including dividends from the non-European non-consolidated partnerships. In the UK, actions have been taken to mitigate the negative impact of Ogden on the capital position, including de-risking of the investment portfolio, which resulted in additional capital gains, and reinsurance coverage. Additionally, EUR 77 million of capital has been injected in the second quarter. As at 30 June, the UK's Solvency II ratio recovered to 131%.

The **total liquid assets in the General Account** amounted to EUR 1.7 billion compared to EUR 1.9 billion at the end of 2016, EUR 0.8 billion of which remains ring-fenced for the Fortis settlement. This decrease is mainly explained by the execution of the ongoing share buy-back programme and the capital injection in the UK.

The divestment of the Italian Non-Life activities, announced on 26 July, which is expected to close before the end of 2017, will strengthen the net cash position by EUR 0.2 billion.

### Contingent liabilities

There were no fundamental changes in the contingent liabilities compared to the end 2016 disclosures.

In an interim decision in mid-June, the Amsterdam Court of Appeal did not declare the Fortis settlement agreement as announced on 14 March 2016 binding in its current form. The petitioners have been offered the opportunity to submit a supplemented and amended agreement to the Court by 17 October 2017 at the latest. Consultation with the co-petitioners to respond to the Court's decision is ongoing.

### Strategic development

On 26 July 2017, Ageas announced an agreement with BNP Paribas Cardif to sell its share of Cargeas Assicurazioni (CARGEAS), the Italian Non-Life operations. The transaction should generate a capital gain of approximately EUR 75 million at closing.

# DETAILS PER PRODUCT

Life: Strong result driven by solid underlying performance and higher realised capital gains

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Life (incl non-consolidated partnerships at 100%)</b>	<b>17,199.9</b>	<b>15,023.2</b>	<b>14%</b>	<b>6,278.9</b>	<b>5,646.1</b>	<b>11%</b>	<b>10,921.0</b>
<b>Gross Inflows Life (consolidated entities)</b>	<b>2,894.0</b>	<b>3,387.8</b>	<b>(15%)</b>	<b>1,495.9</b>	<b>1,545.4</b>	<b>(3%)</b>	<b>1,398.1</b>
<b>Operating result</b>	<b>336.8</b>	<b>324.2</b>	<b>4%</b>	<b>151.4</b>	<b>166.0</b>	<b>(9%)</b>	<b>185.4</b>
Non-allocated other income and expenses	13.0	203.4	(94%)	5.2	194.1	(97%)	7.8
<b>Result before taxation consolidated entities</b>	<b>349.8</b>	<b>527.6</b>	<b>(34%)</b>	<b>156.6</b>	<b>360.1</b>	<b>(57%)</b>	<b>193.2</b>
Result non-consolidated partnerships	124.0	119.5	4%	66.4	74.0	(10%)	57.6
<b>Result before taxation</b>	<b>473.8</b>	<b>647.1</b>	<b>(27%)</b>	<b>223.0</b>	<b>434.1</b>	<b>(49%)</b>	<b>250.8</b>
Income tax expenses	(78.9)	(73.7)	7%	(43.1)	(39.1)	10%	(35.8)
Non-controlling interests	(82.9)	(69.3)	20%	(35.8)	(34.0)	5%	(47.1)
<b>Net result attributable to shareholders</b>	<b>312.0</b>	<b>504.1</b>	<b>(38%)</b>	<b>144.1</b>	<b>361.0</b>	<b>(60%)</b>	<b>167.9</b>

KEY PERFORMANCE INDICATORS BY FAMILY							
in EUR million	GUARANTEED		UNIT - LINKED		TOTAL		
	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	
<b>Gross Inflows Life (consolidated entities)</b>	<b>1,869.2</b>	<b>2,659.4</b>	<b>1,024.8</b>	<b>728.4</b>	<b>2,894.0</b>	<b>3,387.8</b>	
Net underwriting Result	(6.9)	20.8	17.7	14.9	10.8	35.7	
Investment Result	325.0	287.0	1.0	1.5	326.0	288.5	
<b>Operating result</b>	<b>318.1</b>	<b>307.8</b>	<b>18.7</b>	<b>16.4</b>	<b>336.8</b>	<b>324.2</b>	
<b>Life Technical Liabilities</b>	<b>59,021.1</b>	<b>62,913.6</b>	<b>15,209.2</b>	<b>11,639.7</b>	<b>74,230.3</b>	<b>74,553.3</b>	

**Inflows**, including non-consolidated partnerships at 100%, increased 14% compared to last year to EUR 17.2 billion. Most of the growth was realised in **Asia** with a 25% increase in inflows at constant exchange rates originating mainly from China. In **Continental Europe** overall inflows were up 4% driven by Portugal and Luxembourg. In **Belgium**, gross inflows decreased 17% due to an expected lower intake of new business in short-term investment products. The importance of the Unit-Linked products within the portfolio mix has increased in both Belgium and Continental Europe, driven by focused commercial campaigns.

**Technical Liabilities** for the consolidated activities remained almost stable at EUR 74.2 billion compared to the end of 2016. Life Technical Liabilities in the Asian and Continental European non-consolidated partnerships at 100% amounted to EUR 74.2 billion, compared to EUR 69.6 billion at the end of last year.

The **operating result** increased to EUR 337 million (vs. EUR 324 million last year), essentially driven by better investment results and higher net capital gains

compared to last year, most of which were already realised in the first quarter. The latter mainly resulted from real estate and equity transactions in Belgium. The impact of these transactions is also reflected in the Guaranteed margin that increased from 108 bps to 114 bps. The Unit-Linked margin has, although still below target, improved in Belgium and Continental Europe.

The **net result** improved from EUR 292 million to EUR 312 million, excluding EUR 212 million from the discontinued operations in Hong Kong. Aside from an improvement in the operating result of the consolidated entities, the non-consolidated partnerships in Luxembourg and Asia also reported improved results.

In **Belgium**, the net result increased to EUR 180 million (vs. EUR 70 million). In **Continental Europe**, the result almost doubled from EUR 16 million to EUR 30 million mainly thanks to better underwriting results in Portugal and positive fair value adjustments on the Held For Trading assets in Luxembourg. In **Asia**, the net result amounted to EUR 102 million (vs. EUR 318 million).

## Non-Life: Excellent results in Belgium and Continental Europe

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>3,265.7</b>	<b>3,319.2</b>	<b>(2%)</b>	<b>1,514.1</b>	<b>1,584.9</b>	<b>(4%)</b>	<b>1,751.6</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>2,294.2</b>	<b>2,277.1</b>	<b>1%</b>	<b>1,059.8</b>	<b>1,097.5</b>	<b>(3%)</b>	<b>1,234.4</b>
<b>Net Earned Premiums</b>	<b>2,069.4</b>	<b>2,044.9</b>	<b>1%</b>	<b>1,044.6</b>	<b>1,058.4</b>	<b>(1%)</b>	<b>1,024.8</b>
<b>Operating result</b>	<b>194.5</b>	<b>133.6</b>	<b>46%</b>	<b>113.7</b>	<b>57.5</b>	<b>98%</b>	<b>80.8</b>
Non-allocated other income and expenses	6.8	9.3	(27%)	2.5	1.8	39%	4.3
<b>Result before taxation consolidated entities</b>	<b>201.3</b>	<b>142.9</b>	<b>41%</b>	<b>116.2</b>	<b>59.3</b>	<b>96%</b>	<b>85.1</b>
Result non-consolidated partnerships	25.8	19.4	33%	15.3	9.2	66%	10.5
<b>Result before taxation</b>	<b>227.1</b>	<b>162.3</b>	<b>40%</b>	<b>131.5</b>	<b>68.5</b>	<b>92%</b>	<b>95.6</b>
Income tax expenses	(59.0)	(38.3)	54%	(33.9)	(11.7)	*	(25.1)
Non-controlling interests	(35.4)	(20.5)	73%	(19.3)	(10.8)	79%	(16.1)
<b>Net result attributable to shareholders</b>	<b>132.7</b>	<b>103.5</b>	<b>28%</b>	<b>78.3</b>	<b>46.0</b>	<b>70%</b>	<b>54.4</b>

KEY PERFORMANCE INDICATORS BY FAMILY										
in EUR million	ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>493.1</b>	<b>455.1</b>	<b>984.7</b>	<b>982.5</b>	<b>587.9</b>	<b>590.9</b>	<b>228.5</b>	<b>248.6</b>	<b>2,294.2</b>	<b>2,277.1</b>
<b>Net Earned Premiums</b>	<b>436.8</b>	<b>410.7</b>	<b>890.1</b>	<b>892.8</b>	<b>534.4</b>	<b>533.6</b>	<b>208.1</b>	<b>207.8</b>	<b>2,069.4</b>	<b>2,044.9</b>
Net Underwriting result	19.3	(5.8)	14.9	26.4	54.1	3.8	(4.4)	(3.7)	83.9	20.7
Combined Ratio	95.6%	101.4%	98.3%	97.0%	89.9%	99.3%	102.2%	101.7%	95.9%	99.0%
of which Prior Year claims ratio									(5.9%)	(8.4%)
Investment Result	19.6	24.4	56.2	52.0	14.5	14.5	21.0	21.2	111.3	112.1
Other Result	1.5	1.5	(2.2)	0.4	(0.2)	(1.0)	0.2	(0.1)	(0.7)	0.8
<b>Operating Result</b>	<b>40.4</b>	<b>20.1</b>	<b>68.9</b>	<b>78.8</b>	<b>68.4</b>	<b>17.3</b>	<b>16.8</b>	<b>17.4</b>	<b>194.5</b>	<b>133.6</b>
<b>Reserves Ratio (in %)</b>	<b>289%</b>	<b>301%</b>	<b>205%</b>	<b>182%</b>	<b>80%</b>	<b>92%</b>	<b>297%</b>	<b>300%</b>	<b>200%</b>	<b>195%</b>
<b>Non-Life Technical Liabilities</b>	<b>2,525.5</b>	<b>2,475.6</b>	<b>3,643.9</b>	<b>3,258.7</b>	<b>853.2</b>	<b>983.6</b>	<b>1,235.8</b>	<b>1,246.2</b>	<b>8,258.4</b>	<b>7,964.1</b>

**Gross inflows** were slightly down at EUR 3.3 billion, due to a 5% negative exchange rate impact. At constant exchange rates inflows were up 4%, mainly driven by Continental Europe with solid commercial performances across all entities resulting in a 22% growth in inflows. Gross inflows in Belgium were up 2%. At constant exchange rates, gross inflows reduced by 7% in Asia and remained flat in the UK where the impact of the Ogden rate review continued to disrupt the Motor market.

The **Group combined ratio** stood at an excellent 95.9% (vs. 99.0%) reflecting an outstanding operating performance across all product lines in Belgium (90.3%) and in Continental Europe (90.5%). The imposed change in the Ogden discount rate resulted in a residual negative impact of 5.3% on the UK's combined ratio (105.7%) and relates to the time lag in repricing new business and renewals. The discount rate review had a 2% impact on the Ageas combined ratio. The prior year claims ratio decreased to 5.9% (vs. 8.4%), as a result of reserves strengthening in the UK.

The non-consolidated partnerships reported combined ratios of 93.8% (vs. 98.5%) in Tesco Underwriting (UK), 94.2% (vs. 98.8%) in Turkey (Continental Europe) and 87.0% (vs. 89.3%) in Asia.

The **net result** of the **Non-Life** activities amounted to EUR 133 million (vs. EUR 104 million). The net negative impact of EUR 31 million related to Ogden was somewhat off-set by a good performance in Continental Europe and Belgium, and higher capital gains in the UK. 2016 included EUR 60 million related to terrorism and adverse weather events in Belgium and the UK. As announced earlier, the Ogden rate review is expected to further impact the Group's net result for the remainder of 2017 in the region of EUR 10 to 15 million.

**Belgium** and **Continental Europe** achieved very strong results of EUR 79 million and EUR 28 million respectively driven by excellent underwriting results. Both in **Asia** and the **UK**, the net result stood at EUR 11 million. The internal Non-Life reinsurer **Intreas** reinsured EUR 24 million of premiums from the operating companies within the Group and contributed EUR 3 million to the Non-Life net result.

# DETAILS BY BUSINESS SEGMENT

## BELGIUM

**Net profit EUR 259 million**

vs. EUR 206 million (+26%). Continued excellent operating performance especially in Non-Life.

**Gross inflows EUR 2.9 billion**

vs. EUR 3.3 billion (-11%). Lower sales of short-term investment products after reduction of the guaranteed rates partially off-set by strong inflows in Unit-Linked products.

**Combined ratio 90.3%**

vs. 100.9%. Outstanding operating performance confirmed in second quarter. Last year's combined ratio impacted by terrorism and weather events.

### Life: Solid result driven by a good performance and strong investment result

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Life</b>	<b>1,891.1</b>	<b>2,274.2</b>	<b>(17%)</b>	<b>1,018.4</b>	<b>1,015.4</b>	<b>0%</b>	<b>872.7</b>
<b>Operating result</b>	<b>276.7</b>	<b>260.1</b>	<b>6%</b>	<b>119.6</b>	<b>138.3</b>	<b>(14%)</b>	<b>157.1</b>
Non-allocated other income and expenses	34.0	38.3	(11%)	17.7	18.7	(5%)	16.3
<b>Result before taxation</b>	<b>310.7</b>	<b>298.4</b>	<b>4%</b>	<b>137.3</b>	<b>157.0</b>	<b>(13%)</b>	<b>173.4</b>
Income tax expenses	(62.7)	(64.7)	(3%)	(34.2)	(35.3)	(3%)	(28.5)
Non-controlling interests	(68.3)	(64.0)	7%	(29.4)	(33.8)	(13%)	(38.9)
<b>Net result attributable to shareholders</b>	<b>179.7</b>	<b>169.7</b>	<b>6%</b>	<b>73.7</b>	<b>87.9</b>	<b>(16%)</b>	<b>106.0</b>

KEY PERFORMANCE INDICATORS BY FAMILY		GUARANTEED		UNIT - LINKED		TOTAL	
in EUR million	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 16
<b>Gross Inflows Life (consolidated entities)</b>	<b>1,448.8</b>	<b>2,051.7</b>	<b>442.3</b>	<b>222.5</b>	<b>1,891.1</b>	<b>2,274.2</b>	
Net underwriting Result	(21.7)	(9.2)	11.2	6.9	(10.5)	(2.3)	
Investment Result	287.2	262.4			287.2	262.4	
<b>Operating result</b>	<b>265.5</b>	<b>253.2</b>	<b>11.2</b>	<b>6.9</b>	<b>276.7</b>	<b>260.1</b>	
<b>Life Technical Liabilities</b>	<b>50,699.0</b>	<b>53,272.6</b>	<b>7,672.0</b>	<b>5,911.8</b>	<b>58,371.0</b>	<b>59,184.4</b>	

**Gross inflows** amounted to EUR 1.9 billion. The 17% year-on-year decrease is almost entirely due to the expected lower sales in short-term investment products following the consecutive lowering of the guaranteed rate over the course of 2016. Sales of Unit-Linked products continued to grow in the second quarter thanks to focused commercial campaigns via the bank channel, resulting in inflows year to date of EUR 0.4 billion, almost double compared to the same period last year.

The **Life Technical Liabilities** (EUR 58.4 billion) are slightly down compared to the end of last year.

The **operating result** increased from EUR 260 million last year to EUR 277 million, thanks to an improved investment result and, as in 2016, supported by a solid amount of capital gains. Subsequently, the operating margin of the Guaranteed products amounted to 110 bps (vs. 104 bps), which will be levelled out over the course of the year. The operating margin of Unit-Linked increased from 23 bps last year to 30 bps driven by a higher underwriting margin.

The **net result** increased from EUR 170 million to EUR 180 million, supported by a sustained good operating performance and the positive impact of realised capital gains.

## Non-Life: Continued excellent operating performance

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Non-Life</b>	<b>1,032.5</b>	<b>1,015.0</b>	<b>2%</b>	<b>437.6</b>	<b>429.8</b>	<b>2%</b>	<b>594.9</b>
<b>Net Earned Premium</b>	<b>920.8</b>	<b>909.6</b>	<b>1%</b>	<b>464.7</b>	<b>458.4</b>	<b>1%</b>	<b>456.1</b>
<b>Operating result</b>	<b>146.1</b>	<b>54.7</b>	<b>*</b>	<b>81.7</b>	<b>23.5</b>	<b>*</b>	<b>64.4</b>
Non-allocated other income and expenses	8.1	10.5	(23%)	4.2	5.9	(29%)	3.9
<b>Result before taxation</b>	<b>154.2</b>	<b>65.2</b>	<b>*</b>	<b>85.9</b>	<b>29.4</b>	<b>*</b>	<b>68.3</b>
Income tax expenses	(46.5)	(15.0)	*	(26.5)	(3.6)	*	(20.0)
Non-controlling interests	(28.4)	(13.9)	*	(15.7)	(7.4)	*	(12.7)
<b>Net result attributable to shareholders</b>	<b>79.3</b>	<b>36.3</b>	<b>*</b>	<b>43.7</b>	<b>18.4</b>	<b>*</b>	<b>35.6</b>

KEY PERFORMANCE INDICATORS BY FAMILY	ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
in EUR million	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>270.8</b>	<b>266.5</b>	<b>314.0</b>	<b>309.3</b>	<b>339.3</b>	<b>334.5</b>	<b>108.4</b>	<b>104.7</b>	<b>1,032.5</b>	<b>1,015.0</b>
<b>Net Earned Premiums</b>	<b>239.2</b>	<b>235.1</b>	<b>285.4</b>	<b>282.8</b>	<b>300.3</b>	<b>299.4</b>	<b>95.9</b>	<b>92.4</b>	<b>920.8</b>	<b>909.7</b>
Net Underwriting result	0.7	(16.4)	45.8	14.1	41.0	(3.4)	1.5	(2.5)	89.0	(8.2)
Combined Ratio	99.7%	107.0%	84.0%	95.0%	86.3%	101.1%	98.4%	102.7%	90.3%	100.9%
of which Prior Year claims ratio									(11.3%)	(12.7%)
Investment Result	16.3	19.4	20.5	21.5	8.1	9.0	12.2	13.0	57.1	62.9
Other Result										
<b>Operating Result</b>	<b>17.0</b>	<b>3.0</b>	<b>66.3</b>	<b>35.6</b>	<b>49.1</b>	<b>5.6</b>	<b>13.7</b>	<b>10.5</b>	<b>146.1</b>	<b>54.7</b>
<b>Reserves Ratio (in %)</b>	<b>390%</b>	<b>395%</b>	<b>182%</b>	<b>181%</b>	<b>70%</b>	<b>85%</b>	<b>326%</b>	<b>331%</b>	<b>215%</b>	<b>220%</b>
<b>Non-Life Technical Liabilities</b>	<b>1,864.1</b>	<b>1,856.2</b>	<b>1,039.5</b>	<b>1,021.5</b>	<b>423.2</b>	<b>509.6</b>	<b>625.0</b>	<b>611.7</b>	<b>3,951.8</b>	<b>3,999.0</b>

**Gross inflows** amounted to EUR 1 billion, up 2% compared to last year and marked by growth across all business lines.

The **combined ratio** stood at a strong 90.3% (vs 100.9%). Last year's combined ratio was however heavily impacted by the terrorism events of March 2016 (4.2%). This outstanding ratio is supported by good current and prior year losses. Overall, the excellent start to the year for all product lines has been confirmed in the second quarter.

The **operating result** increased from EUR 55 million to EUR 146 million, reflecting the solid operating performance and benefitting from benign weather conditions.

The **net result** more than doubled from EUR 36 million last year to EUR 79 million this year thanks to the strong operating performance.

# UNITED KINGDOM

**Net profit of EUR 11 million**

vs. a profit of EUR 35 million.

**Gross inflows EUR 1.1 billion**

vs. EUR 1.2 billion (-10%). Inflows holding steady at constant exchange rate.

**Combined ratio 105.7%**

vs 100.1%. Anticipated residual impact of the Ogden discount rate review and lower prior year releases.

## Performance continues to be impacted by Ogden rate review

INCOME STATEMENT							
in EUR million							
	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>1,067.9</b>	<b>1,184.3</b>	<b>(10%)</b>	<b>545.0</b>	<b>606.7</b>	<b>(10%)</b>	<b>522.9</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>830.9</b>	<b>928.1</b>	<b>(10%)</b>	<b>419.1</b>	<b>474.1</b>	<b>(12%)</b>	<b>411.8</b>
<b>Net Earned Premium</b>	<b>762.7</b>	<b>829.3</b>	<b>(8%)</b>	<b>382.0</b>	<b>416.1</b>	<b>(8%)</b>	<b>380.7</b>
<b>Operating result</b>	<b>3.7</b>	<b>38.2</b>	<b>(90%)</b>	<b>9.1</b>	<b>10.6</b>	<b>(14%)</b>	<b>(5.4)</b>
Non-allocated other income and expenses		0.4	*	(1.9)	(0.5)	*	1.9
<b>Result before taxation consolidated entities</b>	<b>3.7</b>	<b>38.6</b>	<b>(90%)</b>	<b>7.2</b>	<b>10.1</b>	<b>(29%)</b>	<b>(3.5)</b>
Result non-consolidated partnerships	7.8	4.4	77%	4.7	2.3	*	3.1
<b>Result before taxation</b>	<b>11.5</b>	<b>43.0</b>	<b>(73%)</b>	<b>11.9</b>	<b>12.4</b>	<b>(4%)</b>	<b>(0.4)</b>
Income tax expenses	(0.3)	(8.2)	(96%)	(1.2)	(2.3)	(48%)	0.9
Non-controlling interests							
<b>Net result attributable to shareholders</b>	<b>11.2</b>	<b>34.8</b>	<b>(68%)</b>	<b>10.7</b>	<b>10.1</b>	<b>6%</b>	<b>0.5</b>

KEY PERFORMANCE INDICATORS BY FAMILY		ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
in EUR million		HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16
<b>Gross Inflows Non-Life (consolidated entities)</b>		<b>17.9</b>	<b>23.1</b>	<b>536.4</b>	<b>582.8</b>	<b>183.0</b>	<b>202.3</b>	<b>93.6</b>	<b>119.9</b>	<b>830.9</b>	<b>928.1</b>
<b>Net Earned Premiums</b>		<b>14.9</b>	<b>21.8</b>	<b>480.2</b>	<b>526.3</b>	<b>175.9</b>	<b>185.6</b>	<b>91.7</b>	<b>95.6</b>	<b>762.7</b>	<b>829.3</b>
Net Underwriting result		(0.7)	(1.4)	(29.5)	10.9	0.6	(3.2)	(13.5)	(7.4)	(43.1)	(1.1)
Combined Ratio		104.6%	106.3%	106.1%	97.9%	99.7%	101.7%	114.8%	107.7%	105.7%	100.1%
of which Prior Year claims ratio										0.9%	(5.0%)
Investment Result		0.4	0.5	33.5	27.5	5.7	4.8	7.2	6.5	46.8	39.3
Other Result											
<b>Operating Result</b>		<b>(0.3)</b>	<b>(0.9)</b>	<b>4.0</b>	<b>38.4</b>	<b>6.3</b>	<b>1.6</b>	<b>(6.3)</b>	<b>(0.9)</b>	<b>3.7</b>	<b>38.2</b>
<b>Reserves Ratio (in %)</b>		<b>62%</b>	<b>61%</b>	<b>224%</b>	<b>171%</b>	<b>83%</b>	<b>88%</b>	<b>231%</b>	<b>222%</b>	<b>189%</b>	<b>155%</b>
<b>Non-Life Technical Liabilities</b>		<b>18.6</b>	<b>26.7</b>	<b>2,147.5</b>	<b>1,798.9</b>	<b>293.4</b>	<b>326.5</b>	<b>423.6</b>	<b>424.1</b>	<b>2,883.1</b>	<b>2,576.2</b>

**Gross Inflows, including Tesco Underwriting Ltd**, amounted to EUR 1.1 billion (vs. EUR 1.2 billion) and were flat at constant exchange rate. Motor inflows totalled EUR 536 million (vs. EUR 583 million), 2% up at constant exchange rate in an unpredictable and volatile post-Ogden market. The impact of the change to the Ogden rate (also known as the Personal Injury Discount rate) continues to disrupt the market, with a wide variance in the timing and value of second quarter price increases put through by insurers. Household inflows stood at EUR 183 million (vs. EUR 202 million), flat at constant exchange rate. Inflows in Other lines were down at EUR 94 million (vs. EUR 120million), reflecting the planned run-off in Special Risks.

The **combined ratio** deteriorated to 105.7% (vs. 100.1%) due to the residual negative impact of Ogden as announced (-5.3%) and lower prior year releases. This affected Motor in particular, which registered a combined ratio of 106.1% (vs. 97.9%). However, the underlying current year loss ratio showed improvement. Household also improved over the period to 99.7% (vs. 101.7%) as a result of lower weather related claims. The combined ratio in Other Lines weakened from 107.7% to 114.8%, but excluding Ogden, improved to 96.9%.

Inflows for **Tesco Underwriting** amounted to EUR 237 million (vs. EUR 256 million), up 2% at constant exchange rate. The combined ratio of Tesco Underwriting improved to 93.8% (vs. 98.5%), due to a favourable current year claims experience and positive prior year development. The net result of Tesco Underwriting totalled EUR 7.8 million (vs. EUR 4.4 million).

The **UK net result** decreased to EUR 11 million compared to EUR 35 million, although the underlying performance is stable. As announced in the first quarter, the Ogden discount rate review will continue to affect the net result throughout 2017. Over the first six months the negative impact amounted to EUR 31 million. The remaining negative effect on the net result in the second half is estimated at EUR 10 to EUR 15 million, in line with earlier announcements.

Action has been taken to mitigate the negative impact of Ogden on the capital position, including the de-risking of the investment portfolio, which resulted in additional capital gains, and reinsurance coverage. Additionally, EUR 77 million of capital has been injected in the second quarter. As at 30 June, the UK's Solvency II ratio stood at 131%.



# CONTINENTAL EUROPE

<b>Net profit EUR 58 million</b>	vs. EUR 36 million (+64%). Excellent operating performance.
<b>Gross inflows EUR 3.0 billion</b>	vs. EUR 2.8 billion (+6%). Steady growth in both Life and Non-Life and inclusion of Ageas Seguros.
<b>Combined ratio 90.5%</b>	vs. 90.5%. Excellent combined ratios across all countries.
<b>Strategic development</b>	Divestment of the Italian Non-Life activities announced.

## Life: Continued solid operating performance

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Life (incl non-consolidated partnerships at 100%)</b>	<b>2,301.8</b>	<b>2,207.4</b>	<b>4%</b>	<b>1,301.6</b>	<b>1,162.0</b>	<b>12%</b>	<b>1,000.2</b>
<b>Gross Inflows Life (consolidated entities)</b>	<b>1,002.9</b>	<b>930.3</b>	<b>8%</b>	<b>477.5</b>	<b>466.9</b>	<b>2%</b>	<b>525.4</b>
<b>Operating result</b>	<b>60.1</b>	<b>47.0</b>	<b>28%</b>	<b>31.8</b>	<b>23.2</b>	<b>37%</b>	<b>28.3</b>
Non-allocated other income and expenses	( 6.8 )	( 19.5 )	(65%)	( 5.0 )	( 14.2 )	(65%)	( 1.8 )
<b>Result before taxation consolidated entities</b>	<b>53.3</b>	<b>27.5</b>	<b>94%</b>	<b>26.8</b>	<b>9.0</b>	<b>*</b>	<b>26.5</b>
Result non-consolidated partnerships	7.9	1.9	*	4.1	4.2	(2%)	3.8
<b>Result before taxation</b>	<b>61.2</b>	<b>29.4</b>	<b>*</b>	<b>30.9</b>	<b>13.2</b>	<b>*</b>	<b>30.3</b>
Income tax expenses	( 16.2 )	( 7.7 )	*	( 8.9 )	( 3.9 )	*	( 7.3 )
Non-controlling interests	( 14.6 )	( 5.3 )	*	( 6.4 )	( 0.2 )	*	( 8.2 )
<b>Net result attributable to shareholders</b>	<b>30.4</b>	<b>16.4</b>	<b>85%</b>	<b>15.6</b>	<b>9.1</b>	<b>71%</b>	<b>14.8</b>

KEY PERFORMANCE INDICATORS BY FAMILY		GUARANTEED		UNIT - LINKED		TOTAL	
in EUR million	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 16
<b>Gross Inflows Life (consolidated entities)</b>	<b>420.4</b>	<b>470.2</b>	<b>582.5</b>	<b>460.1</b>	<b>1,002.9</b>	<b>930.3</b>	
Net underwriting Result	14.8	14.0	6.5	2.1	21.3	16.1	
Investment Result	37.8	30.6	1.0	0.3	38.8	30.9	
<b>Operating result</b>	<b>52.6</b>	<b>44.6</b>	<b>7.5</b>	<b>2.4</b>	<b>60.1</b>	<b>47.0</b>	
<b>Life Technical Liabilities</b>	<b>8,322.1</b>	<b>9,641.0</b>	<b>7,537.2</b>	<b>5,727.9</b>	<b>15,859.3</b>	<b>15,368.9</b>	

Scope change: as from Q2 2016, Ageas Seguros is included in the reporting scope.

**Gross inflows**, including non-consolidated partnerships at 100%, reached EUR 2.3 billion, 4% up year-on-year. The increase is mainly realised in Portugal and Luxembourg. The share of Unit-Linked sales increased to 61% of the total Life inflows compared to 48% last year.

In **Portugal**, gross inflows reached EUR 765 million or 14% up on last year's level. This is the result of excellent sales in Ocidental (+12%), with specific campaigns on the retirement offer and continued focus on Unit-Linked sales. The company outperformed the Portuguese market that grew by +3% over the first five months. The inclusion of Ageas Seguros accounted for EUR 45 million.

Gross inflows in **France** reached EUR 238 million, 9% down, reflecting the downward trend in the French market but with a business mix moving towards Unit-Linked.

In **Luxembourg** sales were up in the second quarter following a weaker first quarter. Gross inflows amounted to nearly EUR 1.3 billion, up 2% year-on-year. Unit-Linked Sales to High-Net-Worth customers were particularly strong,

representing in total 64% of total inflows versus 48% in the same period last year.

**Life Technical Liabilities** of the consolidated entities were slightly up to EUR 15.9 billion thanks to Portugal. The non-consolidated Life Technical Liabilities in Luxembourg increased by 6% compared to year-end 2016 amounting to EUR 21.2 billion.

The **operating result** at EUR 60 million was up 28% mostly as a result of an improved net underwriting and investment result, primarily in Portugal. As a consequence, the operating margin increased to 133 bps on Guaranteed products. On Unit-Linked products, it reached 20 bps.

The **net profit** nearly doubled compared to last year and ended at EUR 30 million. This increase is explained by the positive evolution in the operating result, and the favourable fair value adjustments on assets classified as 'Held For Trading' in Luxembourg, compared to last year, which was impacted by equity impairments. Excluding the equity markets impact of last year, the underlying operating performance continued to be strong.

## Non-Life: Strong inflows and results in all countries

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>714.6</b>	<b>631.8</b>	<b>13%</b>	<b>330.6</b>	<b>337.8</b>	<b>(2%)</b>	<b>384.0</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>430.8</b>	<b>334.0</b>	<b>29%</b>	<b>203.1</b>	<b>193.6</b>	<b>5%</b>	<b>227.7</b>
<b>Net Earned Premium</b>	<b>375.0</b>	<b>297.0</b>	<b>26%</b>	<b>191.0</b>	<b>179.3</b>	<b>7%</b>	<b>184.0</b>
<b>Operating result</b>	<b>42.3</b>	<b>38.7</b>	<b>9%</b>	<b>20.4</b>	<b>22.4</b>	<b>(9%)</b>	<b>21.9</b>
Non-allocated other income and expenses	(2.0)	(1.8)	11%	(0.1)	(4.0)	(98%)	(1.9)
<b>Result before taxation consolidated entities</b>	<b>40.3</b>	<b>36.9</b>	<b>9%</b>	<b>20.3</b>	<b>18.4</b>	<b>10%</b>	<b>20.0</b>
Result non-consolidated partnerships	6.8	4.0	70%	3.8	2.5	52%	3.0
<b>Result before taxation</b>	<b>47.1</b>	<b>40.9</b>	<b>15%</b>	<b>24.1</b>	<b>20.9</b>	<b>15%</b>	<b>23.0</b>
Income tax expenses	(12.2)	(15.1)	(19%)	(6.2)	(5.8)	7%	(6.0)
Non-controlling interests	(7.0)	(6.6)	6%	(3.6)	(3.4)	6%	(3.4)
<b>Net result attributable to shareholders</b>	<b>27.9</b>	<b>19.2</b>	<b>45%</b>	<b>14.3</b>	<b>11.7</b>	<b>22%</b>	<b>13.6</b>

KEY PERFORMANCE INDICATORS BY FAMILY		ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
in EUR million	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>204.4</b>	<b>165.5</b>	<b>134.3</b>	<b>90.4</b>	<b>65.6</b>	<b>54.0</b>	<b>26.5</b>	<b>24.1</b>	<b>430.8</b>	<b>334.0</b>	
<b>Net Earned Premiums</b>	<b>182.7</b>	<b>153.6</b>	<b>121.4</b>	<b>82.0</b>	<b>50.8</b>	<b>41.6</b>	<b>20.1</b>	<b>19.8</b>	<b>375.0</b>	<b>297.0</b>	
Net Underwriting result	19.3	11.7	(2.8)	1.6	11.8	8.5	7.3	6.3	35.6	28.1	
Combined Ratio	89.4%	92.3%	102.3%	98.1%	76.7%	79.5%	63.8%	68.4%	90.5%	90.5%	
of which Prior Year claims ratio									(6.6%)	(4.7%)	
Investment Result	2.9	4.5	2.2	2.8	0.7	0.8	1.6	1.7	7.4	9.8	
Other Result	1.5	1.6	(2.2)	0.4	(0.2)	(1.0)	0.2	(0.2)	(0.7)	0.8	
<b>Operating Result</b>	<b>23.7</b>	<b>17.8</b>	<b>(2.8)</b>	<b>4.8</b>	<b>12.3</b>	<b>8.3</b>	<b>9.1</b>	<b>7.8</b>	<b>42.3</b>	<b>38.7</b>	
<b>Reserves Ratio (in %)</b>	<b>180%</b>	<b>202%</b>	<b>186%</b>	<b>267%</b>	<b>116%</b>	<b>135%</b>	<b>466%</b>	<b>532%</b>	<b>188%</b>	<b>233%</b>	
<b>Non-Life Technical Liabilities</b>	<b>656.2</b>	<b>620.9</b>	<b>451.5</b>	<b>438.2</b>	<b>117.7</b>	<b>112.0</b>	<b>187.2</b>	<b>210.3</b>	<b>1,412.6</b>	<b>1,381.4</b>	

Scope change: as from Q2 2016, Ageas Seguros is included in the reporting scope.

**Gross Inflows**, including non-consolidated partnerships at 100% reached EUR 715 million, up 13% on the previous year. At constant exchange rates gross inflows would have been up 22%. This strong increase was related to the inclusion of Ageas Seguros and the solid commercial performance of all the entities.

Inflows in **Portugal** reached EUR 319 million (vs. EUR 225 million), including Ageas Seguros. Excluding Ageas Seguros, inflows increased by 8% mainly in Health Care, with sales above market growth in Motor and Household. Ageas Seguros continued its turnaround with substantial new business growth, leading to total inflows of EUR 143 million in the first half of this year.

In **Italy** inflows were 2% up at EUR 111 million, driven by higher sales in Health (SME) and Consumer Protection Insurance.

Inflows in **Turkey** were up 15% at constant exchange rate (-5% in EUR). Most business lines, but especially Household, supported the growth.

The **operating result** of the consolidated entities increased by 10%. This increase is related to higher volumes combined with a strong operating performance in Portugal. In June, a major fire hit the region of Pedrogão Grande in Portugal but the impact on the operating result has been limited. The combined ratio remained good and in line with last year at 90.5%.

The positive evolution of the consolidated operating result as well as the strong results in Turkey led to a **net result** of EUR 28 million, up 45% on previous year.

### Strategic development

On 26 July 2017, Ageas announced an agreement with BNP Paribas Cardif to sell its 50% + 1 share in the share capital of Cargeas Assicurazioni (CARGEAS), its Italian Non-Life operations. The transaction, which is subject to regulatory approval, is expected to generate a capital gain of approximately EUR 75 million for Ageas. The transaction is expected to close before the end of 2017.

# ASIA

**Net profit EUR 113 million**

vs. EUR 329 million (-66%). Excluding the 2016 exceptional items, the net result remained strong and stable compared to last year. Solid performance in all major countries.

**Gross Inflows EUR 13.5 billion**

vs. EUR 11.0 billion (+22%). Continued strong growth in new business and in renewal premiums across the region.

**Life: Solid profit driven by strong growth in gross inflows**

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Life (incl non-consolidated partnerships at 100%)</b>	<b>13,007.0</b>	<b>10,541.6</b>	<b>23%</b>	<b>3,958.9</b>	<b>3,468.7</b>	<b>14%</b>	<b>9,048.1</b>
<b>Gross Inflows Life (consolidated entities)</b>		<b>183.3</b>	*		<b>63.1</b>	*	
<b>Operating result</b>		<b>17.1</b>	*		<b>4.5</b>	*	
Non-allocated other income and expenses	(14.2)	184.6	*	(7.4)	189.6	*	(6.8)
<b>Result before taxation consolidated entities</b>	<b>(14.2)</b>	<b>201.7</b>	*	<b>(7.4)</b>	<b>194.1</b>	*	<b>(6.8)</b>
Result non-consolidated partnerships	116.1	117.6	(1%)	62.2	69.8	(11%)	53.9
<b>Result before taxation</b>	<b>101.9</b>	<b>319.3</b>	<b>(68%)</b>	<b>54.8</b>	<b>263.9</b>	<b>(79%)</b>	<b>47.1</b>
Income tax expenses		(1.3)	*		0.1	*	
Non-controlling interests							
<b>Net result attributable to shareholders</b>	<b>101.9</b>	<b>318.0</b>	<b>(68%)</b>	<b>54.8</b>	<b>264.0</b>	<b>(79%)</b>	<b>47.1</b>

**Gross inflows** amounted to EUR 13.0 billion, up 23% (+25% at constant exchange rates) including non-consolidated partnerships at 100%. Excluding the Hong Kong Life activities, inflows increased by 26%. Higher sales primarily originated from China, Malaysia and Thailand as a result of successful sales campaigns and continued channel development, including a further increase in the number of agents mainly within China. India's growth in the bank channel further contributed to the increase in gross inflows.

Both new business premiums and renewals increased strongly by 11% to EUR 6.4 billion and 38% to EUR 6.6 billion respectively. The increase in new business premiums came mainly from regular premiums, up 30% at EUR 3.5 billion. Single premium inflows amounted to EUR 2.9 billion, 6% lower versus last year following China's strategic choice to focus on the more profitable regular premium business. New business premiums grew specifically in the agency channel to EUR 2.8 billion (+19%) while sales via the bank channel declined somewhat to EUR 3.1 billion (-6%) following China's above mentioned strategic choice.

In **China**, inflows increased by 27% year-on-year to EUR 11.0 billion. New business premiums amounted to EUR 5.6 billion, up 12%, of which EUR 3.2 billion (+41%) was in regular premium business, in line with the commercial strategy. New business through the agency channel grew by 20% amounting to EUR 2.7 billion, with regular premiums increasing by 37%. This is the result of continued investments in new commercial campaigns and a further expansion of the agency force, currently standing at almost 390,000 agents. The bank channel ran its traditional first quarter sales campaign with total new business premiums of EUR 2.5 billion and with regular premiums up 66%.

Renewals increased by 48% to EUR 5.4 billion with persistency levels continuing to be amongst the best in the market.

**Thailand's** inflows were up 18% to EUR 1.5 billion. Inflows were marked by strong growth in both new business, up 9%, and renewal premiums, up 22% to EUR 1.0 billion thanks to continued customer loyalty.

Inflows in **Malaysia** amounted to EUR 338 million, up 17%, reflecting strong new business (+13%) and renewal business amounting to EUR 170 million (+21%).

Inflows in **India** amounted to EUR 122 million up 34% supported by growth in both new business premiums, up 51%, and renewal premiums.

Inflows in **the Philippines** amounted to EUR 5 million. **Vietnam** started sales as of March 2017.

**Technical Liabilities** increased 7% from the end of last year to EUR 53.1 billion following top line growth and strong persistency.

Total **net profit** in Asia amounted to EUR 102 million (vs. EUR 318 million). 2016 net profit included part of the capital gain of the divestment of the Hong Kong Life entity amounting to EUR 199 million. Last year's result also still included the Hong Kong Life activities amounting to EUR 13 million and benefited from an exceptional one off adjustment. Excluding these exceptionals the net result remained strong and stable compared with last year.

**Regional headquarters costs** amounted to EUR 14 million (vs. EUR 12 million).

## Non-Life: Solid Non-Life result

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>450.8</b>	<b>488.1</b>	<b>(8%)</b>	<b>201.0</b>	<b>210.7</b>	<b>(5%)</b>	<b>249.8</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>							
<b>Net Earned Premium</b>							
<b>Operating result</b>							
Non-allocated other income and expenses							
<b>Result before taxation consolidated entities</b>							
Result non-consolidated partnerships	11.2	11.0	2%	6.8	4.4	55%	4.4
<b>Result before taxation</b>	<b>11.2</b>	<b>11.0</b>	<b>2%</b>	<b>6.8</b>	<b>4.4</b>	<b>55%</b>	<b>4.4</b>
Income tax expenses							
Non-controlling interests							
<b>Net result attributable to shareholders</b>	<b>11.2</b>	<b>11.0</b>	<b>2%</b>	<b>6.8</b>	<b>4.4</b>	<b>55%</b>	<b>4.4</b>

Gross inflows decreased by 8% to EUR 451 million.

Malaysia inflows amounted to EUR 287 million (-9% at constant exchange rate). Lower Marine, Aviation and Transport business (MAT) was only partly compensated for by increased profitable Personal Accident (+9% at constant exchange rate) and Fire (+7% at constant exchange rate). As the MAT business is largely re-insured, the impact on the net earned premiums and net result is very limited.

Inflows in Thailand were up 3% (-2% at constant exchange rate) to EUR 163 million with growth in Fire.

The net result amounted to EUR 11 million, marked by continued strong combined ratios at 87.0% (vs. 89.3%).

# REINSURANCE (INTREAS)

**Net profit** EUR 3.1 million.

**Gross inflows** EUR 24 million mainly from consolidated Non-Life entities in Europe.

**Combined ratio** 77.7%.

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Gross Inflows Non-Life (incl non-consolidated partnerships at 100%)</b>	<b>24.2</b>	<b>21.3</b>	<b>14%</b>	<b>13.5</b>	<b>10.8</b>	<b>25%</b>	<b>10.7</b>
<b>Gross Inflows Non-Life (consolidated entities)</b>	<b>24.2</b>	<b>21.3</b>	<b>14%</b>	<b>13.5</b>	<b>10.8</b>	<b>25%</b>	<b>10.7</b>
<b>Net Earned Premium</b>	<b>10.9</b>	<b>9.0</b>	<b>21%</b>	<b>6.9</b>	<b>4.6</b>	<b>50%</b>	<b>4.0</b>
<b>Operating result</b>	<b>2.4</b>	<b>2.0</b>	<b>20%</b>	<b>2.5</b>	<b>1.0</b>	<b>*</b>	<b>(0.1)</b>
Non-allocated other income and expenses	0.7	0.2	*	0.3	0.4	(25%)	0.4
<b>Result before taxation consolidated entities</b>	<b>3.1</b>	<b>2.2</b>	<b>41%</b>	<b>2.8</b>	<b>1.4</b>	<b>*</b>	<b>0.3</b>
Result non-consolidated partnerships							
<b>Result before taxation</b>	<b>3.1</b>	<b>2.2</b>	<b>41%</b>	<b>2.8</b>	<b>1.4</b>	<b>*</b>	<b>0.3</b>
Income tax expenses			*			*	
Non-controlling interests							
<b>Net result attributable to shareholders</b>	<b>3.1</b>	<b>2.2</b>	<b>41%</b>	<b>2.8</b>	<b>1.4</b>	<b>*</b>	<b>0.3</b>

KEY PERFORMANCE INDICATORS BY FAMILY	ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
in EUR million	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16
<b>Gross Inflows Non-Life (consolidated entities)</b>		<b>0.2</b>	<b>4.1</b>	<b>2.1</b>	<b>19.7</b>	<b>19.0</b>	<b>0.4</b>		<b>24.2</b>	<b>21.3</b>
<b>Net Earned Premiums</b>		<b>0.2</b>	<b>3.1</b>	<b>1.8</b>	<b>7.4</b>	<b>7.0</b>	<b>0.4</b>		<b>10.9</b>	<b>9.0</b>
Net Underwriting result		0.2	1.4		0.7	1.8	0.3		2.4	2.0
Combined Ratio	23.3%	17.4%	55.0%	100.0%	90.2%	73.7%	22.7%		77.7%	77.8%
of which Prior Year claims ratio									(2.3%)	
Investment Result										
Other Result										
<b>Operating Result</b>		<b>0.2</b>	<b>1.4</b>		<b>0.7</b>	<b>1.8</b>	<b>0.3</b>		<b>2.4</b>	<b>2.0</b>
<b>Reserves Ratio (in %)</b>	<b>531%</b>		<b>88%</b>		<b>128%</b>	<b>252%</b>	<b>3%</b>		<b>114%</b>	<b>197%</b>
<b>Non-Life Technical Liabilities</b>	<b>0.5</b>		<b>5.4</b>		<b>19.0</b>	<b>35.5</b>			<b>24.9</b>	<b>35.5</b>

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

**Gross inflows** amounted to EUR 24.2 million (vs. EUR 21.3 million). As in 2016, inflows mainly related to the fully consolidated Non-Life entities in Europe and more in particular to Household and Motor Third Party Liability & other Liability business.

**Net earned premiums** amounted to EUR 10.9 million (vs. EUR 9.0 million).

The **operating result** amounted to EUR 2.4 million (vs EUR 2.0 million) with a combined ratio of 77.7% stable compared to last year.

Intreas' first half-year **net result** amounted to EUR 3.1 million (vs. EUR 2.2 million) in a continued soft reinsurance market. The net insurance liabilities, after reinsurance, amounted to EUR 14.5 million.

The increase in inflows and results in the second quarter compared with the first quarter is mainly explained by the Stop Loss Reinsurance Coverage that was put in place with Ageas UK from April 1 onwards.

# GENERAL ACCOUNT

**Net loss of EUR 161 million**

vs. net loss of EUR 675 million with last year's result impacted by the Fortis Settlement.

**Total Liquid Assets EUR 1.7 billion**

vs. EUR 1.9 billion of which EUR 0.8 billion ring-fenced for the Fortis settlement.

INCOME STATEMENT							
in EUR million	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
Net interest Income	2.6	4.7	(45 %)	1.1	1.7	(35 %)	1.5
Unrealised gain (loss) on RPN(I)	(121.9)	67.1	*	(26.4)	(6.0)	*	(95.5)
Result on sales and revaluations	(0.6)	197.3	*	(0.3)	201.7	*	(0.3)
Share in result of associates	1.1	12.5	(91 %)	(0.3)	0.2	*	1.4
Other income	0.1	0.3	(67 %)	0.1	0.1	0 %	-
<b>Total income</b>	<b>(118.7)</b>	<b>281.9</b>	<b>*</b>	<b>(25.8)</b>	<b>197.7</b>	<b>*</b>	<b>(92.9)</b>
Change in impairments and provisions	0.1	(898.4)	*	0.2	(5.8)	*	(0.1)
<b>Net revenues</b>	<b>(118.6)</b>	<b>(616.5)</b>	<b>(81 %)</b>	<b>(25.6)</b>	<b>191.9</b>	<b>*</b>	<b>(93.0)</b>
Staff expenses	(13.6)	(15.7)	(13 %)	(6.5)	(9.8)	(34 %)	(7.1)
Other operating and administrative expenses	(23.8)	(40.4)	(41 %)	(12.3)	(19.4)	(37 %)	(11.5)
Intercompany Staff & Other expenses	2.9	3.4	(15 %)	1.6	1.5	7 %	1.3
<b>Total expenses</b>	<b>(34.5)</b>	<b>(52.7)</b>	<b>(35 %)</b>	<b>(17.2)</b>	<b>(27.7)</b>	<b>(38 %)</b>	<b>(17.3)</b>
<b>Result before taxation</b>	<b>(153.1)</b>	<b>(669.2)</b>	<b>77 %</b>	<b>(42.8)</b>	<b>164.2</b>	<b>*</b>	<b>(110.3)</b>
Income tax expenses	(7.9)	(5.6)	(41 %)	(6.1)	(5.1)	(20 %)	(1.8)
<b>Net result for the period</b>	<b>(161.0)</b>	<b>(674.8)</b>	<b>76 %</b>	<b>(48.9)</b>	<b>159.1</b>	<b>*</b>	<b>(112.1)</b>
Net result attributable to non-controlling interests	-	-	-	-	-	-	-
<b>Net result attributable to shareholders</b>	<b>(161.0)</b>	<b>(674.8)</b>	<b>76 %</b>	<b>(48.9)</b>	<b>159.1</b>	<b>*</b>	<b>(112.1)</b>

  

BALANCE SHEET (MAIN ITEMS)			
in EUR million	30 Jun 2017	31 Dec 2016	Change
RPN(I)	(396.9)	(275.0)	44 %
Royal Park Investments	26.0	41.9	(38 %)
Provision Fortis Settlement	(1,024.4)	(1,024.4)	0 %

The General Account net result amounted to EUR 161 million negative compared to EUR 675 million negative in 2016. The change primarily reflects last year's provision of EUR 889 million made for the Fortis settlement announced on 14 March 2016, and the negative value difference on the RPN(I) (EUR 122 million) in this year's first half.

## RPN(I)

The RPN(I) reference amount liability increased from EUR 275 million at year end 2016 to EUR 397 million at the end of June 2017. This led to a loss of EUR 122 million in the first half-year of 2017 (non-cash impact). The change in the reference amount is explained by the movement of the CASHES price from 66.40% to 78.28% and the Ageas share price from EUR 37.61 to EUR 35.26 over the period.

## Royal Park Investments (RPI)

RPI sold its asset portfolio in April 2013. The remaining activity of RPI is essentially limited to the management of litigations initiated on a number of US assets. Ageas's part in the first half 2017 net profit of RPI, accounted for under 'Share of result of associates', amounted to EUR 2 million which was mainly driven by the resolution of certain outstanding US proceedings.

## Other items

Net interest income amounted to EUR 2.6 million.

Staff and other operating expenses, after recharges decreased from EUR 56 million last year to EUR 37 million mainly due to lower legal expenses.

### Total Liquid Assets

The total liquid assets in the General Account, including liquid assets with maturity over 1 year, amounted to EUR 1.7 billion, EUR 0.2 billion lower than the end of 2016. This decrease is primarily due to the ongoing share buy-back

programme and the capital injection in the UK. The remaining future cash out of EUR 0.8 billion related to the Fortis settlement has been ring-fenced.

EVOLUTION LIQUID ASSETS DURING 2017		
in EUR million		
Cash		1,759.4
Liquid assets		183.3
<b>Total Liquid Assets 31 December 2016</b>		<b>1,942.7</b>
<b>Distribution to shareholders</b>		
Dividend paid	(416.6)	
Share buy-back program 2016-2017*	(147.2)	
		(563.8)
<b>Dividend upstream, net received</b>		
Belgium	390.6	
Continental Europe:		
- Portugal	25.0	
- Luxembourg	8.7	
- Italy	14.7	
Asia:		
- Thailand	17.0	
- China	45.1	
Royal Park Investments:	17.9	
		519.0
<b>Capital Restructuring</b>		
Capital injection UK	(76.8)	
		(76.8)
<b>M&amp;A</b>		
Capital injection Philippines	(15.1)	
		(15.1)
<b>Other</b> (incl. regional costs CE, Asia and interest)		(57.1)
<b>Total Liquid Assets 30 June 2017</b>		<b>1,748.9</b>
Cash		1,623.4
Liquid assets		125.5

\* Total buy-back amounts to EUR 250 million, EUR 77.9 million was cash out in 2016

### Contingent Liabilities

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

As a part of this procedure, the Amsterdam Court of Appeal held a public hearing in Amsterdam on 24 March 2017, 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 current form. The petitioners have been offered the opportunity to submit a supplemented and amended agreement to the Court by 17 October 2017 at the latest. Ageas is currently consulting with the other petitioners.

The proceedings before the Brussels Commercial Court initiated by RBS, based on an alleged guarantee given by Fortis in 2007 in the context of a share deal between ABN AMRO Bank (now RBS) and Mellon, were brought to a close on 8 June 2017, following the formal acceptance by the Court of the withdrawal of RBS. The arbitration procedure before the International Chamber of Commerce (ICC) in Paris that was initiated by RBS on the same grounds is still pending.

# SOLVENCY POSITION AND INVESTMENT PORTFOLIO

**Insurance Solvency II<sub>ageas</sub> ratio at 193%** Well above the 175% target

**Investment portfolio EUR 81.8 billion** compared to **EUR 82.7 billion** at the end of 2016

**Strong balance sheet** Shareholders' equity at **EUR 9.0 billion** and Insurance Solvency II<sub>ageas</sub> and Group Solvency II<sub>ageas</sub> ratios at 193% and 198%.

Solvency II	30 Jun 2017	31 Dec 2016
Group Solvency II <sub>ageas</sub>	197.8%	191.2%
Group Solvency II <sub>pim</sub>	184.0%	174.3%
Insurance Solvency II <sub>ageas</sub>	192.7%	178.8%
- Belgium	254.7%	243.7%
- UK	130.9%	100.2%
- Continental Europe	155.4%	126.8%
- Reinsurance (Intreas)	210.2%	278.1%

## Solvency position

The own funds of the insurance activities amounted to EUR 7.9 billion, and stood EUR 3.3 billion above SCR. This led to a strong total Insurance Solvency II<sub>ageas</sub> ratio of 193%, well above the 175% target. The Insurance Solvency II<sub>ageas</sub> ratios by segments were 255% for Belgium, 131% for the United Kingdom, 155% for Continental Europe and 210% for Reinsurance.

The Group Solvency II<sub>ageas</sub> ratio was up from 191% at the end of 2016 to 198%. The residual impact from the Ogden rate review in the UK has been compensated by positive effects from a good operational quarter across all segments. Taking into account our calculation model based on Ageas's 175% solvency target, the increase of the Group solvency ratio includes an operational capital generation of EUR 0.5 billion for the first six months of the year,

EUR 0.1 billion of which relates to specific management actions to restore the solvency position in the UK.

## Shareholders' equity

Total shareholders' equity decreased from EUR 9.6 billion or EUR 46.56 per share at the end of 2016 to EUR 9.0 billion or EUR 44.53 per share. This decrease is mainly attributable to the dividend payout (EUR -0.4 million) at the end of May, unfavourable exchange rates (EUR -0.1 billion), the revaluation of the put option on 25% of AG Insurance shares (EUR -0.1 billion) and the ongoing share buy-back programme (EUR -0.1 billion) partly compensated by the result of the period. Net Equity per share excluding unrealized gains & losses amounted to EUR 32.42.

INVESTMENT PORTFOLIO	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
in EUR billion				
<b>Fixed Income portfolio</b>	<b>68.8</b>	<b>70.8</b>	<b>85%</b>	<b>86%</b>
Bonds	59.7	62.1	74%	75%
Government bonds	37.6	37.9	47%	46%
Corporate debt securities	22.0	24.1	27%	29%
Structured credit instruments	0.1	0.1	0%	0%
Loans	9.1	8.7	11%	11%
Loans to Banks	1.4	1.3	2%	2%
Loans to Customers	7.7	7.4	9%	9%
Real Estate	0.2	0.2	0%	0%
Infrastructure	0.6	0.5	1%	1%
Mortgages	1.2	1.3	1%	2%
Other	5.7	5.4	7%	6%
Equity portfolio	4.8	4.4	6%	5%
Real Estate	5.3	5.3	6%	6%
Investment property	3.8	3.8	4%	4%
For own use	1.5	1.5	2%	2%
Cash and Cash equivalents	2.2	2.2	3%	3%
<b>Total</b>	<b>81.1</b>	<b>82.7</b>	<b>100%</b>	<b>100%</b>



### Investment portfolio

Ageas's investment portfolio at the end of June 2017 amounted to EUR 81.1 billion compared to EUR 82.7 billion at the end of 2016. The value of the investment portfolio was mainly driven by a decrease in unrealised capital gains. At the end of June, the unrealised gains and losses on the total 'available for sale' investment and real estate portfolio amounted to EUR 9 billion compared to EUR 9.8 billion at the end of 2016. The unrealised capital gains on the 'Held to Maturity' portfolio decreased with EUR 0.2 billion to EUR 2.2 billion. Asset allocation remained relatively stable over the first quarter. Only the allocation to corporate debt securities was reduced by 2%

### Fixed income portfolio

#### Bonds

The government bond portfolio decreased by EUR 0.3 billion over the year to EUR 37.6 billion, mainly driven by a decrease in unrealised capital gains only partly compensated by new investments.

Corporate fixed income exposure decreased by EUR 2.1 billion to EUR 22 billion as the proceeds of maturities were not fully reinvested.

At the end of June, the corporate bond portfolio consisted of 59% industrials, 22% financials and 19% government related bonds. The credit quality of the

corporate bond portfolio remained high, with 94% at investment grade, of which 57% was rated A or higher.

The unrealised gains on the total 'available for sale' bond portfolio decreased to EUR 6.7 billion (of which EUR 5.2 billion on government bonds and EUR 1.6 billion on corporates) compared to EUR 7.7 billion at the end of 2016, driven by higher yields on government bonds.

#### Loans

Ageas's loan portfolio increased from EUR 8.7 billion to EUR 9.1 billion, mainly thanks to a higher exposure in 'loans to customers'. This evolution was realised through an increase in 'other loans', more specifically loans benefiting from an explicit guarantee by the Belgian regions or the Dutch State.

#### Equity portfolio

Equity investments at fair value increased by EUR 0.4 billion to EUR 4.8 billion. Gross unrealised capital gains increased to EUR 0.7 billion.

#### Real estate

Ageas's real estate portfolio at fair value increased slightly to EUR 5.3 billion despite the realisation of an important real estate sale in the first quarter. Gross unrealised capital gains were slightly up to EUR 1.6 billion.

# LEXICON ON FINANCIAL DISCLOSURE

Ageas's part in inflows	Inflows calculated on the basis of Ageas's pro rata ownership in its operating companies.
Claims ratio	Cost of claims, net of reinsurance, as a percentage of net earned premiums.
Combined Ratio	Insurer's total expenses as a percentage of net earned premiums. This is the sum of the claims ratio and the expense ratio (see separate definitions).
Current year claims ratio	Cost of claims relating to the current year as a percentage of net earned premiums.
Expense ratio	Expenses as a percentage of net earned premiums. Included in expenses are internal costs of claims handling and commissions, net of reinsurance.
Gross inflows	Sum of gross written premiums of insurance contracts and amounts received from investment contracts without DPF (Discretionary Participation Features).
Guaranteed products	Family of products including Traditional products, Savings products and Group Life products. Traditional products typically are protection based while Savings products mostly consist of products with a minimum guaranteed interest rate. Group Life products are offered by an employer or large-scale entity to its workers or members and can have various characteristics.
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.
Investment result	Sum of investment income and realised capital gains or losses on assets covering insurance liabilities, after deduction of related investment expenses. Life investment result is also reduced by the amount allocated to the policyholders as technical interest and profit sharing. The investment result in Accident & Health (part of Non-Life) is also reduced by the technical interest that has been accrued to the insurance liabilities.
Net earned premiums	Written premiums of Non-Life covering the risks for the current accounting period, netted for the premiums paid to reinsurers and the change in unearned premiums reserves.
Net realised capital gains or losses	Realised results, after tax, on the sale of investments in financial instruments, associates, investment property and property for own use. Impairment charges and the related changes in profit sharing are also reported under this heading.
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 underwriting result	The difference between the earned premiums and the sum of the actual claim payments and the change in insurance liabilities, all net of reinsurance. The result is presented after deduction of allocated claim handling expenses, general expenses and commissions net of reinsurance.
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.
Operating result	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 and result from non-consolidated partnerships.
Other margin	Other result divided by the net earned premium.
Other result	Results from other activities not allocated to net Underwriting result or Investment result.
Prior year claims ratio	Claims ratio (net) relating to prior underwriting years.
Reserve ratio (%)	Non-Life gross insurance liabilities divided by the annualised net earned premiums.
Return on equity (ROE)	Net result as a percentage of average shareholders' equity (without unrealised capital gains & losses).
Shadow accounting	Under IFRS 4 unrealised gains or losses on assets covering the insurance liabilities can be recognised in the measurement of the insurance liabilities in the same way as realised gains or losses. The adjustment to the insurance liabilities is recognised in other comprehensive income if the unrealised gains or losses are also recognised in other comprehensive income.
Solvency II <sub>ageas</sub> ratio	Solvency II ratio calculated by taking the Solvency II PIM ratio and (1) replacing the spread risk treatment by fundamental spread risk on both government and corporate bonds, (2) applying an Internal Model for AG Real Estate while (3) excluding the impact of transitional measures.
Technical liabilities	Insurance liabilities or the obligations the insurer has towards its policyholders, based on the terms of the contracts.
Unit-Linked products	Unit-Linked products are a type of Life insurance contracts where the investments are held on behalf of the policyholder and the investment risk is born by the policyholder.

# ANNEXES

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

## Annex 1 : Consolidated Statement of financial position as at 30 June 2017

<i>in EUR million</i>	30 June 2017	31 December 2016
<b>Assets</b>		
Cash and cash equivalents	2,229.9	2,180.9
Financial investments	64,603.2	66,571.4
Investment property	2,671.8	2,772.5
Loans	9,133.4	8,685.0
Investments related to unit-linked contracts	15,209.9	14,355.7
Investments in associates	2,864.2	2,855.7
Reinsurance and other receivables	2,374.6	2,192.3
Current tax assets	61.4	67.1
Deferred tax assets	185.7	171.5
Accrued interest and other assets	1,698.4	1,906.1
Property, plant and equipment	1,208.8	1,172.3
Goodwill and other intangible assets	1,235.0	1,217.7
Assets held for sale		145.3
<b>Total assets</b>	<b>103,476.3</b>	<b>104,293.5</b>
<b>Liabilities</b>		
Liabilities arising from life insurance contracts	27,610.1	28,218.1
Liabilities arising from life investment contracts	31,402.3	31,902.2
Liabilities related to unit-linked contracts	15,209.2	14,353.3
Liabilities arising from non-life insurance contracts	8,258.4	7,975.2
Subordinated liabilities	2,283.8	2,322.7
Borrowings	2,290.1	2,495.8
Current tax liabilities	81.1	94.2
Deferred tax liabilities	1,300.1	1,350.6
RPN(I)	396.9	275.0
Accrued interest and other liabilities	2,480.7	2,659.3
Provisions	1,070.0	1,067.2
Liabilities related to written put options on NCI	1,470.4	1,374.9
<b>Total liabilities</b>	<b>93,853.1</b>	<b>94,088.5</b>
Shareholders' equity	8,973.7	9,560.6
Non-controlling interests	649.5	644.4
<b>Total equity</b>	<b>9,623.2</b>	<b>10,205.0</b>
<b>Total liabilities and equity</b>	<b>103,476.3</b>	<b>104,293.5</b>

## Annex 2 : Income Statement

in EUR million							
	HY 17	HY 16	Change	Q2 17	Q2 16	Change	Q1 17
<b>Income</b>							
- Gross premium income	4,271.1	4,915.3	(13 %)	2,018.7	2,294.0	(12 %)	2,252.4
- Change in unearned premiums	(117.7)	(124.3)	(5 %)	36.6	18.2	*	(154.3)
- Ceded earned premiums	(125.1)	(138.2)	(9 %)	(55.4)	(65.1)	(15 %)	(69.7)
Net earned premiums	4,028.3	4,652.8	(13 %)	1,999.9	2,247.1	(11 %)	2,028.4
Interest, dividend and other investment income	1,400.6	1,488.1	(6 %)	719.7	763.7	(6 %)	680.9
Unrealised gain (loss) on RPN(I) (incl. settlement on RPN(I)/CASHES)	(121.9)	67.1	*	(26.4)	(6.0)	*	(95.5)
Result on sales and revaluations	147.9	618.8	(76 %)	25.7	475.0	(95 %)	122.2
Investment income related to unit-linked contracts	400.5	(16.3)	*	188.9	74.3	*	211.6
Share in result of associates	149.0	152.4	(2 %)	79.0	86.4	(9 %)	70.0
Fee and commission income	169.3	206.6	(18 %)	84.8	93.8	(10 %)	84.5
Other income	52.8	114.4	(54 %)	21.7	57.7	(62 %)	31.1
<b>Total income</b>	<b>6,226.5</b>	<b>7,283.9</b>	<b>(15 %)</b>	<b>3,093.3</b>	<b>3,792.0</b>	<b>(18 %)</b>	<b>3,133.2</b>
<b>Expenses</b>							
- Insurance claims and benefits, gross	(3,938.9)	(4,564.7)	(14 %)	(1,782.6)	(2,217.4)	(20 %)	(2,156.3)
- Insurance claims and benefits, ceded	254.9	89.6	*	(2.2)	69.6	*	257.1
Insurance claims and benefits, net	(3,684.0)	(4,475.1)	(18 %)	(1,784.8)	(2,147.8)	(17 %)	(1,899.2)
Charges related to unit-linked contracts	(427.5)	(0.8)	*	(212.1)	(79.7)	*	(215.4)
Finance costs	(59.3)	(90.8)	(35 %)	(22.0)	(49.0)	(55 %)	(37.3)
Change in impairments	(7.0)	(47.9)	(85 %)	(3.0)	(25.5)	(88 %)	(4.0)
Change in provisions	0.6	(887.1)	*	1.0	2.5	(60 %)	(0.4)
Fee and commission expense	(575.2)	(622.4)	(8 %)	(273.6)	(291.0)	(6 %)	(301.6)
Staff expenses	(410.0)	(427.4)	(4 %)	(203.4)	(217.7)	(7 %)	(206.6)
Other expenses	(516.4)	(592.2)	(13 %)	(283.8)	(317.0)	(10 %)	(232.6)
<b>Total expenses</b>	<b>(5,678.8)</b>	<b>(7,143.7)</b>	<b>(21 %)</b>	<b>(2,781.7)</b>	<b>(3,125.2)</b>	<b>(11 %)</b>	<b>(2,897.1)</b>
<b>Result before taxation</b>	<b>547.7</b>	<b>140.2</b>	<b>*</b>	<b>311.6</b>	<b>666.8</b>	<b>(53 %)</b>	<b>236.1</b>
Income tax expenses	(145.8)	(117.6)	(24 %)	(83.1)	(55.9)	(49 %)	(62.7)
<b>Net result for the period</b>	<b>401.9</b>	<b>22.6</b>	<b>*</b>	<b>228.5</b>	<b>610.9</b>	<b>(63 %)</b>	<b>173.4</b>
Attributable to non-controlling interests	118.3	89.8	32 %	55.1	44.8	23 %	63.2
<b>Net result attributable to shareholders</b>	<b>283.6</b>	<b>(67.2)</b>	<b>*</b>	<b>173.4</b>	<b>566.1</b>	<b>(69 %)</b>	<b>110.2</b>
<b>Per share data (EUR)</b>							
Basic earnings per share	1.40	(0.32)					
Diluted earnings per share	1.39	(0.32)					



## Annex 4 : Solvency by segment

Key Capital Indicators	in EUR million	
	30 Jun 2017	31 Dec 2016
<b>Belgium</b>		
Shareholders' equity	4,559.7	4,682.8
Own Funds	7,098.9	6,943.6
SCR <sub>ageas</sub>	2,787.1	2,849.6
Amount of Own Funds above SCR <sub>ageas</sub>	4,311.8	4,094.0
Solvency II <sub>ageas</sub> ratio	254.7%	243.7%
<b>United Kingdom</b>		
Shareholders' equity	852.0	815.1
Own Funds	748.7	708.9
SCR <sub>ageas</sub>	571.9	707.3
Amount of Own Funds above SCR <sub>ageas</sub>	176.8	1.6
Solvency II <sub>ageas</sub> ratio	130.9%	100.2%
<b>Continental Europe</b>		
Shareholders' equity	1,384.1	1,350.0
Own Funds	1,448.3	1,184.7
SCR <sub>ageas</sub>	932.2	934.2
Amount of Own Funds above SCR <sub>ageas</sub>	516.1	250.5
Solvency II <sub>ageas</sub> ratio	155.4%	126.8%
<b>Asia</b>		
Shareholders' equity	1,914.9	2,004.1
<b>Reinsurance</b>		
Shareholders' equity	107.0	104.2
Own Funds	110.5	106.4
SCR <sub>ageas</sub>	52.5	38.2
Amount of Own Funds above SCR <sub>ageas</sub>	58.0	68.2
Solvency II <sub>ageas</sub> ratio	210.2%	278.1%
<b>Non Transferable Own Funds</b>	( 1,535.5 )	( 1,465.4 )
<b>Diversification SCR<sub>ageas</sub></b>	( 259.4 )	( 347.7 )
<b>Total Insurance</b>		
Shareholders' equity	8,818.5	8,956.9
Own Funds	7,870.9	7,478.2
SCR <sub>ageas</sub>	4,084.3	4,181.6
Amount of Own Funds above SCR <sub>ageas</sub>	3,786.6	3,296.6
Solvency II <sub>ageas</sub> ratio	192.7%	178.8%
Solvency II <sub>pim</sub> ratio	183.2%	166.0%
<b>General Account (after eliminations)</b>		
Shareholders' equity	155.2	603.7
Own Funds	376.0	662.9
SCR <sub>ageas</sub>	84.4	76.5
<b>Total Group</b>		
Solvency II <sub>ageas</sub> ratio	197.8%	191.2%
Solvency II <sub>pim</sub> ratio	184.0%	174.3%
Total solvency ratio JVs not included in Group ratio	258.9%	263.5%

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

30 June 2017							
<i>in EUR million</i>	Life	Non-life	Insurance Eliminations	Total Insurance	General Account	Group Eliminations	Total
<b>Assets</b>							
Cash and cash equivalents	960.0	445.0		1,405.0	824.9		2,229.9
Financial investments	56,862.6	7,629.9		64,492.5	121.0	(10.3)	64,603.2
Investment property	2,436.9	234.9		2,671.8			2,671.8
Loans	7,343.3	997.3	(36.3)	8,304.3	1,492.4	(663.3)	9,133.4
Investments related to unit-linked contracts	15,209.9			15,209.9			15,209.9
Investments in associates	2,408.6	419.0		2,827.6	30.2	6.4	2,864.2
Reinsurance and other receivables	447.5	2,133.9	(457.7)	2,123.7	254.7	(3.8)	2,374.6
Current tax assets	28.4	33.0		61.4			61.4
Deferred tax assets	60.4	125.3		185.7			185.7
Accrued interest and other assets	1,132.1	562.8		1,694.9	122.2	(118.7)	1,698.4
Property, plant and equipment	1,000.5	207.5		1,208.0	0.8		1,208.8
Goodwill and other intangible assets	856.9	378.1		1,235.0			1,235.0
<b>Total assets</b>	<b>88,747.1</b>	<b>13,166.7</b>	<b>(494.0)</b>	<b>101,419.8</b>	<b>2,846.2</b>	<b>(789.7)</b>	<b>103,476.3</b>
<b>Liabilities</b>							
Liabilities arising from life insurance contracts	27,618.8			27,618.8		(8.7)	27,610.1
Liabilities arising from life investment contracts	31,402.3			31,402.3			31,402.3
Liabilities related to unit-linked contracts	15,209.2			15,209.2			15,209.2
Liabilities arising from non-life insurance contracts		8,272.4	(14.0)	8,258.4			8,258.4
Subordinated liabilities	1,240.6	492.8	(36.3)	1,697.1	1,250.0	(663.3)	2,283.8
Borrowings	1,954.4	335.7		2,290.1			2,290.1
Current tax liabilities	53.3	27.8		81.1			81.1
Deferred tax liabilities	1,058.9	237.9		1,296.8	3.3		1,300.1
RPN(I)					396.9		396.9
Accrued interest and other liabilities	2,000.0	900.2	(444.1)	2,456.1	131.8	(107.2)	2,480.7
Provisions	24.7	16.8		41.5	1,028.5		1,070.0
Liabilities related to written put options on NCI	86.4	21.0		107.4	1,363.0		1,470.4
<b>Total liabilities</b>	<b>80,648.6</b>	<b>10,304.6</b>	<b>(494.4)</b>	<b>90,458.8</b>	<b>4,173.5</b>	<b>(779.2)</b>	<b>93,853.1</b>
Shareholders' equity	6,186.8	2,631.5	0.2	8,818.5	166.3	(11.1)	8,973.7
Non-controlling interests	1,911.7	230.6	0.2	2,142.5	(1,493.6)	0.6	649.5
<b>Total equity</b>	<b>8,098.5</b>	<b>2,862.1</b>	<b>0.4</b>	<b>10,961.0</b>	<b>(1,327.3)</b>	<b>(10.5)</b>	<b>9,623.2</b>
<b>Total liabilities and equity</b>	<b>88,747.1</b>	<b>13,166.7</b>	<b>(494.0)</b>	<b>101,419.8</b>	<b>2,846.2</b>	<b>(789.7)</b>	<b>103,476.3</b>
Number of employees	3,945	7,596		11,541	137		11,678

## Annex 6 : Margins Life (%)

KEY PERFORMANCE INDICATORS BY FAMILY	GUARANTEED		UNIT - LINKED	
	HY 17	HY 16	HY 17	HY 16
<i>in % of average Life Technical Liabilities (excluding non-consolidated partnerships)</i>				
<b>BELGIUM</b>				
Net underwriting margin	(0.09%)	(0.04%)	0.30%	0.23%
Investment margin	1.19%	1.08%		
<b>Operating margin</b>	<b>1.10%</b>	<b>1.04%</b>	<b>0.30%</b>	<b>0.23%</b>
<b>CEU</b>				
Net underwriting margin	0.38%	0.32%	0.18%	0.07%
Investment margin	0.95%	0.71%	0.02%	0.01%
<b>Operating margin</b>	<b>1.33%</b>	<b>1.03%</b>	<b>0.20%</b>	<b>0.08%</b>

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

KEY PERFORMANCE INDICATORS BY FAMILY	ACCIDENT & HEALTH		MOTOR		HOUSEHOLD		OTHER LINES		TOTAL	
in % of Net Earned Premiums	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16	HY 17	HY 16
<b>BELGIUM</b>										
<b>Combined Ratio</b>	<b>99.7%</b>	<b>107.0%</b>	<b>84.0%</b>	<b>95.0%</b>	<b>86.3%</b>	<b>101.1%</b>	<b>98.4%</b>	<b>102.7%</b>	<b>90.3%</b>	<b>100.9%</b>
Claims Ratio	72.0%	78.9%	46.8%	58.2%	40.5%	55.9%	53.6%	57.1%	52.0%	62.7%
of which Current Year claims ratio									63.3%	75.4%
of which Prior Year claims ratio									(11.3%)	(12.7%)
Net Underwriting ratio	0.3%	(7.0%)	16.0%	5.0%	13.7%	(1.1%)	1.6%	(2.7%)	9.7%	(0.9%)
Investment Ratio	6.8%	8.3%	7.2%	7.6%	2.7%	3.0%	12.7%	14.0%	6.2%	6.9%
Other Margin										
<b>Operating Margin</b>	<b>7.1%</b>	<b>1.3%</b>	<b>23.2%</b>	<b>12.6%</b>	<b>16.4%</b>	<b>1.9%</b>	<b>14.3%</b>	<b>11.3%</b>	<b>15.9%</b>	<b>6.0%</b>
<b>Reserves Ratio</b>	<b>390%</b>	<b>395%</b>	<b>182%</b>	<b>181%</b>	<b>70%</b>	<b>85%</b>	<b>326%</b>	<b>331%</b>	<b>215%</b>	<b>220%</b>
<b>UK</b>										
<b>Combined Ratio</b>	<b>104.6%</b>	<b>106.3%</b>	<b>106.1%</b>	<b>97.9%</b>	<b>99.7%</b>	<b>101.7%</b>	<b>114.8%</b>	<b>107.7%</b>	<b>105.7%</b>	<b>100.1%</b>
Claims Ratio	56.9%	60.6%	79.6%	72.0%	53.4%	60.2%	68.8%	64.6%	71.8%	68.2%
of which Current Year claims ratio									70.9%	73.2%
of which Prior Year claims ratio									0.9%	(5.0%)
Net Underwriting ratio	(4.6%)	(6.3%)	(6.1%)	2.1%	0.3%	(1.7%)	(14.8%)	(7.7%)	(5.7%)	(0.1%)
Investment Ratio	2.5%	2.2%	6.9%	5.2%	3.3%	2.6%	7.9%	6.7%	6.2%	4.7%
Other Margin										
<b>Operating Margin</b>	<b>(2.1%)</b>	<b>(4.1%)</b>	<b>0.8%</b>	<b>7.3%</b>	<b>3.6%</b>	<b>0.9%</b>	<b>(6.9%)</b>	<b>(1.0%)</b>	<b>0.5%</b>	<b>4.6%</b>
<b>Reserves Ratio</b>	<b>62%</b>	<b>61%</b>	<b>224%</b>	<b>171%</b>	<b>83%</b>	<b>88%</b>	<b>231%</b>	<b>222%</b>	<b>189%</b>	<b>155%</b>
<b>CEU</b>										
<b>Combined Ratio</b>	<b>89.4%</b>	<b>92.3%</b>	<b>102.3%</b>	<b>98.1%</b>	<b>76.7%</b>	<b>79.5%</b>	<b>63.8%</b>	<b>68.4%</b>	<b>90.5%</b>	<b>90.5%</b>
Claims Ratio	64.2%	66.5%	73.3%	66.2%	46.1%	44.3%	8.3%	32.6%	61.7%	61.0%
of which Current Year claims ratio									68.3%	65.7%
of which Prior Year claims ratio									(6.6%)	(4.7%)
Net Underwriting ratio	10.6%	7.7%	(2.3%)	1.9%	23.3%	20.5%	36.2%	31.6%	9.5%	9.5%
Investment Ratio	1.6%	2.9%	1.9%	3.5%	1.4%	1.8%	7.8%	8.7%	2.0%	3.2%
Other Margin	0.8%	1.0%	(1.9%)	0.5%	(0.5%)	(2.5%)	1.2%	(0.7%)	(0.2%)	0.3%
<b>Operating Margin</b>	<b>13.0%</b>	<b>11.6%</b>	<b>(2.3%)</b>	<b>5.9%</b>	<b>24.2%</b>	<b>19.8%</b>	<b>45.2%</b>	<b>39.6%</b>	<b>11.3%</b>	<b>13.0%</b>
<b>Reserves Ratio</b>	<b>180%</b>	<b>202%</b>	<b>186%</b>	<b>267%</b>	<b>116%</b>	<b>135%</b>	<b>466%</b>	<b>532%</b>	<b>188%</b>	<b>233%</b>
<b>Reinsurance</b>										
<b>Combined Ratio</b>	<b>23.3%</b>	<b>17.4%</b>	<b>55.0%</b>	<b>100.0%</b>	<b>90.2%</b>	<b>73.7%</b>	<b>22.7%</b>		<b>77.7%</b>	<b>77.8%</b>
Claims Ratio	19.7%		45.2%	80.9%	55.6%	38.8%	18.0%		51.3%	46.4%
of which Current Year claims ratio									53.6%	46.4%
of which Prior Year claims ratio									(2.3%)	
Net Underwriting ratio	76.7%	82.6%	45.0%	0.0%	9.8%	26.3%	77.3%		22.3%	22.2%
Investment Ratio										
Other Margin										
<b>Operating Margin</b>	<b>76.7%</b>	<b>82.6%</b>	<b>45.0%</b>	<b>0.0%</b>	<b>9.8%</b>	<b>26.3%</b>	<b>77.3%</b>		<b>22.3%</b>	<b>22.2%</b>
<b>Reserves Ratio</b>	<b>503%</b>		<b>86%</b>		<b>128%</b>	<b>252%</b>	<b>4%</b>		<b>114%</b>	<b>197%</b>

### DISCLAIMER

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