EXTERNAL REPORT

# Renewal Highlights

## 1st of January 2025 Renewals

27-01-25

*Ageas Re reports successful 1st of January 2025 renewal campaign maintaining a balanced and profitable Property and Casualty portfolio and successfully growing the Specialty account.*

# 1st of January 2025 Reinsurance Renewals

Ageas Re successfully expanded its book of business against the backdrop of a softening market, while largely preserving portfolio profitability (pricing view) at the historically high levels of 2024. The unexpected pace of rate softening towards the end of the renewal period prompted Ageas Re to actively manage for a softening cycle, to maintain strong expected capital returns and anticipated profits.

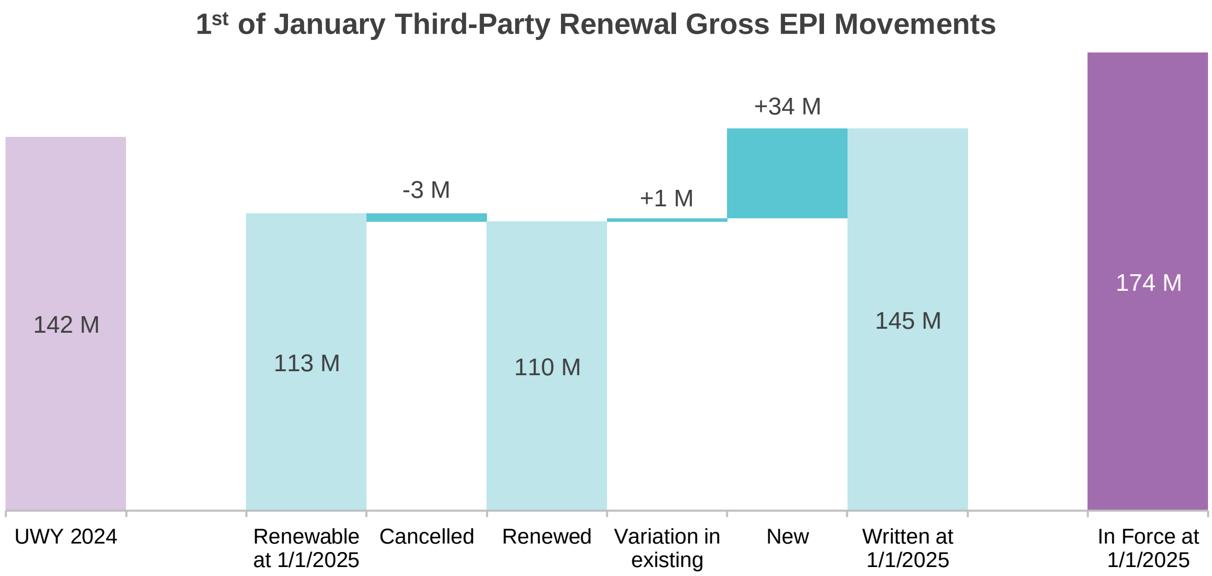
## Market Backdrop

Reinsurers experienced a highly successful and profitable 2023, which was followed by continued strong profitability levels in 2024. This favourable performance was attributed to a significant improvement in price levels during the 2023 and 2024 renewals, as well as the restructuring of programs, which included higher retention levels across geographies. Retained earnings, reduced retro costs, and sustained high ILS issuance contributed to rising capital levels, thereby boosting supply in an adequately priced market.

On the demand side, inflation redressed during the year, and the overall exposure and demand growth did not sufficiently outpace supply growth.

These factors collectively resulted in a renewal landscape that initially (October) showed moderate softening, which then accelerated in November and late December.

## Results of the Renewal Campaign




On January 1st, premium up for renewal was EUR 113 million[1]. EUR 3 million of premium was cancelled due to pricing deterioration or restructuring.

The **variation in existing** premium amounting to only EUR 1 million, influenced by several factors: We observed a price change in our renewed portfolio of -2.7%, and a mechanical decrease of -8.3% due to a change in exposure on some large accounts However, these were more than compensated by the strong commercial momentum, resulting in increased shares and volume of +11.6%.

[1] Attention point: In last year's renewal report, we reported EUR 108m as renewed. The difference is due to a premium adjustment (increase) that a cedant voluntarily offered to its reinsurers following the increase of a 2023 loss as well as some aggregate covers that incept at January 1st, but were written only in the course of the first quarter.

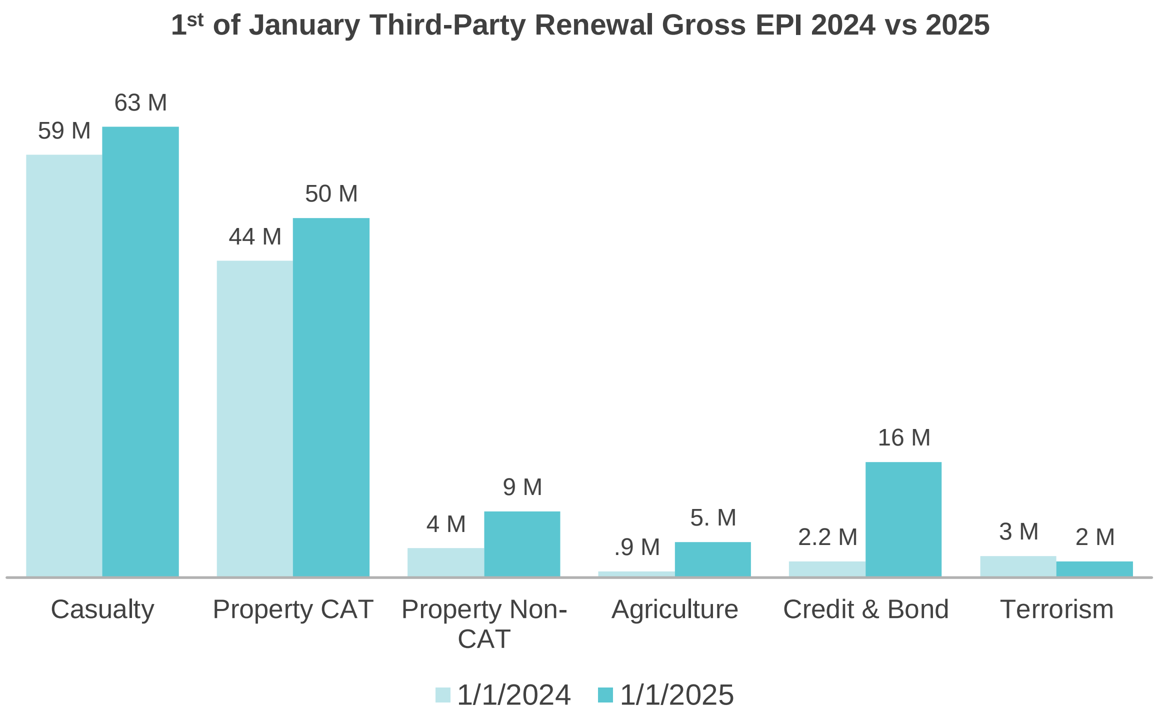
Additionally, Ageas Re secured EUR 34 million of profitable new business, demonstrating good success in the prevailing market circumstances. Considering all those movements, Ageas Re's Expected Premium Income (EPI) increased to **EUR 145 million written at 1/1**, achieving **organic growth of 29%**. Ageas Re had slightly more capacity available but decided not to deploy it, reflecting its commitment to **strict bottom-line focus and underwriting discipline**.

Including the in-force book from business underwritten last year (i.e. business written in April, June, July etc.), Ageas Re had EUR 174 million of in-force business as at January 1st, 2025.

Combined with the third-party business accepted from Joint Ventures (EUR 70 million at January 1st renewals), the **total Third-Party Production at January 1st, 2025, stands at EUR 215 million**, bringing the total **third-party in-force book to EUR 252 million**.

## Portfolio Composition

The 1st of January third-party business (without Joint ventures) is composed as follows:




### Overall Portfolio

Ageas Re could keep the healthy balance between Property and Casualty during the 2025 renewals, that was achieved for the first time in 2024. In anticipation of a softening (CAT) market, Ageas Re accelerated its strategy to develop underwriting, pricing and tooling for specialty lines during 2024, adding Agriculture and Credit & Bond to its offering. On the renewed book, Ageas Re kept margins largely stable despite a Risk Adjusted Rate Change of -2.7% on the Ageas Re book, while the broader market saw more important reductions, depending on loss activity, region etc. This was achieved by shifting to better remunerated programmes and layers and entering programmes with increasing rates post loss.

**Casualty**

In line with strategy, Ageas Re started writing a Casualty book focused on UK Motor in 2024, as this is a key area of competence and a business well known to Ageas Group. In 2025, Ageas Re maintained its production in Motor UK stable against the backdrop of slight rate reductions and important exposure change following the change in Ogden rate late in the year. Stable production was achieved through growing shares in existing profitable accounts and entering two new accounts. Additionally, the Casualty team developed new accounts outside the UK, aligning with the strategy to diversify from the UK motor book. Ageas Re does not write domestic US Casualty programs.

**Property**

The property team faced challenging market conditions, particularly in the CAT space. As a result, some contracts were not renewed. However, thanks to strong commercial momentum and effective collaboration with brokers, Ageas Re was able to grow the Property CAT account by approximately 10% and largely maintain the (pricing) profitability of the strong 2024 book. Consistent with strategy, the team achieved growth in the non-CAT segment by more than 100%.

**Specialty**

The strategy to accelerate the development of the Specialty capabilities already proved effective during the January 2025 renewal campaign enabling diversification of the book and to actively manage the cycle. Continuing this path will remain a priority for building a well-diversified, resilient and profitable portfolio. Ageas Re grew its specialty book in line with the business plan from EUR 5.5 million in premiums in 2024 to EUR 22.7 million (growth rate > 400%). While Ageas Re is mainly a non-proportional writer in its P&C segment, the Specialty portfolio will also include pro-rata (proportional) acceptances.

**Joachim Racz**
CEO Ageas Re

*I would like to thank the team for their tremendous efforts, another good outcome of the renewals and especially for the strong underwriting discipline and active cycle management they demonstrated during this renewal. Growing the book by 30% whilst maintaining profitability and improving diversification deserves a big compliment.*

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