Solvency and Financial Condition Report 2025

The English version of this report was approved by the Board of Directors on 01/04/2026 and submitted to the supervisor in due time.

This report is originally written in English. A translation of the summary in French and Dutch is made available on the website.

Contents

SUMMARY **5**

A BUSINESS AND PERFORMANCE **10**

A.1 Business 11

A.2 Underwriting performance 13

A.3 Investment performance 14

A.4 Performance of other activities 14

A.5 Any other information 15

B SYSTEM OF GOVERNANCE **16**

B.1 General information on the system of governance 17

B.2 Fit and Proper requirements 20

B.3 Risk management system including the own risk and solvency assessment 20

B.4 Internal control system 24

B.5 Internal Audit Function 24

B.6 Actuarial function 25

B.7 Outsourcing 25

B.8 Any other information 26

C RISK PROFILE **27**

C.1 Insurance risk 28

C.2 Financial risk 28

C.3 Market risk 29

C.4 Default risk 31

C.5 Liquidity risk 31

C.6 Operational risk 32

C.7 Strategic and Business risk 34

C.8 Impact on reputation 35

C.9 Risk exposure 36

C.10 Any other information 36

D VALUATION FOR SOLVENCY PURPOSES **37**

D.1 Assets 38

D.2 Technical provisions 40
D.3 Other liabilities 44
D.4 Alternative methods for valuation 46
D.5 Any other information 46
E CAPITAL MANAGEMENT 47
E.1 Own funds 48
E.2 Solvency capital requirement and minimum capital requirement 49
E.3 Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement 50
E.4 Differences between the standard formula and any internal model used 50
E.5 Non-compliance with Minimum Capital Requirement and non-compliance with Solvency Capital Requirement 52
E.6 Any other information 52
Annex 1: Public QRTs 54
QRT Balance sheet (S.02.01.02) 54
QRT Premiums, claims and expenses by country (S.04.05.21) 56
QRT Premiums, claims and expenses by line of business (S.05.01.02) 57
QRT Life and health SLT technical provisions (S.12.01.02) 60
QRT Non-Life technical provisions (S.17.01.02) 61
QRT Non-Life insurance claims information (S.19.01.21) 63
QRT Impact of long term Guarantees and transitional measures (S.22.01.21) 64
QRT Own Funds (S.23.01.01) 65
QRT Solvency Capital Requirement – for undertakings on STANDARD FORMULA (S.25.01.21) 68
QRT Solvency Capital Requirement – for undertakings using the standard formula and Partial Internal Model (S.25.05.21) 69
QRT Minimum Capital Requirement – both life and non-life insurance activity (S.28.02.01) 71

Summary

Business and performance

Company background

AG is active on the Belgian Life and Non-Life insurance market and offers a broad range of products and services that cover the needs of individuals and companies. In 2025, AG records an inflow of 7,5 billion EUR, with a 60%/40% split between life and non-life insurance. Technical liabilities amounted to around 62,7 billion EUR[1].

AG is market leader in the Belgian insurance market. It serves close to 2,7 million Retail customers and 290.000 SME and Corporate customers. AG distributes its insurance products (both life and non-life) and services via more than 3.600 independent brokers and through distribution partnerships with BNP Paribas Fortis, Fintro and Touring SA/NV. The distribution of Employee Benefits products (Group Life and Health Care insurance) and related services is mainly a business-to-business activity. Sustainable and profitable business and robust risk management remain essential to fulfil obligations to customers, to offer a fair reward to shareholders and to fund future growth.

Since May 2009, AG is for 75% owned by Ageas Group and for 25% by BNP Paribas Fortis. AG is either directly or indirectly shareholder of several operating and services companies. AG and its subsidiaries employ 10.652 full-time equivalent at 31st of December 2025.

On December 8th, following Ageas' announcement to take full ownership of AG Insurance in the course of the second quarter of 2026, AG and BNP Paribas Fortis signed an agreement in principle to renew their distribution agreement. The agreement will have a duration of 15 years, starting as from 2027. Additionally, AG and BNP Paribas Asset Management will deepen their existing collaboration for investment opportunities in certain defined asset classes, allowing AG to benefit from the asset management expertise and solutions of BNP Paribas.

On November 28th, AG Real Estate announced the arrival of three new co-shareholders in Interparking – Northleaf Capital Partners, Hedera and TINC/Infravest – following the syndication of a minority stake in the newly created company (AG Real Estate Car Park SA) that will bring together the stakes in Interparking historically held by AG Insurance and AG Real Estate (together, "AG"). Following the transaction, AG Real Estate Car Park remains the majority shareholder of Interparking, with the remaining shares held by APG Asset Management and CriteriaCaixa. The new company is majority-owned by AG. The funds managed by Northleaf Capital Partners, Hedera and Tinc/Infravest each hold a minority stake.

Business environment

The current economic environment is marked by global trade tensions, change in monetary & fiscal policies and ongoing conflicts. To initiate the corresponding actions to deal with this rapidly changing environment, insurers must continue to adapt their service & product offerings, safeguard technical liabilities and seize emerging (growth) opportunities.

In 2024, Life Retail introduced a new flexible pricing model for Guaranteed Invest (Future Invest Bon / AG Invest+), which had contributed both to supporting production and safeguarding technical liabilities despite market headwinds. To meet the current market expectations, the guaranteed gross client return was revised to 2,5% for the first two years and 2,0% for the following six years. This flexibility allowed AG to maintain competitiveness, manage end-of-term maturities, and optimize asset allocation in line with ALM objectives. In 2025, the flexible pricing model was applied again following the current environment, leading to a guaranteed interest rate of 3,00% for the first year and 2,50% for the following 7 years.

In EB/HC, AG will have to continue the full pension player approach, offering a comprehensive range of pension solutions that respond to diverse customer needs and risk profiles. Hence, the focus is on further intensifying commercial dynamics and lowering pressure on Group margins. For Health Care it is to continue profitable growth through well-timed commercial actions and further uplift efficiency to provide an answer to competitive peer pricing.

AG's focus in non-life remains maintaining its profitable growth path through innovative products & services together with well-timed commercial actions to meet the increasing market volatility. At the same time the combined ratio levels have to be kept under control in a reinsurance market that will potentially show a long-term tendency towards hardening underpinned by the increase in frequency and severity of natural disasters.

As the first signs of economic slowdown become apparent, AG is set to mitigate the impact on its corporate clients in non-life and employee benefits through preventive measures, continued careful monitoring and initiating the targeted precautionary measures when needed.

AG will continue monitoring and managing the intensified market dynamics and navigate the life and non-life business through them. The ability to adapt and grasp the best opportunities will be even more key going forward in this fast-changing environment.

[1] All figures are according to IFRS.

Business performance

AG's operating result before tax amounts to 850 million EUR, compared to 796 million EUR in 2024. This increase is mainly explained by higher Capital Gains in Real Estate, higher recurring revenues from fixed income and lower weather impact than last year.

In Life Business, gross inflow increased compared to last year (+5,6%), mainly explained by an increase in Retail Life Bank. The Life Liabilities show an increase of 2,5% compared to 2024 mainly thanks to Unit-Linked and Group Life Guaranteed.

In Non-Life Business, gross inflow amounts to 3 billion EUR, about 5% higher compared to 2024. The operating result amounts to 267 million EUR, compared to 244 million EUR in 2024 mainly thanks to better result in TPL and Health.

System of governance

In accordance with the regulations related to the supervision of insurance companies in Belgium, AG makes a clear distinction of responsibility between the two statutory governing bodies: the Board of Directors and the Management Committee. The Board of Directors is responsible for defining the general strategy and the risk management framework, as well as for supervising the activities of the Management Committee. The Management Committee is responsible for managing effectively the Company's activities, for implementing the general strategy and the risk management framework defined by the Board and for setting up an organisational and operational structure. In order to support the Board to fulfil its role and responsibilities, the Board has set up three ad-hoc advisory committees: an Audit Committee, a Risk Committee and a Nomination and Remuneration Committee. The Management Committee has decided to have in place a Business Risk Committee (BRC) and an Asset and Liability Management Committee (ALCO).

Regarding its management of risks, AG operates within a robust 'Three Lines of Defence' model. The mission of the Risk Management Function is to promptly identify, assess, manage, monitor and report risks potentially affecting the achievement of the strategic, operational and/or financial objectives of the company. The Enterprise Risk Management (ERM) approach provides an integrated framework for managing risks, thereby supporting long-term stability and growth. It ensures that the strategic planning conforms to the risk appetite as defined by the Board. The risk management process consists in identifying risks AG is exposed to, assessing their impact and likelihood, managing them by taking the appropriate steps to control or mitigate the risk position, monitoring the risk profile and corresponding capital needs on an on-going basis, reporting to the Management and to the Board. The ERM approach is articulated around its risk appetite, a set of risk policies, risk models and risk reports, and is supported by a number of processes, systems, data, IT and people. To be effective this risk management framework needs to be well integrated into the organisational structure and the decision-making processes of the company, which is achieved through a sound risk governance.

The Chief Risk Officer (CRO), who has overall responsibility for the Risk Management Function at the Company level, is a member of the Management Committee and of the Board with a standing invitation to the Risk Committee and the Audit Committee. The risk organisation is characterized by a two-layered model with a central risk department keeping risk oversight while delegating risk responsibilities to Decentralised Risk Managers and Officers at the level of the Business Lines and Support Functions. Besides the Risk Management Function, the CRO Office regroups the Actuarial Function, the Compliance Function, the Internal Control Function and the (Personal) Data Protection Office.

Risk profile

Risk identification

AG offers a wide range of insurance products and, like other insurance companies, faces a variety of risks, such as insurance risk, financial risk, operational risk, strategic and business risks. With the aim of adequately managing its risks, AG has opted for an enterprise-wide approach to risk management (called Enterprise Risk Management or ERM approach) which is the process of systematically and comprehensively identifying current and emerging risks, assessing their possible impact and likelihood as well as implementing integrated strategies to provide reasonable assurance regarding the achievement of the company's objectives, hence supporting long-term stability and growth. It ensures that the strategy, business planning and limits setting are in line with the risk appetite as set by the Board.

The risk management system in place is underpinned by a number of core components that form a consistent and effective risk management framework necessary to identify, assess, manage, monitor and report on a continuous basis the risks to which AG is exposed, at individual and aggregated levels, as well as their interdependencies. This system is articulated around AG's risk appetite, a set of risk policies, risk models and risk reports and is supported by a number of processes, systems, data, IT and people. To be effective, this risk management system needs to be well integrated into the organisational structure and the decision-making processes of the company, which is achieved through a sound risk governance.

A risk taxonomy is in place and provides a consistent and comprehensive approach for identifying, highlighting and defining the risks AG is exposed to.

Each Business Line manages insurance risk in line with a set of policies, in this case more specifically the Insurance Risk Policy, Product Approval Policy, Underwriting Policy, Claims Management Policy, BGAAP Reserving Policy and Reinsurance Policy.

Insurance risk is partly managed by transferring risk exposure to certain underwriting risks to reinsurers through appropriate reinsurance arrangements (treaties). Under these arrangements, reinsurers assume a portion of the losses and expenses associated with reported and unreported claims in exchange for a share of the premiums. The Company primarily uses external reinsurance to mitigate the impact of natural catastrophes (e.g. windstorms, earthquakes and floods), large single claims from policies with high limits, and multiple claims triggered by a single man-made event. Reinsurers are selected primarily on pricing and counterparty risk considerations.

Financial risk encompasses all risks relating to the value and performance of financial assets and, accordingly, represents the most significant risk AG is exposed to. The risk framework in place combines specific policies, limits, stress tests and regular monitoring to control the nature and the level of financial risks and to ensure that risks being taken remain within the Company's risk appetite and are appropriately rewarded. Asset mix research is used to identify the appropriate strategic asset allocation while the market situation and prospects are monitored on a regular basis to decide on the tactical asset allocation. The decision process balances risk appetite, capital requirements, long-term risk and return, policyholder expectations, profit-sharing requirements, tax and liquidity aspects to achieve an appropriate target asset mix. Within financial risk a distinction is made between market risk, default risk and liquidity risk. The Investment Policy includes specific guidelines for the management and the effective control and monitoring of derivatives. AG derivative positions include FOREX hedging, interest rate swaps to hedge against floating interest rate movements, forward sales of equities and bonds as a hedge against downward price risk and securities lending and repo agreements for improved liquidity.

Operational risk represents the potential for financial loss or reputational damage stemming from inadequate or failed internal processes, people, systems, or external events. AG has a sound operational risk management in place for administering its portfolio of products, activities, processes and systems, generally covering all domains of operational risk. Operational risk procedures include business continuity management, information security management, fraud risk management, internal control, adequate insurance protection of the Company's assets and risk management with respect to externalisation. Incidents and operational losses are tracked in an incident register. AG has already implemented a large range of protection and mitigation measures to protect the Company from major disruptions, supported by the ISO27001 certification. However, the DORA regulation imposes new requirements to increase the operational resilience of financial entities. AG made the necessary improvements to comply with the DORA requirements, the AI Act and the reviewed Governance Circular 2025_08.

Strategic risk generally emerges as a result of adverse business decisions, improper implementation of decisions, or a lack of responsiveness to industry changes. Strategic risk is addressed by examining multi-year scenarios, considering the related risks, as well as by monitoring the implementation of the chosen strategy through the multi-year business plan. The latter takes into account all the current and future risks as identified through the Key Risk Identification Process. The Own Risk and Solvency Assessment (ORSA) furthermore provides insights in how these risks could potentially jeopardise the achievement of the strategic and business plan and to what extent these plans have the adequate capacity to withstand and mitigate these risks.

Business risk is a potential consequence of changes in external factors - political, economic, social, technological, environmental, or legal - affecting the environment and conditions in which AG operates. This includes both elements directly related to the business environment, such as a change in customer behaviour, in the distribution landscape, a regulatory change or a strategic move from competitors, and more general external factors such as climate change. A major element in this context are sustainability risks, defined as risks which are due to environmental, social and governance issues (ESG issues). Business risk management requires pre-emptive risk management, anticipating possible developments in the environment. In this regard, AG uses a structured horizon-scanning process to detect threats (and opportunities) surrounding its activities. This information is exploited in the strategic and multi-year planning process and the ORSA.

Sustainability risk is explicitly included in AG's risk taxonomy as a major strategic and business risk. It remains a primary consideration given the fundamental challenges such as climate change, but also rising social inequalities and geopolitical conflicts, while at the same time stakeholders are expecting companies to actively seek eco-friendly and inclusive solutions to these challenges. On the one hand, these challenges lead to new business risks, such as the financial risks linked to the transition to a carbon-neutral economy, the political and legal risks of inadequate legislation that could hinder this transition, or in the absence of such a transition the increasing risk of natural catastrophes as a consequence of accelerated climate change. On the other hand, there is the growing strategic risk of inadequately or not timely responding to these challenges, with not only direct consequences on operations and investments, but also an increasing reputational cost. Although these risks have always been part of the external factors scanned in AG's Key Risk Identification Process, and as such have always been on the radar of AG's risk management, the explicit inclusion of sustainability risk in the risk taxonomy attracts greater attention to these risks and has been followed by the inclusion of sustainability-related factors in several specific policies from AG's risk policy framework, and by the development of several non-financial KPIs, including sustainability KPIs. Under

its Elevate27 strategy, AG has further strengthened its sustainability ambitions. In 2025 (over the fiscal year 2024), AG successfully reported on its non-financial information for the first time under the new EU Corporate Sustainability Reporting Directive (CSRD) which requires large companies to report on material sustainability topics.

AG acknowledges the possible risk of loss of reputation arising from the adverse perception of its image by one or more of its different stakeholders: shareholders, customers, employees, partners, society, etc., with a possible impact on solvency, earnings, liquidity or its franchise quality. In order to mitigate a potential impact of any event on its reputation, AG maintains a long-standing commitment to sustainable business practices and good governance, as well as clear corporate values, a business code of conduct, robust internal controls and a clear dialogue with its stakeholders. Key Risk Indicators (KRIs) are defined in order to properly monitor and react appropriately in the event these risks materialise. Communication plans are prepared to handle risks having an impact on AG's reputation.

Risk exposure

AG measures the exposure to quantifiable risks by means of a Partial Internal Model (PIM) used for determining the solvency capital requirements (SCR) under the Solvency II framework. Apart from the use of the standard formula for most of the risks, the Partial Internal Model includes an internal model for non-life underwriting risk. Since 2024, AG is contributing to Ageas' major strategic initiative to develop a Solvency II internal model.

Expressed in terms of SCR capital consumption, a major part of the risk exposure stems from financial risk with spread risk, property risk and equity risk being its main contributors. Note that thanks to the Company's asset and liability management strategy, one can observe a limited risk sensitivity to interest rate movements on the existing book of business, hence resulting in a relatively low SCR for interest rate risk. While insurance risk is the second largest contributor, operational risk and counterparty risk are contributing to a lesser extent to the risk capital consumption. On top of diversification, another important capital relief stems from adjusting required capital for the loss-absorbing capacity of deferred taxes.

An own assessment of the solvency and capital needs (ORSA) as required by the supervisor is well integrated in the strategy and business planning process of the Company and provides a forward-looking assessment on all the risks inherent to the business and the corresponding solvency and capital needs.

Valuation for solvency purposes

Assets and liabilities are valued on a fair value basis in line with Solvency II requirements with the use of approximations, if needed. Due to differences in valuation methodology, differences with IFRS exist and can be explained.

Capital management

Capital requires a clearly defined management approach in order to ensure an efficient and effective deployment. The main goal of the Company's capital management process is to fund profitable growth and support the dividend payment capacity.

As at end of 2025 the amount of Own Funds stands at 5.063 million EUR (compared to 4.516 million EUR in 2024), while the total required capital SCR amounts to 2.373 million EUR (compared to 2.514 million EUR in 2024). This results in a solvency ratio of 213% (compared to 180% in 2024), reflecting a sufficiently strong capital position of the Company. About 87% of the Own Funds are categorized as Tier 1 capital.

A

Business and performance

A.1 BUSINESS

A.1.1 General information

Name and legal form: AG Insurance SA/NV

Supervisor: National Bank of Belgium, Boulevard de Berlaimont 14, 1000 Brussels, phone 02/ 221 21 11

External auditor: PwC Bedrijfsrevisoren BV/SRL ('PwC'), Culliganlaan 5, at 1831 Diegem, with Kurt Cappoen as permanent representative

As from May 2009, AG is owned for 75% by Ageas (currently via Ageas Insurance International NV, a holding company, with registered office at Bolwerklaan 21, Brussel, Belgium), and 25% by BNP Paribas Fortis (BNPP Fortis), with registered office at Warandeberg, 1000 Brussels.

The relationship between both shareholders and AG is described in a Shareholders' Agreement dated 12 May 2009.

On December 8th, following Ageas' announcement to take full ownership of AG Insurance, AG and BNP Paribas Fortis signed an agreement in principle to renew their distribution agreement. The agreement will have a duration of 15 years, starting as from 2027. Additionally, AG and BNP Paribas Asset Management will deepen their existing collaboration for investment opportunities in certain defined asset classes, allowing AG to benefit from the asset management expertise and solutions of BNP Paribas

AG structure (simplified presentation):

AG is either directly or indirectly shareholder of several operating and services companies. The main participations of AG can be grouped into 2 categories based on the strategic role they fulfil, i.e. operational participations (a distinct operation in a legal entity) in different companies together with structuring participations related to investments in real estate or in specific asset pools. AG and its subsidiaries employ 10.652 full-time equivalents at 31st of December 2025.

AG's full subsidiary, AG Real Estate SA/NV, is the most polyvalent real estate group in Belgium and employs about 300 professionals specialised in real estate asset and property management, investment, financing and development. The total value of the portfolio managed by AG Real Estate amounts to around 6.5 billion EUR[2]. Its main subsidiary, Interparking,

[2] ALM/SAA view

operates over 1.000 public car parks with more than 400.000 parking spaces across 9 European countries. On October 1st, AG Real Estate finalized the integration of Saba by Interparking. On November 28th, AG Real Estate announced the arrival of three new co-shareholders in Interparking – Northleaf Capital Partners, Hedera and TINC/Infravest – following the syndication of a minority stake in the newly created company (AG Real Estate Car Park SA) that will bring together the stakes in Interparking historically held by AG Insurance and AG Real Estate (together, "AG"). Following the transaction, AG Real Estate Car Park remains the majority shareholder of Interparking, with the remaining shares held by APG Asset Management and CriteriaCaixa. The new company is majority-owned by AG. The funds managed by Northleaf Capital Partners, Hedera and Tinc/Infravest each hold a minority stake.

Another important exposure in AG's investment portfolio is Anima, a commercial senior home operator in Belgium and 100% subsidiary of AG, which is managing over 3.000 housing units across 27 sites.

A.1.2 Material lines of business and material geographical areas

AG is active on the Belgian life and non-life insurance market and offers a broad range of products and services that cover the needs of individuals and companies. In 2025, AG recorded an inflow of 7,5 billion EUR, split 60% / 40% between life and non-life insurance. Technical liabilities amount to 62,7 billion EUR[3].

AG is market leader in the Belgian insurance market. It serves close to 2,7 million Retail customers and 290.000 SME and Corporate customers. AG distributes its insurance products (both life and non-life) and services via more than 3.600 independent brokers and through distribution partnerships with BNP Paribas Fortis, Fintro and Touring SA/NV. The distribution of Employee Benefits products (Group Life and Health Care insurance) and related services is mainly a business-to-business activity.

AG operates via three Business Lines: Non-Life, Retail Life and Employee Benefits/Health Care – having the following specific key objectives:

- ✓ in the non-life market, AG's strategic ambition is to be the reference broker and bancassurance player with top products and top servicing
- ✓ in retail life, AG continues to enhance the operational excellence business model which adds value to the distribution partners as well as to the end customers
- ✓ AG holds a market leadership position in group life and health care insurance, based on a customer-centric strategy that emphasises tailor-made solutions based on expert advice, high-quality services relying on experts, efficient processes and IT tools.

AG is active in various ecosystems building block activities through participations or partnerships in companies such as Homeras, SoSimply, Drysolutions, Touring, Optimile, Waldon, Conac, Alphacredit, Touring CarSelect and Arval (Go4Lease).

A.1.3 Significant business or other events over the reporting period

In On November 28th, AG Real Estate announced the arrival of three new co-shareholders in Interparking – Northleaf Capital Partners, Hedera and TINC/Infravest – following the syndication of a minority stake in the newly created company (AG Real Estate Car Park SA) that will bring together the stakes in Interparking historically held by AG Insurance and AG Real Estate (together, "AG"). Following the transaction, AG Real Estate Car Park remains the majority shareholder of Interparking, with the remaining shares held by APG Asset Management and CriteriaCaixa. The new company is majority-owned by AG. The funds managed by Northleaf Capital Partners, Hedera and Tinc/Infravest each hold a minority stake.

On December 8th, following Ageas' announcement to take full ownership of AG Insurance, AG and BNP Paribas Fortis signed an agreement in principle to renew their distribution agreement. The agreement will have a duration of 15 years, starting as from 2027. Additionally, AG and BNP Paribas Asset Management will deepen their existing collaboration for investment opportunities in certain defined asset classes, allowing AG to benefit from the asset management expertise and solutions of BNP Paribas.

[3] Technical liabilities including Shadow Accounting

A.2 UNDERWRITING PERFORMANCE

The tables below show an overview of the AG (consolidated, IFRS) performance for the years 2025 and 2024 (by IFRS line of business).

in EUR million	IFRS Product lines								
2025	Life	Guaranteed	Unit Linked	Non-Life	Accident & Health	Motor	Fire	Other	Total
Gross Inflow	**4.477,1**	3.528,0	949,1	**3.009,0**	791,0	928,3	977,9	311,9	**7.486,1**
Release CSM	**341,9**	332,4	9,5						**341,9**
Result on short-term Life (PAA)	**20,5**	1,7	18,8						**20,5**
Non-attributable costs	**-102,0**	-83,5	-18,5						**-102,0**
Other income and expenses	**11,7**	10,2	1,5						**11,7**
Life Operating Insurance Service result	**272,0**	260,7	11,3						**272,0**
Insurance revenues				**2.953,7**	749,1	920,3	973,3	311,0	**2.953,7**
Gross claims				**-1.536,9**	-484,1	-547,0	-390,8	-115,0	**-1.536,9**
Gross Expenses incl. non-attributable costs				**-1.060,2**	-168,3	-341,3	-413,9	-136,7	**-1.060,2**
Reinsurance result				**-157,6**	-28,0	-11,5	-93,5	-24,6	**-157,6**
Non Life Operating Insurance Service result				**199,1**	68,7	20,5	75,1	34,7	**199,1**
Net Investment income	**1.960,6**	1.585,1	375,5	**122,1**	77,9	19,1	11,4	13,6	**2.082,6**
Finance expenses	**-1.685,3**	-1.362,2	-323,1	**-61,3**	-43,7	-9,4	-1,4	-6,9	**-1.746,6**
Operating Investment result	**275,3**	222,9	52,4	**60,8**	34,3	9,8	9,9	6,8	**336,1**
Operating Insurance & Investment result	**547,3**	483,7	63,6	**259,9**	103,0	30,3	85,1	41,5	**807,2**
Result on Surplus Assets	**35,8**	28,7	7,1	**7,0**	5,9	3,5	1,6	-4,1	**42,7**
Operating Result before Taks	**583,1**	512,3	70,7	**266,8**	108,9	33,7	86,7	37,4	**849,9**
Life Liabilities	**62.807,6**	47.755,1	15.052,5	**4.686,3**	2.519,9	1.065,5	473,6	627,2	**67.493,9**

in EUR million	IFRS Product lines								
2024	Life	Guaranteed	Unit Linked	Non-Life	Accident & Health	Motor	Fire	Other	Total
Gross Inflow	**4.241,5**	3.597,1	644,4	**2.866,5**	767,9	866,6	935,3	296,7	**7.108,0**
Release CSM	**344,2**	336,2	8,1						**344,2**
Result on short-term Life (PAA)	**25,3**	0,3	25,0						**25,3**
Non-attributable costs	**-100,2**	-81,2	-19,1						**-100,2**
Other income and expenses	**29,3**	29,0	0,3						**29,3**
Life Operating Insurance Service result	**298,5**	284,3	14,2						**298,5**
Insurance revenues				**2.822,9**	736,0	861,5	929,8	295,6	**2.822,9**
Gross claims				**-1.493,3**	-488,2	-511,4	-359,6	-134,1	**-1.493,3**
Gross Expenses incl. non-attributable costs				**-1.007,7**	-161,1	-321,0	-396,8	-128,7	**-1.007,7**
Reinsurance result				**-150,3**	-32,8	-11,6	-89,4	-16,5	**-150,3**
Non Life Operating Insurance Service result				**171,6**	53,8	17,5	84,0	16,2	**171,6**
Net Investment income	**2.126,4**	1.487,5	638,8	**118,0**	75,7	18,4	10,4	13,5	**2.244,3**
Finance expenses	**-1.907,5**	-1.317,4	-590,1	**-58,0**	-41,5	-8,5	-1,9	-6,2	**-1.965,5**
Operating Investment result	**218,8**	170,1	48,7	**60,0**	34,2	10,0	8,5	7,3	**278,8**
Operating Insurance & Investment result	**517,4**	454,4	63,0	**231,6**	88,0	27,5	92,5	23,5	**749,0**
Result on Surplus Assets	**34,7**	31,6	3,1	**12,3**	5,2	3,5	2,1	1,6	**47,0**
Operating Result before Tax	**552,1**	486,0	66,1	**243,9**	93,2	31,0	94,7	25,1	**796,0**
									0,0
Life Liabilities	**61.278,4**	46.610,0	14.668,4	**4.546,9**	2.457,6	1.024,4	445,0	619,9	**65.825,3**

Note that 'Life' mainly comprises the Solvency II lines of business 'Insurance with profit participation', 'Other Life Insurance' and 'Index-linked and Unit-Linked insurance'. 'Non-Life' mainly comprises the Solvency II lines of business 'Non-Life insurance and reinsurance obligations', 'Health insurance', 'Income protection' and 'Annuities stemming from Non-Life insurance contracts'.

Some comments:

- ✓ The operating result before tax amounts to 850 million EUR, compared to 796 million EUR in 2024. This increase is mainly explained by higher Capital Gains in Real Estate, higher recurring revenues from fixed income and lower weather impact than last year.
- ✓ In Life Business, gross inflow increased compared to last year (+5,6%), mainly explained by an increase in Retail Life Bank. The Life Liabilities show an increase of 2,5% compared to 2024 mainly thanks to Unit-Linked and Group Life Guaranteed.

✓ In Non-Life Business, gross inflow amounts to 3 billion EUR, about 5% higher compared to 2024. The operating result amounts to 267 million EUR, compared to 244 million EUR in 2024 mainly thanks to better result in TPL and Health.

A.3 INVESTMENT PERFORMANCE

A.3.1 Income and expenses by asset class & Gains and losses recognized directly in equity

Financial income and allocated capital gains (net of impairments), before investment costs, included in the IFRS consolidated profit before taxation stands at 2.619 million EUR for 2025 and can be split as below:

in EUR million	Year 2025	Year 2024
Interest, dividend income and other investment income	2.717,8	2.554,1
Realised and unrealised gains and losses on investments (recognized in profit and loss)	87,6	115,2
Finance costs (relate mainly to subordinated debt, borrowings & other liabilities)	-184,4	-206,9
Additions to (or reversals from) impairment allowances	-2,1	-26,4
Total	**2.618,9**	**2.436,0**

The "Interest, dividend income and other investment income" is further detailed as follows for the year ended 31 December 2025.

Interest and other investment income

in EUR million	Year 2025	Year 2024
Cash and cash equivalents	1,5	0,5
Debt securities	8,3	6,3
Loans	16,5	12,8
Derivatives	0,3	0,5
Total interest income of financial assets mandatorily measured at FVPL	**26,5**	**20**
Debt securities	2,1	2,3
Total interest income of financial assets designated at FVPL	**2,1**	**2,3**
Debt securities	1216,8	1174,2
Loans	182,50	208,00
Total interest income of financial assets measured at FVOCI	**1399,2**	**1382,2**
Cash and cash equivalents	10,1	17,7
Debt securities	0	0
Loans	32,4	36,2
Total interest income of financial assets measured at amortised cost	**42,5**	**53,8**
Total other interest income	**2,5**	**2,1**
Total interest income	**1472,9**	**1460,4**
Dividend income from equity investments mandatorily measured at FVPL	54,4	62,7
Dividend income from equity investments measured at FVOCI	91,8	89,9
- Related to investments derecognized during the period	0	1,4
- Related to investments held at the end of the reporting period	0	88,5
Rental income from investment property	215	205,7
Revenues of parking garages	661,4	551,1
Other investment income	222,3	184,3
Total dividend and other investment income	**1244,9**	**1093,7**
Total interest, dividend and other investment income	**2.717,80**	**2.554,10**

In addition to the amounts recognized in the income statement, the realized capital gains on FVOCI Equity securities are recognized directly in equity. The (pre-tax) realized capital gains on equity securities amounted to 83 million EUR in both 2024 and 2025.

A.3.2 Investments in securitization

No information.

A.4 PERFORMANCE OF OTHER ACTIVITIES

AG has no other material activities.

A.5 ANY OTHER INFORMATION

No other information.

B

System of governance

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

B.1.1 Company structure

B.1.1.1 Scope

In accordance with the regulations related to the supervision of insurance companies in Belgium, AG makes a clear distinction in responsibility between the **Board of Directors** and the **Management Committee**, of which the role, responsibilities and authority are described hereafter:

B.1.1.2 Board of Directors

The Board determines the general strategy of AG and provides it with strategic directions. In this respect, the Board is the ultimate decision-making body of AG, with the exception of matters reserved for the General Meeting of Shareholders or the Management Committee by the company law or by the Articles of Association. The Board also decides on the governance structure, monitors the risk management framework, defines the integrity policy and the Data Protection framework and supervises the Management Committee. The basic aim underlying decision-making by the Board is to perpetuate a sustainable and successful insurance business. The Board believes that this involves primarily focusing on profitable growth, while remaining sensitive to the interests of the stakeholders who are essential to a successful business: the Company's distribution partners, its customers, its employees, its shareholders and the communities in which AG operates.

In order to support the Board to fulfil its role and responsibilities, the Board has set up in accordance with the Circular NBB_2016_31 three ad-hoc advisory committees: the Audit Committee, the Risk Committee and the Nomination and Remuneration Committee. These committees assist the Board in specific areas which they cover in appropriate detail and upon which they make recommendations to the Board. However, only the Board has the power to take decisions within the scope of its competences and responsibilities. The role of the Audit Committee is to assist the Board in fulfilling its supervision and monitoring responsibilities with respect to internal control and audit within AG and its main subsidiaries. The Risk Committee provides advice to the Board on all aspects related to the current and future risk strategy and risk tolerance and supports the Board in exercising supervision of the implementation of that strategy by the Management Committee. The role of the Nomination and Remuneration Committee is to assist the Board in all matters relating to the appointment, removal, target setting, performance evaluation and remuneration of "Identified Staff". It takes care that the Remuneration Policy does not incentivize excessive risks taking or behaviours not being in line with the long-term interests of AG or its stakeholders.

B.1.1.3 Management Committee

The role of the Management Committee is to manage AG in line with the values, strategies, policies, plans and budgets endorsed by the Board of Directors. In exercising this role, the Management Committee is responsible for complying with all relevant legislations and regulations, and specifically with the legal and regulatory framework applicable to the Company and its subsidiaries. The Management Committee has the collective responsibility for conducting its activities and for reporting on these to the Board and its advisory bodies. Within this context, the Management Committee has decided to have in place two committees: the Business Risk Committee (BRC) and the Asset and Liability Management Committee (ALCO). The Business Risk Committee is the committee through which the Management Committee monitors the overall risk profile of AG and its subsidiaries, and ensures that the risk management system (including the ICT related risks) is suitable, effective and proportionate to the risks that AG is taking. Therefore, the Business Risk Committee endorses all key elements of this system (governance, policies, processes, models and reporting). Based on the risk reporting and recommendations, the BRC decides on appropriate risk response and risk mitigation. The Asset and Liability Management Committee is the committee through which the Management Committee defines and monitors the ALM strategy and strategic asset allocation (with respect to equities, fixed income, real estate and other admissible asset classes) in line with the policies as defined by the Board. Within this context, the Asset and Liability Management Committee focuses on the ALM position and the market risk positions and decides on hedging strategies as well as on financial aspects of the pricing of life products.

With regard to the participations held by AG, each member of the Management Committee is responsible for the subsidiaries and associates allocated to him, being included in the reporting scope of the Management Committee member. This reporting relates mainly to the long-term and strategic vision, the development of the business and the internal control in its broadest sense. The list of the allocation of the participations is yearly reviewed by the Management Committee.

B.1.1.4 Key (control)functions

The main roles and responsibilities of the four independent control functions, i.e. the Risk Function, the Actuarial Function, the Compliance Function and Internal Audit are described further in this chapter.

B.1.2 Remuneration policy and practices

B.1.2.1 Scope - Categories

The remuneration principles set out in the AG Remuneration Policy apply to AG and in particular to the Non-Executive Board members, the Management Committee members, the holders of the independent Control Functions and the Risk Takers.

B.1.2.2 Remuneration of the Non-Executive Directors

The remuneration of Non-Executive Board members is determined by the shareholders of AG at the General Meeting of Shareholders. Detailed proposals for the remuneration of Non-Executive Board members are formulated based upon recommendations provided by the Nomination and Remuneration Committee and outside experts.

For Non-Executive Board members, the levels and structure of the remuneration reflect their general and specific responsibilities as well as general market practice. The remuneration of Non-Executive Board members, includes both a regular fixed fee as compensation for Board membership and an attendance fee for Board meetings. Membership in Board Committees is also remunerated with an additional base remuneration and a Board Committee meeting attendance fee.

Non-Executive Board members do not receive any performance-related remuneration such as annual incentive awards or stock options. The Company does not provide any contribution to their pension arrangements. Non-Executive Board members may also receive remuneration from AG subsidiaries where they hold a Director position. Non-Executive Board members may transfer their remuneration to other beneficiaries upon request. Non-Executive Board members will not be entitled to any severance pay.

B.1.2.3 Remuneration of the Management Committee members

The remuneration of the Management Committee members is determined by the Board of Directors upon recommendation by the Nomination and Remuneration Committee, in compliance with the prerogatives of the General Meeting of Shareholders. Both the levels and the structure of the remuneration of the Management Committee members are analysed on an annual basis.

The remuneration of the Management Committee members is designed to ensure the organisation’s continued ability to attract, motivate and retain executive talent, to promote achievement of demanding performance targets and long-term sustainable growth in order to align the interests of executives and shareholders in the short, medium and long term while avoiding excessive risk-taking behaviour and to stimulate, recognise and reward both strong individual contribution and solid team performance.

The reward package for the Management Committee members reflects a concept of integrated total compensation combining the following four major components of pay: base salary, annual incentive (short-term performance related

bonus), long-term incentive and pension. In calibrating the various remuneration components, the objective is to position the overall remuneration levels in line with compensation practices of other insurance companies.

The variable components are subject to a maximum. A large portion of the total compensation package of Management Committee members consists of variable remuneration and is therefore 'pay at risk'. The total reward package is part of the contract with the Management Committee member providing also the main characteristics such as and amongst others the expiration date, the termination clauses and various other clauses such as confidentiality and exclusivity.

B.1.2.4 Remuneration of the Independent Control Functions and the data protection officer

For the members of the Independent Control Functions the variable component of the remuneration is independent of the results of the Company.

B.1.2.5 Remuneration of the Risk Takers

There are no other 'Risk takers' at AG than the members of the Management Committee.

B.1.2.6 Remuneration of the employees

AG has put in place a clear, transparent and effective Remuneration Policy which applies to its Identified Staff and which is subject to recurring control and revision.

The same basic principles apply to all the employees of AG. The following principles apply to the variable remuneration:

- ✓ if the remuneration package includes both a fixed and a variable component, both components are well balanced to ensure that the fixed part of the total remuneration is sufficiently high so as to avoid that employees are too dependent on the variable component. The terms of the Remuneration Policy allow AG to conduct a flexible approach, including the possibility not to pay any variable remuneration
- ✓ if the variable remuneration is performance linked, the total amount of the variable remuneration is based on a combination of both personal and company related performance indicators
- ✓ the appraisal of the personal performance includes both financial and non-financial criteria. A possible downward correction is included for the exposure to risk, the risk profile of AG and the cost of capital
- ✓ severance pay takes into account the performance of the concerned person throughout its entire career and is structured in such a way that failure is not rewarded.

B.1.2.7 Review Process of the Remuneration policy

The Remuneration Policy is reviewed and updated on an annual basis, as needed. The Board of AG defines the Remuneration Policy based on information and recommendations provided by the Nomination and Remuneration Committee. This information is discussed at AG Board meetings, and the Board takes decisions that are appropriate to the specific context of AG.

B.1.3 Material transactions with shareholders and persons having a significant influence

No material transactions during the reporting period have taken place with shareholders, with persons who exercise a significant influence on the undertaking, and with members of the administrative, management or supervisory body.

B.1.4 Information on material transactions

When exceeding on a cumulative basis the threshold of 100.000 EUR, the loans, credits or warranties granted by AG towards Board members, members of the Management Committee and their direct relatives must be immediately disclosed to the Board leaving the time to oppose.

Material transactions (insurance contracts) by the Board members, members of the Management Committee and their direct relatives are concluded on commercial terms in conformity with prevailing market conditions (in accordance to the NBB Circular 2017_21 dated 7 July 2017).

The Company will take all appropriate actions with regard to services that are required to be disclosed under the current legislation and/or regulations.

B.2 FIT AND PROPER REQUIREMENTS

B.2.1 Fit and Proper requirements

AG applies the rules set forth in the overarching NBB Circular on the system of Governance 2025_08 of 17 June 2025 and the "Fit & Proper Handbook" (NBB Circular 2022_34 of 20 December) to the members of the Board of Directors, the members of its Advisory Committees, the members of the Management Committee and the Key Functions.

B.2.2 Fit and Proper process

Principles and guidelines as to the selection, development and appraisal of Members of the Board of Directors and of the Management Committee as well as the different process steps for the selection, training and evaluation of Board members, Members of the Management Committee, the key functions and the independent control functions within AG are in place.

AG makes every effort to check a person's suitability, e.g. by carrying out an assessment, not only before taking a position but also during the performance of a position, on an ongoing basis. If the result of the assessment of suitability is positive, AG will in turn send the NBB (and the FSMA regarding the appointment of the Head of Compliance) full and reliable information about the person's suitability. Based upon this information, supplemented by details collected by the NBB on its own initiative, the NBB (and the FSMA regarding the appointment of the Head of Compliance) will carry out its own assessment of the suitability of the person in question.

Each Board member is requested to sign a statement (written declaration) of *fitness & properness* in which he confirms that he will unreservedly conform to the AG 'fit and proper' standards and that he will give immediate notice of any events which might turn out to be important in this respect. This statement has to be delivered each year.

As the financial sector is constantly evolving, AG takes all necessary steps to implement judicious continuous training for all persons concerned, including the Board members.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE OWN RISK AND SOLVENCY ASSESSMENT

B.3.1 General description, strategy and objectives

As an active provider of both life and non-life insurance in the Belgian market, AG is exposed to a number of risks, whether internal or external, current or emerging, that may affect the achievement of its objectives.

The *Enterprise Risk Management* (ERM) approach provides an integrated framework for the risk management process, thereby supporting long-term stability, growth and sustainability as cornerstones of the strategy. It ensures that the strategic planning conforms to the risk appetite as defined by the Board. This risk management process consists in:

- ✓ identifying the risks AG is exposed to
- ✓ assessing the impact and the likelihood of these risks
- ✓ managing these risks by taking appropriate actions to control or mitigate the risk position
- ✓ monitoring the risk profile and corresponding capital needs on an ongoing basis
- ✓ reporting to the Management and to the Board.

AG's risk management *strategy* consists in adopting a holistic approach coordinated at the highest level of the organisation through:

- ✓ an open environment conductive to effective and transparent communication about risks and risk management throughout the company
- ✓ an integrated, proactive and forward-looking approach to manage all key risks
- ✓ the integration of risk management into the business strategy and the decision-making
- ✓ the understanding and the effective management of the relationship between risk, capital and reward consistently with the business strategy and the risk appetite.

Risk management focuses on achieving the following *objectives*:

- ✓ understand the key risks taken and maintain a solvency position and liquidity position such that no plausible scenario would cause the company to default on its obligations to policyholders and debt holders
- ✓ contribute to the company's strategy by defining a risk appetite and ensure that the company's risk profile remains within the set limits

- ✓ provide relevant, reliable, understandable and timely delivered information and risk opinions when appropriate in view of supporting an informed decision-making process within the company, i.e. allowing the Management to effectively assess overall capital needs, to improve capital allocation, and to make the right choices as to risk-return optimisation
- ✓ encourage a strong risk awareness culture where managers are aware of the risks within their business, effectively manage them and transparently report them
- ✓ enhance risk response decisions by providing the rigour to identify and select among alternative risk responses (avoidance, reduction, mitigation, transfer and acceptance)
- ✓ reduce operational losses by enhancing the capability to identify potential events
- ✓ comply with the legal and regulatory requirements.

B.3.2 The Risk Management framework

The risk management system in place at AG comprises a number of core components that form a consistent and effective framework necessary to identify, assess, monitor, manage and report on a continuous basis at an individual and at an aggregated level the risks to which AG is exposed as well as their interdependencies. This system is articulated around the risk appetite framework, the risk policy framework, the risk model framework and the risk reporting framework. In addition, risk processes and systems support the implementation of this system. Finally, the risk management system is well integrated into the organisational structure and in the decision-making processes of the company, which is achieved through a sound risk governance.

B.3.2.1 Risk Appetite framework

In a set of risk appetite statements, AG expresses the type and amount of risks it is willing to take or allows to be exposed to in pursuit of its strategy and business objectives, taking into account the expectations of its different stakeholders. Through a formal Risk Appetite Policy approved by the Board, a clear risk appetite framework is defined setting formal boundaries for risk-taking. This framework is organised around a number of quantitative criteria which are primarily based on AG's willingness or ability to accept volatility in the key areas of solvency, earnings and liquidity. These quantitative statements are complemented with qualitative statements aiming at protecting the franchise quality[4] of the company, paying attention to its internal functioning and efficiency, as well as to the relationship with all of its stakeholders (investors, customers, employees, partners and society).

Regarding solvency, a key component in the quantitative criteria, AG strives to maintain a capital position such that no plausible scenario would cause the company to default on its obligations to policyholders. To accomplish this, the solvency and capital positions are monitored within a framework based on the Solvency II framework as entered into force on the 1st of January 2016. For management purposes the Pillar I own funds and capital requirements are complemented with an own view on the available funds and the risk-based assessment of the capital needs.

Appropriate management actions are triggered depending on the current position in the different monitoring frameworks as defined in the Risk Appetite Policy. The risk appetite is further cascaded down into workable risk limits at the level of the different risk takers. These risk limits are monitored on the same regular basis as the risk appetite.

B.3.2.2 Risk Policy framework

The risk policy framework is a core element in the formalisation of the ERM approach as it provides a structured and unifying approach and process to the development and the implementation of a number of policies. It supports an integrated risk management system by evidencing a coherent and organised set of risk principles and guidelines, processes, reporting and governance requirements.

B.3.2.3 Risk Model framework

The risk model framework contains a set of models which have the objective to quantify insights in a number of risks the company is exposed to. This information is used to support an informed decision-making process at the strategic level of the company as well as in the daily operations (use test).

Risk models are subject to a robust model governance encompassing model control and validation. Model developments and updates follow the procedures as described in the Model Management Policy & LMS. It allows the Model Control Board to control the full life cycle of the models. The overview of all the risk models is given by the Model Register containing standard information for each model, together with an overall model landscape that describes how the models are linked to each other, complemented with key inputs and outputs. This Model Register also includes for each model a Model Issue Log. Regarding the validation of the models, an independent model validation function is operating at the level of Ageas Group.

[4] Franchise quality is a qualitative metric associated with the intrinsic value as determined by the intangible assets such as its brand, its human capital, the quality of its management, its corporate culture, knowledge, etc. embedded in the company.

B.3.2.4 Risk Reporting framework

A risk reporting framework is in place, which defines a set of reports with the objective to communicate the necessary information to the different stakeholders, hence contributing to the integration of the risk dimension in the business decision-making process.

B.3.3 Risk process and risk systems

The basic ERM process is the industry-wide accepted risk management cycle encompassing risk identification, assessment, management, monitoring and reporting.

The annual Own Risk and Solvency Assessment (ORSA) process and report provide a forward-looking assessment on all the risks inherent to AG's business and the corresponding solvency needs. This report is well integrated in the strategy and business planning process. Management actions are defined (if needed) to stay within the defined risk appetite boundaries. This forward-looking view is provided in a base case as well as in stressed situations (based on relevant stress tests and scenarios).

Risk processes are complex and hence require adequate systems and supporting technologies. Robust and appropriate systems are in place to quantify risk exposure, carry out complex risk capital calculations, assess the impact of stress tests, aggregate risks and finally timely provide the Management with high quality information in view of supporting strategic and day-to-day decision-making.

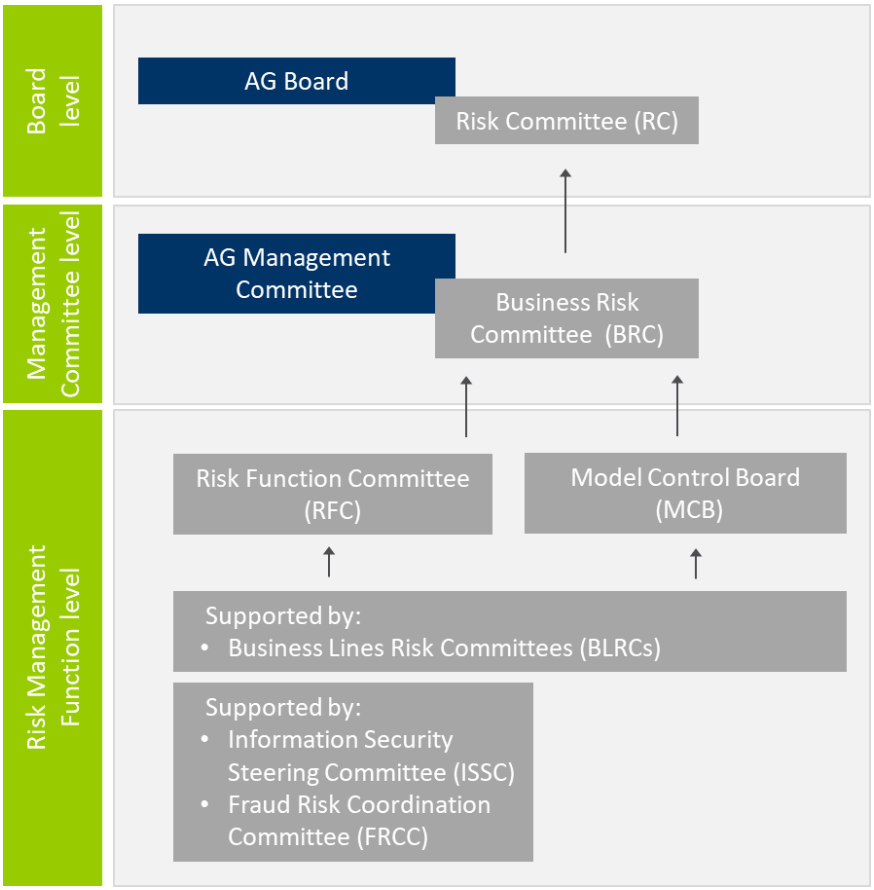
B.3.4 Integration of the Risk Management System in the organizational structure and in the decision-making process of the Company

Sound risk governance is the foundation of an effective risk management framework. A Risk Governance framework is set up with the objective of managing risks efficiently through a three-lines of defence model. This model formalises the way the company is dealing with risks by assigning risk management responsibilities and authorities to the relevant stakeholders in the organisation.

To support this Risk Governance framework a structure is in place with following features:

- ✓ a Chief Risk Officer who has the overall responsibility for the risk management function at the company level, is a member of the Management Committee and of the Board, with a standing invitation to the Risk Committee and the Audit Committee, and chairs the Business Risk Committee
- ✓ two other control functions, being the Actuarial Function and the Compliance Function, which are also integral parts of the CRO department, as are Internal Control and Data Protection:
    - the Actuarial Function provides independent assessments of technical provisions, profitability, profit sharing and reinsurance
    - the Compliance Function is primarily responsible for overseeing compliance with applicable laws, regulations and internal policies, as well as for managing compliance risk
    - the Internal Control department ensures, to the extent possible, that internal controls are in place and effective so that company activities are efficient and effective, information is reliable, timely and complete, and that the company complies with applicable laws and regulations
    - the Data Protection Office is responsible for the implementation and the execution of the General Data Protection Regulation (GDPR).
- ✓ a two-layered organisation of the risk management function with a Central Risk department keeping risk oversight while delegating risk responsibilities to decentral teams which are operating at the level of the business lines and support functions, a model which ensures greater proximity to the business and operations in view of better reflecting their needs and enhances greater embedding of risk management, awareness and culture throughout the company, and in particular foresees dedicated roles for:
    - decentralized Risk Managers (DRMs) who are responsible for coordinating and embedding the risk management function within the first line of defence
    - decentralized Operational Risk Officers (DOROs) who are responsible for the roll-out of the operational risk management within the first line of defence under the responsibility of the DRM
    - the Chief Information Security Officer (CISO) who is responsible for information security matters across the company and who reports hierarchically to the CITO and functionally to the CRO.
- ✓ finally, a number of risk committees which operate at different levels of the organisation:
    - the Risk Committee at the level of the Board

- the Business Risk Committee at the level of the Management Committee
- the Risk Function Committee at the level of the risk management function, which is supported by dedicated Business Line Risk Committees (BLRC), the Information Security Steering Committee (ISSC) and the Fraud Risk Coordination Committee (FRCC)
- the Model Control Board (MCB) also at the level of the risk management function.



B.3.5 Own risk and solvency assessment

B.3.5.1 ORSA Process

AG performs an annual ORSA which is closely linked to the yearly Strategic Review and Multi-Year Business (MYB) planning processes. In order to achieve alignment between strategy, risks and solvency/capital, AG sets up an integrated process that provides the ORSA with essential information with regard to the current and forward-looking view on the risks related to the strategy and business plan, the corresponding solvency needs in a base case as well as in stressed situations. The ORSA process therefore requires the definition of a number of relevant stress tests that could hinder the realisation of the business objectives. To this end, the Strategic Review is accompanied by a full bottom-up key risk identification exercise where Business Lines and Support Functions are invited to reflect upon the major risks that could possibly impact the realisation of the business objectives, including potential emerging risks. This exercise provides a sound basis for the determination of a number of relevant stress tests and scenarios which are expected to give Management more insight in the potential evolution of the business plan under extreme but plausible stress scenarios.

B.3.5.2 Frequency of the ORSA

Besides the annual ORSA process, the risk management system allows to perform an ad hoc or non-regular (full or partial) ORSA when required by specific circumstances. Such an ad hoc ORSA can be triggered by a significant change in the risk profile, be it by external circumstances (such as changing insurance market environment, changing financial market environment, changing regulation) or by company-specific circumstances (such as an acquisition, a divestment, a change in strategy). The final 2025 ORSA report was presented to the Board on 12 December 2025.

B.3.5.3 Method of calculation of own solvency and capital needs

For the calculation of the own solvency needs, AG uses a 'Pillar II methodology' which consists in using a Pillar I partial internal model for the capital assessment of the risks (i.e. standard formula for all risks except the use of an internal model for non-life underwriting risk) complemented with an own view on the modelling of a number of risk factors such as spread risk with respect to government bonds and corporate bonds, property risk, inflation risk (in particular for workmen's compensation) and the treatment of employee benefits for own employees (IAS 19), as well as on the determination of the Own Funds (the use of an Expected Loss Model and the treatment of employee benefits for own employees). Standard formula aggregation techniques are used to integrate the non-life internal model into the total SCR calculation.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Description of the Internal control framework

AG has a COSO[5]-inspired internal control system in place, whose objectives, roles and responsibilities are described in the Internal Control Policy. The internal control adequacy assessment is organised around three objectives, i.e. 'Operations' (appropriate operational functioning of the company), 'Reporting' (reliable financial and non-financial reporting and management information), and 'Compliance' (compliance with applicable laws and regulations).

B.4.2 Mission statement of the Compliance function

The Compliance Function is established as an independent second line control function and ensures that the company and its employees comply with laws, regulations, internal rules and ethical standards that fall within its areas of responsibility. It also aims to create a dynamic of continuous quality improvement in compliance domains and aims to establish a relationship of trust and mutual understanding with regulatory and supervisory authorities.

When performing its monitoring activities on the design and the operational effectiveness of compliance controls, the Compliance Function uses the surveillance results provided by compliance contact persons in the Business Lines and Support Functions, on the basis of empiric tests, follow-up of appropriate risk indicators (such as complaints, incidents or exceptions) and interviews. The Compliance Function informs the relevant business lines and support functions of the results of its monitoring activities and follows up upon the respect of its recommendations.

B.5 INTERNAL AUDIT FUNCTION

B.5.1 Mission Statement of the Internal Audit Function and implementation

Internal Audit purpose is to enhance and protect the organisation's value and sustainability, by providing the Board and management with objective and relevant assurance, advice and insight. Internal Audit helps AG Insurance accomplishing its objectives and improving the effectiveness of its governance, risk management and control processes, which are set in the interest of all its stakeholders. Internal Audit's scope includes all AG activities and entities, including therefore the activities of subsidiaries, as well as important and critical outsourced activities. The internal audit methodology in place and applied is in conformance with the International Professional Practices framework (IPPF), which includes, notably, the Global Internal Audit Standards. Internal Audit also operates in accordance with the principles and rules set by the Belgian regulatory authorities for the internal audit function in the financial sector.

To achieve its purpose, Internal Audit provides assurance, and to a lesser extent, advice. Assurance services involve Internal Audit's objective assessment of evidences, and application of a critical mindset in order to provide an objective and relevant opinion regarding an entity, operation, function, process or system. The nature and scope of an assurance assignment are determined by Internal Audit. Internal Audit may also provide advice on the efficiency and effectiveness of governance, risk management and control processes, complementing its assurance services, at the request of the Management Committee. This advisory role is an ancillary role, and under no circumstances does it reduce the effectiveness of Internal Audit's primary purpose of delivering an objective and relevant assurance.

B.5.2 Safeguards for independence and objectivity

Independence and objectivity of Internal Audit are defined as follows:

- ✓ independence is the freedom from conditions that impair internal audit's function ability to carry out its responsibilities in an unbiased manner

[5] The Committee of Sponsoring Organisations of the Treadway Commission (COSO) is an initiative dedicated to help organisations improve performance by developing thought leadership that enhances internal control, risk management, governance, and fraud deterrence.

- ✓ objectivity is an unbiased mental attitude that allows internal auditors to make professional judgements, fulfil their responsibilities, and achieve the Internal Audit purpose without compromise. An independently positioned internal audit function supports internal auditors' ability to maintain objectivity.

Following safeguards preserve independence and objectivity

- ✓ an Audit Charter that includes purpose of Internal Auditing, commitment to adhering to the Global Internal Audit Standards, the Internal Audit mandate, as well as its organisational position and reporting relationships
- ✓ the internal audit function receives from the AG Board a mandate that specifies the authority, role and responsibilities of the internal audit function. This mandate secures Internal Audit a status and resources that preserve its autonomy, functional independence and objectivity necessary to fulfil its purpose
- ✓ Internal Audit operates within the International Professional Practices Framework established by the Institute of Internal Auditors (IIA) and within the guidelines set by national regulatory authorities
- ✓ to provide for the independence of the internal audit function, its staff reports to the Chief Audit Executive, who reports administratively to the AG Insurance Chief Executive Officer and functionally to the AG Board of Directors, through its Audit Committee
- ✓ Internal Audit cannot be involved in operational activities or in implementing any organisational or internal control measure, including executing continuous control/monitoring.

B.6 ACTUARIAL FUNCTION

The Actuarial Function, organised as an independent second line control function, provides reasonable assurance through independent reports on:

- ✓ the adequacy and the compliance of the technical provisions in statutory and in IFRS accounts
- ✓ the adequacy and the compliance of the Profit Sharing Policy
- ✓ the appropriateness of the underwriting and pricing practices of the company through assessment of profitability of the portfolio and product pricing (including risk/return) and benchmarking these to company targets and limits
- ✓ the appropriateness of the ALM and its impact on the profitability of the portfolio or products
- ✓ the appropriateness of the reinsurance program of the company
- ✓ the appropriateness and adequacy of the methodologies, models, assumptions and data used for the Solvency II technical provisions calculations and the back-testing of these provisions.

Furthermore, the Actuarial Function contributes to the effective implementation of the Risk Management System, in particular to the risk modelling underlying the calculation of the solvency and minimum capital requirements and to the ORSA. The Actuarial Function in particular exercises the role of coordinating the calculation of the Solvency II technical provisions. The reports of the Actuarial Function are yearly, quarterly or ad-hoc and presented to the Management Committee and the Risk Committee.

B.7 OUTSOURCING

The Operational Risk Management of AG, under the supervision of the Head of Compliance and in agreement with the Board of Directors, has established a Third-Party Risk Policy, along with Limits and Minimum Standards, to ensure compliance of AG's existing and future externalisations with applicable outsourcing regulations. Through mandatory completion of a Business Risk Assessment and related assessment templates, relevant risk bodies are informed and discuss projects involving externalisation. AG has integrated in its internal externalisation process the principles as set by the NBB Governance circular 2025_08. Reporting towards the Management Committee and the Board of Directors is in place.

The Third-Party Risk Policy incorporates requirements from the European regulation 2022/2554 on Digital Operational Resilience (DORA) and associated standards for risk mitigation related to ICT service providers.

Activity	Country
Data Center EN: externalization and co-location of AG's IT non-cloud infrastructure	Belgium
Data Center IX: externalization, co-location of AG's IT non-cloud infrastructure. Redundant Data Center	Belgium

Central printing, enveloping and mailing	Belgium
Digitalization of incoming documents	Belgium
Ageas SII & IFRS17 central model	Belgium
Ageas market risk in-house model	Belgium
Ageas non-life underwriting risk internal model	Belgium
Ageas model validation	Belgium
Claim station – PEGA Case Management tool	Germany
Claim station – PEGA cloud hosting	Germany
Core cloud platform for IT applications	Ireland / Netherlands

B.8 ANY OTHER INFORMATION

The effectiveness of the governance system is assessed on an annual basis as part of the System of Governance Adequacy assessment (SOGA), in accordance with the requirements set out in the NBB_2025_08 Overarching Circular on the System of Governance. The SOGA is a self-assessment performed at the level of the Management Committee and facilitated by the second line of defence. It capitalizes on the Internal Control Adequacy (InCA) assessment, audit findings and separate discussions with the respective managers in charge of the various governance topics. Based on these different input sources, the SOGA report is drafted, presenting conclusions on the adequacy and effectiveness of the system of governance in place and identifying any shortcomings, together with the corresponding action plans for remediation.

Overall, AG considers its system of governance to be appropriate and adequate, taking into account the nature, scale and complexity of the risks inherent to its business. The system of governance in place at AG is supported by a comprehensive set of policies and procedures and provides reasonable assurance that the company can meet its objectives.

C

Risk profile

AG offers a wide range of insurance products and, like other insurance companies, faces a variety of risks, such as insurance risk, financial risk, operational risk, strategic and business risks. A risk taxonomy is in place which provides a consistent and comprehensive approach to risk identification, highlighting and defining the risks the Company is exposed to.

C.1 INSURANCE RISK

The results of life, health and non-life insurance business significantly depend upon the extent to which actual claims experience remains consistent with the assumptions used in the pricing of products as well as the extent to which technical provisions prove adequate. Besides the exposure to the risk of inadequate pricing and provisioning assumptions, the Company is also exposed to mass lapse risk, preventing expected profit to emerge due to a massive loss of business, as well as to catastrophe risk arising from pandemics, natural catastrophes (such as windstorms, hailstorms, floods, or earthquakes) or man-made disasters (such as accidental explosions or acts of terrorism).

Each Business Line manages insurance risk in line with a set of policies, in this case more specifically the Insurance Risk Policy, Product Approval Policy, Underwriting Policy, Claims Management Policy, BGAAP Reserving Policy and Reinsurance Policy. Particular attention is given to the underwriting process, which encompasses risk selection and pricing and involves review procedures based on the actual loss experience. From a risk management point of view, this process needs to ensure that the underlying pricing assumptions and the customer segment actually purchasing the product are consistent. To this end, a range of indicators and statistical analysis tools is employed.

Premiums are calculated at levels that should ensure that the premiums received and the investment income earned normally exceed the total value of claims, plus handling and management costs. Pricing appropriateness is tested with the use of a range of techniques and key performance indicators suitable for a particular portfolio and is also checked by the Actuarial Function in the context of the product approval process. Next to an a priori profit testing, an a posteriori monitoring is in place based on the evolution of metrics such as the fair value and the combined ratio.

AG closely monitors reserving risk, i.e. the risk that the technical provisions prove inadequate, through tests which are performed on each reporting date, and which potentially lead to recognition of additional liabilities that are charged to the BGAAP income statement. Next to that, the Actuarial Function expresses its independent opinion on the overall adequacy of the liabilities arising from the insurance contracts.

As is also the case for other elements of the SCR calculation, AG monitors and assesses insurance risk concentration, including geographical concentration with respect to property insurance (i.e. both man-made and natural catastrophe risk) and concentration with respect to insured events for health insurance (accident concentration risk). The geographical analyses with respect to property insurance, for both natural catastrophe risk (analysis per CRESTA zone[6]) and man-made catastrophe risk (analysis per 200m-circle[7]), are showing a geographically well-diversified portfolio. Concentration risk in health insurance is monitored on the basis of the SCR calculation for accident concentration risk, showing the low materiality of this risk.

In the normal course of business, insurance risk is partly managed by transferring risk exposure to certain underwriting risks to reinsurers through appropriate reinsurance arrangements (treaties). Under these arrangements, reinsurers assume a portion of the losses and expenses associated with reported and unreported claims in exchange for a share of the premiums. The Company primarily uses external reinsurance to mitigate the impact of natural catastrophes (e.g. windstorms, earthquakes, and floods), large single claims from policies with high limits, and multiple claims triggered by a single man-made event. Reinsurers are selected primarily on pricing and counterparty risk considerations.

The reinsurance market, specifically for natural catastrophe covers, has somewhat softened since last year (2025 renewal), with the Rate-on-Line index[8] further decreasing, after a first decrease since 2017 last year. This softening comes after a period of turbulence, including a 2023 renewal which hardened in a way unmatched in recent history and leading to a historic high in the Rate-on-Line index for the 2024 renewal. Certain types of reinsurance cover which were no longer available in recent years, such as an aggregate annual deductible, are once more on offer.

C.2 FINANCIAL RISK

Financial risk encompasses all risks relating to the value and performance of financial assets and, accordingly, represents the most significant risk AG is exposed to. The risk framework in place combines specific policies, limits, stress tests and regular monitoring to control the nature and the level of financial risks and to ensure that risks being taken remain within the Company's risk appetite and are appropriately rewarded.

[6] CRESTA is an acronym for 'Catastrophe Risk Evaluation and Standardising Target Accumulations'.

[7] For each risk location an analysis is made of the totality of risks within a 200-meter radius.

[8] The Guy Carpenter Global Property Catastrophe Rate-on-Line Index represents the ratio between the reinsurance premium that an insurer pays and the maximum amount the reinsurer would pay out in the event of a claim on worldwide catastrophe treaties. Therefore, it is an important indicator of price trends in the reinsurance market.

Asset mix research is used to identify the appropriate strategic asset allocation while the market situation and prospects are monitored on a regular basis to decide on the tactical asset allocation. The decision process balances risk appetite, capital requirements, long-term risk and return, policyholder expectations, profit-sharing requirements, tax, and liquidity aspects to achieve an appropriate target asset mix.

Within financial risk a distinction is made between market risk, default risk and liquidity risk.

C.3 MARKET RISK

Market risk refers to the risk of adverse changes in the financial situation resulting from fluctuations in the interest rate environment and/or in market prices of financial instruments. Market risk includes sub-risks such as interest rate risk, spread risk, property risk, equity risk, currency risk as well as market risk concentration. Market risk is managed in line with a specific Market Risk Policy and an Investment Policy.

Financial markets entered 2025 with optimism driven by U.S. deregulation signals and European fiscal stimulus. This positive trend was disrupted in April when U.S. tariffs triggered a sharp correction and heightened global trade tensions. The U.S. economy remained resilient with strong domestic demand, while inflation stayed high and the Federal Reserve held rates steady. Europe, more vulnerable to trade shocks, faced weaker growth and lower inflation, prompting the ECB to cut rates aggressively to 2%. Despite volatility, equities and corporate bonds performed well, while real estate continued to struggle in a challenging environment.

C.3.1 Interest rate risk

The level of and volatility in interest rates may adversely affect AG's business. To be able to meet future liabilities, insurers invest in a variety of assets that typically include a large portfolio of fixed income securities. The evolution in interest rates impacts the return as well as the market value of the fixed income portfolio. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, economic and political considerations, inflation, governmental debt, the regulatory environment, and other factors that are beyond the Company's control.

Whereas an increase in interest rates generally leads to higher financial revenues because new investments (and reinvestments) can be made at higher rates, they also lead to a lower market value of the fixed income securities already in the portfolio. At the same time, the discounted value of the technical provisions decreases as well, which has a positive impact on the Company's net asset value. Decreasing interest rates have the opposite effects. As a consequence, the final impact of an interest rate movement on AG's net asset value depends on the respective durations of fixed income securities and technical provisions.

A wide variety of risk management techniques are available to control and mitigate the interest rate risks, AG is exposed to. These techniques include:

- Asset Liability Management matching (ALM) defining an optimal strategic asset allocation with respect to the liability' structure, to reduce the risk to the desired level, AG's Market Risk Policy requires close matching where possible, unless specifically approved otherwise
- If deemed appropriate, derivative instruments such as interest rate swaps and swaptions are used to mitigate the exposure to interest rate risk
- A regular monitoring of financial risks, amongst other interest rate risk, on AG economic solvency position.

There is a correlation between interest rate risk and lapse risk (which is a part of insurance risk) in the sense that if interest rates rise sharply, lapses (or surrenders) could temporarily increase, as higher returns on investment might be available elsewhere and policyholders would have an incentive to switch. This risk is mitigated by the existence of tax incentives and by surrender penalties on certain products, including market value adjustments.

C.3.2 Spread risk

AG owns a significant fixed income portfolio, mainly composed of sovereign and corporate bonds. The exposure to (credit) spread risk primarily relates to market price and cash flow variability associated with changes in credit spreads. Spread widening, for example, reduces the value of fixed income securities held, while increasing the investment income associated with acquisitions of fixed income securities. Conversely, spread tightening increases the value of fixed income securities in the portfolio and reduces the investment income associated with acquisitions of fixed income securities. A number of factors may cause a change in spread of an individual asset or of a whole class of assets, including a perception or fear in the market of an increased likelihood of default.

AG generally aims to hold fixed income investments until maturity, which is made possible by the illiquidity of a large part of its liabilities. This strategy reduces the impact of spread risk significantly, because the Company will in general not be in a

position where it has to sell at distressed prices (though it may decide to do so if it considers this to be a better course of action).

C.3.3 Property risk

The value of the property portfolio which includes investments in offices, retail, logistic centres and senior housing as well as participations in Anima and Interparking which operate nursing homes, resp. car parks, is subject to risks related to, among others, property prices, rent levels, occupancy levels, consumer spending and interest rates. Changes in these factors can cause volatility in the value of the portfolio.

AG has established a structured investment framework with tools to closely monitor property risk. This risk is mitigated through a significant number of long-term renting contracts with stable (institutional) counterparties and through investing in diversified real estate and car parks, which for the latter are geographically spread over Europe. For risk management purposes, the real estate exposure is based on the market value of the properties, including property held for own use, the cost value of development projects and a modelled fair value of the car parks. This differs from the exposure reported under IFRS that excludes unrealised gains and separately reports property held for own use.

C.3.4 Equity risk

Stock market volatility may significantly affect equity market prices and reduce unrealised capital gains (or increase unrealised capital losses) in the investment portfolio. Volatility may also negatively affect the demand for certain insurance products such as Unit-Linked products. Stock market downturns and high volatility occur not only because of the economic cycle, but also because of international tensions, acts of terrorism, natural disasters, pandemics, or other events that are beyond the Company's control.

AG manages equity risk through limit setting in line with the strategic asset allocation and risk appetite, as well as through an Investment Policy that requires a range of controls to be in place including actions required in the event of significant decreases in value.

C.3.5 Currency risk

Currency risk arises from changes in the level or volatility of relevant currency exchange rates when there is a mismatch between assets and liabilities in the considered currency. AG carries a limited amount of foreign currency exposures, in particular to U.S. dollar.

The Company's Investment Policy limits this risk by putting limits on unhedged currency risk, i.e. currency exposure resulting from a currency mismatch between assets and liabilities and not hedged by specific instruments or strategies.

C.3.6 Market risk concentration

Market risk concentration refers to the risks stemming either from a possible lack of diversification in the investment asset portfolio or from a large exposure to default risk from a single issuer of securities or a group of related issuers.

In order to mitigate this risk, diversification is an essential objective of the Investment Policy which defines concentration limits and encourages the use of different asset classes with sufficient geographical diversification together with diversification on industries and issuers.

As to market risk concentration, AG has a significant exposure to Belgian sovereign bonds. Though in line with its Investment Policy, AG acknowledges that the occurrence of a Belgian state default scenario could significantly harm its solvency position under all relevant hypotheses. The current exposure is nevertheless considered to be acceptable based on the belief that a default of the Belgian state can be considered as highly improbable. Nevertheless, if such a scenario should materialise, it is expected that given its consequences for the Belgian insurance sector as a whole, it would call for appropriate sector-wide measures.

Through cash deposited at the bank and investments in shares and corporate bonds, AG has an important exposure to BNP Paribas Fortis as well, which remains firmly within the boundaries set for all corporate exposures and as a consequence within AG's risk appetite.

C.3.7 Risk sensitivity

As part of its risk appetite monitoring, AG performs stress and scenario testing on a regular basis, a.o. in its quarterly risk reporting. Stress and scenario testing (including reverse stress tests) is an integral part of the Own Risk and Solvency Assessment (ORSA) as well and finally stress tests are performed on an ad hoc basis, e.g. on request of the NBB and/or EIOPA. Whereas these tests – given the importance of the Company's asset and liability management – show a low sensitivity to interest rate movements, some vulnerability to government bonds spread widening could be observed. The latter is however not to be considered as an economic issue but rather as a consequence of the treatment of spread movements under the prevailing Solvency II framework. There is also a clear impact from a downturn in property values, linked to the relatively important exposure, and in equity values but this remains clearly within the Company's risk appetite.

in EUR million	Own funds	SCR	Solvency ratio	Δ Base (pp)
Official Q4 2025	5.062,9	2.373,2	213%	
Government +50bps	4.517,6	2.536,7	178%	-35
Corporate bonds +50bps	5.090,3	2.327,1	219%	5
Equity -25%	4.467,7	2.228,1	201%	-13
Property -10%	4.836,2	2.419,2	200%	-13
Yield curve +50bps	4.948,3	2.362,6	209%	-4
Yield curve -50bps	5.171,4	2.405,8	215%	2

C.4 DEFAULT RISK

Default risk arises directly from AG's investment activities, due to exposure to issuers of sovereign or corporate bonds as well as from default exposure to other counterparties and debtors.

Investment default risk includes the risk of effective default of the issuer of sovereign or corporate bonds. There is a risk that the debt issuer may be unable or unwilling to repay the principal or pay due interests, and AG may have limited recourse to compel payment.

Investment default risk is actively managed through limits which take into account the type of credit exposure, the credit quality (translated into credit ratings) and the maturity. Regular monitoring and early warning systems are in place. AG recognises in its accounting impairment losses for specific credit risk in accordance with IFRS9 rules.

Counterparty default risk reflects possible losses due to the unexpected default of third parties involved in risk-mitigating contracts, such as reinsurance arrangements, securitizations and derivatives. Assets exposed to counterparty risk further include receivables from intermediaries and clients, private loans to intermediaries, mortgage loans to clients and policy loans to policyholders.

The necessary tools are in place to closely monitor the creditworthiness of the reinsurers AG deals with based on periodic reviews of their financial statements, reputation and rating. Counterparty default risk with respect to private loans to brokers, mortgage loans provided to brokers or clients and policy loans on Retail Life insurance contracts and Group Life insurance contracts is managed in line with a specific Client & Broker Loans Policy. A dedicated team manages relations with intermediaries and has a procedure in place for selecting the appropriate intermediaries. Acceptance criteria (including account limits) apply when granting private loans or mortgage loans.

C.5 LIQUIDITY RISK

Liquidity risk is the inability to meet cash obligations when payment is due. Two categories of liquidity risk are considered: *funding liquidity risk* being the inability to meet all cash demands of policyholders or other contract holders, in both normal and stressed circumstances, without suffering unacceptable losses, and *market liquidity risk* which is the inability to realise assets due to inadequate market depth or market disruption.

Liquidity risk in the business stems from the liquidity characteristics of assets and liabilities. Some life insurance liabilities are subject to surrender while others (such as pension insurance liabilities, term insurance liabilities and annuities) are highly illiquid. Tax legislation and built-in penalties in case of surrender, including market value adjustments, strengthen the illiquidity of some specific life insurance products. Property and casualty insurance liabilities are also considered illiquid by nature. Assets are characterised by a different degree of liquidity, ranging from highly liquid (e.g. cash) to a low degree of liquidity (e.g. real estate). Additionally, a protracted slowdown may reduce the liquidity of markets that are under normal circumstances liquid (see the definition of market liquidity risk above).

Liquidity risk is not considered to be a significant risk for an insurer, as could be observed in the stressed and illiquid market conditions of 2008. The nature of liquidity risk in insurance entities is not comparable to that in banking entities, mainly because of the different structure of the asset/liability profile: banking activities are generally confronted with liabilities that have shorter durations than the corresponding assets, which is not necessarily the case for insurers. As part of earlier ORSA reports, stress tests with respect to liquidity have been performed and confirmed this conclusion. Liquidity risk is managed in line with a specific Liquidity Risk Policy and involves determining the liquidity ratio in a normal and in a stressed situation (1-in-200 scenario) which is monitored on a regular basis, with corrective actions taken should certain thresholds be reached.

The expected profit included in future premiums (i.e. EPIFP which amounts to 614,6 million EUR) is taken into account to cover solvency requirements and, implicitly, liquidity risk. The EPIFP is calculated as the difference between the total Own Funds on the one hand and Own Funds which have been recalculated as if no future premiums would be received on the other hand. The latter calculation assumes that not receiving the premiums does not lead to surrender of the contract but that it remains in force.

C.6 OPERATIONAL RISK

Operational risk represents the potential for financial loss or reputational damage stemming from inadequate or failed internal processes, people, systems, or external events. While inherent to business operations, operational risk is typically an unwelcome companion, as it does not correlate with increased rewards. Consequently, the primary objective of operational risk management is to shield the company's value - including its franchise quality- from the adverse effects of risks that could inflict material damage on the company and its stakeholders, encompassing investors, customers, staff members, partners and the broader society.

Given its pervasive nature, operational risk infiltrates all business activities, necessitating that Operational Risk Management be ingrained across the organisation as an essential component of prudent business decision-making. This integration fosters a comprehensive understanding of the operational risks faced by the organization, its susceptibility to those risks, and its capacity to mitigate them. It also ensures adherence to legal and regulatory requirements and alignment with market standards.

AG's Operational Risk Policy, reviewed annually, establishes a company-wide system for managing operational risk in line with company strategy and related risk appetite. The policy aims at setting out the principles, guidelines, and standards for identifying, assessing, managing/mitigating, monitoring, and reporting operational risks. Additionally, it outlines the governance framework that upholds this system.

The policy aims at ensuring compliance with:

- ✓ the **Solvency II related requirements**:
- ✓ the (Digital) **Operational Resilience Act and other continuity and security related requirements**
- ✓ the **data related requirements**: the Data Act, The General Data Protection Regulation (GDPR)
- ✓ the **Artificial Intelligence Act.**

The policy also aims at ensuring alignment with best practices such as:

- ✓ **the ISO 27001** being the international standard for information security management
- ✓ **the Business Continuity Institute (BCI) Good Practices Guideline** 7.0 (GPG) based on the ISO 22301:2022 standard for business continuity management.

AG has implemented a robust operational risk management framework to administer its portfolio of products, activities, processes and systems, comprehensively covering all domains of operational risk:

- ✓ transaction, processing and execution related risks
- ✓ business continuity, crisis management and operational resilience related risks
- ✓ data management related risks
- ✓ information security and cybersecurity related risks
- ✓ model related risks
- ✓ employment practices and workplace safety related risks
- ✓ internal fraud
- ✓ external fraud
- ✓ conduct related risks

- ✓ financial crime
- ✓ technology related risks
- ✓ third party related risks
- ✓ damage to physical assets and physical security outside workplace
- ✓ legal related risks
- ✓ regulatory non-compliance
- ✓ statutory reporting, disclosures & tax related risks.

Management of operational risk is a crucial element in safeguarding AG's franchise quality. In this context, a risk appetite has been defined and translated into a number of key risk indicators (KRIs). These metrics provide early warnings of increasing risk exposures and allow for monitoring compliance with the operational risk appetite and tolerances.

Operational risk management is a continuous, integrated process designed to identify, assess, mitigate, monitor, and report risks across all business activities. Key components include:

1. Business Continuity Management (BCM)

BCM ensures resilience against internal and external disruptions. It is embedded in the Business Continuity Management System (BCMS) and includes:

- ✓ Contingency Planning: Proactive measures such as Business Impact Analysis (BIA), continuity strategies, and disaster recovery planning
- ✓ Crisis Management: Responsive actions during disruptive events, supported by tested Business Continuity Plans (BCPs). BCM complies with EU Regulation 2022/2554 (DORA) and NBB guidelines.

2. ICT Risk & Information Security Management

Given AG's knowledge- and information-intensive operations, safeguarding information assets is critical. The approach includes:

- ✓ ISO 27001:2022 certification for IT processes, ensuring robust controls and continuous improvement
- ✓ Cyber Risk Program: covers data leakage prevention, personal data protection (GDPR compliance), and resilience against cybercrime
- ✓ Information Risk Management Guidelines: define roles, responsibilities, and processes for risk identification, treatment, and reporting.

3. Fraud Risk Management

AG does not tolerate fraud, supported by:

- ✓ Preventive controls and fraud-sensitive process reviews
- ✓ Mandatory training for staff
- ✓ Investigation and remediation protocols aligned with operational risk tolerance principles.

4 Third-Party Risk Management

Externalised activities related risks are managed through:

- ✓ Business risk assessments at initiation, followed by cyclic review according to criticality
- ✓ Third-Party Service Assessments (TPSA) and due diligence
- ✓ Continuous monitoring of contractual compliance and resilience obligations under DORA.

4. Internal Control

A strong internal control system is maintained across all functions to prevent operational losses. Controls are regularly tested and embedded in daily processes.

5. Insurance Protection

Corporate insurance programs (e.g., professional liability, fraud, natural disaster coverage) mitigate financial impacts of major incidents.

6. Data Management

Data governance ensures integrity, confidentiality, and availability of information assets, supported by GDPR compliance and secure lifecycle management.

7. Physical Security

Physical access controls and surveillance measures protect critical infrastructure, assets and people.

8. Legal & Regulatory Compliance

AG anticipates and implements changes in regulatory frameworks (Solvency II, DORA, NBB circulars), ensuring readiness and compliance across all operations.

9. Business Risk Assessment

All new projects undergo a Business Risk Assessment (BRA), supported by standardized tools and questionnaires to identify operational risks and define mitigation actions.

10. Incident & Operational Loss Tracking

Incidents and operational losses are logged in a centralized register, enabling root cause analysis and continuous improvement through corrective actions.

C.7 STRATEGIC AND BUSINESS RISK

Strategic risk generally emerges as a result of adverse business decisions, improper implementation of decisions, or a lack of responsiveness to industry changes. Strategic risk is addressed by examining multi-year scenarios, considering the related risks, as well as monitoring the implementation of the chosen strategy through the multi-year business plan. The latter takes into account all the current and future risks as identified through the Key Risk Identification Process. ORSA furthermore provides insights on how these risks could potentially jeopardise the achievement of the strategic and business plan and to what extent these plans have the adequate capacity to withstand and mitigate these risks.

Business risk is a potential consequence of changes in external factors - political, economic, social, technological, environmental, or legal - affecting the environment and conditions in which AG operates. This includes both elements directly related to the business environment, such as a change in customer behaviour, in the distribution landscape, a regulatory change or a strategic move from competitors, and more general external factors such as climate change. Business risk management requires pre-emptive risk management, anticipating possible developments in the environment. In this regard, AG uses a structured horizon-scanning process to detect threats (and opportunities) surrounding its activities. This information is exploited in the strategic and multi-year planning process and the ORSA (Own Risk and Solvency Assessment). More specifically with respect to sustainability risks, defined as risks due to environmental, social and governance issues (ESG issues), AG considers corporate social responsibility as part of its strategy.

Sustainability risk is explicitly included in AG's risk taxonomy as a major strategic and business risk and remains a primary consideration given the fundamental challenges, such as climate change, but also rising social inequalities and geopolitical conflicts, while at the same time all stakeholders are expecting companies to actively seek eco-friendly and inclusive solutions to these challenges. On the one hand, these challenges lead to new business risks, such as the financial risks linked to the transition to a carbon-neutral economy, the political and legal risks of inadequate legislation messing up this transition, or in the absence of such a transition the increasing risk of natural catastrophes as a consequence of accelerating climate change. On the other hand, there is the growing strategic risk of inadequately or not timely responding to these challenges, with not only direct consequences on operations and investments, but also an increasing reputational cost. Although these risks have always been part of the external factors scanned in AG's Key Risk Identification Process, and as such have always been on the radar of AG's risk management, the explicit inclusion of sustainability risk in the risk taxonomy attracts greater attention to these risks and has been followed by the inclusion of sustainability-related factors in several specific policies from AG's risk policy framework, and by the development of several non-financial KPIs, including sustainability KPIs. Under its Elevate27 strategy, AG has further strengthened its sustainability ambitions. In 2025 (over the fiscal year 2024), AG successfully reported on its non-financial information for the first time under the new EU Corporate Sustainability Reporting Directive (CSRD) which requires large companies to report on material sustainability topics.

Furthermore, and for the second consecutive year, AG has obtained the Platinum medal of EcoVadis[9], awarded thanks to a further improvement in its score. This recognition confirms AG's position among the top 1% of the most high-performing companies worldwide. This result is all the more remarkable given that EcoVadis continues to raise the bar by strengthening its evaluation criteria year after year.

The deal between AG's subsidiary Interparking and the Saba group, is effective since the 1st of October. This deal leads to the creation of the second-largest player on the European parking market. AG's exposure to the car park sector is expected to increase in a controlled way thanks to the signed syndication agreement while AG's leverage increase resulting from the implementation of the business plan of the merged entity will be subject to a close monitoring preserving the competitiveness of the merged entity while ensuring compliance with AG's risk appetite.

Initiatives from the government towards insurance sector and regulatory measures, which happen to occur increasingly, may potentially have a negative impact on the growth and profitability of insurance companies. This specific risk is monitored through discussions both at sector and company levels.

C.8 IMPACT ON REPUTATION

AG acknowledges the possible risk of loss of reputation arising from the adverse perception of its image by one or more of its different stakeholders: shareholders, customers, employees, partners, and society, etc., with a possible impact on solvency, earnings, liquidity or on its franchise quality. In order to mitigate a potential impact of any event on its reputation, AG maintains a long-standing commitment to sustainable business practices and good governance, as well as clear corporate values, a business code of conduct, robust internal controls, and a clear dialogue with its stakeholders. Key Risk Indicators (KRIs) are defined in order to properly monitor and react appropriately in the event these risks materialise. Communication plans are prepared to handle risks having an impact on the reputation.

AG is identified by the National Bank of Belgium (NBB) as a systemically important financial institution (SIFI). As such, AG falls under the specific supervision of the NBB for all the strategic decisions. The NBB has the right to oppose strategic decisions intended by AG if they are deemed unfit to the sound and prudent management of a SIFI or if they create a material risk for the stability of the financial sector. The NBB may also impose additional specific measures on AG, including those in relation to liquidity, solvency, risk concentration and risk positions, should the NBB consider that as a SIFI, AG has an inadequate risk profile or that AG's strategic or business policy has a negative impact on the stability of the financial system.

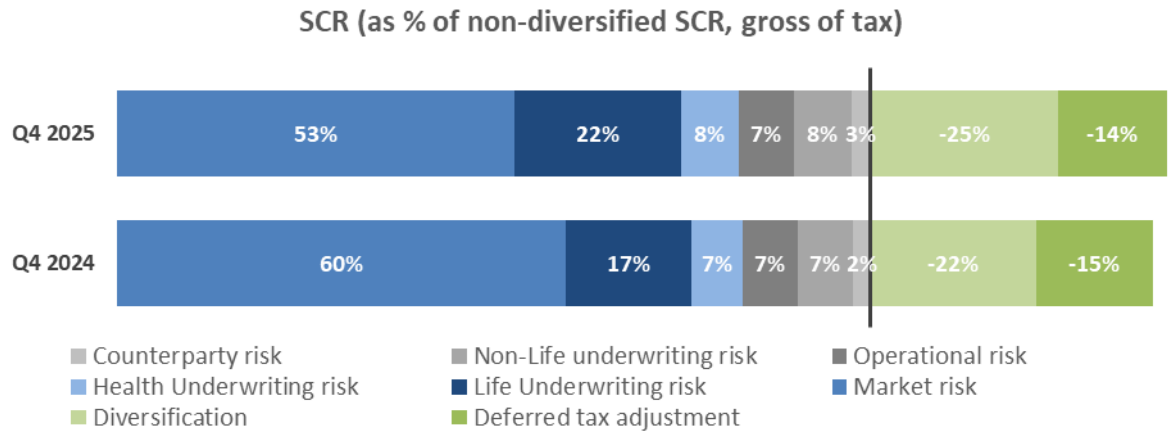
[9] More details about this label can be found here: https://recognition.ecovadis.com/Yz4L3hJaOEaSa5pcXYSnIQ

C.9 RISK EXPOSURE

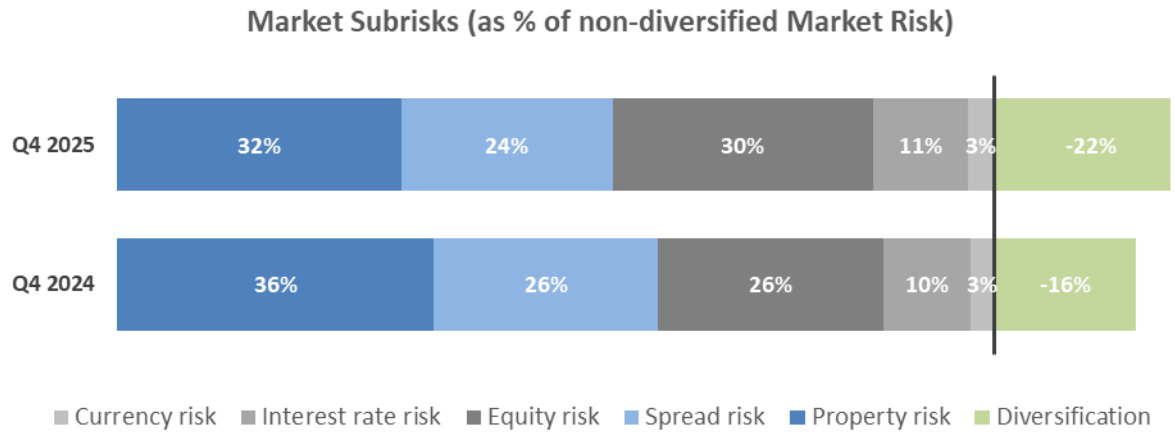
AG measures the exposure to quantifiable risks by means of a partial internal model (PIM) used for determining the Solvency II capital requirements (SCR). Apart from the use of the standard formula for most of the risks, the partial internal model includes an internal model for non-life underwriting risk.

Expressed in terms of SCR capital consumption, a major part of the risk exposure stems from market risk with property risk, spread risk and equity risk being its main contributors. The weight of interest rate risk has doubled over the last year as a consequence of the evolution of the risk-free curve, even if the interest rate risk SCR remains lower than the other ones thanks to the Company's asset and liability management strategy which limits the risk sensitivity to interest rate movements on the existing book of business. While insurance risk is the second largest contributor, operational risk and counterparty risk are contributing to a lesser extent to the risk capital consumption. On top of diversification, an important capital relief stems from adjusting required capital for the loss-absorbing capacity of deferred taxes.

The graph below shows the contribution of the different risk factors to the total amount of SCR:



A detailed view on the market risk SCR is provided by the graph below:



Through a multi-channel and a multi-product approach, diversification is fostered, which allows AG to include important diversification benefits in the determination of its required capital.

C.10 ANY OTHER INFORMATION

No other information.

D

Valuation for solvency purposes

D.1 ASSETS

D.1.1 Description of the bases, methods and main assumptions

Solvency II starts from the Market-consistent Balance Sheet (MCBS) which requires assets and liabilities to be valued at fair value. In line with IFRS, Solvency II defines fair value (FV) as the amount for which an asset could be exchanged, a liability settled or a granted equity instrument exchanged between knowledgeable, willing parties in an arm's length transaction. The valuation of assets at fair value is based either on quoted prices in active markets (mark to market; level 1), observable market data in active markets (mark to model; level 2) or unobservable market data (mark to model; level 3).

The table below summarises per material class of assets the bases, methods and main assumptions used for the valuation of assets. For the quantitative data we refer to the Quantitative Reporting Template S.02.01.02 in annex 1.

Asset class	Mark to model?	Basis, methods and main assumptions used
Goodwill - Deferred acquisition costs - Intangible assets	NA	Valued at nil.
Deferred tax assets (DTA)	No	The valuation of the DTA is based on the difference between the value of the underlying assets and liabilities in the Market-Consistent Balance Sheet and the value on the tax base balance sheet. The measurement principles of IAS 12 are applied in valuing deferred tax assets. DTA is only recognised insofar it can be recovered in future.
Property, plant and equipment (PPE) held for own use	Yes	The PPE is independently valued and verified by an external source minimally once a year.
Property (other than for own use)	Yes	The investment property is independently valued and verified by an external party minimally once a year. Exceptions are the development projects, which are internally valued on the basis of spent costs which are internally valued based on a Fair Value valuation model.
Participations	Yes	Related parties on which no look-through is applied and joint ventures are presented as participations in the solo Solvency II MCBS. The adjusted equity method applies meaning that underlying assets/liabilities of that participation are valued at fair value according to article 75 of the Solvency II Directive.
Equities	No	Equities are valued mark to market based on quoted prices in active markets that are sourced independently (level 1).
Government Bonds	If mark to market is not possible	Bonds are valued mark to market based on quoted prices in active markets that are sourced independently (level 1). They are valued mark to model where there is no market price available and observable data in active markets (level 2) or unobservable market data (level 3) are used.
Corporate Bonds - Collateralised securities - Investment funds	If mark to market is not possible	Bonds are valued mark to market based on quoted prices in active markets that are sourced independently (level 1). They are valued mark to model where there is no market price available and observable data in active markets (level 2) or unobservable market data (level 3) are used.
Derivatives	If mark to market is not possible	Derivatives are valued mark to model if mark to market is not possible, using external or internal valuation and cross-checked with counterparties. The derivatives are held for trading or hedging purposes and relate to interest rate and equity options, interest rate swaps and foreign exchange contracts. Derivatives held for trading are based on a level 2 valuation (observable market data in active markets).

Asset class	Mark to model?	Basis, methods and main assumptions used
Deposits other than cash equivalents	Yes	Deposits are valued using discounted cash flow methodology, discounting with a spread based on the average commercial margin on the new production over the last 3 months.
Other investments - Assets held for Index-Linked and Unit-Linked funds	If mark to market is not possible	Assets are valued mark to market based on quoted prices in active markets that are sourced independently (level 1). They are valued mark to model where there is no market price available and observable data in active markets (level 2) or unobservable market data (level 3) are used.
Loans and mortgages to individuals	If mark to market is not possible	To the extent loans are originated or purchased from third parties, they are valued based on the transfer price of such loans/debt securities to third party. The valuation may involve using mark to model if there are no readily available market prices for such loans.
Deposits to cedants - Insurance and intermediaries receivables - Reinsurance receivables - Receivables (trade, not insurance)	No	IFRS value (amortised cost) is used because of immaterial differences between amortised cost and fair value (short term receivables).
Reinsurance recoverables	Yes	Difference between fair value of technical provisions (as described below) net and gross of reinsurance is used.
Cash and cash equivalents	No	Fair value equals the nominal value, as these items have a term less than three months from the date on which they were acquired.
Any other assets, not elsewhere shown	No	IFRS value (amortised cost) is used because of immaterial differences between amortised cost and fair value (short term receivables).

D.1.2 Material differences between Solvency II and IFRS

The table below summarises per asset class the material differences between the valuation for Solvency II purposes and the IFRS valuation.

Asset class	Material differences
Goodwill, Deferred acquisition costs, Intangible assets	Under Solvency II intangibles are valued at nil. Under IFRS AG values its intangibles at amortised cost or historical cost less any impairment.
Deferred tax assets	Under Solvency II the valuation is based on temporary differences between the MCBS and the tax base balance sheet. Under IFRS it is based on temporary differences between the IFRS balance sheet and the tax base balance sheet.
Property, plant and equipment (PPE) held for own use	Under Solvency II these are fair valued. For IFRS purposes AG uses the cost approach, exception made for development projects for which their IFRS cost value is considered as an acceptable fair value approximation.
Property (other than for own use)	
Property and broker Loans	Under Solvency II these instruments are fair valued while under IFRS they are valued at amortised cost.

D.2 TECHNICAL PROVISIONS

D.2.1 Introduction

The calculation of the best estimate liabilities is based on the best estimate assumptions setting (economic and non-economic assumptions). For the figures, we refer to the Quantitative Reporting Templates (S.12.01.02, S.17.01.02 and S.02.01.02 in annex).

The main objective of a cash flow model underlying the best estimate liabilities is to determine the mark to model value of liabilities. While most of the asset prices are quoted or can be replicated with analytical or numerical formulas, regarding liabilities, the only available information is the accounting value of reserves, which does not properly reflect the market value of liabilities. In order to calculate the market value of liabilities, the mark to model method consists in projecting the future liability cash flows and discounting them.

For the *life business*, policies are grouped into homogenous risk groups (model points) and are run off following best estimate assumptions. Afterwards, the model points are aggregated in Solvency II Lines of Business. Furthermore, for life insurance contracts, stochastic economic scenarios are simulated in order to capture the impact on the liability cash flows of a change on the asset side as a consequence of the optionalities in the insurance contracts which depend on the economic situation (profit sharing distribution, etc.). Therefore, the liability cash flows can be split into two different parts:

- ✓ the *Fixed liabilities* part corresponding to the guaranteed liability cash flows which are valued through the discounting of deterministic future cash flows at the zero-coupon yield curve. It mainly consists of future premiums on in-force business, projected guaranteed benefits (without any profit sharing component) and costs and other revenues (commissions, maintenance expenses). The value of these cash flows is totally independent of the value of the assets and can be calculated with one simulation.
- ✓ the *Variable liabilities* part mainly corresponding to options and guarantees in the contracts, taxes and investment costs. Variable liabilities are determined mark-to-model through the application of risk-neutral valuation principles. The risk factors that are identified to be the underlying source of uncertainty in asset and liability valuation are stochastically projected in the future according to the risk-neutral principle (arbitrage-free model). Risk factors are usually financial market variables, such as yield curves, equity prices, real estate prices and foreign exchange rates. The value of these cash flows is dependent on yield curve evolution and/or asset returns.

For the *non-life business,* the calculation of the undiscounted best estimate (claims, premiums and reinsurance recoverables) is performed by homogeneous risk group (HRG) as well as by type of loss, i.e. attritional loss, large loss and catastrophe loss. Here as well model points are aggregated in Solvency II Lines of Business. Contrary to what's happening for life business, one deterministic cash flow projection is sufficient to determine the best estimate value of the liabilities because cash flows do not vary with the economic environment.

D.2.2 Non-economic assumptions

Non-economic assumptions are generally based on analyses of past experience combined with a view on what can be expected in the future taking into account the evolution of the environment (i.e. to which extent are past observations still representative of the future). The approach followed in setting best estimate non-economic assumptions for each risk factor consists in analysing past observations and in most cases fitting a statistical model on these, where relevant, combining the management's view of the expected future experience and allowing for any underlying trend in the data (such as expected realistic future demographic, medical or economic developments).

Non-economic assumptions relate to mortality and longevity; morbidity and disability; lapse, persistency, surrender, withdrawals, paid-up rate; expenses; commissions; claims inflation and management actions parameters (as, for instance, those inherent to the profit sharing rules).

The appropriateness of these assumptions is assessed thanks to different tests, which are part of a yearly assumptions calibration cycle. For instance, the non-economic assumptions underlying the calculation of the best estimate are regularly compared with experience and this based on a standardized back-testing procedure. Sensitivities are also performed on a regular basis highlighting the impact of these assumptions on the results. On top of this, the adequacy of the valuation of assets and liabilities is tested through the variance analysis which explains the evolution of the value between two successive periods. This analysis provides a view on the different drivers of the value change which can then be combined with back-tests in order to draw conclusions about the appropriateness of the assumptions.

For *non-life business*, a specific testing procedure has been developed that covers the full calculation process, including tests on data pre-processing, calculation of best estimate (including methods, assumptions and parameters) and outputs. This testing procedure involves a number of tests such as data testing (e.g. testing whether the data required by a specific method is available and is of sufficient quality), testing underlying assumptions of methods, back-testing, sensitivity testing, analysis of change, benchmarking, scenario testing.

D.2.2.1 Mortality and longevity

Mortality and longevity best estimate assumptions are set based on statistical analysis of the experience data of the Company as well as of external observable data. Best estimate assumptions include trend changes if these are significant for the long-term nature of the underwritten risks (e.g. trends on mortality improvements incorporated within the longevity or mortality projections).

D.2.2.2 Morbidity and disability

Morbidity and disability assumptions are set following a statistical analysis/study on the experience data of the Company and/or external observable data. For disability, credible market experience may be used when the Company is of the opinion that this represents a comparable experience to the Company's experience and when the Company's own data are too limited in order to calibrate solely based on these data.

D.2.2.3 Lapse, persistency, surrender, withdrawals, paid-up

Lapse, persistency, surrender, withdrawals, paid-up refer to an event where the policyholder chooses to alter the contract by ceasing to pay premiums or by withdrawing some or all of the value accumulated in the policy to date. This action may end the insurer's liability to the insured or simply reduce it.

For the *life business*, a policy is assumed to lapse or surrender when the policyholder decides to terminate the contract before the end of the policy term. A partial withdrawal happens when part of the fund is withdrawn in advance of the maturity date. A policy is assumed to become paid-up when the policyholder decides to terminate the contractual payments before the end of the policy term. Paid-up policies, surrenders, lapses and partial withdrawals are collectively labelled lapses. Lapse studies are performed on experience data. In case these data are not available or found to be inadequate to perform an experience study, then a lapse rate of a similar product is considered. Lapse rates are dependent on relevant drivers linked to the policyholder's propensity to surrender his policy, where the data to be analysed is suitably credible and where the assumption is sufficiently material. Examples include product and seniority of the policy.

For the *non-life business*, the valuation of premium provisions and more specifically the part linked to *tacit renewals where a legal obligation exists* does not take into account future policyholder behaviour with respect to policy lapse during the remaining period, as experience shows that its impact is not material.

D.2.2.4 Expenses

For the *life business*, all expenses that will be incurred in servicing insurance and reinsurance obligations are taken into account. The total expense basis allocated to life insurance activities within scope represents the forecasted level of incurred expenses over the ongoing calendar year. These include investment expenses, future expenses directly related to ongoing administration of insurance obligations together with a share of relevant overhead expenses. Since acquisition expenses relate to the sale of new business, and since future new life insurance contracts are not to be considered in the valuation of the technical provisions, acquisition expenses are not included in the valuation of technical provisions. Guidance is in place regarding the classification of expenses between acquisition and administration. Moreover, the modelling in the liability cash flow models is also linking specific costs with the assumed occurrence of an activity (as, for instance, maturity payment).

For the *non-life business,* expenses consist of commissions to be paid between the valuation date and the term of the contract, acquisition expenses (other than commissions), administrative expenses (and operating cost) necessary to administrate the contracts during the valuation period including reinsurance cost, claims expenses necessary to handle the claims until settlement. Expenses associated with reinsurance contracts and special purpose vehicles are included in the gross calculation of the best estimate. Furthermore *allocated loss adjustment expenses* (ALAE) are not considered separately from future claims payments and are included in claims payments projections whereas *unallocated loss adjustment expenses* (ULAE) are valued separately from the claims payments. The assumptions are based on experience over the last year(s). By doing this, any trends observed or unusual events such as catastrophes are analysed as to the need to include these in future projection valuations. In this aspect, the past one-off expenses may be adjusted if deemed relevant. Moreover expenses are supposed to be calculated on a going concern basis with special consideration for the portfolio being growing, declining or in run off. Forward looking information (e.g. coming from budget exercise) is included in the determination of the expense cash flows where appropriate. Finally, future acquisition costs are valued regarding cash flows related to premium provisions and considered differently following the fact that the premium has already been written or not. For the part of provisions constituted by premium already written, no acquisition cost is projected since all expenses can be considered as having been paid at the drawing up of the contract. Acquisition expenses are considered to be paid in the first year, except for multi-year contracts with yearly premiums.

Regarding expense inflation, assumptions are made for the different types of expenses (claims expenses, acquisition expenses, administration). Inflation is elaborated upon in the next section, "Claims Inflation".

D.2.2.5 Claims inflation

For the *life business* expense assumptions include an allowance for the expected future cost inflation.

For the *non-life business*, inflation is considered as well when projecting the future cash flows. The cash flows that potentially will be impacted by inflation are premiums when the premium is dependent on salary mass or when the premiums are indexed according to pre-defined indices, expenses with the biggest part being the salaries that will evolve with time and claims costs. The inflation is considered implicitly or explicitly in the cash flow projections depending on the type of provision (premium or claims) and the method used to calculate the best estimate.

D.2.2.6 Commissions

Regarding the *life business,* the total of allocated commissions represent the actual commissions for the past calendar year. The commission assumptions cover acquisition commissions, renewal commissions, bonus commissions and claw-back of unearned commission in case of lapse. Since future new contracts are out of scope for solvency purposes, acquisition commissions are not included in the valuation of technical provisions.

For the *non-life business*, the commissions to be paid between the valuation date and the term of the contract are considered. Usually commissions are considered to be paid in the first year for "traditional" non-life contracts. Commissions arising from insurance contracts are considered based on the terms of the contracts between AG and the sales persons (brokers or agents). Commissions are accounted for renewals linked to contract boundaries or future premium for in-force contracts (instalments or multi-year contracts). Future commission assumptions are only considered for the part of the premium provisions related to premiums not already written. These commission assumptions are generally expressed as a percentage of written premiums.

D.2.2.7 Management rules

For *life business, two types of management rules are used within the valuation of technical provisions: asset management rules and profit sharing rules.*

- ✓ *The asset management rules govern the way investment assets are managed throughout the projection in view of maintaining over the projection horizon an asset allocation in line with the risk appetite and thus with the Strategic Asset Allocation (SAA). Like in reality, asset management is performed in the model at asset fund level following a parametrization in line with the most recent Strategic Asset Allocation. Along the projection, asset management consists in a rebalancing of assets in order to reach a long term target asset mix, the so-called Strategic Asset Allocation. The asset management rules are designed and parametrized to converge smoothly to the SAA thanks to defined leeways and to a buy-and-hold strategy.*
- ✓ *The profit sharing rules: for life business, profit sharing can be discretionary or non-discretionary. Modelling of the non-discretionary profit sharing follows the contractual obligation of the policy and is hence not a management rule. Profit sharing that is left at the discretion of the company is modelled through a management rule, according to the profit sharing practice in reality.*

For non-life business, only Asset management rules apply, as no profit sharing is given.

D.2.3 Economic assumptions

Economic assumptions are set consistently with information about or provided by financial markets. As a general principle, the financial information used should be such that it allows the estimation of reliable assumptions when it is observed in deep, liquid and transparent markets. However, information observed in other types of markets may be used, to the extent possible, provided that appropriate tests or adjustments can be applied to demonstrate its reliability.

D.2.3.1 Reference and discount rate

The construction of the reference and discount rate is based on the risk-free interest rate technical documentation released for each Solvency II exercise. It corresponds to a curve composed of:

- ✓ the market swap rate curve (Euro) at the valuation date
- ✓ a credit risk adjustment (CRA) taking into account the credit risk inherent to the swap curve
- ✓ a volatility adjustment (VA) determined by EIOPA with the aim to partially compensate the volatility of assets considering that insurance companies are investing in long-term fixed income bonds to cover their engagement towards policyholders
- ✓ an extrapolation resulting in the convergence to the ultimate forward rate (UFR) of 3,30% (since 2025) starting as from maturities after the last liquid point (LLP), 20 years for the Eurozone.

D.2.3.2 Volatilities

The asset models are calibrated on the basis of appropriate volatility measures, which are based either on implied volatilities or on historical volatilities. Implied volatilities are the volatilities implied by option prices observed in the market. The volatilities are set for each risk factor that can be largely categorized under the following asset classes: shares, real estate

and fixed income. Implied volatilities are preferred when they are available and applicable. When these are not available or are not applicable, historical volatilities can be used as an alternative. In the determination of the historical volatilities, an appropriate time period should be taken into account.

D.2.3.3 Stochastic valuation

Where the value of options and guarantees is taken into account, best estimate liabilities are calculated using stochastic valuation techniques (Monte Carlo simulation) based on risk-neutral scenarios. Scenarios are generated for the following asset classes:

- ✓ fixed income bonds: spread calibration is based on both the term structures at the moment of calibration and on historical time series, and this at country level for sovereign spreads and at the level of credit ratings for corporate spreads, while for the risk-free rates the calibration is based on the term structure of the EIOPA risk-free rates
- ✓ shares: calibration is based on market implied volatilities (e.g. Eurostoxx for European equities, S&P 500 for American equities, etc.)
- ✓ real estate: calibration is based on AG Real Estate in-house calibrated volatilities.

Each simulation will have impacts on the variable cash flows, whereas fixed cash flows will remain constant.

D.2.4 Risk Margin

The methodology for the calculation of the risk margin is consistent between the life business and the non-life business. This methodology is based on a proportional projected approach whereby the non-hedgeable SCRs at start-up are run off following the selected risk drivers[10] at Solvency II lines of business level. These SCRs are then aggregated using the standard formula correlation matrix. A cost of capital rate of 6% as defined by EIOPA is then applied on the net present value of the future non-hedgeable SCR. A bottom-up calculation is performed at model point level.

D.2.5 Level of uncertainty

The level of uncertainty of the Solvency II technical provisions is described and assessed in the Actuarial Function report which is released at least on a quarterly basis.

Sources of uncertainty can mainly stem from the modelling and assumptions aspects of the calculation of the Solvency II technical provisions. The Company aims at assessing and/or limiting these thanks to different elements.

As to the model point of view, methodological choices in terms of modelling can create variations in the calculation of the Solvency II technical provisions. In order to manage this, the Company relies on modelling best practices discussed in technical committees and regularly reviewed in compliance with the Model Management Policy. In addition, risk of implementation error can bring uncertainty, for example when a modelling principle is not correctly translated into the programming code. This uncertainty is mitigated through extensive user acceptance testing of the model implementations.

As to the assumption point of view, the adequacy of hypotheses choices is extensively backtested and moreover challenged and reviewed by the Actuarial Function, and its variance is assessed by the Solvency II analysis of change process that aims at capturing notably the impacts of non-economic assumptions. Furthermore, operational risks concerning assumptions are limited by the constant improvement of data quality through automation and testing of the data flow along the process (in application of the Data Management Policy).

D.2.6 Material differences between Solvency II and IFRS

The technical provisions mentioned in the Solvency II MCBS are not the same as those booked under IFRS. Difference in methodology exists between Solvency II reserving and IFRS reserving. The table below summarises the material differences per material class of liabilities, the bases, methods and main assumptions used for the valuation of the liabilities.

MCBS item	Solvency II valuation	IFRS valuation	Conclusion
Technical provisions arising from contracts treated under IFRS17	Fair value – AG uses the valuation principles and rules set under Solvency II for valuing the insurance liabilities based on a best estimate basis including the market value of the embedded options and guarantees and the relevant risk	Current value – AG uses the valuation principles and rules set under IFRS17 for valuing the insurance liabilities based on a best estimate basis including the market value of the embedded options and	Given the differences in methodology between both frameworks, valuation for Solvency II purposes is done separately from accounting valuation.

[10] Risk drivers are the benefit payments or exposure to which there is an obligation from the insurer towards the policyholder. If more granularity is allowed, the risk drivers are then determined at that lower level.

	margin based on the cost of capital method.	guarantees and the relevant risk adjustment. The CSM is also reported as a liability in the balance sheet and is determined at inception for each group of contracts and released over time through the P&L. The main differences with SII in the measure of the Best Estimate liabilities, are coming from the extended contract boundaries, the exclusion of the non directly attributable costs of the liabilities, the risk adjustment and the discount curve. Moreover, when the premium allocation approach is applied under IFRS17, the technical provisions for the premium provision are determined assuming a combined ratio of 100%, and not a best estimate combined ratio as it is the case under SII.	
Technical provisions arising from contracts treated under IFRS9		The technical provisions reported for such pure financial contracts are equal to the market value of the assets assigned to the owners of the contracts.	

D.2.7 Volatility adjustment

AG makes use of the volatility adjustment referred to in Article 77d of Directive 2009/138/EC. For the related figures reference is made to QRT S.22.01.02 in annex.

D.2.8 Transitional risk-free interest rate-term structure

AG does not apply the transitional risk-free interest rate-term structure referred to in Article 308c of Directive 2009/138/EC.

D.3 OTHER LIABILITIES

D.3.1 Description of the bases, methods and main assumptions

The table below summarises - per material class of other liabilities - the bases, methods and main assumptions used for the valuation of the other liabilities. For the data, we refer to the Quantitative Reporting Template (S.02.01.02).

Other liability class	Mark to model	Basis, methods and main assumptions used
Provisions other than technical provisions	Yes	Value is based on a best estimate basis as currently performed under IAS 37, based on management judgement and in most cases the opinion of legal and tax advisors.
Pension benefit obligations	Yes	IFRS Value is used. This line includes the IFRS value of the IAS19 pension benefits (previously included in technical provisions at fair value).
Deposits from reinsurers	No	IFRS value (amortised cost) is used because of immaterial differences between amortised cost and fair value (short term payables).

Other liability class	Mark to model	Basis, methods and main assumptions used
Deferred tax liabilities (DTL)	No	The valuation of the DTL is based on the difference between the value of the underlying assets and liabilities in the Market-Consistent Balance Sheet and the value on the tax base balance sheet.
Derivatives	If mark to market is not possible	Derivatives are valued mark to model if mark to market is not possible, using external or internal valuation and cross-checked with counterparties. The derivatives are held for trading or hedging purposes and relate to interest rate and equity options, interest rate swaps and foreign exchange contracts.
Debts owed to credit institutions	No Yes	IFRS value (amortised cost) is used because of immaterial differences between amortised cost and fair value (short-term payables). Long-term debts are valued applying a discounted cash flow methodology. Changes in own credit standing of AG are excluded in the valuation
Insurance and intermediaries payables - Reinsurance payables - Payables (trade, not insurance)	No	IFRS value (amortised cost) is used because of immaterial differences between amortised cost and fair value (short term payables).
Subordinated liabilities in Basic Own Funds	Yes	Under Solvency II long-term subordinated loans are valued applying a discounted cash flow methodology. Changes in own credit standing of AG are excluded in the valuation.
Any other liabilities, not elsewhere shown	No	IFRS value (amortised cost) is used because of immaterial differences between amortised cost and fair value (short term payables).

D.3.2 Material differences between Solvency II and IFRS

The table below summarises per class of other liabilities the material differences between the valuation for Solvency II purposes and the IFRS valuation.

c	Material differences
Deferred tax liabilities	Under Solvency II the valuation is based on temporary differences between the MCBS and the tax base balance sheet. Under IFRS it is based on temporary differences between the IFRS balance sheet and the tax base balance sheet.
Subordinated liabilities in Basic Own Funds	Under Solvency II long term subordinated loans are valued applying a discounted cash flow methodology. Changes in own credit standing of AG are excluded in the valuation. Under IFRS these deposits are valued at cost.

D.4 ALTERNATIVE METHODS FOR VALUATION

D.4.1 Identification of assets and liabilities for which mark to model approach applies

As explained before under D.2, all technical provisions are valued according to a mark to model approach. The assets and other liabilities to which the mark to model approach further applies are identified in the tables above in the sections D.1 Valuation of assets and D.3 Valuation of other liabilities.

D.4.2 Justification of application mark to model approach as identified in the tables above for assets and liabilities

In line with the Solvency II guidance and philosophy, the mark to model approach is used for sufficiently material items for which no reliable market price is available. For some asset and liability items, IFRS valuation is sufficiently close to any value that would be obtained using an elaborate mark to model approach, in which case IFRS valuation is considered an acceptable proxy.

D.4.3 Documentation of the assumptions underlying the mark to model approach per class of asset and liabilities

The assumptions for the mark to model approach are described in the tables above in the sections D.1 Valuation of assets, D.2 Valuation of technical provisions and D.3 Valuation of other liabilities.

D.4.4 Assessment of valuation uncertainty of the assets, liabilities valued according the mark to model approach

The adequacy of the valuation of assets and liabilities is tested through the variation analysis, which explains the evolution of the value between two periods. This analysis provides a view on the different drivers of the value change, which can be compared against experience.

D.5 ANY OTHER INFORMATION

No other information.

E

Capital management

E.1 OWN FUNDS

E.1.1 Information on the objectives, policies and processes, business planning and material changes

Capital requires a clearly defined management approach in order to ensure efficient and effective deployment. This approach must balance the needs and requirements of stakeholders including shareholders, regulators, employees and customers. The main goal of the capital management process is to fund existing business and profitable or value-creating growth and to ensure this, if needed, with a capital increase. The purpose is to protect the viability of the Company in the long run and to assess the capacity for dividend payment. The capital management process is governed by the Capital Management Policy.

E.1.2 Information about the structure, amount and quality of basic own funds and ancillary own funds

Own Funds is the available capital defined by EIOPA based on a company's valuation defined as the market-consistent value of its assets minus the market-consistent value of its liabilities and deduction made of the expected dividend.

Own Funds can consist of Basic Own Funds and Ancillary Own Funds.

✓ ***Basic Own Funds*** are defined as the sum of the excess of assets over liabilities of the Market Consistent Balance Sheet (MCBS) and the subordinated liabilities, reduced by the sum of the foreseeable dividends distributions, the deductions for participations in other financial undertakings and the non-available items.

- Note that *subordinated liabilities* can be included to the extent that the local regulator grants equity credit to this debt. AG has 2 hybrid instruments recognised as Tier 2 instruments by the regulator. The table below summarizes the structure of the hybrid debt:

Hybrid debt	Dated Fixed Rate Subordinated Notes (Henry)	Dated Fixed-to-floating Callable Subordinated Loan (Phoenix)
Issue Date	31/03/2015	27/06/2019
Maturity	30/06/2047	27/06/2049
First Call Date	30/06/2027	27/06/2029
Nominal value (mio)	€ 400	€ 300
Coupon	3,50%	3,25%
Coupon payment	Annually	Annually
Coupon after First Call Date	Mid-swap 5-year spot rate + 3,875 %	EURIBOR 3M + 3,8%

- Deductions for participations in other financial undertakings: AG has no correction to make in relation to these items
- *Non-available items:* AG does not have to correct for any non-available items

✓ ***Ancillary Own Funds:*** AG does not take into account ancillary own funds to determine its solvency ratio.

E.1.3 Eligible amount of own funds to cover the Solvency Capital Requirement

Next to the Tier 1 Own Funds, the Company has also Tier 2 Own Funds equal to 29% of the SCR which is far below the limit of 50% as foreseen under Solvency II and is therefore fully eligible to cover the SCR. As a result, the Own Funds eligible to cover the SCR is equal to the available Own Funds.

For the eligible amounts of own funds we refer to the Quantitative Reporting Template S.23.01.01 in annex.

E.1.4 Eligible amount of basic own funds to cover the Minimum Capital Requirement

Regarding the MCR, parts of the available Own Funds are not eligible, because of stricter conditions on the use of Tier 2 Own Funds in this context. Note however that the remaining eligible Own Funds cover 399% of the MCR.

E.1.5 Material differences between Solvency II and IFRS

Differences between the equity in the IFRS financial statements and the Own Funds as calculated for Solvency II purposes mainly stem from the following sources:

- ✓ reclassification of subordinated liabilities
- ✓ revaluation of assets and liabilities encompassing assets recognized at amortized cost value under IFRS (property, loans and mortgages), technical liabilities recognized at market consistent value under SII (sum of the best estimate of the liabilities and of the risk margin) and intangible assets valued at nil under SII in case they cannot be sold separately and evidence of exchange transactions for the same or similar assets on quoted and active markets is missing.
- ✓ deduction of proposed or foreseeable dividend.

IFRS Shareholders' equity reconciles to Solvency II Own funds as follows (situation as at end of 2025 compared to 2024):

Own Funds	31 December 2025	31 December 2024	Variation
Shareholders' equity	2.983	2.232	752
Revaluation of Real Estate gross of tax	1.316	1.720	-404
Revaluation of debt securities gross of tax	4	3	1
Revaluation of loans and other investments gross of tax	-32	-18	-15
Intangible assets & goodwill	-318	-225	-93
DAC	0	0	0
Subordinated liabilities (after Tiering limit)	697	696	1
Revaluation of liabilities arising from insurance and investment contracts net of reinsurance gross of tax	1.666	1.343	323
Tax on revaluation Assets & Liabilities	-858	-877	19
Dividends. distributions and charges	-395	-358	-38
Own funds	**5.063**	**4.516**	**547**

The Solvency II Own Funds in the table above starts from Shareholders' equity already containing part of the revaluations on bonds and shares, further adjusted with fair value adjustments on liabilities and on remaining assets. The Own Funds have increased with EUR +547 million, of which EUR -662 million expected and paid interim dividends for 2025. The increase of EUR +1,210 million which is observed after excluding dividend impacts is mainly thanks to the value created by new business, the positive evolution of the equity markets, the positive impact of the spreads which is only partially compensated by the VA, and the upward shift of the risk-free curve.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

E.2.1 Amounts of the undertaking's Solvency Capital Requirement and the Minimum Capital Requirement

See QRT S.23.01.01 in annex

E.2.2 Amount of the undertaking's Solvency Capital Requirement split by risk and by risk categories

See QRT S.25.05.21 in annex

E.2.3 Comparison with previous reporting period

SCR Pillar 1	31 December 2025	31 December 2024	Variation
Total SCR	**2.373**	**2.514**	**-141**
Market risk	2.058	2.389	-331
Interest rate risk	287	287	0
Equity risk	784	731	53
Property risk	855	1.030	-175

Currency risk	77	75	2
Spread risk	637	728	-91
Diversification	-582	-462	-120
Counterparty risk	102	95	7
Life Underwriting risk	870	666	204
Health Underwriting risk	294	278	16
Non-Life underwriting risk	296	296	0
Diversification	-974	-880	-94
Operational Risk	289	290	-1
Deferred tax adjustment	-562	-620	58

The total required solvency capital (unaudited) amounts to EUR 2,373 million (compared to EUR 2,514 million in 2024), which is essentially the result of a decrease of the capital requirement for market risk linked to the evolution of the financial markets and the SABA deal with external partners, partially offset by an increase for underwriting risk linked to the upward shift of the risk-free curve.

This results in a solvency ratio (unaudited) of 213% (compared to 180% in 2024), reflecting a strong capital position of the Company. About 87% of the Own Funds are categorized as Tier 1 capital.

E.2.4 Simplifications used within the calculation of the Solvency Capital Requirement

Simplified calculations as meant under Articles 88-112 of the Delegated Acts are only used for the calculation of the Counterparty default risk module within SCR calculations. This module represents in its totality only 2% of the total Solvency Capital Requirement before diversification. Therefore the impact of these simplified calculations can be considered as immaterial.

In this context, only the simplifications meant under articles 107, 111 and 112 are used.

E.2.5 Statement that the undertaking's Member State has made use of the option provided for in the third subparagraph of Article 51(2) of Directive 2009/138/EC

The Belgian regulator has used the option provided for in the third subparagraph of Article 51(2) of the Solvency II directive, and as a consequence does not require companies to separately disclose a capital add-on. However there is no capital add-on for AG.

E.2.6 Information on the inputs used to calculate the Minimum Capital Requirement

The MCR is currently fixed at 45% of the level of the SCR (as a consequence of the cap which is included in the calculation methodology).

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

AG does not use the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

E.4.1 Description of the various purposes for which that undertaking is using its internal model

The non-life internal model is an Ageas Group-wide model approved by the regulator. It is composed of an entity model used by AG and a group aggregation model used by the Ageas Group. The entity model stochastically simulates the full market consistent profit and loss statement (P&L) and hence generates a full distribution of the insurance results for each line of business separately and for the entity as a whole, for each sub-risk and for all risks together. As a first application, the non-life internal model calculates the SCR for non-life underwriting risk as the difference between the 99,5% percentile and the mean of the distribution of the P&L results. Within the context of the use test, this internal model has a number of other applications as summarized in the table below:

Use	Description of use
Internal Risk Reporting	Process currently providing information to the local Risk Committees, RC and Board.
Capital allocation per business line	Assessment of the current capital position and allocation/reallocation of capital.
Comparison with standard formula	Risk assessment of the internal model by comparison with standard formula result, which is a requirement from ORSA and is included in the testing strategy.
Risk Appetite	Process of setting and monitoring performance against risk appetite/risk tolerance statements. The full distribution of the insurance profit allows to consider other percentiles than the 99,5%.
Underwriting / pricing / product development	Decisions on introduction of new products or re-pricing of existing products.
P&L attribution analysis	Exercise which aims to ensure that all sources of risk are adequately covered by the internal model.
Reinsurance impact analysis	Process of setting and monitoring the effects of the reinsurance strategy.
Business strategy	Any activity associated with setting the strategic direction of the business as a whole and setting of performance targets.
Risk strategy	Any activity involving the setting and monitoring of risk strategies.

E.4.2 Description of the scope of the internal model in terms of business units and risk categories

The non-life internal model covers all lines of business with respect to non-life insurance obligations, with the exception of the health-related lines of business (medical expense, income protection and workmen's compensation), for which only a limited part is in scope of the model.

As to the *risk categories* covered, the non-life underwriting risk distinguishes the following sub-risks: premium attritional risk, premium large risk, reserve risk, man-made catastrophe risk and natural catastrophe risk. Premium risk is the risk that the earned premium over the forthcoming year is insufficient to cover the expenses and claims to which these premiums are related (a distinction is made between attritional claims and large claims with a cost above a predefined threshold). Reserve risk is the risk that the claims provisions are insufficient to cover outstanding claims and claims expenses. Man-made catastrophe risk is the risk that catastrophes with a human cause such as terrorist attacks occur and natural catastrophe risk is the risk that natural catastrophes occur.

E.4.3 Description of the methods used in the internal model for the calculation of the probability distribution forecast and the Solvency Capital Requirement

The purpose of the non-life internal model is to produce the Market Consistent Balance Sheet at t=0 (part related to the non-life liabilities and the theoretical assets backing these liabilities) and to project this balance sheet over a one-year period in every of the 100.000 simulations hence generating 100.000 values of the change of own funds which is equivalent to the market consistent P&L result.

Thanks to an appropriate level of granularity and a generation of the dependencies at the source, the P&L results can be obtained at entity level as well as for each sub-risk type and line of business. This allows a detailed analysis of the outcome of the model and a proper discussion with the relevant stakeholders.

Note that as far as the modelling of the natural cat risk is concerned, outputs from different external catastrophe models are considered in view of selecting the most appropriate model for each peril. Each entity and the group have a close collaboration with service providers and external model vendors to maintain and deepen their knowledge of the catastrophe modelling process, the assumptions and uncertainties inherent to the process.

E.4.4 Explanation, by risk module, of the main differences in the methodologies and underlying assumptions used in the standard formula and in the internal model

The methodology as used in the non-life internal model shows a number of differences with the methodology underlying the standard formula for non-life underwriting risk.

As to the sub-risks, these are similar between the standard formula and the internal model though the premium risk is split into attritional and large losses in the internal model. The lapse risk is not calculated in the internal model but is aggregated with the other sub-risks. Lines of business are more granular in the internal model.

Whilst the standard formula only produces one value namely the 99,5% percentile, the internal model produces the full distribution of the insurance profit. Regarding dependency and aggregation, the standard formula uses a Variance-Covariance matrix to aggregate the different SCRs, while in the internal model the dependency is generated at the source on

the gross losses, i.e. before reinsurance, before scaling down to the one-year volatility and before discounting. Dependency is considered between lines of business and between sub-risks as is also the case in the standard formula. In the standard formula, premium & reserve risk on the one hand and cat risk on the other hand are aggregated using a correlation coefficient of 25%. In the non-life internal model those are assumed to be independent.

For premium and reserve risk a factor-based model is used in the standard formula. The factors are common for the whole European market and the impact of reinsurance is obtained by applying a reduction factor to the gross Solvency Capital Requirement. In the internal model, the risks are entity–specific and the model replicates almost the full functioning of the entity's reinsurance treaties.

Where for man-made cat risk and natural cat risk, the standard formula only considers a limited number of scenarios with respect to reinsurance impact, the non-life internal model simulates the reinsurance impact as an integrated part of the scenarios. For natural cat risk, external models are used to produce inputs to the internal model.

E.4.5 The risk measure and time period used in the internal model

The risk measure is the difference between the 99,5% Value at Risk and the mean of the Market Consistent P&L result over a one-year horizon.

E.4.6 Description of the nature and appropriateness of the data used in the internal model

E.4.6.1 Structure of the internal model

While some data used in the internal model are provided by Ageas group (e.g. the risk-free yield curve), other data are specific to each entity such as:

- ✓ parameters of the distribution for attritional losses, large losses, outstanding losses which are based on historical data taking into consideration assumptions of the business plan for the next year
- ✓ correlation parameters, obtained by expert judgment where experts are the entity business managers
- ✓ man-made cat risk for motor and property, for which a European database is used in combination with an external tool where the input is the portfolio of each entity
- ✓ natural cat risk, for which an external tool is used where the input is the portfolio of each entity
- ✓ man-made cat risk for liability, for which entity specific scenarios are used
- ✓ parameters of the entity reinsurance treaties.

As to the appropriateness of the data, testing on data and on selected parameters is performed in order to validate the selection made. In addition, sensitivity and back-testing are done. The process documentation is an end-to-end description of the tasks, data and systems involved in the non-life assumption setting and underwriting risk SCR calculation. It details which activities need to be executed (description, tools/applications used, quality controls), validation points, and clearly defines responsibilities (departments and roles). Specific data quality checklists are executed on every internal model run and when exchanging data between entities and group.

E.4.6.2 Risks not covered by the standard formula but covered by the internal model

There are no such risks.

E.5 NON-COMPLIANCE WITH MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH SOLVENCY CAPITAL REQUIREMENT

Not applicable for AG.

E.6 ANY OTHER INFORMATION

No other information.

Annexes

ANNEX 1: PUBLIC QRTS

QRT BALANCE SHEET (S.02.01.02)

Assets	Solvency II value
Intangible assets	-
Deferred tax assets	-
Pension benefit surplus	-
Property, plant & equipement held for own use	377.343.640
Investments (other than assets held for index-linked and unit-linked contracts)	48.651.172.521
Property (other than for own use)	3.576.535.412
Holdings in related undertakings, including participations	1.483.911.587
Equities	3.388.005.677
Equities - listed	3.113.424.841
Equities - unlisted	274.580.836
Bonds	38.248.173.311
Government Bonds	27.066.281.759
Corporate Bonds	11.138.386.851
Structured notes	43.504.701
Collateralised securities	-
Collective Investments Undertakings	1.910.257.032
Derivatives	36.803.754
Deposits other than cash equivalents	7.485.748
Other investments	-
Assets held for index-linked and unit-linked contracts	13.296.313.669
Loans and mortgages	11.130.612.975
Loans on policies	277.925.640
Loans and mortgages to individuals	1.314.239.544
Other loans and mortgages	9.538.447.790
Reinsurance recoverables from:	822.032.643
Non-life and health similar to non-life	646.112.529
Non-life excluding health	608.455.737
Health similar to non-life	37.656.792
Life and health similar to life, excluding health and index-linked and unit-linked	175.920.114
Health similar to life	176.109.558
Life excluding health and index-linked and unit-linked	-189.444
Life index-linked and unit-linked	-
Deposits to cedants	560.568
Insurance and intermediaries receivables	177.636.131
Reinsurance receivables	-
Receivables (trade, not insurance)	346.104.929
Own shares (held directly)	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	-
Cash and cash equivalents	538.434.099
Any other assets, not elsewhere shown	267.002.864
Total assets	75.607.214.039

Liabilities	Solvency II value
Technical provisions – non-life	1.891.150.726
Technical provisions – non-life (excluding health)	1.732.356.094
TP calculated as a whole	-
Best Estimate	1.698.631.607
Risk margin	33.724.486
Technical provisions - health (similar to non-life)	158.794.632
TP calculated as a whole	-
Best Estimate	153.321.628
Risk margin	5.473.005
Technical provisions - life (excluding index-linked and unit-linked)	50.625.735.834
Technical provisions - health (similar to life)	2.163.461.446
TP calculated as a whole	-
Best Estimate	2.017.402.837
Risk margin	146.058.609
Technical provisions – life (excluding health and index-linked and unit-linked)	48.462.274.388
TP calculated as a whole	-
Best Estimate	48.015.380.765
Risk margin	446.893.623
Technical provisions – index-linked and unit-linked	12.755.171.148
TP calculated as a whole	-
Best Estimate	12.597.576.093
Risk margin	157.595.055
Other technical provisions	-
Contingent liabilities	-
Provisions other than technical provisions	37.868.369
Pension benefit obligations	795.263.494
Deposits from reinsurers	53.980.319
Deferred tax liabilities	408.609.345
Derivatives	63.341.928
Debts owed to credit institutions	2.294.355.218
Financial liabilities other than debts owed to credit institutions	158.814.805
Insurance & intermediaries payables	351.554.565
Reinsurance payables	-
Payables (trade, not insurance)	271.897.333
Subordinated liabilities	679.907.021
Subordinated liabilities not in BOF	-
Subordinated liabilities in BOF	679.907.021
Any other liabilities, not elsewhere shown	441.135.975
Total liabilities	70.828.786.080
Excess of assets over liabilities	4.778.427.958

QRT PREMIUMS, CLAIMS AND EXPENSES BY COUNTRY (S.04.05.21)

	Non-life insurance and reinsurance obligations					
	Home country	Top 5 countries other than Home country				
Premiums written (gross)						
Gross Written Premium (direct)	2.673.338.259	834.476				
Gross Written Premium (proportional reinsurance)						
Gross Written Premium (non-proportional reinsurance)	2.944.957					
Premiums earned (gross)						
Gross Earned Premium (direct)	2.661.285.145	503.683				
Gross Earned Premium (proportional reinsurance)						
Gross Earned Premium (non-proportional reinsurance)	3.015.846					
Claims incurred (gross)						
Claims incurred (direct)	1.367.649.887	1.103.664				
Claims incurred (proportional reinsurance)						
Claims incurred (non-proportional reinsurance)	1.181.866					
Expenses incurred (gross)						
Gross Expenses Incurred (direct)	1.093.751.091	1.198.754				
Gross Expenses Incurred (proportional reinsurance)						
Gross Expenses Incurred (non-proportional reinsurance)	426.154					

	Life insurance and reinsurance obligations					
	Home country	Top 5 countries other than Home country				
Gross Written Premium	4.822.802.063					
Gross Earned Premium	4.821.479.800					
Claims incurred	4.160.197.977					
Gross Expenses Incurred	668.938.335					

QRT PREMIUMS, CLAIMS AND EXPENSES BY LINE OF BUSINESS (S.05.01.02)

	Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
Premiums written									
Gross - Direct Business	133.833.214	54.431.792	270.951.245	446.473.582	376.117.468	957.619	953.564.265	191.696.118	-
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted									
Reinsurers' share	37.026	22.384.984	110.720.741	183.990.936	153.719.843	383.048	414.915.693	80.098.340	-
Net	133.796.188	32.046.807	160.230.505	262.482.646	222.397.625	574.571	538.648.572	111.597.778	-
Premiums earned									
Gross - Direct Business	132.014.182	54.449.840	270.870.412	445.029.329	373.490.197	965.627	950.583.259	191.343.009	-
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted									
Reinsurers' share	37.026	22.392.044	110.688.749	183.420.094	152.681.804	386.213	413.734.895	79.958.971	-
Net	131.977.156	32.057.796	160.181.662	261.609.235	220.808.393	579.414	536.848.364	111.384.038	-
Claims incurred									
Gross - Direct Business	108.607.335	22.297.142	178.420.577	284.020.552	211.398.911	521.049	340.062.529	97.611.940	-
Gross - Proportional reinsurance accepted	-	-	-	-	-	-	-	-	-
Gross - Non-proportional reinsurance accepted									
Reinsurers' share	-	8.645.043	72.981.451	135.296.122	90.282.299	456.994	149.738.368	46.490.535	-
Net	108.607.335	13.652.099	105.439.125	148.724.430	121.116.612	64.055	190.324.161	51.121.405	-
Expenses incurred	31.614.371	10.852.050	54.868.593	116.658.338	92.315.017	243.136	262.499.114	56.345.845	-
Other expenses									
Total expenses									

	Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
Premiums written								
Gross - Direct Business	117.090.846	104.770.273	24.286.313					2.674.172.735
Gross - Proportional reinsurance accepted	-	-	-					-
Gross - Non-proportional reinsurance accepted				-	2.944.957	-	-	2.944.957
Reinsurers' share	47.409.563	42.078.511	9.714.525	-	-	-	-	1.065.453.209
Net	69.681.283	62.691.762	14.571.788	-	2.944.957	-	-	1.611.664.483
Premiums earned								
Gross - Direct Business	116.708.185	102.430.615	23.904.173					2.661.788.828
Gross - Proportional reinsurance accepted	-	-	-					-
Gross - Non-proportional reinsurance accepted				-	3.015.846	-	-	3.015.846
Reinsurers' share	47.258.416	41.155.030	9.564.263	-	-	-	-	1.061.277.505
Net	69.449.769	61.275.585	14.339.910	-	3.015.846	-	-	1.603.527.169
Claims incurred								
Gross - Direct Business	52.663.754	63.903.365	9.246.396					1.368.753.551
Gross - Proportional reinsurance accepted	-	-	-					-
Gross - Non-proportional reinsurance accepted				-	1.181.866	-	-	1.181.866
Reinsurers' share	20.960.383	25.981.571	4.369.601	-	-310.610	-	-	554.891.758
Net	31.703.372	37.921.795	4.876.795	-	1.492.476	-	-	815.043.659
Expenses incurred	35.788.973	23.248.559	7.025.476	-	426.154	-	-	691.885.624
Balance - other technical expenses/income								-
Total technical expenses								691.885.624

	Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
	Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
Premiums written									
Gross	172.009.385	3.454.582.942	864.528.725	144.945.425	186.735.587	-	-	-	4.822.802.063
Reinsurers' share	2.402.220	5.651.818	-	3.042.440	5.788.511	-	-	-	16.884.989
Net	169.607.164	3.448.931.124	864.528.725	141.902.986	180.947.076	-	-	-	4.805.917.074
Premiums earned									
Gross	170.804.097	3.454.582.941	864.528.726	144.945.425	186.618.611	-	-	-	4.821.479.800
Reinsurers' share	2.402.220	5.651.818	-	3.042.440	5.788.511	-	-	-	16.884.989
Net	168.401.876	3.448.931.123	864.528.726	141.902.986	180.830.100	-	-	-	4.804.594.810
Claims incurred									
Gross	73.382.376	3.024.067.364	874.473.135	71.332.263	116.942.839	-	-	-	4.160.197.977
Reinsurers' share	959.389	4.325.977	-	689.812	2.292.176	-	-	-	8.267.354
Net	72.422.987	3.019.741.387	874.473.135	70.642.450	114.650.664	-	-	-	4.151.930.623
Expenses incurred	44.772.836	400.812.702	122.972.770	75.012.790	25.107.459	-	-	-	668.678.556
Balance - other technical expenses/income									-
Total technical expenses									668.678.556
Total amount of surrenders	4.868	1.174.078.120	606.909.936	5.903.953	-	-	-	-	1.786.896.876

QRT LIFE AND HEALTH SLT TECHNICAL PROVISIONS (S.12.01.02)

	Insurance with profit participation	Index-linked and unit-linked insurance		Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
			Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
Technical provisions calculated as a whole	-	-			-			-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	-	-			-			-	-	-
Technical provisions calculated as a sum of BE and RM										
Best Estimate										
Gross Best Estimate	47.614.483.802		-	12.597.576.180		400.896.819	-	-	-	60.612.956.801
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-189.622		-	-		-	-	-	-	-189.622
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	47.614.673.425		-	12.597.576.180		400.896.819	-	-	-	60.613.146.424
Risk Margin	413.956.188	157.595.055			32.937.435			-	-	604.488.679
Technical provisions - total	48.028.439.990	12.755.171.235			433.834.254			-	-	61.217.445.480

	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		Contracts without options and guarantees	Contracts with options or guarantees			
Technical provisions calculated as a whole	-			-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	-			-	-	-
Technical provisions calculated as a sum of BE and RM						
Best Estimate						
Gross Best Estimate		331.240.550	-	1.686.162.310	-	2.017.402.860
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default		2.856.699	-	173.252.859	-	176.109.558
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total		328.383.851	-	1.512.909.451	-	1.841.293.301
Risk Margin	80.359.392			65.699.217	-	146.058.609
Technical provisions - total	411.599.942			1.751.861.527	-	2.163.461.468

QRT NON-LIFE TECHNICAL PROVISIONS (S.17.01.02)

	Direct business and accepted proportional reinsurance								
	Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
Technical provisions calculated as a whole	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	-7.561.902	-7.969.037	-35.261.093	8.701.602	26.021.823	-27.412	60.495.848	-24.163.262	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-	-3.327.225	-15.221.579	2.345.917	11.212.917	-10.215	21.713.994	-10.606.688	-
Net Best Estimate of Premium Provisions	-7.561.902	-4.641.812	-20.039.515	6.355.685	14.808.905	-17.198	38.781.854	-13.556.575	-
Claims provisions									
Gross	32.276.564	43.307.411	128.529.683	772.986.231	41.397.791	5.720.279	231.307.901	370.975.617	-
Gross discounted Best Estimate Claims Provisions for claim events occurred during the current financial year	29.836.776	20.453.609	48.500.931	177.782.195	41.419.591	5.383	152.884.306	56.505.777	-
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-	17.037.779	39.167.822	257.629.747	23.668.659	2.977.389	125.195.240	98.378.008	-
Net Best Estimate of Claims Provisions	32.276.564	26.269.632	89.361.861	515.356.484	17.729.132	2.742.890	106.112.661	272.597.609	-
Total Best estimate - gross	24.714.662	35.338.374	93.268.590	781.687.833	67.419.613	5.692.866	291.803.749	346.812.355	-
Total Best estimate - net	24.714.662	21.627.820	69.322.347	521.712.170	32.538.037	2.725.692	144.894.514	259.041.035	-
Risk margin	1.173.993	661.206	3.637.806	12.720.397	2.767.142	30.263	9.329.447	6.425.501	-
Technical provisions - total									
Technical provisions - total	25.888.655	35.999.581	96.906.395	794.408.231	70.186.755	5.723.129	301.133.196	353.237.856	-
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	-	13.710.554	23.946.243	259.975.664	34.881.576	2.967.174	146.909.234	87.771.320	-
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	25.888.655	22.289.027	72.960.152	534.432.567	35.305.179	2.755.955	154.223.962	265.466.535	-
Cash-flows of the Best estimate of Claims Provisions (Gross)									
Gross claims paid in the current financial year relating to claims incurred before the current financial year	28.747.947	17.659.979	126.678.528	140.568.397	36.008.867	69.014	128.167.582	42.476.207	-
Gross claims paid in the current financial year relating to claims incurred in the current financial year	69.151.187	5.391.014	40.307.187	83.239.666	176.155.798	56.875	208.395.117	16.372.550	-

	Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
Technical provisions calculated as a whole	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM								
Best estimate								
Premium provisions								
Gross	-6.275	32.776.275	74.706	-	-600.420	-	-	52.480.852
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	-101.324	13.231.782	-25.262	-	-	-	-	19.212.318
Net Best Estimate of Premium Provisions	95.048	19.544.493	99.969	-	-600.420	-	-	33.268.534
Claims provisions								
Gross	142.282.013	7.405.115	7.122.219	-	16.161.556	-	-	1.799.472.381
Gross discounted Best Estimate Claims Provisions for claim events occurred during the current financial year	42.430.335	7.172.134	6.689.250	-	2.989.350	-	-	586.669.638
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	50.782.389	2.960.369	3.055.060	-	6.047.748	-	-	626.900.209
Net Best Estimate of Claims Provisions	91.499.624	4.444.746	4.067.159	-	10.113.808	-	-	1.172.572.171
Total Best estimate - gross	142.275.738	40.181.390	7.196.926	-	15.561.136	-	-	1.851.953.232
Total Best estimate - net	91.594.672	23.989.239	4.167.128	-	9.513.389	-	-	1.205.840.705
Risk margin	1.228.892	454.620	508.353	-	259.871	-	-	39.197.491
Technical provisions - total								
Technical provisions - total	143.504.630	40.636.010	7.705.279	-	15.821.008	-	-	1.891.150.723
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	50.681.066	16.192.151	3.029.798	-	6.047.748	-	-	646.112.527
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	92.823.564	24.443.859	4.675.482	-	9.773.260	-	-	1.245.038.196
Cash-flows of the Best estimate of Claims Provisions (Gross)								
Gross claims paid in the current financial year relating to claims incurred before the current financial year	36.561.979	7.487.481	1.155.712	-	901.750	-	-	566.483.442
Gross claims paid in the current financial year relating to claims incurred in the current financial year	4.206.998	58.488.027	5.313.157	-	-	-	-	667.077.576

QRT NON-LIFE INSURANCE CLAIMS INFORMATION (S.19.01.21)

	Development year											In Current year	Sum of years (cumulative)
	0	1	2	3	4	5	6	7	8	9	10 & +		
Prior											28.949.864	28.949.864	28.949.864
N-9	497.864.969	228.758.195	36.424.482	23.325.739	17.752.575	11.607.756	8.768.159	7.838.635	9.082.892	7.996.381		7.996.381	849.419.785
N-8	439.531.242	224.325.382	42.350.826	19.307.384	15.663.298	11.364.933	12.264.392	10.329.762	6.148.571			6.148.571	781.285.791
N-7	521.729.479	255.027.891	44.695.250	21.241.811	16.653.294	14.411.895	12.471.905	10.666.911				10.666.911	896.898.436
N-6	541.725.006	239.071.436	41.574.931	22.537.183	17.055.805	14.993.761	11.993.288					11.993.288	888.951.410
N-5	543.539.570	197.291.798	41.214.942	22.461.880	16.884.598	9.446.471						9.446.471	830.839.258
N-4	724.352.350	347.325.014	52.718.922	14.944.781	19.636.622							19.636.622	1.158.977.690
N-3	631.190.708	291.034.566	53.487.566	27.879.082								27.879.082	1.003.591.922
N-2	623.698.567	340.073.258	60.740.819									60.740.819	1.024.512.644
N-1	721.796.749	349.729.579										349.729.579	1.071.526.328
N	761.038.092											761.038.092	761.038.092
											Total	1.294.225.682	9.295.991.221

	Development year											Year end (discounted data)
	0	1	2	3	4	5	6	7	8	9	10 & +	
Prior											431.799.485	327.764.750
N-9	428.638.118	178.229.459	137.645.301	110.332.649	111.956.629	85.608.026	80.397.097	76.833.709	75.691.711	71.480.546		55.774.215
N-8	414.345.161	176.547.053	139.067.671	136.061.661	111.635.461	98.993.003	85.001.586	84.630.524	83.049.661			64.055.903
N-7	436.927.655	152.091.105	157.065.668	121.022.702	98.164.929	87.163.579	73.103.022	61.849.946				48.829.048
N-6	442.667.593	202.315.876	140.651.447	127.450.709	111.145.286	108.211.083	89.281.314					70.157.942
N-5	377.819.445	149.016.864	118.792.817	99.474.391	90.170.257	86.539.570						70.928.843
N-4	487.946.305	223.756.067	163.292.844	142.015.241	125.865.991							102.132.572
N-3	413.504.309	191.783.389	175.958.056	132.610.392								109.864.693
N-2	505.412.806	216.096.400	179.271.071									149.449.390
N-1	574.552.739	249.081.539										213.845.381
N	635.887.298											586.669.630
											Total	1.799.472.368

QRT IMPACT OF LONG TERM GUARANTEES AND TRANSITIONAL MEASURES (S.22.01.21)

	Amount with LTG measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
Technical provisions	65.272.057.672	-	-	289.564.837	-
Basic own funds	5.062.921.053			-207.298.102	
Eligible own funds to meet SCR	5.062.921.053			-207.298.144	
SCR	2.373.223.546			105.192.932	
Eligible own funds to meet MCR	4.596.604.151			-197.830.738	
Minimum Capital Requirement	1.067.950.596			47.336.820	

QRT OWN FUNDS (S.23.01.01)

	Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35					
Ordinary share capital (gross of own shares)	526.604.028	526.604.028		-	
Share premium account related to ordinary share capital	231.497.747	231.497.747		-	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	-	-		-	
Subordinated mutual member accounts	-		-	-	-
Surplus funds	836.556.147	836.556.147			
Preference shares	-		-	-	-
Share premium account related to preference shares	-		-	-	-
Reconciliation reserve	2.788.356.108	2.788.356.108			
Subordinated liabilities	679.907.021		-	679.907.021	-
An amount equal to the value of net deferred tax assets	-				-
Other own fund items approved by the supervisory authority as basic own funds not specified above	-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	-				
Deductions					
Deductions for participations in financial and credit institutions	-	-	-	-	-
Total basic own funds after deductions	5.062.921.053	4.383.014.032	-	679.907.021	-

Ancillary own funds					
Unpaid and uncalled ordinary share capital callable on demand	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	-			-	
Unpaid and uncalled preference shares callable on demand	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-			-	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	-			-	-
Other ancillary own funds	-			-	-
Total ancillary own funds	-			-	-
Available and eligible own funds					
Total available own funds to meet the SCR	5.062.921.053	4.383.014.032	-	679.907.021	-
Total available own funds to meet the MCR	5.062.921.053	4.383.014.032	-	679.907.021	
Total eligible own funds to meet the SCR	5.062.921.053	4.383.014.032	-	679.907.021	-
Total eligible own funds to meet the MCR	4.596.604.151	4.383.014.032	-	213.590.119	
SCR	2.373.223.546				
MCR	1.067.950.596				
Ratio of Eligible own funds to SCR	213%				
Ratio of Eligible own funds to MCR	430%				

Reconciliation reserve	
Excess of assets over liabilities	4.778.427.958
Own shares (held directly and indirectly)	-
Foreseeable dividends, distributions and charges	395.412.299
Other basic own fund items	1.594.657.923
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	-
Reconciliation reserve	2.788.356.108

QRT SOLVENCY CAPITAL REQUIREMENT – FOR UNDERTAKINGS ON STANDARD FORMULA (S.25.01.21)

	Gross solvency capital requirement	USP	Simplifications
Market risk	3.427.467.176		
Counterparty default risk	112.649.648		
Life underwriting risk	1.896.234.998		
Health underwriting risk	375.553.954		
Non-life underwriting risk	484.035.757		
Diversification	-1.693.158.197		
Intangible asset risk			
Basic Solvency Capital Requirement	4.602.783.335		

Operational risk	288.852.905
Loss-absorbing capacity of technical provisions	-1.885.699.796
Loss-absorbing capacity of deferred taxes	-580.799.753
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	
Solvency capital requirement excluding capital add-on	2.425.136.692
Capital add-on already set	-
Solvency capital requirement	2.425.136.692
Other information on SCR	
Capital requirement for duration-based equity risk sub-module	
Total amount of Notional Solvency Capital Requirement for remaining part	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	
Diversification effects due to RFF nSCR aggregation for article 304	

Approach based on average tax rate	Yes

	LAC DT
LAC DT	-580.799.753
LAC DT justified by reversion of deferred tax liabilities	-410.570.303
LAC DT justified by reference to probable future taxable economic profit	-172.190.408
LAC DT justified by carry back, current year	1.960.957
LAC DT justified by carry back, future years	
Maximum LAC DT	-1.226.244.156

-

QRT SOLVENCY CAPITAL REQUIREMENT – FOR UNDERTAKINGS USING THE STANDARD FORMULA AND PARTIAL INTERNAL MODEL (S.25.05.21)

	Solvency Capital Requirement	Amount modelled	USP	Simplifications
Risk type				
Total diversification	-781.589.689			
Total diversified risk before tax	2.935.345.851			
Total diversified risk after tax	2.373.223.546			
Total market & credit risk	2.640.081.205			
Market & Credit risk - diversified	2.058.440.278			
Credit event risk not covered in market & credit risk	108.957.627			
Credit event risk not covered in market & credit risk - diversified	101.927.108			
Total Business risk				
Total Business risk - diversified				
Total Net Non-life underwriting risk	571.007.649	479.830.470		
Total Net Non-life underwriting risk - diversified	306.407.657	295.682.699		
Total Life & Health underwriting risk	1.379.587.403			
Total Life & Health underwriting risk - diversified	961.307.591			
Total Operational risk	288.852.905			
Total Operational risk - diversified	288.852.905			
Other risk				

Total undiversified components	3.154.813.235
Diversification	-781.589.689
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	
Solvency capital requirement excluding capital add-on	
Capital add-ons already set	2.373.223.546
Solvency capital requirement	-
Other information on SCR	
Amount/estimate of the overall loss-absorbing capacity of technical provisions	-1.899.460.957
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	-562.122.305
Capital requirement for duration-based equity risk sub-module	
Total amount of Notional Solvency Capital Requirements for remaining part	
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional))	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	
Diversification effects due to RFF nSCR aggregation for article 304	
Method used to calculate the adjustment due to RFF nSCR aggregation	
Net future discretionary benefits	2.738.429.117

Approach based on average tax rate	Yes

	LAC DT
LAC DT	-562.122.305
LAC DT justified by reversion of deferred tax liabilities	-410.570.303
LAC DT justified by reference to probable future taxable economic profit	-153.512.959
LAC DT justified by carry back, current year	1.960.957
LAC DT justified by carry back, future years	
Maximum LAC DT	-1.226.244.156

QRT MINIMUM CAPITAL REQUIREMENT – BOTH LIFE AND NON-LIFE INSURANCE ACTIVITY (S.28.02.01)

	Non-life activities	Life activities
	MCR(NL,NL) Result	MCR(NL,L)Result
Linear formula component for non-life insurance and reinsurance obligations	245.815.314	-

	Non-life activities		Life activities	
	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
Medical expense insurance and proportional reinsurance	24.714.662	133.833.215	-	-
Income protection insurance and proportional reinsurance	21.627.821	32.046.807	-	-
Workers' compensation insurance and proportional reinsurance	69.322.353	160.230.505	-	-
Motor vehicle liability insurance and proportional reinsurance	521.712.168	262.482.646	-	-
Other motor insurance and proportional reinsurance	32.538.031	222.397.625	-	-
Marine, aviation and transport insurance and proportional reinsurance	2.725.692	574.571	-	-
Fire and other damage to property insurance and proportional reinsurance	144.894.517	538.649.453	-	-
General liability insurance and proportional reinsurance	259.041.034	111.597.778	-	-
Credit and suretyship insurance and proportional reinsurance	-	-	-	-
Legal expenses insurance and proportional reinsurance	91.594.672	69.681.283	-	-
Assistance and proportional reinsurance	23.989.239	62.691.762	-	-
Miscellaneous financial loss insurance and proportional reinsurance	4.167.128	14.571.788	-	-
Non-proportional health reinsurance	-	-	-	-
Non-proportional casualty reinsurance	9.513.389	3.079.710	-	-
Non-proportional marine, aviation and transport reinsurance	-	-	-	-
Non-proportional property reinsurance	-	-	-	-

	Non-life activities	Life activities
	MCR(L,NL) Result	MCR(L,L) Result
Linear formula component for life insurance and reinsurance obligations	36.889.013	1.676.804.677

	Non-life activities		Life activities	
	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
Obligations with profit participation - guaranteed benefits	-		44.876.244.380	
Obligations with profit participation - future discretionary benefits	-		2.738.429.117	
Index-linked and unit-linked insurance obligations	-		12.597.576.093	
Other life (re)insurance and health (re)insurance obligations	1.756.619.647		485.570.456	
Total capital at risk for all life (re)insurance obligations		-		86.288.480.834

Overall MCR calculation

Linear MCR	1.959.509.004
SCR	2.373.223.546
MCR cap	1.067.950.596
MCR floor	593.305.886
Combined MCR	1.067.950.596
Absolute floor of the MCR	8.000.000
Minimum Capital Requirement	1.067.950.596

Notional non-life and life MCR calculation	**Non-life activities**	**Life activities**
Notional linear MCR	282.704.327	1.676.804.677
Notional SCR excluding add-on (annual or latest calculation)	342.392.183	2.030.831.363
Notional MCR cap	154.076.482	913.874.113
Notional MCR floor	85.598.046	507.707.841
Notional Combined MCR	154.076.482	913.874.113
Absolute floor of the notional MCR	4.000.000	4.000.000
Notional MCR	154.076.482	913.874.113