FitchRatings

20 OCT 2025

Fitch Affirms Ageas's IFS 'AA-' Rating; Outlook Stable

Fitch Ratings - Frankfurt am Main - 20 Oct 2025: Fitch Ratings has affirmed ageas SA/NV's Insurer Financial Strength (IFS) Rating at 'AA-'. ageas SA/NV is the ultimate holding company of the Ageas group (Ageas). Fitch has also affirmed AG Insurance SA and Ageas Insurance Limited's IFS Ratings at 'AA-'. The Outlooks are Stable. A full list of rating actions is below.

The ratings reflect Ageas's very strong company profile, capitalisation and financial performance.

Key Rating Drivers

'**Very Strong' Capitalisation:** We expect Ageas to maintain its very strong capitalisation. Ageas reported a very strong group Solvency II (S2) ratio of 183% at end-2024, although down from 209% at end-2023 due to increased requirements for market risk and non-life underwriting risk. Its Prism Global score was stable at 'Very Strong' at end-2024. Our view on capital is also supported by a Fitch-calculated financial leverage ratio (FLR) of 11.3% at end-2024, which we regard as very strong. We forecast the S2 ratio and the FLR to weaken due to the financing of the esure acquisition, but to remain commensurate with the rating.

'Very Strong' Profitability: Fitch expects Ageas's return on equity (ROE) to be broadly stable in 2025. Ageas reported profit of EUR763 million in 1H25, versus profit of EUR740 million in 1H24. The increase was driven by an improved insurance service result at EUR602 million, from EUR533 million a year ago, and a legacy transaction (RPN) generating a profit of EUR59 million, versus a gross loss of EUR34 million, which offset a decrease in investment income.

The Fitch-calculated net income ROE increased to 14.7% in 2024 from 13.2% in 2023 driven by stronger performance in non-life and life, plus higher dividends from its Asian joint venture operations.

'Very Strong' Company Profile: The company profile is underpinned by Ageas's leading position in its home market of Belgium, large operating scale and very strong geographical, and product diversification. It has operations in Portugal, the UK, Turkiye and Asia with strong market positions that contribute to its group earnings.

Prudent Asset Allocation: Fitch assesses Ageas's investment policy as prudent and balanced, with a high share of investment-grade fixed-income investments. The group's risky-assets/capital ratio weakened slightly to 95% at end-2024 from 90% at end-2023. The ratio is influenced by a fairly high exposure to investments in affiliates (41% of capital at end-2024). The risk of the affiliated investments is mitigated by more than 90% of these investments being joint ventures in insurance companies in

Asia. We expect investment risk to be unaffected by the esure transaction and to be stable at end-2025.

High Sovereign Exposure: Ageas had significant holdings in Belgian government and official institutions bonds of EUR14.3 billion at end-2024, down from EUR15.2 billion at end-2023. The decline meant Ageas's sovereign exposure/capital ratio improved to 124% from 133%. We regard this as high, although it does not constrain our investment and asset risk assessment due to the high rating of Belgium (A+/Stable). We expect the ratio to remain higher than 110% at end-2025.

Very Strong Asset-Liabilities Management: The company's asset/liability and liquidity management in life insurance operations is very sophisticated. The group's duration gap is well below one year in life, which we expect to be maintained. Mass lapse and liquidity risk is low for Ageas, because in Belgium investment losses can be passed on to policyholders when life contracts are lapsed. Insurers may pay the market value of the related investments only.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/ Downgrade

-- A sustained decline in profitability as reflected in an ROE below 8%

-- The group's S2 ratio falling below 160%

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

-- Improvement in the group S2 ratio above 200%, plus a ROE of more than 15% and FLR below 15%, on a sustained basis

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

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Rating Actions

ENTITY/DEBT	RATING			RECOVERY	PRIOR
Ageas Insurance Limited	LT IFS	AA-	Affirmed		AA-
AG Insurance SA	LT IDR	A+	Affirmed		A+
	LT IFS	AA-	Affirmed		AA-
• subordinated	LT	A-	Affirmed		A-
Ageas Insurance International N.V.	LT IDR	A+	Affirmed		A+

ENTITY/DEBT	RATING			RECOVERY	PRIOR
Ageasfinlux S.A.					
• junior subordinated	LT	BBB	Affirmed		BBB
ageas SA/NV	LT IDR	A+	Affirmed		A+
	LT IFS	AA-	Affirmed		AA-
• subordinated	LT	A-	Affirmed		A-
• junior subordinated	LT	BBB+	Affirmed		BBB+

RATINGS KEY	OUTLOOK	WATCH
POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

Insurance Rating Criteria (pub.04 Mar 2024) (including rating assumption sensitivity)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Prism Global (ex-U.S.) Model, v1.8.2 (1)

Additional Disclosures

Solicitation Status

Endorsement Status

AG Insurance SA	EU Issued, UK Endorsed
Ageas Insurance International N.V.	EU Issued, UK Endorsed
Ageas Insurance Limited	EU Issued, UK Endorsed
ageas SA/NV	EU Issued, UK Endorsed
Ageasfinlux S.A.	EU Issued, UK Endorsed

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