

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).
Combined Ratio - proforma	The Combined Ratio – proforma is calculated in the same way as the Combined Ratio but excludes the impact of intra-group QS and LPT reinsurance transaction which were concluded in Q1 2019.
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.
Loss Portfolio Transfer (LPT)	A Loss Portfolio Transfer (LPT) is a contract of indemnity between one or more reinsurers and a reinsured. It is a reinsurance treaty in which the insurer cedes to the reinsurers a proportion of all liabilities related to losses incurred before the inception date of the contract. The reinsurers assume this proportion of all open and future claim liabilities related to these losses against a premium paid by the insurer.
Net 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 for consolidated entities 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.
Quota Share contract (QS)	A Quota Share contract (QS) is a reinsurance contract, where one or more reinsurer(s) receive, for a defined insurance portfolio and for a defined future cover period, a fixed proportion of the total insurance premium. Against this, the reinsurers commit to indemnify a fixed proportion of all the claims occurring during the cover period and to participate in a proportion in the insurer's acquisition and administration costs, through a reinsurance commission granted to the insurer.
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 _{ageas} 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.